

# DEFINING THE FUTURE OF LOTTERY

ANNUAL REPORT 2023



**ZEAL**

# OUR MISSION

ZEAL Network SE is the leading German online broker for state lotteries and other licensed lottery products. Our aim is to innovate and drive change in the lottery sector while further expanding our online market leadership.

## **Defining the future of lottery!**

As a technology company, we constantly strive to enrich our offerings with new innovations. To achieve this, we leverage our many years of experience in the e-commerce sector, our lottery expertise and our knowledge of our customers' wishes, aims and gaming behaviour.

## **We let people dream. We make a contribution to society.**

Our products enable people to dream big. And with every lottery ticket sold, we are helping society by supporting good causes via our charity lotteries or via our customers playing the state-run lotteries.



# SUSTAINABILITY REPORT

## Foreword

Dear stakeholders,

We are game changers. We let people dream. To offer our customers a unique and safe gaming experience, we embrace innovative technologies and strive to constantly push the envelope. At the same time, acting responsibly is one of the key values of our business model. It is our 'licence to operate' and the basis of the licence we have been granted to operate in the highly regulated gaming market.

At ZEAL, we attach great importance to taking personal responsibility. 'Act like an owner' is therefore one of our guiding principles. It gives me great pride to see that sustainability at ZEAL is not something that is simply dictated from above, but something that is actively demanded from within the organisation. This positive dynamic has played a key role in our remarkable development in the third year of sustainability reporting – a year in which we once again made both quantitative and qualitative progress.

We conducted a stress test on our reporting in order to prepare in good time for the EU's demanding European Sustainability Reporting Standards (ESRS). Among other things, this test revealed the need to update our materiality analysis in order to assess topics even more precisely with regard to their impact and financial relevance. In 2023, we added an exciting and innovative range of virtual slot machine games ('games') to our lottery products. This makes us the only provider to offer such a service so far. In order to fulfil our responsibility and meet the strict legal requirements in this field as well, we have examined the product safety and player protection requirements even more intensively and, as part of an environmental scan, discovered where we can go the extra mile. Our continuous efforts in recent years have also been recognised by ESG rating agencies, which raised our sustainability ratings even further.

With regard to our workforce, we introduced a Working Hours Policy in 2023, which in particular contains standards and regulations on our working hours, office interaction and work-life balance. Our highly skilled employees are one of our most important success factors. Our sustainability efforts are therefore also born of a commitment to them to provide a workplace that combines economic success with the all-important commodity of a sustainable world worth living in. Diversity is of particular importance to us. In order to actively promote a diverse corporate culture, we have established a dedicated working group for diversity management at ZEAL.

For 2024, we have also resolved to continue our process of developing a comprehensive sustainability strategy. This will be our compass for determining the direction of our sustainability efforts and for setting our targets and activities.

We are proud of the progress we have made so far with regard to sustainability and look forward to further progress as we continue to shape the future of gaming as a sustainable company. Join us on this journey!

Best regards,



Helmut Becker

## About this Sustainability Report

This non-financial report (Sustainability Report) documents ZEAL's progress in the achievement of our sustainability goals. It is the third report of its kind we have presented and covers the period of the past fiscal year from 1 January 2023 to 31 December 2023. Unless otherwise stated, all information in this report relates to ZEAL Network SE (ZEAL SE) including our brands LOTTO24, Tipp24, ZEAL Iberia, ZEAL Instant Games, ZEAL Ventures and 'freiheit+' as well as our locations in Hamburg (Germany), London (United Kingdom) and Madrid (Spain).

We have further developed our sustainability strategy. Important elements for this were, on the one hand, the findings from our stakeholder engagement process conducted in 2021/22, from the new EU Corporate Sustainability Reporting Directive (CSRD) and from the processing of the ratings we received from the ESG rating agencies MSCI, ISS and Sustainalytics. For this purpose, we have developed tools which enable us to systematically collect our findings, translate them into measures and effectively steer them.

The topic of sustainability is embedded within the Company on an interdepartmental and thus interdisciplinary basis. Representatives from the People & Culture, Compliance, Investor Relations, Legal, Risk, Corporate Development, Finance, Project Management and Office Management departments play a particularly important role in helping us achieve further progress in our sustainability efforts. They are continuously involved in sustainability-related issues and decision-making processes.

In order to compare our performance over time, we use the presentation of three-year periods (2021, 2022, 2023) in this report whenever possible. Where necessary, figures in this report have been rounded in accordance with common commercial standards. Percentage figures may add up to 98-102% due to rounding differences.

## METHODOLOGY AND FRAMEWORKS

In order to achieve the highest possible standards in our sustainability reporting and facilitate the comparability of our economic and socio-ecological performance across the sector in which we operate, we base our methods on various frameworks.

As this report focuses on the needs of ZEAL's stakeholders, we are primarily guided by the recommendations of the Global Reporting Initiative (GRI) and its multi-perspective stakeholder approach, as well as by the German Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK). We plan to expand the scope and level of detail of our sustainability reporting over the coming years in order to successively increase our degree of compliance with the GRI and DNK recommendations. Moreover, we highlight which sustainability goals of the 2030 Agenda (Sustainable Development Goals) we aim to contribute towards. Further information and operationalisation can be found in the section on our sustainability strategy. We regularly review how we can enhance and expand our sustainability reporting. In doing so, we take into account both national and international initiatives and standards for corporate sustainability reporting.

## EVALUATION

We use various measures to evaluate our performance in the sustainability report. On the one hand, we have defined relevant ESG data (environmental, social, governance – ESG) and collected it in a central database, which is continuously updated and expanded as needed. Secondly, we have installed a comprehensive risk management system. More information on this system can be found in the chapter Risk Management.

Moreover, we have defined clear responsibilities and roles. The monitoring of ZEAL's ESG strategy and activities is the responsibility of the Supervisory Board, whose members were recently elected for a period of four years until the Annual General Meeting 2026. The Management Board is responsible for steering the specific activities. Within the Management Board, our CFO Sebastian Bielski has held primary responsibility for ESG issues since 1 October 2023. The Management Board as a whole reviewed environmental and social issues and their impact, risks and opportunities at three Management Board meetings in 2023. At the same time, we have allocated various responsibilities within the Company for the coordination and implementation of our ESG strategy and activities. An ESG task group meets every four weeks to continuously monitor and evaluate ZEAL's sustainability processes. The ESG team received extensive training on the topic of sustainability in the course of workshops and special sessions.

Within the task group, the responsibilities are as follows:

<b>Area</b>	<b>Responsibility</b>
<b>CO<sub>2</sub> reduction/management</b>	Helge Poel (Enterprise Security)
<b>Reduce and reuse plan/GREEN ZEAL</b>	Nevra Dingwitz (Office Management)
<b>ESG strategy</b>	Sebastian Bielski (CFO) Helge Poel (Enterprise Security)
<b>Responsible marketing</b>	Carsten Muth (Legal) Jan Kretschmer (Public Policy)
<b>Responsible gambling</b>	Jan Kretschmer (Public Policy)
<b>Transparent products</b>	Carsten Muth (Legal)
<b>Human rights</b>	Carsten Muth (Legal) Yvonne Gröbbels (People & Culture)
<b>Digital technologies/innovation</b>	Helge Poel (Enterprise Security)
<b>Data protection/data security</b>	Carsten Muth (Legal) Helge Poel (Enterprise Security)
<b>Employee satisfaction/employee rights/employee protection</b>	Yvonne Gröbbels (People & Culture)
<b>Diversity</b>	Yvonne Gröbbels (People & Culture)
<b>CSR (Corporate Social Responsibility)</b>	Yvonne Gröbbels (People & Culture)
<b>Stakeholder dialogue</b>	Frank Hoffmann (Investor Relations)
<b>Compliance</b>	Carsten Muth (Compliance Officer) Jan Kretschmer (Public Policy) Frank Hoffmann (Investor Relations) Helge Poel (Enterprise Security)
<b>Fair competition</b>	Carsten Muth (Legal)
<b>Corruption/money laundering</b>	Carsten Muth (Legal) Jan Kretschmer (Public Policy)
<b>Lobbyism</b>	Jan Kretschmer (Public Policy)
<b>Risk management</b>	Carsten Muth (Legal) Helge Poel (Enterprise Security)

## IMPORTANT TO KNOW

The report is published in German and English and is available on our corporate website (zealnetwork.de). Should there be any questions of interpretation between the different language versions of this Sustainability Report, the German version is decisive.

All readers and stakeholders are cordially invited to send us feedback, suggestions or questions about our third Sustainability Report. We can be reached by telephone at +49 (0)40 809036065 or by e-mail at office@zealnetwork.de.

## Sustainability strategy and goals

### WE LET PEOPLE DREAM

Our aim is to let people dream and to make them happy. We want to do this in an attractive and safe gaming environment. Our mission is to combine economic success and responsibility for the environment and society in a successful business model. Our business activities and our strategic orientation are based on three clearly defined values:

- **Act like an owner:** We make informed decisions by understanding customer needs and consciously considering opportunities and risks. We get things done and hold ourselves accountable for the outcome. We stay focused, keep it simple and everything we do serves to satisfy our customers' high expectations.
- **Be a game changer:** We think big and challenge the status quo, embrace failures and mistakes along the way, love extraordinary ideas and are proud of our ambition to become the best-in-class e-commerce company in the lottery and gambling field.
- **Play as a team:** We treat each other with fairness and respect. ZEAL is a safe environment. We are transparent, open and speak our minds even in tough situations. We believe that being humble and showing vulnerability makes us stronger. We have each other's backs and grow together with every challenge we encounter.

These values form the basis of our ZEAL Code (Code of Conduct/Code of Ethics) and were developed and approved for this purpose by the Management Board.

### UPDATE OF OUR SUSTAINABILITY STRATEGY UNTIL 2024 – ACCOMPLISHMENTS AND PLANS

In line with our corporate values and with due consideration of our business model, we are currently working on a comprehensive revision of our sustainability strategy. The aim is to achieve a positive impact on society and the environment while ensuring our long-term economic success as part of a triple bottom line approach.

We want our new sustainability strategy to provide clear guidance, set the framework for our sustainability activities and define ZEAL's sustainability profile.

With the launch of our new Games division, we have expanded our business model. This milestone in our Company's strategic development has resulted in new regulatory requirements and changed the parameters for our sustainability activities, including key issues for us such as player protection and product safety.

In order to meet these new challenges and continue to offer the safest possible customer experience, we updated our sustainability strategy in 2023 and introduced a number of new initiatives. We have already made significant progress in several areas:

- **Active dialogue with rating agencies:** we maintain a regular and active dialogue with the relevant ESG rating agencies and have already significantly improved our sustainability ratings.
- **Preparation for the new regulatory requirements:** ZEAL will be subject to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in future. In order to plan the appropriate allocation of our resources, we have been working hard to prepare for the introduction of the new EU requirements for non-financial reporting since 2023. As part of a CSRD/ESRS readiness check, we have analysed how well our reporting already meets the requirements and what still needs to be done before they come into force.
- **Update of our ESG strategy:** in early 2023, we updated our stakeholder mapping to identify and prioritise our stakeholders and in November 2023 held an ESG workshop together with an external consulting agency to prepare the update of our materiality analysis in accordance with the double materiality test. As well as preparing the ground for our new strategy, the workshop gave us an opportunity to network our expertise and experience across departments and was also attended by our top management level.
- **Environmental scan on player protection:** to ensure ZEAL's player protection also meets the highest international quality standards and we remain competitive, we conducted a comprehensive environmental scan of the current trends and best practices in the gaming sector. A comparison with our most important competitors revealed that we already have a high level of player protection, product safety and transparency.
- **Diversity management:** ZEAL attaches great importance to the topic of diversity. We have set up a dedicated working group on diversity management to flesh out our diversity strategy and steer a wide range of measures.

In early 2024, we began the process of updating our materiality analysis in accordance with the double materiality test. In view of our expanded business model, the aim of the materiality analysis was also to reassess our identification of the relevant stakeholders with their expectations and needs and to define the topics that are material to us from an inside-out perspective (positive and negative effects of ZEAL's activities on society and the environment) and an outside-in perspective (opportunities and risks of sustainability topics for the financial situation of a company and the future viability of its business model).

## OUR INTEGRATED BUSINESS MODEL – STATUS QUO

Our business model combines economic success with ecological and social aspects. This integrated approach ensures that we consider the needs and interests of all our stakeholders, make a positive contribution for the environment and society, and reduce or ideally eliminate our negative impact.

Our positive contributions and thus also our opportunities include:

- **A successful business model:** the success of our business model increases our added value for the common good, because lottery markets are high-revenue and the number lottery is by far the most popular type of gambling in Germany. Even if the odds of winning a major prize are low for the individual, the common good benefits from every draw in the form of taxes and levies from the stakes.
- **Products with added value for society and the environment:** our charity and environmental lotteries, such as 'freiheit+', 'Das Grüne Glück' and 'Der Blaue Schatz', reinforce our added value for society and the environment as an additional contribution goes to charitable projects for every lotto field played.
- **Resilience through ethical behaviour and good business practice:** our customer-oriented business model thrives on our good reputation as well as our responsible and legally compliant behaviour. As our shareholders demand a great deal from us in this respect, the establishment of ethical and good business practices also strengthens the overall resilience of our business success. We attach particular importance to the avoidance of sector-specific risks and dangers in the use of our products. In particular, the prevention of money laundering, protection of minors and players, fair competition and transparent corporate governance as well as independent control bodies are the main focus areas of our ethical behaviour. From a strategic perspective, we meet these challenges by systematically monitoring our actions and ensuring control and maximum transparency by means of independent bodies and stakeholders. We want to offer the best legal and secure gaming opportunities, whether for lotteries or for our new games business.
- **Technologies and innovations:** in order to realise our vision of redefining the future of gaming, we focus on technology and innovation. In this way, we want to offer our customers an even more attractive, even safer gaming experience and make our offers even more accessible. A large part of our staff is therefore involved with product development, scaling, cloud-based infrastructures, big data processing and IT security.

- **Attractive workplaces:** to position ourselves as an attractive employer and thus attract and retain capable, motivated and highly skilled employees for ZEAL, we focus on the strategic management of recruitment, the retention of talent and the safeguarding of our employees' physical and mental health. Investing in the satisfaction of our workforce makes us efficient, creative and innovative in the long term.

We counter the negative impact of our business activities, which also represent risks for us, by taking a solution-oriented approach with the aim of minimising our negative impact by means of an appropriate risk management system. This includes:

- **Risks that may lead to problematic behaviour or gambling addiction in vulnerable individuals:** we take this risk very seriously and not only comply with the requirements of the German State Treaty on Games of Chance ('Glücksspielstaatsvertrag 2021' – GlüStV) by having a social concept for the gaming products we market and by adhering to the advertising restrictions to protect vulnerable player personalities and minors, but also employ technical innovations to protect our customers.
- **Risks resulting from the processing of personal data:** data not only offers us new business opportunities, but it also requires us to exercise a high degree of care and security. The protection of our customer data forms the basis of trust on which our business success is built. Only by processing relevant data can we comply with legal requirements, enable the secure processing of payments, contribute to the protection of players and minors, and prevent the misuse of data.
- **Risks relating to compliance with environmental and social standards in our supply chain:** with the expansion of our business model to include games, supply chain issues have also become more important for us. The challenge for ZEAL is to ensure that our suppliers comply with company standards, especially with regard to human rights and working conditions.
- **Risks due to an insufficient level of diversity:** our stakeholders demand a higher level of diversity from us. We also demand more diversity from ourselves, but still have a long way to go as the gaming industry, and thus also our Company, has traditionally appealed more to men. But every journey begins with the first steps – we therefore want to continue to evolve and create a more diverse corporate culture.
- **Climate-related risks:** even though we primarily market digital products, we also generate waste and greenhouse gases, consume electricity and water. Mitigating climate change is a task for society as a whole, and we aim to play our part in combating it, too.

Based on our first materiality analysis in 2021/22, the subsequent reassessment of the relevant topics for the 2022 Sustainability Report and a review of the results in our 2023 ESG workshop, our strategic approach currently prioritises the following focus topics:

<b>Focus topics</b>	<b>Strategically important measures and targets</b>	<b>To be found in the report</b>
<b>Attractive employer/diversity</b>	Recruiting and retaining talent	p. 38–40
	Good working conditions in a changing work environment	p. 44/45
	More flexible working hours and working models	p. 36
	Good leadership	p. 27/44
	Health and safety	p. 40/44/45
	Equal opportunities, fair pay	p. 36/37/44
	Employee development	p. 27/39/41
	Diversity management via a working group	p. 38
	Promotion of diversity	p. 37/38/39
	Involvement of employees	p. 37
	Self-initiated sustainability projects	p. 26
<b>Ethical behaviour &amp; good business practice, including supply chain</b>	Combating corruption & money laundering, defence against manipulation and crime	p. 46/47
	Regulatory stability	p. 44/45
	Audits	p. 31/32/33
	Human rights	p. 27/44
	Transparent communication	p. 40
	Compliance with environmental and social standards in the supply chain	p. 27/44
	Independent Supervisory Board	p. 45/46
	Fair competition	p. 46
Tax transparency	p. 41	
<b>Protection of players &amp; minors/responsible products</b>	Responsible and safe product design	p. 21/28
	Prevention, intervention and support in cases of gambling addiction in connection with our products	p. 27/28/29
	Minimising the risk of addiction to our products	p. 27
	Transparent products	p. 31
	Safe gaming including provision of information & support on the dangers of gambling	p. 31
	Responsible marketing	p. 30/31
<b>Environmental protection/CO<sub>2</sub> emissions</b>	Energy efficiency, energy management	p. 24
	Reduction of emissions	p. 23/24
	Sustainable use of water	p. 25
	Waste management	p. 24/25/26
	Sustainable business travel	p. 23
<b>Data protection</b>	Careful handling of personal data	p. 32
	Data protection policy	p. 32/33
	Training on data protection and data security	p. 33
<b>Sustainable finance</b>	Linking business and sustainability strategy	p. 42/49



## RESPONSIBILITY ALONG OUR VALUE CHAIN

Our value chain, the core of which is the secure and successful operation of our online platform, is fundamentally divided into the following areas:

- 1. Regulation and licence granting:** as a provider of gaming services and lotteries, ensuring compliance with applicable laws and regulations in the respective offering segments as well as the granting of the corresponding licences is a cornerstone of ZEAL's value chain. The German gambling market is highly regulated by international standards, and ZEAL is subject to strict legal requirements focusing on the protection of our players, product safety and product transparency.
- 2. Platform development:** At the heart of our value chain are our platforms and the online services and products that we provide on them, as well as their further development and innovation and the regular updating of the technical infrastructure. Platform development is the primary area in which ZEAL utilises external suppliers, while this is only done in isolated cases in other areas of the Company. As part of our business expansion, we utilise suppliers from Eastern Europe and Asia in addition to Western suppliers.
- 3. Marketing and advertising:** in order to increase the visibility of our products and to interest customers in our products, we engage in responsible marketing and advertise our offerings on various channels and media. Our marketing activities comply with all laws and national voluntary commitments.
- 4. Payment management:** our payment management ensures the availability of payment options, in other words deposit and withdrawal options, especially for the payment of our products, the use of funds and the paying out of winnings. Payments are almost completely automated at ZEAL and are therefore processed promptly and accurately.
- 5. E-commerce platform for lottery products:** this includes the offering, delivery and execution of our digital gaming experiences and lottery products.
- 6. Customer satisfaction management/customer support:** as part of our product offering, we provide support for customer issues, on the utilisation of our products, on payment management and on regulatory, security and compliance-related topics.
- 7. Security and compliance:** to ensure the security of our products, the data we collect and our payment management, the area of security and compliance plays a major role for us. It includes monitoring, control and various measures that ensure fair and legally compliant products.
- 8. Data analysis:** in order to improve our offering and optimise our marketing strategy, we collect data and information about the use of our products.

## OUR CONTRIBUTION TO THE AGENDA 2030

The United Nations has adopted a globally recognised guiding principle for sustainable development in the form of the 2030 Agenda. In order to achieve the so-called Sustainable Development Goals (SDGs), the private sector, and thus also ZEAL, is called upon to make a contribution.

The SDGs are an opportunity for us to align our strategy with the needs of society as a whole. As part of our materiality analysis, we therefore reviewed with our stakeholders which SDGs we can contribute to as part of our strategy and then operationalised this contribution with the aid of the UNGC's 'SDG Compass' and the EU's 'SDG & me' platform.

### OUR ACTIVITIES FOCUS ON THE FOLLOWING SDGS:



Gaming is fun, but can also cause health issues for some people. We address the negative effects of our business model by taking a comprehensive management approach to protecting vulnerable player types and young people.

We also contribute to SDG 3 by providing an inclusive, diverse work environment which enables our employees to develop in line with their strengths. We also ensure that we maintain and promote the performance of our employees through comprehensive occupational health and safety measures and good work organisation. This provides an important foundation for our contribution to SDG 8.



Ever since lotteries have been regulated by the state, money has also flowed into socially relevant projects and the amount of taxes and levies is legally regulated. As a result, our economic success also flows into levies that benefit the common good.

We do not engage in tax avoidance schemes as we benefit from a good infrastructure, an attractive region and well-trained employees with a high degree of expertise in their particular field. For them, we create interesting jobs, ensure decent working conditions, equal opportunities and a non-discriminatory working environment, as well as fair, performance-based pay.



We make a special contribution to SDG 12 with our charity lotteries. Moreover, our innovations and technologies help make the gaming experience even more attractive and secure for our customers. We contribute to this goal in no small part by committing to transparent products and ethical marketing.

Our operations also rely on the use of hardware. We make a further contribution to the sub-goal SDG 12.5 by ensuring that the hardware we purchase is repairable and updatable, as well as by donating functioning old devices, for example, to promote digital education for school children.



Our business also generates emissions. We record our Scope 1, Scope 2 and Scope 3 emissions.

Following the 'Measure to manage' principle, we record our power and water consumption. We aim to achieve a sustainable reduction in both dimensions and want to switch our energy supply completely to the use of renewable resources.

As part of our Reduce and Recycle plan, we want to reduce our waste and the resources we use, as well as to reuse already used resources as much as possible. We systematically record our waste and strive to continuously reduce it.

## Environment

We are aware that our business generates greenhouse gases and waste, as well as consuming electricity and water. Although ZEAL primarily offers digital products, our activities, such as the operation of three web shops (LOTTO24, Tipp24, freiheit+), also have an impact on the environment. We believe it is our responsibility to minimise the impact we have on the environment by measuring and managing this impact, as well as working on ways to reduce or recycle. As an e-commerce company, we focus on important areas such as power consumption, which is one of our main sources of emissions.

ZEAL reports on relevant environmental issues once a year as part of its Sustainability Report. Our CFO Sebastian Bielski has overall responsibility for the topic of sustainability and therefore also for the environment. Within the Company, the ESG working group meets once a month to discuss progress and problems relating to environmental issues. Where necessary, various external stakeholders are invited to discuss environmentally relevant aspects.

### OUR CONTRIBUTION

Climate change is one of the greatest challenges of our time and we want to play our part in combating it. As a fundamental part of our sustainability strategy, we therefore support the agreement to combat climate change adopted at the UN Climate Change Conference in Paris in December 2015. 197 countries agreed at this conference to limit global warming to 1.5 degrees Celsius compared to the pre-industrial era, but at least 'well below' 2 degrees Celsius. We are currently introducing a corresponding environmental management system to record ZEAL's performance with regard to compliance with the Paris Agreement. We aim to report the corresponding key figure in the future.

We are committed to playing our part in meeting this target and thus driving forward our own decarbonisation. We therefore want to reduce our absolute energy consumption and CO<sub>2</sub> emissions and utilise green forms of energy. These objectives are also anchored in our sustainability strategy and we thus contribute to Sustainable Development Goal 13 'Climate Action' and the goals of the Paris Climate Agreement. This is also what our stakeholders demand from us, as they classified climate issues as being particularly material.

In order to implement this decarbonisation, we have defined clear internal responsibilities: Helge Poel (Director Enterprise Security) is responsible for CO<sub>2</sub> reduction at ZEAL. In 2022, we also began working together with the climate tech company right based on science GmbH (right<sup>®</sup>) in order to measure and manage our contribution to meeting the Paris Climate Agreement.

right° developed the X-Degree Compatibility (XDC) model to calculate the climate impact of economic activity and express it in a simple degrees Celsius number – thus providing a direct link to the 1.5 °C target. The XDC model is science-based and peer-reviewed as well as integrating a climate model also used by the Intergovernmental Panel on Climate Change (IPCC) into its calculation. It calculates how much warmer the climate would be (in degrees Celsius) if the entire world had the same climate performance as the company being analysed. The metric can also be used to analyse scenarios – for example to check whether planned climate protection measures are sufficient to comply with the 1.5 °C target.

ZEAL uses the XDC model to evaluate its own impact on climate change and to define an effective climate strategy in line with the 1.5 °C target.

## OUR GOAL: REDUCING AND OFFSETTING EMISSIONS

We strive to successively decrease the reducible share of our emissions in order to 'avoid' rather than merely 'offset' them in the long term. Our offsetting measures include support for international climate protection and offsetting projects, such as the Eden Re-forestation Project. In 2023, we were able to reduce our physical carbon footprint in Malta by switching to a local cloud provider. In addition, since the end of October 2023, we have been booking our business trips using GreenPerk, a programme offered by the business travel platform TravelPerk, which enables companies to fully offset their travel-related carbon footprint. With its CO<sub>2</sub> offsets, ZEAL supports global Verra-certified sustainability projects via GreenPerk.

For our contribution to emission reductions to be effective, we need reliable data. In 2022, we started to establish structures and processes to measure our Scope 1, Scope 2 and Scope 3 emissions. To this end, we introduced the environmental footprint tool 'cozero Log' of the company Cozero GmbH. This system enables us to quantify, monitor and document our CO<sub>2</sub> emissions along the entire value chain and is based on the recommendations of the Greenhouse Gas (GHG) Protocol. As Scope 3 emissions are largely generated outside our sphere of influence, their calculation is much more difficult and complex than that of Scope 1 and Scope 2 emissions.

## MEASURES ALREADY IMPLEMENTED AND GOALS ACHIEVED

1. Collection of our Scope 1 and Scope 2 emissions (completed: end of 2022).
2. First materiality and feasibility analysis of Scope 3 criteria (completed: end of Q1 2023).
3. Establishment of appropriate due diligence processes to achieve climate neutrality (completed: end of 2023).

## OUR CO<sub>2</sub> EMISSIONS

Applied framework	GHG Protocol, future Science Based Targets
Base year	2021
Included greenhouse gas	CO <sub>2</sub>
Scope 2 reporting method	Market-/location-based
Criteria for Scope 3 emissions	8 from 151
Group-wide reduction target	Net CO <sub>2</sub> neutrality (specific deadline still under discussion)

<sup>1</sup> Based on the 15 criteria for Scope 3 set by the GHG Protocol.

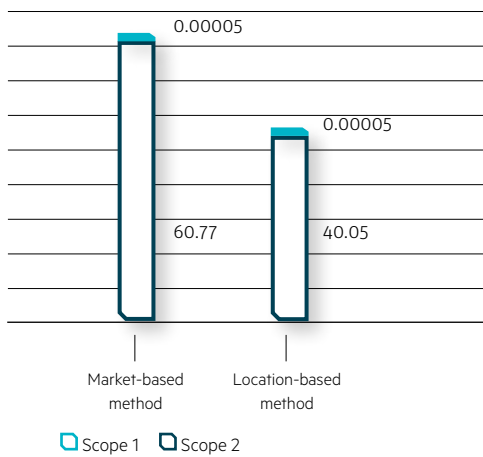
We measure ZEAL's CO<sub>2</sub> emissions and thus our corporate carbon footprint according to the recommendations of the GHG Protocol, which groups emissions into three categories: Scope 1, Scope 2 and Scope 3 emissions. This categorisation ensures that direct and indirect emission sources can be distinguished and documented.

As part of our analysis of all emission types listed by the GHG Protocol regarding their relevance for ZEAL, we determined that our Scope 1 emissions (emissions which the Company is responsible for or controls) are only of low or no relevance. The analysis of our Scope 2 emissions (indirect emissions as a result of business activities) showed a medium to high relevance.

Scope 3 emissions are also calculated according to categories, whereby we have identified eight of the 15 emission types specified by the GHG Protocol as material for us:

- Capital goods.
- Purchased goods and services.
- Waste generated in operations.
- Upstream emissions: purchased electricity.
- Office supplies.
- Use of sold products.
- Business trips.
- Operational water use.

## CO<sub>2</sub> emissions by scope (t)



The base year for reporting our Scope 1, Scope 2 and Scope 3 emissions is 2021.

Our Group-wide Scope 1 and Scope 2 emissions for 2022 totalled 73.83 (market-based) or 52.03 (location-based) tonnes of CO<sub>2</sub> (2021 market-based: 88.42 tonnes of CO<sub>2</sub>; 2021 location-based: 59.80 tonnes of CO<sub>2</sub>). Broken down, these were

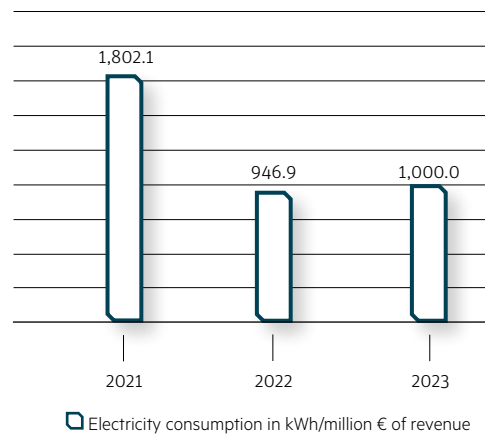
- Scope 1 (2022): <0.1 tonnes CO<sub>2</sub> (Group-wide, market- and location-based); Scope 1 (2021): <0.1 tonnes CO<sub>2</sub> (Group-wide, market- and location-based).
- Scope 2 (2022): 60.77 tonnes (Group-wide, market-based) and 40.05 tonnes (Group-wide, location-based); Scope 2 (2021): 88.42 tonnes (Group-wide, market-based) and 59.80 tonnes (Group-wide, location-based).
- Scope 3 (2022): 13.06 tonnes (Group-wide, market-based) and 11.98 tonnes (Group-wide, location-based). (Scope 3 emissions were recorded for the first time in 2022).

Based on the figures above, the XDC model calculates only for Scope 2 emissions an amount of 1.4 degrees Celsius (market-based, 2022; target year 2100) (2021: 1.8 degrees Celsius). As a result, we rank among the top 10% of companies in our sector (NACE Code 92) with the lowest temperature values for this emission category.

## OUR ELECTRICITY CONSUMPTION

As an e-commerce company, our aim is to optimise our energy consumption wherever possible. We consume electricity primarily in our data centres and at our locations in Hamburg and Madrid. In total, we consumed 116,055 kWh of electricity at these locations in 2023.

## Electricity consumption



Aggregated electricity consumption in all data centres and office buildings in kWh per million euros of revenue.

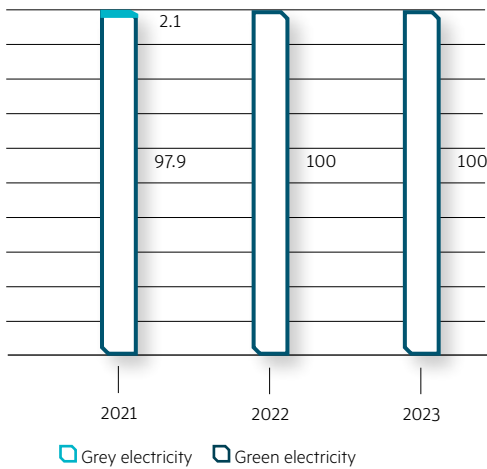
In relation to revenue, our electricity consumption rose slightly again for the first time in 2023 following a steady decrease over the previous years. However, consumption is still well below the pre-corona level. In recent years, we have implemented various measures to increase energy efficiency and reduce electricity consumption: such as optimising the energy efficiency of our computers and monitors. Almost all of them now have the Energy Star certificate for the highest level of energy efficiency. Moreover, we have successfully implemented the complete conversion of our energy supply (electricity) to renewable energy sources at all locations.

Once pandemic-related contact restrictions and the obligation to work from home been lifted, we did not revert to working in the same way as before the pandemic, but continued to allow our employees to work from home in response to numerous requests. Since 1 September 2022, this has been regulated in our newly drafted New Work Guidelines. More information on this can be found in the Social section.

The widespread implementation of digital and cloud-based meeting and organisation tools offers our employees maximum freedom and at the same time can reduce energy consumption in our offices.

An important approach for reducing our emissions in 2023 was once again the purchase of electricity from renewable sources. At our main site and our own data centre in Hamburg, we have already switched completely to electricity from renewable sources.

Share of green electricity in total consumption  
at office location Hamburg



Figures relate exclusively to the office location in Hamburg.

**OUR WATER CONSUMPTION**

Water is an essential basis for life on our planet. Even if it only plays a minor role in the success of our business model, we believe it is our duty to contribute to the efficient use and conservation of this vital resource by means of effective water management.

We use water both directly at all our sites, as well as indirectly during business trips and events. We mainly need this resource in our sanitary facilities and office kitchens. We do not evaporate, store or retain any water beyond that, which would have to be reported here.

For us, the sustainable use and management of water therefore means first and foremost avoiding waste and using it more efficiently. At the same time, we make sure that our waste water contains as few pharmaceutical and chemical residues as possible.

To monitor our consumption and identify opportunities for reduction, we measured ZEAL's water consumption for the first time in 2021. In 2021, our water consumption was 74,320 litres. At the time of reporting, we did not have detailed figures for water consumption in 2022 and 2023.

Water management is the remit of our Office Management team, which is responsible for collecting data and discussing and implementing possible improvement methods.

**OUR GOAL: REDUCE AND REUSE (RR)**

Our management approach to waste includes 'reduce and reuse'. As a Company marketing digital gaming experiences, our waste generation along our value chain is limited to IT hardware (computers, monitors), packaging materials and writing paper, as well as other office waste such as that generated in our office kitchens.

**REDUCE: OFFICE WASTE**

Avoiding waste before it occurs – we already follow this principle in procurement and only buy what we really need.

We have replaced workstations with laptops and docking stations, which are more energy-efficient, and avoid unnecessary hardware in our offices or at our employees' homes. As this means that less equipment has to be purchased overall, the amount of electrical waste produced will also decrease in the long term.

To minimise paper waste, we try to avoid paper printouts in the office as far as possible. By introducing various digital tools for file storage, signing documents and processing and approving invoices, we have significantly reduced our paper consumption. We purchase FSC-certified photocopying paper, which is certified as being sourced from responsibly managed forests, and only use envelopes and Post-it notes certified with the 'Blue Angel' ecolabel. We also try to reuse parcel packaging wherever possible.

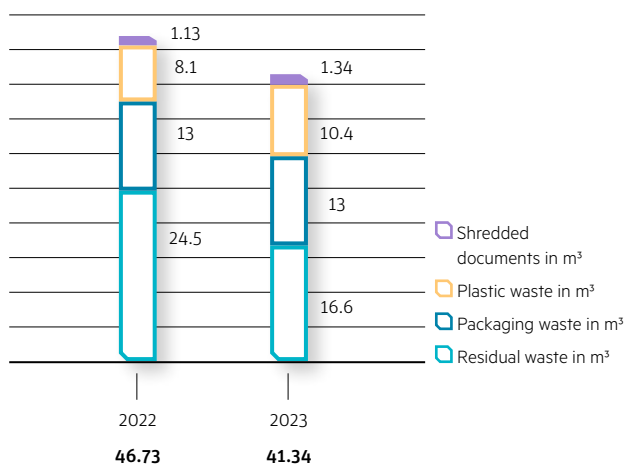
We pay attention to origin and ecological production when purchasing drinks and snacks for our employees and also use unpackaged snacks, such as fruit, as much as possible.

We are committed to the measure-to-manage principle and have been recording our office waste as follows:

- Collect and measure shredded documents
- Collect and measure packaging materials
- Collect and measure residual waste (due to limited accessibility, calculation is based on representative samples).

So far, we can only show a three-year trend for packaging waste and shredded documents. 2022 is our base year as it marks the end of the contact restrictions in connection with the coronavirus pandemic and the obligation to work from home. As of 2022, we also measure all other types of waste, namely residual waste and recyclable materials.

### Waste generation at office location Hamburg



Figures relate exclusively to the office location in Hamburg.

### REUSE: IT HARDWARE

In the area of IT hardware, we have identified two areas where we can be more sustainable: power consumption for operations and the lifespan of our hardware.

We welcome the initiative of the EU Member States and the European Commission to ensure that hardware can be updated and repaired in the future. The new version of the EU Ecodesign Directive provides for performance and information requirements for almost all product categories on the EU market, including for the following aspects:

- Durability, reusability, retrofittability and reparability of products.
- Presence of chemical substances that prevent the re-use and recycling of materials.
- Energy and resource efficiency.
- Recyclate proportion.
- Carbon and environmental footprint.
- Available product information, especially a digital product passport.

In their coalition agreement 2021–2025, the governing parties of the German parliament ('Bundestag') also took up the issue and anchored the 'right to repair' as a coalition objective. Consumers should be able to repair defective devices themselves or freely choose repair service providers, facilitated for example by manufacturers publishing repair instructions. In addition, the reparability of products should already be incorporated into the design – for example, by making products repairable with standard tools. The implementation of corresponding laws is to be successively extended to all product groups. We are already committed to

considering information on reparability and updatability as a high priority in the decision-making process when purchasing new products and especially when purchasing IT hardware. For our server hardware, reparability and updatability are already industry standards.

Another important component of our measures is the reduction of electrical waste. Our IT equipment pool has an average age of three years. This relatively short duration is due to IT security considerations, as our IT must always be state-of-the-art.

However, this does not mean that we throw away used equipment and produce unnecessary electrical waste. On the contrary: in 2023, ZEAL again produced almost no e-waste as we donate discarded and functional devices to schools, for example, to improve equipment and education there. In this way, we again significantly extend the life cycle of our hardware and contribute to improving access to technology for young people. In 2023, ZEAL also entered into a partnership with a company that specialises in extending the life cycle of electronic devices beyond their average useful life.

Through 'Reuse' we contribute to environmental protection and education.

### GREEN ZEAL

Our goal is to integrate climate protection into our everyday work. In 2021, we therefore launched the GREEN ZEAL initiative, which has set itself the task of also paying attention to the little things in life.

We actively encourage our employees to participate in GREEN ZEAL initiatives and projects. These included, for example, replacing our capsule coffee machines with more environmentally friendly models and installing energy-saving LED lighting and motion detectors in all toilet and shower rooms. In 2023, we further optimised our lighting to reduce electricity consumption even more – for example, we installed motion detectors and energy-saving LED lighting also in our conference rooms.

## Social

Our business model is aimed at people and is made possible by people. No person's dignity should be violated, offended or impaired in any other way by our actions. We take responsibility for our product offerings and protect our players accordingly. We also expect our employees to take responsibility and in return we offer them a working environment with equal opportunities and numerous possibilities for further development. Through our commitment to social issues, we will continue to be successful as a Company in the future.

### RESPONSIBILITY

We want our customers to be able to trust us unconditionally and we work hard every day to earn their trust by designing and promoting our offers responsibly.

### HUMAN RIGHTS

Respecting human rights is a global task in which every individual and every company must participate.

ZEAL is fully committed to respecting human rights and supports UN General Assembly Resolution 217 A (III) on the Universal Declaration of Human Rights as well as the core labour standards of the International Labour Organisation (ILO) – also along our supply chains. For us, these are a fundamental component of responsible corporate governance. We ensure that human rights are respected within our sphere of influence – this includes the following human rights in particular:

- The preservation of freedom, equality and solidarity (Diversity chapter).
- The prohibition of discrimination (Diversity chapter).
- The right to safety (Occupational Health and Safety chapter).
- Recognition as a person before the law and the right to legal protection and the right to be heard (Integrity chapter).
- The presumption of innocence (Integrity chapter).
- The protection of the sphere of freedom (Diversity chapter).
- The freedom of thought, conscience and religion (ZEAL Code).
- The freedom of expression and information (ZEAL Code).
- The freedom of association and assembly (Employee Rights chapter).
- The right to equal pay (ZEAL Code).
- The right to rest and leisure (Employees chapter).
- The right to education (Continuing Education chapter).

Due to our business model, our supply chain has only a low risk of human rights violations. However, we also expect our contractual partners to fully respect human rights and to comply with all requirements arising from the German General Act on Equal Treatment ('Allgemeines Gleichbehandlungsgesetz' – AGG) and other labour law standards.

In 2021, 2022 and 2023, we did not identify any controversies, complaints or proceedings in the course of our business regarding compliance with human rights. In this context, no violations relating to equal rights were registered either.

### RESPONSIBLE GAMBLING

Gambling is fun, but it needs clear rules so that problematic behaviour and gambling addiction have no chance.

Gambling addiction can manifest itself as follows:

- The person concerned has an irresistible desire to play again and again.
- The person concerned lies to his environment in order to be able to keep his gambling behaviour secret.
- The person concerned neglects his family, professional and private obligations.
- The person concerned often borrows money within the family or among friends.
- The person concerned tries to get money by illegal means.
- The person concerned can only achieve the desired arousal by placing higher and higher stakes when gambling.
- The person concerned suffers from mood swings and inner restlessness.

Compared to other types of gambling, number lotteries pose a very low risk of problematic gambling behaviour.<sup>1</sup> To ensure that not only our jackpot winners are happy, however, we apply a stringent player and youth protection policy. In doing so, we focus on four specific goals:

- Strict protection of minors: no gambling for minors.
- Reduction of the risk of addiction to our products.
- Prevention, intervention and care in cases of gambling addiction in connection with our products.
- Consistent monitoring of the practical implementation of our responsible gambling principles.

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

Pursuant to section 6 of the German State Treaty on Games of Chance ('Glücksspielstaatsvertrag' – GlüStV), we are obliged to prepare a social concept for the gambling products we market. Ours fully complies with the legal and licensing requirements of the supervisory authorities and is subject to continuous internal audits. As it describes confidential processes in detail, it is not publicly available. Together with our ZEAL Code and our Responsible Gambling Policy, the social concept describes the measures we take to prevent the socially harmful effects of gambling and how we intend to remedy them.

Our Responsible Gambling principles include:

- Educating our players about the dangers of gambling addiction, their personal chances of winning and losing, and potentially problematic gambling behaviour.
- Supporting our players in avoiding and preventing problematic gambling behaviour and in seeking and using counselling and treatment services in case of gambling addiction.
- Protecting minors: our products are aimed exclusively at adults. We ensure that minors do not have access and continuously check our access restrictions for possible or actual circumvention.
- Taking preventive and interventionary measures to identify and prevent legitimate access to our products as well as problematic behaviour in advance.
- Providing regular and compulsory training and further education of our staff on how to deal with and recognise problematic gambling behaviour.

On the one hand, ZEAL's control mechanisms and our continuous monitoring strengthen the possibility for self-regulation, and on the other prevent abuse through appropriate precautions for external control. They also document problematic gaming behaviour, whereby products and content with a particularly high addiction potential can be identified and adjusted where possible.

The main basis for this are our general terms and conditions, which are accessible at any time and provide information on control mechanisms and exclusions. To raise awareness among our players, all our websites and the portals of our cooperation partners (lotto24.de, tipp24.de, lotto.gmx.de, lotto.web.de, lotto.n-tv.de, freiheitplus.de) contain relevant information and links, for example to the website of the Federal Centre for Health Education ('Bundeszentrale für gesundheitliche Aufklärung' – BZgA) check-dein-spiel.de and the anonymous and free telephone counselling service of the BzGÄ under the number +49 800 1 37 27 00. The staff on this gambling hotline can be contacted on weekdays from

Monday to Thursday between 10:00 and 22:00 and on Fridays to Sundays between 10:00 and 18:00. We contribute to the funding of the BZgÄ's telephone counselling service as part of our membership of the German Lottery Association. On our websites we also refer to our internal customer hotline with the number +49 40 299 960 808, under which sensitised and trained employees can be reached from Monday to Saturday from 9:00 am to midnight. Further external help on gambling addiction can be found at [www.bundesweit-gegen-gluecksspielsucht.de](http://www.bundesweit-gegen-gluecksspielsucht.de).

Our customers can prevent risks themselves with the aid of the following tips on how to avoid gambling addiction, which are also listed on the player protection pages of our websites. We recommend:

- Playing only for recreation, not to solve problems.
- Viewing stakes as a loss and not as an expected gain.
- Sticking to your budget and setting limits.
- Only playing with your own money, never with borrowed money.
- Not chasing your own losses, but keeping a cool head.
- Never regarding gambling as a solution for private, financial or social problems.
- Playing exclusively when sober and always with a clear mind.
- Taking regular breaks.

We counteract uncontrolled spending by our customers by setting the statutory monthly pay-in limit of €1,000 per month for licensed gambling websites across all providers. We have decided against the option of applying to the gambling authority to increase the statutory pay-in limit for our customers. Of all persons who stated in the BZgÄ surveys in the period from 2015 to 2019 that they had gambled at least once in the last twelve months, 1.7% had at least one problematic behaviour. A further 10% displayed conspicuous gambling behaviour. Based on these figures, we are pleased with the comparatively large proportion of our customers who take advantage of our prevention services.<sup>1</sup> In addition, we inform our customers daily about their gaming history over the past 30 days – with accumulated stakes, winnings and losses – on initial log-in. Before each game, we inform all participants about the risks associated with gambling, give advice on prevention and assistance, inform them about participation and the game conditions, as well as about all aspects relating to gambling. With regard to self-assessment and a better evaluation of one's own gambling behaviour, we advise conducting a self-test, which is offered free of charge on the BZgÄ website (check-dein-spiel.de), for example. At the same time, we would like to point out to our customers that such a self-test can never replace a medical diagnosis. We also provide our players with a link to an external



self-test that they can easily use, for example, to block themselves – or be blocked by third parties – from future participation in the game in the case of conspicuous gambling behaviour or deception attempts. Our customer service will be happy to set up longer blocking periods on request without objection. The block includes the following points:

- When ordering the self-blocking, the desired duration of the block can be specified. The minimum duration is three months. If no specific duration is desired, the blocking period is one year.
- When the block is activated, access to the user account is prevented.
- After consultation with the user, the block may also be reported to the player blocking system OASIS. Then it also affects all other accounts that the user has with providers who are connected to the player blocking system. Further information on the OASIS player blocking system can be found on the website of the Darmstadt Regional Council (link: <https://rp-darmstadt.hessen.de/sicherheit-und-kommunales-gluecksspiel/spielersperrsystem-oasis>).
- Unplayed scratch cards and games are automatically played with immediate effect. Any winnings will be credited to the user account.
- Tickets that have already been paid for (including subscription tickets) still participate in the draws that have already been paid for. Any winnings will be credited to the user account.
- Active subscription tickets are automatically terminated after the expiry of the already paid draws.
- The payment of any winnings or credit balances can be arranged via our customer service.
- After the blocking period has expired, the block remains in place for the protection of the player until it is actively lifted by the player.

<sup>1</sup> Banz, M. (2019). 'GLÜCKSSPIELVERHALTEN UND GLÜCKSSPIELSUCHT IN DEUTSCHLAND. Ergebnisse des Surveys 2019 und Trends'. BzgA research report. Cologne: Federal Centre for Health Education. p. 160.

We use a multi-stage age verification procedure to ensure that our services cannot be used by minors. The procedure includes SCHUFA identity checks, including age checks and additional measures as part of the Know Your Customer process (video-identification/post-identification). We continuously check our age verification procedure for security and possible manipulation. Every player must register before playing. During this registration process, the data provided is checked and verified. Only properly verified user accounts can participate in the offered games of chance, thus excluding participation in the game by persons under 18 years of age. Our age verification procedure has been reviewed and approved by the Joint Gaming Authority of the German federal states ('Gemeinsame Glücksspielbehörde der Länder'). It also complies with the standards of the Commission for the Protection of Minors in the Media ('Kommission für Jugendschutz'), which acts as the central supervisory body in Germany for the protection of minors in private broadcasting and telemedia. With the help of blocking software, our customers can also protect themselves and minors from participating in online gambling. This is described in more detail on our player protection pages. We also actively encourage our customers to contribute to the protection of minors and not to allow family members under the age of 18 to use the Internet unsupervised with mobile or stationary devices and to talk to minors in their household about the dangers of the Internet in general and (online) gambling in particular as a precaution.

For our 24 internal and six external employees at present with customer contact (Customer Support, Payment Fraud Officer and Responsible Gaming Officer), we hold a mandatory training and awareness-raising programme once a year on relevant topics, such as informing customers about the probability of winning and losing from gambling, the potential risks of gambling, the law prohibiting underage gambling, and the possibilities for counselling and treatment of gambling problems. As in 2022 and 2021, the participation and successful completion rate for these training courses was again 100% in 2023. Information on important topics relating to gambling and player protection is also constantly available on our Intranet. In addition, we plan to offer all employees webinars on responsible gambling in future in order to raise awareness of this important topic even more within the Company.

As part of the onboarding process, new members of teams with customer contact receive extensive training, particularly with regard to product safety. External representatives also receive extensive training on products, guidelines and processes. Moreover, we have appointed a Player Protection Officer who acts as an interface between the game providers, the support system for vulnerable player personalities and the corresponding monitoring by the scientific community, as well as coordinating the development and implementation or continuation of all measures to protect players.

The person primarily responsible for the topic of player protection at our Company, the Compliance Manager, has the authority to quickly decide on and implement any necessary improvements in player protection. Furthermore, the Compliance Manager has direct access to the entire Management Board should questions and issues relating to responsible gambling need to be clarified at this level. In addition, the Compliance Manager drives the development of new processes and more effective monitoring. There is therefore regular contact with stakeholders and experts on the topic of responsible gambling, for example at conferences or panel discussions.

To provide a safe environment for players and position ZEAL even more strongly as a pioneer of player protection, we are constantly driving further innovations. One example of this is a new AI-based monitoring tool we launched in 2022 that has allowed us to massively expand our monitoring by collecting and evaluating specific performance indicators in the area of responsible gambling. The monitoring tool also enables us to identify problematic gaming behaviour and vulnerable players at an early stage. In 2023, we recorded a total of 71 interactions with our customers to draw attention to risks, inform them about player protection possibilities, prevent problematic gaming behaviour and initiate protective measures.

As part of our core objectives on responsible gambling, we plan to report continuously and transparently in the future about:

- Cases of rejected players due to failed age verification.
- Cases of problem gamblers reported through our control mechanisms.
- Players who have been blocked from accessing products by us or at their own request.

We already record any controversies, legal proceedings and alleged and verified violations of our Responsible Gambling Policy by ZEAL employees or third parties. In 2023, no such violations, legal proceedings or controversies were recorded. (2022: none; 2021: none). This also explicitly includes possible controversies in connection with the protection of minors. There were also no controversies or legal proceedings relating to customer safety in 2023 (2022: none; 2021: none). Moreover, no breaches of regulations resulting in a fine or sanction were recorded in connection with the impact of products and services on customer health and safety in 2023 (2022: none; 2021: none). We are always available to receive complaints about our products and policies via any of our contact channels and will always treat them with the highest possible priority.

## RESPONSIBLE MARKETING

Responsible marketing is an important task for our sector, as our products bear risks that we need to inform customers about and must not conceal. We offer our customers a risk-free and enjoyable gaming experience and this starts with the advertising of our offerings, which we currently broker through our LOTTO24 and Tipp24 brands. To this end, we use a holistic communication concept that has been reviewed by the responsible supervisory authority. The proportion of offerings which we advertise is 100%.

Our advertising activities focus on the marketing of 'LOTTO 6aus49', 'Eurojackpot', 'freiheit+' and 'Die Deutsche Traumhauslotterie'. When advertising these products, we use both performance marketing and selective brand marketing. As a further marketing instrument, we send e-mails as part of our customer relationship activities.

We have specified our basic approach to the protection of players in the ZEAL Code. In 2023, we also published a separate Responsible Marketing Policy in which we clearly define the possibilities and limits for employees in the marketing department and thus simplify decision-making processes.

Our marketing activities already comply with all laws and national voluntary commitments and the requirements of the licences granted to us. The main basis for us is the German State Treaty on Games of Chance ('Glücksspielstaatsvertrag 2021' – GlüStV 2021), the Youth Protection Act ('Jugendschutzgesetz' – JuSchG), the State Treaty on the Protection of Minors in the Media ('Jugendmedienschutz-Staatsvertrag' – JMStV), the State Media Treaty ('Medienstaatsvertrag' – MStV) and the Act against Unfair Competition ('Gesetz gegen den unlauteren Wettbewerb' – UWG). In 2023, there were no violations of regulations that resulted in a fine or sanction in connection with ZEAL's product and service information or the labelling of the Company's products and services (2022: none; 2021: none).

Our marketing is closely linked to our responsibility to ensure safe gambling and includes the following commitments on the placement, design and content of our promotional activities:

- **Commitment to honesty:** our marketing measures and campaigns should present the lottery offering and our products to our target groups realistically and without unacceptable exaggerations and not withhold relevant information.
- **Commitment to reject positive bias and exaggeration:** we communicate to our customers transparently as to how high their chances of winning are. This information can be found on all our websites and the portals of our partners.
- **Commitment to exclude minors and vulnerable target groups:** we do not market to persons under the age of 18, as they cannot always recognise or classify the intention of advertising. Moreover, we do not send any advertising to players who have already been banned in the past due to conspicuous gambling behaviour.
- **Obligation to place information on the dangers of addiction and offers of help for gamblers at risk:** all advertising measures shall include information on the dangers of addiction and a ban on gambling for minors as well as references to support services.
- **Commitment to barrier-free information:** information on the dangers of addiction and offers of help in simple, local language and access to this information that is as barrier-free as possible.
- **Agreement of restrictive advertising guidelines with business partners and suppliers.**

#### Auditing of our marketing guidelines

All activities are monitored and approved by our Legal and Compliance departments.

In addition, we actively encourage our employees, partners and customers to report actual or suspected violations – anonymously if necessary via our whistleblower portal – of the responsible marketing principles we have set ourselves and of the applicable legal requirements. We treat these reports with the highest possible priority.

In 2023, no violations, proceedings or controversies relating to unethical or unlawful marketing were recorded (2022: none; 2021: none).

#### TRANSPARENT PRODUCTS

Transparent products are also important for the protection of players and for responsible marketing. At the heart of ZEAL's educational work are transparent product descriptions and clearly visible warnings. These product descriptions fulfil all information obligations pursuant to section 7 GlüStV and include the underlying participation requirements, game conditions, game formulas, prize classes, payout odds, win and loss probabilities, addiction risks, as well as the time and type of prize draw. 100% of our products are already described in this way.

Clearly visible warnings about possible product hazards are a key aspect of product transparency. We have compiled further information on this topic in the chapter on player protection. The relevant information can also be found on our websites and the portals of our cooperation partners. In particular, the Help & Service section of our websites provides detailed information on our various products. In addition, we offer our customers the possibility to contact us personally, for example by e-mail or via our service hotline.

We are also committed to ensuring that our gambling products are subject to continuous and rigorous independent assessment to guarantee that they continue to operate fairly, randomly and in accordance with the published regulations.

In 2023 alone, we were able to make 1.6 million (2022: 1.5 million; 2021: 1.3 million) people happy with prizes totalling €615 million (2022: €411 million; 2021: €293 million). 33 of these prizes were in excess of €1 million (2022: 13; 2021: 10).

#### DIGITAL TECHNOLOGIES AND INNOVATIONS

Digital technologies and innovations represent competitive advantages for our business model, as they enable us to offer our customers an attractive gaming experience and at the same time protect them from the side effects of gambling. A large number of ZEAL's employees are therefore involved in product development, scaling, performance optimisation, self-scaling cloud-based infrastructures, big data processing, IT security and compliance.

## IT security

We protect ourselves against cyber and e-crime by taking suitable technical and organisational measures. In this way, we ensure that the personal data of our customers and employees is protected against loss, unauthorised access or unauthorised changes as well as misuse. For example, we use encryption technologies wherever possible. When introducing new software and hardware, we have a clearly defined review process to ensure that the new software or new computer meets our security and data protection requirements. These security measures are continuously adapted to the improved technical possibilities. In addition, the measures we implement are audited and certified annually according to ISO guideline 27001 as well as by TÜV data protection.

## Product safety, performance optimisation

State-of-the-art data collection offers even better monitoring capabilities, allowing us to identify problematic gambling behaviour more quickly and reliably. One of the innovative technologies we use is 'GameScanner' from Mindway AI, a tool based on artificial intelligence (AI), which replaced our previous monitoring systems in 2022. The system automatically detects gamblers at risk of gambling addiction at an early stage, based on scientific findings and algorithms. Depending on their behaviour, these players are divided into three risk groups. Our Payment, Fraud & Verification (PFV) team checks the tool daily and handles the cases according to a predefined process. If customers are categorised as potentially at risk, our range of measures includes information emails, account blocking and phone calls.

Our cooperation with Mindway AI and the ongoing optimisation of the 'GameScanner' enable us to continuously improve the already high level of player protection and compliance of our offerings. The tool's algorithms are constantly being trained and refined, which means that their evaluation of problematic gaming behaviour is constantly improving.

## DATA PROTECTION AND DATA SECURITY

As a provider of games of chance, the careful handling of personal data is elementary for us. The protection of data entrusted to us is the basis on which we can develop our business success.

The European Union's General Data Protection Regulation (EU GDPR) stipulates that personal data must be processed in such a way that the rights of the individual are not affected. The personal data we collect includes customer data, employee data, supplier data and the data of applicants and visitors to our websites.

Due to its particular importance, the topic of data security at ZEAL has been assigned to Management Board level and falls under the remit of our CTO Paul Dingwitz.

In accordance with legal requirements, we have also appointed a Data Protection Officer. Dr Uwe Schläger, Datenschutz Nord GmbH has been our Data Protection Officer since 2019 and can be contacted via the e-mail address: [datenschutzbeauftragter@lotto24.de](mailto:datenschutzbeauftragter@lotto24.de). He acts independently and in accordance with the requirements of the EU GDPR.

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

In order to firmly establish the importance of data protection and data security issues throughout the Company, we developed a Data Privacy Policy as a supplement to the ZEAL Code, which is valid for the entire Group (ZEAL Group: ZEAL Network SE, LOTTO24 AG, ZEAL Iberia ES and other affiliated companies) as well as all employees and other persons for whom we process data in the course of our business activities. All our employees must agree to the Data Privacy Policy via their account on the 'hiBob' HR platform and as part of the onboarding process. This ensures that our Data Privacy Policy is communicated to the entire workforce and the Group as a whole. The Policy includes the following information:

- Principles of handling personal data of clients and employees.
- Type and scope of processes and rules for storing and handling data within the ZEAL Group.
- Explanations of how personal data is collected and handled or passed on, including all choices and rights that data subjects have in the context of our data processing. This includes the comprehensive right of access, adjustment and deletion of all personal data collected throughout the Group by authorised persons in accordance with EU GDPR valid in Germany, unless this is restricted by legal requirements.
- Requirements for the transfer of data to third parties, which only takes place if our customers have consented in accordance with EU GDPR or if there is a legal obligation.
- Overview of all measures ZEAL takes to ensure the security of customer data and explanation of how data subjects can contact us if they have questions about our data protection practices.
- Principles for dealing with new technologies.
- Rules of conduct in the event of a breach.

No violations of our Data Privacy Policy were identified in 2023 (2022: none; 2021: none).

In line with the EU GDPR, and in order to firmly establish the importance of data protection and data security for ZEAL, we conduct mandatory training on these topics for our entire workforce – in other words, 100% of our employees – at least once a year. In addition, there is a special introductory event for new employees. The training covers basic technical and behavioural topics, such as defining security incidents, recognising phishing attacks and behavioural guidelines for dealing with breaches. The use of passwords and mobile devices is also part of the training. To ensure effectiveness, knowledge is continuously tested during the training. To pass the training, at least 80% of the questions must be answered correctly.

The training courses on data protection and data security are structured as approximately 45-minute modules with a subsequent test included. If employees have already completed the on-line training, only the test must be successfully passed in the following year. In order to react to current developments such as new regulatory requirements, the training material is continuously revised and updated. Unscheduled trainings are conducted if justified by changes in laws, new framework conditions, updated internal guidelines or an accumulation of violations.

In order to coordinate all these measures, we have set up an Information Security Management System (ISMS), which is certified in accordance with ISO guideline 27001 during annual audits and also regulates business continuity requirements, among other things. Our Business Continuity Management System helps us to react quickly to sudden changes in the production environment so that we can maintain business operations, or resume them as quickly as possible, in the event of an incident.

Our production environment is currently operated in a cloud configuration with a high degree of availability. In order to meet our availability targets, all business-critical systems are replicated across multiple physically distributed locations, with automatic recovery and failover mechanisms should individual data centres become unavailable. For large, one-off events, ZEAL has a backup and recovery process that enables production systems to be restored even if our cloud provider is not available. To this end, we constantly replicate our data from our primary to a secondary data centre and store the backups at an off-site location with an external provider. In the event of a crisis scenario, our employees can work from any location. ZEAL's systems are largely virtual with redundant access systems and are therefore accessible at all times.

So far, no breaches have been detected that have seriously jeopardised data security.

## EMPLOYEES AND WORK ENVIRONMENT

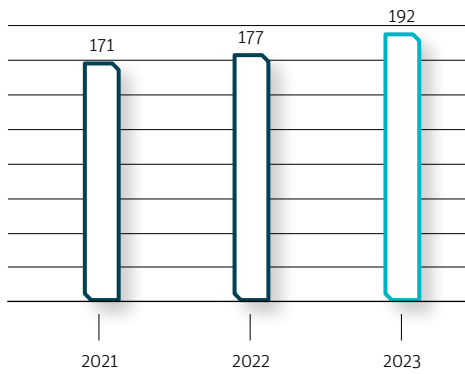
Our highly motivated and top-performing employees are our greatest asset. Their well-being and satisfaction play a major role in such key factors as customer satisfaction, brand strength and ultimately our commercial success. We continuously strive to find, promote and retain talented employees and ensure high performance levels by implementing appropriate measures and providing an optimal working environment.

### Composition of our workforce

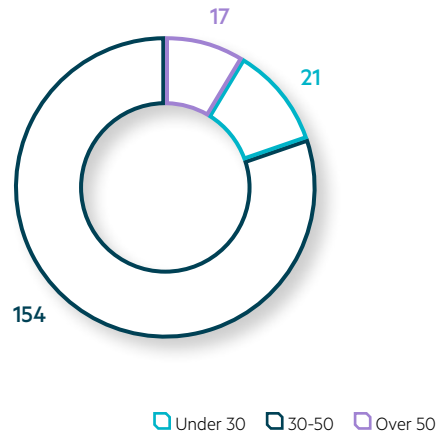
Compared to the previous year, we have adjusted the calculation method for our employee figures. As a result, we now report the figures as at 31 December of the respective year for the first time. At the end of the reporting period on 31 December 2023, ZEAL employed a total of 192 people (31 December 2022: 177). Of this total, 39% were female, 61% male and 0% non-binary (31 December 2022: 36% female; 64% male; 0% non-binary) with an average age of 40 (31 December 2022: 39). On 31 December 2023, a total of 192 employees had permanent contracts (31 December 2022: 177) and none had temporary contracts (31 December 2022: none). Further information on our workforce is provided below:

## Employees

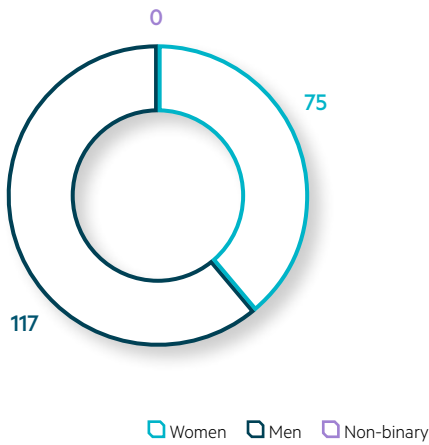
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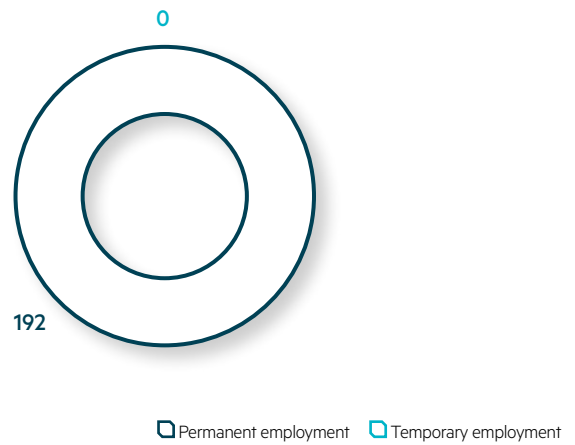
... by age



...by gender



... by employment type



### Total number of employees

As at 31 December	2021	2022	2023
Total employees	171	177	192
Thereof men	114	114	117
Thereof men (in %)	66.7	64.4	60.9
Thereof women	57	63	75
Thereof women (in %)	33.3	35.6	39.1

### Employees by employment type

As at 31 December	2021	2022	2023
Full-time employees	136	146	159
Thereof women	33	41	54
Thereof men	103	105	105
Part-time employees	35	31	33
Thereof women	24	22	21
Thereof men	11	9	12
Employees in permanent positions	171	177	192
Temporary employees	0	0	0

## New employees

As at 31 December	2021	2022	2023
Total new employees hired	22	28	27
By country			
Germany	18	25	22
Thereof women	7	11	12
Thereof men	11	14	11
Spain	4	1	4
Thereof women	2	1	3
Thereof men	2	0	1
United Kingdom	0	2	0
Thereof women	0	2	0
Thereof men	0	0	0

## Age structure

As at 31 December	2021	2022	2023
Average age	39	39	40
By age group			
Under 30	16	20	21
30 to 50	142	144	154
Over 50	13	13	17

## Nationalities

As at 31 December	2021	2022	2023
Number of nationalities	23	32	28

With regard to the education of our employees, we primarily use estimates. We therefore assume that more than 95% of our employees have a school-leaving certificate. We also estimate that up to 90% of our employees have a bachelor's degree, up to 40% a master's degree and up to 5% a PhD.

There are currently no women on the Management Board (3 persons) or the Supervisory Board (6 persons). In addition to the proportion of women, however, we also strive to achieve an appropriate level of diversity in terms of age, gender, educational or professional background and internationality. These aspects are already represented at Management Board level. As ZEAL is active in the online gambling business, the selection of candidates is more constrained for industry-specific reasons than in other sectors.

In 2023, women accounted for 36% (2022: 34%; 2021: 17%) of the second management level. We have therefore already reached our target of raising the proportion of women at this level to 30% by 2025. In 2023, 39.4% of our employees were female (2022: 36.7%; 2021: 34.1%).

## Employee satisfaction and turnover

The basis of our success in recent years has been a work environment in which employees can develop in accordance with their particular strengths. In line with our claim 'Act like an owner', we encourage our employees to take personal responsibility for their actions.

Our management concept includes:

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

Our New Work Policy includes:

- The use of the HR platform HiBob.
- The option for our employees to take more than 30 days of leave.
- The possibility to work from an EU/EEA member country for up to four weeks a year.
- The promotion of a good work atmosphere by firmly scheduling time windows for small talk during meetings and the working day.
- The requirement to personally attend corporate events.
- The possibility for teams to define special needs together with staff members.
- The obligation for employees and visitors to sign in.
- The obligation for every office user to keep the premises clean and to use resources such as water and energy sparingly.
- The fundamental permission for dogs to be in the office after consultation with the team and supervisor. Dog owners must ensure that the animal does not pose a nuisance or danger to staff and other animals.

We also introduced a Working Hours Policy in 2023. This can be downloaded from our corporate website (zealnetwork.de) and contains standards and regulations on working hours, collaboration in the office and the topic of work-life balance.

In order to identify and tackle any issues at an early stage, we have conducted anonymous employee surveys on a weekly basis since 2016. In addition to their monitoring function, these surveys promote discussion about our Company and encourage managers and employees to share views with each other.

The core indicator is the eNPS, the Employee Net Promoter Score, which measures the willingness of employees to recommend a company to others. This willingness is ranked on an 11-point scale and given as the sum of the promoters (high willingness to recommend) minus the detractors (low willingness to recommend) (possible range between -100 and +100).

2021	2022	2023
<b>eNPS: 65</b>	<b>eNPS: 62</b>	<b>eNPS: 37</b>
Promoters: 68%	Promoters: 65%	Promoters: 41%
Neutrals: 31%	Neutrals: 33%	Neutrals: 55%
Detractors: 3%	Detractors: 3%	Detractors: 4%
Total survey participation rate: 64%	Total survey participation rate: 64%	Total survey participation rate: 64%

In the context of the weekly surveys, the eNPS is measured on a quarterly basis and all figures represent average values for one year. The following categories are given by Officevibe (the tool used for the employee survey) as a guide to the Company's performance:

- -61 to -100: 'critical'
- -31 to -60: 'very low'
- 0 to -30: 'low'
- 1 to 10: 'good'
- 11 to 30: 'very good'
- 31 to 60: 'great'
- 61 to 100: 'amazing'

As of 2022, we adjusted the participation rate for 'missing data', which led to changes in the eNPS value and the participation rate compared to the previous years. In 2023, the eNPS was 37 (2022: 62; 2021: 65) and thus falls into the 'great' category according to Officevibe.

#### Turnover rate (arithmetic mean of monthly rates) only including employees giving notice

	2021	2022	2023
Average number of staff	155	166	<b>180</b>
Turnover for period under review	1.96	1.47	<b>0.64</b>

In 2023, the turnover rate amounted to 0.64% (2022: 1.47%; 2021: 1.96%) and was thus at a very good level once again. We regard this as further evidence of the attractive working environment ZEAL offers its staff.

#### More flexible working hours and working models

Employees are increasingly demanding a good work-life balance. A family-friendly work environment is an important criterion when selecting and evaluating a potential employer. In order to be able to win the competition for talent, ZEAL strives to ensure that employees can reconcile their individual life concepts with their professional life as far as possible.

We promote equal opportunities for women and men as well as the compatibility of work with family obligations. At ZEAL, staff can freely arrange their contractually fixed working hours (trust-based working hours). Where requested, we also offer the possibility of part-time work, which can be converted back to a full-time position if circumstances change. In 2023, around 20% of our part-time workers converted their part-time position to a full-time position (2022: around 9%). A total of 10 employees, or 5.6% of our workforce, were on parental leave in 2023.

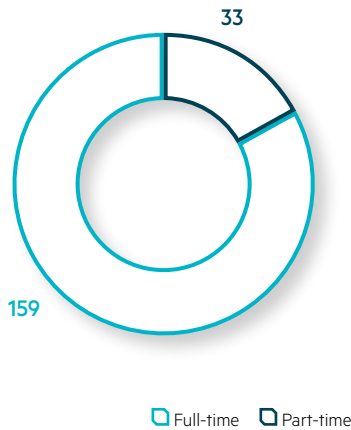
The possibility to take time off for special occasions, such as moving house, a wedding, the birth of a child, and seven additional paid days off if a child is ill, provides flexibility and makes it even easier for our employees to plan ahead. In 2023, around 15% took advantage of the opportunity to take time off for special occasions (prior year: around 17%), and around 17% took advantage of the offer to take paid leave in the case of child illness in 2023 (prior year: around 14%).

Our holiday policy gives ZEAL employees the opportunity to take more than 30 days of holiday, after prior consultation. In this way, we want to offer our employees greater flexibility while protecting their health and productivity. In 2023, around 32% took advantage of this opportunity (2022: 31%). In this context, remote working also plays an important role as an integral part of our working culture. For example, we allow employees to work remotely (in consultation with their manager and team) and offer them the freedom to work from an EU/EEA member country for four weeks a year. In 2023, a total of around 14% of our employees took up this offer (2022: 13%).

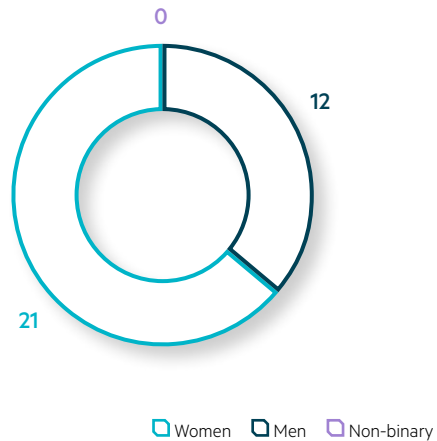
The regulations on more flexible working hours and working models are set out in a special guideline that all employees receive. This explains their rights and obligations regarding the various measures to increase the flexibility of their jobs. The corresponding regulations are also part of our New Work Policy and our Working Hours Policy (further information on this can be found in the section 'Employee satisfaction and turnover'). In 2023, our employees worked from home an average of three days per week (2022: three days).



### Employees by working time model



### Part-time work by gender



### Freedom of assembly, freedom of association and collective bargaining

We respect the rights of our employees with regard to freedom of assembly, freedom of association and collective bargaining agreements. There are currently no employees with union-negotiated pay agreements at ZEAL. In principle, however, we are open to the establishment of employee representative bodies and collective agreements and will not hinder such efforts by our employees.

We also respect the right of our employees to join a trade union and would then also work constructively with employee representatives and their organisation. With regard to freedom of assembly and freedom of association, there were no controversies at ZEAL in 2023 (2022: none; 2021: none).

### Diversity

Diversity, equity and inclusion (DEI) is becoming increasingly important for companies, as a diverse workforce not only has a positive impact on the employer brand, but can also positively influence corporate culture and employee satisfaction. Furthermore, a diverse work environment helps to compensate for the shortage of skilled workers and to achieve better work results. In order to use and expand the existing diversity in a company, it must be managed in a targeted manner. This is done through diversity management.

As an international company, ZEAL naturally attaches great importance to diversity and a balanced representation of all genders, origins, religions and age groups. We are aware that there is room for improvement in this area and that we can still become more diverse in certain areas.

We strive for a workforce that reflects the diversity of our society. However, for diversity to be a real advantage, it must be based on the principle of equality and filled with life. This includes promoting the conscious handling as well as the acceptance and equality of different people in companies, regardless of, for example, age, gender, ethnicity, skin colour, disability, religion, nationality, ideology or sexual orientation.

Our work culture enables equal opportunities regardless of these or other discriminatory characteristics. We promote the reduction of prejudices and educate our employees on the topics of diversity, inclusion and intercultural competence. Our sector tends to attract men, which is why we generally have a lower proportion of women than is the case in other sectors. This is also reflected in our Supervisory Board and Management Board.

However, with targeted diversity management and direct responsibility for this issue assumed by our CFO Sebastian Bielski, we aim to promote a diverse corporate culture and achieve greater diversity in the long term. In order to increase the proportion of women and the diversity of our Company as a whole, we have addressed the recommendations of the Diversity Charter and developed an action plan, which we are now gradually implementing. We also work together with the agency Trust in SODA to increase our diversity through the targeted recruitment of talent.

Part of the action plan was to establish a dedicated DEI working group in 2022 to support ZEAL's diversity management. It has developed proposals on the topic of diversity and presented them to the Management Board.

In order to regularly measure the commitment of our employees and the results of our measures, we introduced a DEI survey in 2023. This provided us with valuable insights into diversity aspects in the Company that are perceived as positive, as well as pointers for possible improvements. ZEAL's fair and respectful treatment of staff was rated particularly positively in the survey. We are delighted that our employees feel at ease and valued at work. However, the survey also revealed that we need to promote diversity, equality and inclusion at ZEAL even more strongly with specific measures.

<b>Short-term goals</b>	<b>Description</b>	<b>Status</b>
Appoint working group	Working group for the internal support of the topic at ZEAL.	Completed
Guidelines	ZEAL Code (Code of Ethics).	Completed
Flexible working models	Reconciling work, care and family.	Completed
Analysis of personnel structure	What is the gender distribution? What are the cultural backgrounds of our workforce at different levels of experience? How is our employee age structure distributed across different hierarchies, areas and departments? Where is the need for more diversity particularly high?	Completed
Diversity calendar as an expression of our appreciation of a diverse corporate culture	For example, information on International Women's Day, International Day of Persons with Disabilities.	In planning
Diversity success stories on the Intranet	Success stories from mixed teams, statements by managers on diversity management, or experience of role models are all intended to provide incentives and make the benefits of diversity tangible.	Under discussion
Leaders as role models	A clear commitment by our managers to our diversity approach.	Under discussion
Diversity events	Promoting the targeted reduction of prejudices and the sharing of experiences.	Under discussion
<b>Medium-term goals</b>		
Neutral job advertisements and documents	To clearly express our openness to applicants with different circumstances and backgrounds.	In planning
Induction plans/onboarding	For equal opportunities from joining the Company.	Under discussion
Job profiles	Clear skills profiles with results and target agreements to ensure equal opportunities in the selection process.	Under discussion
<b>Long-term goals</b>		
Enlist external support	To identify problem areas and potential even better and to develop an action plan.	Running
Focus groups	Especially in the early days of diversity management: exchange of different managers, employees and internal and external network partners to share experiences and adapt the concept to ZEAL's circumstances.	Running
Senior trainee programme	Re-entry of highly skilled staff after several years of parental leave.	Under discussion
Flexible workplace concept	No fixed workplace, but free choice of workplace that best suits the current activity; opportunities for retreat and relaxation as well as a large communal kitchen and lounge for colleagues to spend time together.	On trial

We are committed to removing barriers to the participation of people with disabilities or other disadvantaged groups and to promoting an inclusive corporate culture. In 2023, we employed one person with a disability (2022: one person).

In order to send a positive signal to the outside world, we strive to use gender-appropriate language in order to be as inclusive as possible when addressing people. At the same time, we strive to keep language barriers as low as possible (English is the Company language) to ensure good cooperation between our employees, who came from 28 different nations in 2023 (2022: 32; 2021: 23).

As in previous years, there were no controversial issues with regard to diversity and discrimination in 2023.

### Recruiting and retaining talent

We offer our employees an attractive overall package of competitive remuneration, extensive additional benefits and training opportunities, as well as a corporate culture of partnership as equals. In 2023, we hired a total of 14 new staff (2022: 33; 2021: 26), of which 12 in Germany (2022: 29; 2021: 22), 0 in the UK (2022: 2; 2021: 0) and 2 in Spain (2022: 2; 2021: 4). Our entire recruitment process is non-discriminatory and geared towards diversity. In 2023, 55.94% of all new recruits were women (2022: 48.48%; 2021: 50%).

ZEAL pays a competitive salary in line with prevailing market rates. Remuneration is based on position, responsibility and tasks, and not on personal characteristics such as gender or origin. In addition to the fixed salary, we provide variable, performance-related salary components to motivate employees. The level of remuneration is regularly reviewed and, if necessary, adjusted following each personal development meeting. Within this defined framework, we conduct a review of existing salaries and adjust them to ensure we continue to offer our employees salaries commensurate with market conditions and performance. In 2023, the average monthly salary of employees at ZEAL, excluding remuneration of Management Board members and students, was €5,926 (2022: €5,978; 2021: €5,782).

In addition to their basic salary, our managers receive variable remuneration with short- and long-term incentives linked to individual and Company-related issues. The Supervisory Board regularly adopts the target achievement parameters and sets new targets. The service agreements of Management Board members include clawback clauses. Specific malus provisions are limited to damages for misconduct. The current Management Board and Supervisory Board remuneration systems are described in detail in the Remuneration Report. This can be found on our website (<https://www.zealnetwork.de/about-us/corporate-governance/remuneration-of-boards/>). It also contains a description of the share-based remuneration system for the Management Board.

The Long-Term Incentive Plan is designed as a share price-related remuneration component and is a key instrument for ensuring the long-term nature and sustainability of Management Board remuneration. It also links the interests of the Management Board and shareholders even more closely.

In order to strengthen loyalty and enable employees to participate in the Company's success, we make it easier for our permanent employees to purchase shares in the Company via our broad-based Employee Stock Purchase Plan (ESPP). Participation packages are offered in annual one-off purchase amounts ranging from €900 to €3,600 – and ZEAL grants employees a fixed gross rebate of 20% (including taxes and social security contributions) on the final amount invested. A total of 48 employees participated in our ESPP and held Company shares in ZEAL in 2023 (2022: 41; 2021: 42). This represents 26.7% of ZEAL's total workforce (2022: 20.6%; 2021: 25.2%). Extensive fringe benefits include – depending on the location – subsidised public transport tickets, Company-sponsored bike leasing, subsidised gym fees, free food and drinks in the office, shopping discounts, a personal development budget, language courses, team and Company events, day-care vouchers, health insurance contributions, life insurance and a Company pension scheme. In 2023, 53.3% of our employees took advantage of the offer for subsidised public transport tickets (2022: 22.1%) and 41.7% benefited from ZEAL's subsidised gym fees (2022: 22.6%). A total of 3.9% of our employees took advantage of the opportunity to receive day-care vouchers in 2023 (2022: 6.0%).

We attach particular importance to the retention and promotion of talent – as it is these employees who ensure ZEAL's continued business success. Our Learning & Development Manager is responsible for this topic. This person's task is to manage personnel development projects (further information on this can be found in the section 'Training employees and promoting their development').

In 2023, we introduced a new process for the performance management of our employees. This includes scorecards, 360° feedback and targets for all employees in order to regularly measure and review their performance and ensure development measures.

We use the OKR (Objectives and Key Results) framework to involve employees in a continuous, flexible process and thus strengthen their identification with the Company. Depending on the business unit and the approach of the manager in charge, targets can be set with us as individual, team or business unit targets. It is possible to set quarterly, half-yearly or annual targets. We do not have a standard template or method for setting targets. However, the principle is that targets should be SMART, in other words specific, measurable, achievable, realistic and timed. At least once a year, we review the achievement of these goals. If the targets have been achieved and a corresponding agreement was made in advance, our employees then receive their personal bonus payment.

In day-to-day business, we ensure transparent communication and fair distribution of tasks using the RASCI method<sup>1</sup>, a popular project management tool. Both the SMART and RASCI methods are regularly audited. Active staff participation in every step of the process promotes and demands the commitment of each individual.

Our successful recruitment and talent management is reflected in top ratings on online portals and our very low turnover rate of 0.64% in 2023 (2022: 1.47%; 2021: 3.45%).

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

### Occupational health and safety

We create a safe and healthy working environment. This reduces our financial risks arising from health-related absences, or mental and physical stress, and protects our employees from accidents. The biggest health risks associated with our business model come from the nature of our workplaces, the consequences of sitting for too long, and mental and physical strain caused by stress.

The topic of occupational health and safety therefore includes, in particular, direct protection against hazards at the workplace through appropriate, health-promoting work furniture and equipment, the prevention of accidents at work, for example due to tripping hazards or electrical equipment which is not properly maintained, as well as the promotion of a healthy lifestyle at work. Our safety culture therefore includes regular risk assessments, the appointment of several occupational safety officers and the consistent involvement and raising of employee awareness, for example through training.

Our Health and Safety Officers are responsible for the implementation of specific projects. If necessary, they can obtain advisory support from external experts at any time, for example to conduct risk assessments. Our trained facility managers also regularly check the equipment and technology at our workplaces.

ZEAL provides a safe and healthy environment for employees and guests in accordance with international standards and applicable laws. It is mandatory for new ZEAL employees to take part in internal training courses on occupational health and safety. For example, they receive an overview of the emergency exits available in their office building or information on specific procedures in emergency situations. Once a year, all employees must attend a 30-minute training session to refresh their knowledge of occupational health and safety regulations. If there are changes in the relevant regulations, we inform our workforce immediately. Four times a year, external experts check whether we continue to fulfil all legal requirements in connection with occupational health and safety.

We expect all employees to be familiar with the applicable regulations and guidelines at all times and to follow them exactly. However, if there are any violations of occupational health and safety regulations, we will consistently pursue and sanction them. Our employees are required to immediately report any situation or process that could pose a risk to health, safety or the environment.

In order to prevent work-related illnesses, our employees can take advantage of various offers. These include, in particular, medical support from the Company doctor, Health Days, various sports activities and active stress management.

For example, the Company doctor holds regular workshops on the topic of ergonomic working practices. At the same time, our desk workplaces are ergonomically designed and regularly checked to ensure that the desks and chairs are optimally adjusted.

We also try to promote the well-being of our staff by offering Health Days. The two Health Days offered in 2023 were attended by around 38% of our employees (2022: 42%).

Our sports activities mainly include the subsidised use of gyms, swimming pools or other sports facilities. A total of 41.7% of our employees took advantage of this offer in 2023 (2022: 22.6%). In addition, they can all take part in a guided online training session once a week, especially to prevent strain or back pain. In 2023, a total of 156 participants took advantage of this offer. Every fortnight, our employees are also offered treatment and advice from a professional physiotherapist during working hours – they booked a total of 292 appointments in 2023.

Proactive stress management is also part of our prevention strategy and employees receive regular training on the topic of mental health at work. Counselling is provided in one-on-one discussions about stress factors, such as workload or team conflicts. If necessary, we arrange for confidential external psychotherapeutic treatment. In addition, we offer our employees the opportunity to work flexible hours if their field of activity allows it, and thus try to facilitate an optimal work-life balance.

Thanks to our healthcare measures, the accident rate in 2023 was just 1.96% (2022: 0.51%; 2021: 2.78%), there were three work-related injuries (2022: 1; 2021: 1) and no fatalities (2022: 0; 2021: none). The sickness rate in 2023 was 3.66% (2022: 3.61%; 2021: 2.78%) and the number of reportable work-related sickness cases was nil (2022: nil; 2021: nil). The average hours worked per week per employee at ZEAL in 2023 was 38.6 (2022: 38.1; 2021: 38.0). There were no controversial issues relating to occupational health and safety at ZEAL in the reporting period (2022: none; 2021: none) and no violations of our occupational health and safety regulations (2022: none; 2021: none).

### Training employees and promoting their development

Our continuing education and training programme helps us to ensure that our employees develop in line with ZEAL's corporate strategy and are trained in the relevant skills needed to achieve this. Our continuing education and training measures are offered to all of our employees so that our entire workforce has the opportunity to develop their professional skills.

Our training programme includes regular training according to the respective tasks and areas of responsibility.

We also offer individual training opportunities based on annual discussions with staff, performance appraisals and internal surveys. These may include recommendations for coaching on a specific topic, professional or technical training, or courses to improve social skills.

For this purpose, an annual training budget of €1,500 (€2,500 for managers) is allocated to each staff member, of which our employees used on average €1,754 in 2023 (2022: €1,064; 2021: €354). In total, ZEAL incurred continuing education costs of €315,790 in 2023 (2022: €211,677).

Almost 13% of our employees took part in training courses instead of office days in 2023 (2022: 9%).

In order to improve the promotion of continuing education for our employees, ZEAL has created the position of a Learning & Development Manager, which has been filled since 1 February 2023. Their task is to oversee staff development projects, including the establishment and ongoing development of a programme to promote personnel development measures. It is steered on the basis of KPIs such as employee satisfaction or individual development progress. In addition, the Learning & Development Manager encourages employees to make use of the training budget available to them as well as the various continuing education offers. Our employees can use forms to provide feedback on all training courses organised via our Learning Management System. A performance management cycle starting in 2024 will help us provide further support for staff development by means of a structured process. We will also introduce a new management development programme in 2024.

In addition to voluntary training opportunities, ZEAL offers mandatory training for all employees on the topics of data protection and information security. In addition, employees are also trained in critical areas regarding responsible gambling. The universally applicable guidelines are made available to all employees at a central location and compliance with them is audited at regular intervals.

Details on the scope, implementation and control of training courses are listed in the respective chapters.

## CORPORATE SOCIAL RESPONSIBILITY

Taking responsibility is a central component of our values. As a provider of lottery products, we have a particular responsibility to society as gambling can lead to addictive behaviour. At the same time, however, lotteries also play an important role in society, as they have traditionally always been a significant mainstay for the common good.

### LOTTERIES AND THE COMMON GOOD

Ever since lotteries have been supervised by the state, money has flowed into numerous socially relevant projects. Around 40% of lottery stakes received by the state lottery companies benefited society as a whole over the past few years in the form of taxes and levies. According to figures of the German Association of State Lottery Companies ('Deutscher Lotto- und Totoblock' – DLTB), around €3.3 billion was transferred to the state budgets or beneficiaries in the form of taxes and levies in 2023 (2022: €3.2 billion; 2021: €3.2 billion). In 2023, this corresponded to around €9.0 million per day for good causes throughout Germany – money which is absolutely vital for the funding of numerous projects in the field of welfare, sport and culture, as well as landmark and environmental protection.

As a Company that pays taxes, ZEAL also contributes to the funding of our community. We do not engage in tax avoidance schemes. Our CFO Sebastian Bielski is responsible for the topic of taxation.

In 2023, ZEAL paid a total of €39.2 million in taxes and levies (2022: €30.3 million; 2021: €31.4 million) and – as in previous years – generated funds for important social and societal projects amounting to €319 million (2022: €286 million; 2021: €246 million) through our brokerage activities.

And our charity lotteries make an additional contribution. Our own lottery products, such as 'freiheit+' and 'Traumhauslotterie', are charity lottery products where our partner BildungsChancen GmbH helps finance social projects.

In total, 100% of our products currently have a social and/or environmental impact and benefit the common good.

A detailed list of all taxes paid by ZEAL and its subsidiaries in various jurisdictions and countries can be found in the financial section of our Annual Report.

## STAKEHOLDER DIALOGUE

Actively engaging with stakeholders is an essential part of our responsible approach to business. Continuous dialogue with them enables us to incorporate the aims and requirements of various stakeholders identified in our materiality analysis into our business operations, and to identify problems and contentious issues at an early stage. At our ESG workshop, we discussed the concept of sustainable finance, which participants suggested offered the potential to link business and sustainability strategy and thus resolve varying stakeholder expectations, such as those of employees and shareholders. This concept is also gaining traction as banks – key stakeholders for business – increasingly demand progress in the field of sustainability. An overview of our stakeholder dialogue activities, including key data and measures, is detailed below.

### CUSTOMER SATISFACTION

ZEAL is defining the future of lotteries and games of chance by providing an exciting but safe customer experience while contributing to the common good. This is why we regularly measure the satisfaction of our customers by conducting customer satisfaction surveys.

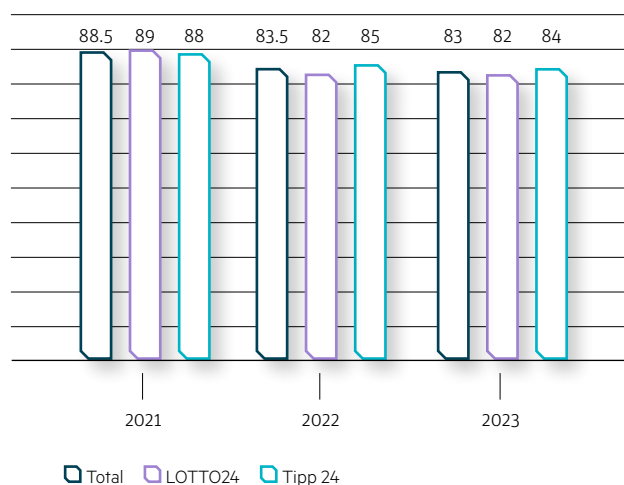
We conduct online customer surveys via e-mail invitation. In 2023, a total of 1,842 customers participated for LOTTO24 (833) and Tipp24 (1,009). This means that the number of surveys and thus their aggregated informative value increased once again compared to the previous year (2022: 1,068 customers surveyed).

Thanks to a survey tool that has remained largely unchanged over the past years, we have standards with which we can also reliably record and react to changes.

One important indicator is the recording of overall satisfaction, for which we use a 7-point scale – from 1 (= very dissatisfied) to 7 (= very satisfied) and display the top 3 boxes (scale points 7, 6 and 5) together.

The scores show that overall satisfaction remains at a stable and encouraging level of over 80% compared to previous years. Nevertheless, our enduring ambition is to achieve the highest possible level of customer satisfaction. This means that customer satisfaction has top priority in our day-to-day activities and we always respond to their concerns and enquiries as quickly as possible. In 2023, for example, we responded promptly to around 246,000 tickets and e-mail enquiries from our customers (2022: 203,000 tickets).

### Customer satisfaction (%)



2023: n = 1,842 (n = 833 LOTTO24 + n = 1,009 Tipp24), representation of top 3 boxes on a 7-point scale from 1 (= very dissatisfied) to 7 (= very satisfied).

### DIALOGUE WITH SHAREHOLDERS, ESG RATING AGENCIES AND OTHER STAKEHOLDERS

By continuously and actively engaging with our shareholders, we can develop an understanding of their needs and assessments and thus gauge how we can ensure our business activities are in line with their legitimate interests. At the same time, this dialogue helps give us a better understanding of our shareholders' investment behaviour and address any issues in advance. In the interest of our shareholders, we strive to ensure the greatest possible degree of transparency about our actions, our strategies and the basis for our decisions.

We actively encourage our shareholders to get involved and exercise their rights. German law lays down strict rules that we cannot alter. These include a threshold for the right to add items to the agenda of general meetings amounting to 5% of all issued shares or a proportionate amount of €500,000. In Germany, the right to vote at general meetings is based on the principle of 'one share, one vote'.

In 2023, we stepped up our dialogue with relevant ESG rating agencies. As part of a rating impact analysis we reviewed and systematically evaluated our sustainability ratings, enabling us to enter into a results-oriented dialogue with the rating agencies. This helped us to improve our sustainability ratings once again in 2023 and to define goals for the further implementation of measures to improve our sustainability performance. As a Company, we benefit from this improvement in our ESG ratings as it makes us more attractive to investors. At the same time, a stronger rating performance means a gain for our stakeholders as it underlines our contribution to a sustainable transformation of the economy and society.

In 2023, we once again took part in the University of Hohenheim's Gambling Symposium in order to share views with experts from science, politics and our sector and to gather the latest information on topics such as gambling supervision, online gambling and player protection. Together with experts from various fields, a research group from the university presented their findings on the latest gambling-related topics.

### **STRONG PARTNERSHIPS**

As part of our corporate social responsibility efforts, we take responsibility by partnering with charities – such as the Spanish Organización Nacional de Ciegos Españoles (ONCE). ONCE, a Spanish organisation for the visually impaired, helps people who are blind or have a visual impairment to lead independent lives. Founded in 1938, the company prides itself on having created a range of specialised services that enable thousands of people to fulfil their potential.

ONCE's mission includes creating jobs, offering scholarships and building hospitals, schools and specially equipped sports and recreational facilities. To increase its financial scope and optimise online distribution, ONCE partnered with our subsidiary ZEAL Iberia in 2012, which has since been responsible for managing the digital distribution channel – from product management to player acquisition and retention.

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

By buying stakes in our lottery club 'Das Grüne Glück', our customers can support the planting of trees in developing countries, as we donate one tree per stake, three trees for two stakes and eight trees for four stakes. In 2023, more than 235,000 trees (2022: 243,000; 2021: 209,000 trees) were planted by the local population around the world with the aid of our project partner Eden Reforestation Project. Since the lottery club was launched, over 879,000 trees have been planted. As well as actively combating climate change, this project also offers employment prospects for the local population. Projects in Nepal, Honduras, Madagascar, Ethiopia, Kenya and Mozambique have been supported so far.

In addition to the 'Das Grüne Glück' lottery club, we launched our second environmental lottery 'Der Blaue Schatz' in 2023. In cooperation with our partner 'MBRC the ocean', every ticket purchased by the lottery club helps them retrieve plastic waste from the ocean and recycle it into useful items. Depending on the amount of plastic to be fished out of the sea, our players can increase their stake. By the end of 2023, the equivalent of 433,480 PET bottles had already been collected, thus making a significant contribution to cleaning up the oceans.

With the charity lottery 'freiheit+' that ZEAL runs together with BildungsChancen gGmbH, we have been promoting educational projects in Germany and around the world since 2020. Its aim is to help people tap their personal potential – something which also benefits society as a whole. Since 2020, over €19 million has already been awarded to education projects – €6.4 million in 2023 alone (2022: €5.9 million; 2021: €5.4 million). This money is used to sponsor projects of the lottery's three initiators 'Stifterverband', 'SOS Children's Villages Worldwide' and the 'German Children and Youth Foundation – DKJS', as well as numerous projects of independent organisations. In 2023, we were able to support a total of 58 educational projects (2022: 69; 2021: 103).

We constantly strive to raise the profile of our social and environmental lotteries through various marketing measures and thus generate more donations for good causes through higher sales figures. We are also looking for ways to integrate additional projects and improve the quality of our active projects. To achieve this, we are in constant dialogue with current and potential new providers of corresponding business models.

## SOCIAL STANDARDS IN THE SUPPLY CHAIN

Due to its size, ZEAL is not subject to direct obligations under the German Supply Chain Due Diligence Act ('Lieferkettensorgfaltspflichtengesetz' – LkSG), which regulates corporate responsibility for compliance with human rights in global supply chains. Nevertheless, we pay careful attention to possible risks of human rights violations when selecting our contractual partners.

These contractual partners are based especially in the EU and the USA, and largely provide electronic services. The high standards and strict legal obligations that apply in these countries ensure a high level of compliance with human rights. In addition, there are only very low risks of human rights violations in the supply chain when providing electronic services. In 2023, we did not therefore initiate any specific risk analyses. However, we require our business partners to comply with the principles and requirements regarding social and environmental issues – including human rights and non-discrimination – as well as governance issues set out in our ZEAL Code.

## Governance

Good corporate governance needs a solid foundation that keeps the culture and actions of the Company on the desired track and at the same time ensures that everyone who interacts with us knows what we value as a Company. We have set out our requirements for integrity and ethics in a code of ethics and conduct, the ZEAL Code, which is binding for our employees, and translated it into our processes and monitoring measures.

An updated version of the ZEAL Code was published in 2022 and is available to all employees and interested parties in German, English and Spanish. In addition to the general compliance fields, we place particular emphasis on compliance with the special compliance fields of gambling regulation, data protection, IT security, capital market issues, competition, anti-corruption, occupational health and safety, good working conditions and equal opportunities based on the principle of non-discrimination. To ensure a higher level of commitment, all employees must recognise the ZEAL Code. Depending on the respective risk of the business relationship, we also plan to require our contractual partners to take note of and comply with our principles of action.

## INTEGRITY – THE BASIS FOR OUR SUCCESS

We are convinced that ethical behaviour and economic success are not mutually exclusive. Conducting our business with integrity secures our reputation as a trustworthy and reliable business partner. Integrity means doing the right thing even when no one is watching. We clearly defined this value in our ZEAL Code and further specified how it should guide us in our daily work together and with other stakeholders such as our customers, business partners or investors.

Our reputation as a trustworthy and reliable business partner is an important factor for sustainable success. Our behaviour, our communication and all other interactions with our stakeholders should therefore strengthen the trust people place in us. In its broadest sense, 'compliance' means 'adherence to rules'. For ZEAL, this means adhering to all relevant laws, regulations and international guidelines, in particular the State Treaty on Games of Chance, the EU GDPR, IT security and financial regulations. We are therefore also keen to emphasise that there were no violations of regulatory requirements in connection with gambling at ZEAL 2023.

Our own guidelines and policies, above all our ZEAL Code, illustrate how we want to live our values and how we ensure compliance with rules in our everyday lives.

We are firmly committed to creating a working environment and culture that promotes ethical behaviour and prevents such compliance violations. We expect all our employees to take responsibility for their actions and to feel personally accountable for complying with the law and our internal policies. For us, integrity means making the right decision in accordance with our values and ethical expectations to the best of our knowledge and belief, even if there are no written rules, and speaking up when something violates our sense of justice.

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Supervisory Board and Management Board have issued a Declaration of Conformity with the German Corporate Governance Code and made it permanently available to shareholders on the Company's website ([zealnetwork.de](https://zealnetwork.de)).



## COMPLIANCE MANAGEMENT

For us, compliance means reducing legal risks, safeguarding our reputation and managing our corporate culture. ZEAL has several policies based on the ZEAL Code that guide the entire ZEAL team to make the right decision in difficult situations. Examples include our rules on accepting or granting of invitations and gifts from business partners, or the double-check principle for financial matters.

ZEAL has a compliance management system (CMS) consisting of a set of measures and processes based on the established auditing standard IDW PS 980 of the Institute of Public Auditors in Germany ('Institut der Wirtschaftsprüfer in Deutschland' – IDW). It is designed to ensure that we act in accordance with ethical principles and adhere to all applicable laws, internal regulations and voluntary commitments. We pay particular attention to compliance with requirements in the fields of gambling regulation, data protection, IT security, competition, money laundering, corruption and fraud, occupational health and safety, as well as working conditions and general non-discrimination.

Our measures are data-based and the result of thorough and regular risk analyses (see Risk Management chapter). We also constantly monitor the development of legal requirements to ensure the effectiveness and efficiency of our CMS. Regular information events and training ensure a high and constantly up-to-date level of expertise across the entire ZEAL team. Each member is called upon to report (potentially) unethical behaviour to our Compliance team. To this end, we provide various reporting channels such as our whistleblowing system (see section 'Combating money laundering and corruption'). The various channels are also expressly available to our business partners, as ZEAL attaches great importance to ethical behaviour in its dealings with third parties and therefore also carries out detailed checks on relevant business partners before entering into a contractual relationship. Our Compliance Team is constantly available via our internal contact options for questions, doubts or improvement suggestions regarding compliance-relevant processes. The input received is documented and analysed as the basis for continuously improving the CMS.

By setting the 'tone from the top', all managers are obliged to exemplify, through their own behaviour and attitudes, a culture of risk management that encourages staff to comply with the applicable regulations and to avoid violations. Managers with responsibility for particularly sensitive compliance areas hold workshops twice a year to analyse and assess potential risks and to define appropriate risk-reducing measures. The discussions also include awareness-raising and training for our risk and compliance culture. The Compliance Officer, who reports directly to the Management Board, is responsible for coordinating these workshops as well as for the entire CMS.

According to section 5 (3) of the Management Board's own rules of procedure, the CEO is responsible for liaising with the Supervisory Board and its members and for informing the Chairman of the Supervisory Board about any extraordinary events of particular significance. According to section 8 (3), the Management Board must inform the Supervisory Board regularly, promptly and comprehensively about all issues relating to strategy, planning, business development, the risk situation, risk management and compliance that are relevant for the Company. It must also address any deviations from the established plans and targets for the course of business, stating the reasons. The duty to inform and report to the Supervisory Board is incumbent on the entire Management Board under the coordination of the Chairman of the Management Board. Reports of the Management Board to the Supervisory Board are generally made in text form. Relevant documents, in particular the Annual Financial Statements, the Consolidated Financial Statements and the Auditor's Report, shall be sent to the members of the Supervisory Board in good time before the meeting.

ZEAL's remuneration system for the Management Board includes economic, performance-related components. Sustainability criteria are currently not explicitly included, but could be added at the discretion of the Supervisory Board via the definition of short-term incentive targets. Details of Management Board remuneration can be found in a separate Remuneration Report, available at [www.zealnetwork.de](http://www.zealnetwork.de).

An effective strategy for the prevention and avoidance of compliance risks requires suitable, informed and independent control bodies. In addition to proven industry expertise in our field of activity and thus the related specific requirements and risks, our Supervisory Board is of central importance in this regard. The independence of the Supervisory Board's members is in accordance with German stock corporation law and the German Corporate Governance Code.

We are convinced that our lean and practice-oriented ethics and compliance management approach is a competitive advantage for ZEAL, as it not only positions us as a trustworthy gaming provider and reliable business partner, but also as an attractive employer with minimal bureaucracy. Further concrete measures to ensure business integrity and data, for example on violations or complaints, are listed in the chapters on Fair Competition, Combating Corruption and Money Laundering, Lobbying and Risk Management at ZEAL. We also report key figures on our compliance management, as shown below. We disclose related party transactions in detail and in accordance with IAS 24 (Related Party Disclosures) in note 30 to the Consolidated Financial Statements in this annual report. Complete information on the fiscal year 2023 can be found in the Annual Report 2023, also in note 30 to the Consolidated Financial Statements.

In 2023, two compliance risks were identified at ZEAL. The Supervisory Board was promptly informed of both risks in accordance with internal processes.

#### FAIR COMPETITION

The German lottery market is strictly regulated and dominated by the 16 state regional monopolies of the lottery companies of the German Association of State Lottery Companies ('Deutscher Lotto- und Totoblock' – DLTB). We value freedom of competition and are committed to fair conditions for all market participants, as these enable us and our competitors to drive innovation while complying with the legal requirements for our products and services. We comply with the legal requirements for fair competition and base our management approach on these. As a commercial gaming broker, ZEAL offers an independent alternative to the state's own sales outlets, enabling players to use state lotteries and other gaming products via a uniform offering. In doing so, ZEAL complies with the laws and regulations valid in the Federal Republic of Germany and the EU, in particular the requirements of gambling and competition law.

We do not enter into price agreements, nor do we set sales quotas or market allocations. Such behaviour is not tolerated by us. We also comply with the German Act against Unfair Competition ('Gesetz gegen den unlauteren Wettbewerb' – UWG) and do not accept any actions that distort competition, such as discrediting competitors or using misleading advertising (see also the section Responsible Marketing). Our management approach also stipulates that we make agreements with suppliers or customers that are always unambiguous and document them within the framework of contracts. Verbal or even hidden side agreements are not tolerated and have no validity. In addition, our ZEAL Code (Code of Ethics) excludes anti-competitive behaviour and provides for a whistleblower system to anonymously report any violations.

Since fairness in competition is of great importance to us, we have also entered into a partnership with the Centre for Protection against Unfair Competition ('Zentrale zur Bekämpfung unlauteren Wettbewerbs Frankfurt am Main e.V.' – for short: 'Wettbewerbszentrale'), a self-regulatory institution operating throughout Germany and across borders to enforce the law against unfair competition. 'Wettbewerbszentrale' acts as an advisor to us, above all in questions of competition law or legal practice in competition. Among other things, this enables us to recognise and manage competition law risks at an early stage. In this way, we also fulfil our social responsibility to promote fair business relations and fair competition in our industry.

In the past three years, we have had no legal proceedings for anti-competitive behaviour and suffered no other monetary losses resulting from unethical or illegal behaviour.

#### COMBATING MONEY LAUNDERING AND CORRUPTION

In the gaming sector in particular, there is a higher risk of money laundering – thus making it a core topic of ZEAL's overall Ethics & Compliance Management System and something that we counter with a variety of measures. The basis is our Anti-Money Laundering Policy (AML Policy) published in 2023, which can be viewed and downloaded online (<https://www.zealnetwork.de/about-us/downloads/>). Our measures include refusing cash transactions at ZEAL and the transparent interpretation of our licences:

LOTTO24 AG, which markets our B2C products in Germany, is regulated and licensed by:

- Joint Gaming Authority of the German federal states ('Gemeinsame Glücksspielbehörde der Länder' – GGL);
  - Licence for commercial game brokerage
  - Licence to operate games.
- Malta Gaming Authority
  - B2B games supplier licence.

Furthermore, LOTTO24 AG conducts annual audits of the money laundering risk. The last audit took place in November 2023 and was conducted in accordance with the requirements of ISO Standard 31000. We take particular account of the areas identified by the National Risk Analysis of the Federal Republic of Germany 2018/2019:

- High threat of money laundering with simultaneously low risk of terrorist financing.
- Obfuscations due to a high number of transaction options when playing online, for example by using several payment accounts of different payment providers.
- Misuse of gambling accounts for illegally acquired funds.
- Misdeclaration of payouts as gambling winnings.

In order to address all AML topics appropriately, ZEAL cooperates with the Chevron group, a leading consulting company in the European gambling sector. The group's CEO, Jochen Biewer, has been appointed as Lotto24's Money Laundering Reporting Officer (MLRO) and in addition Nikolas Lotz, COO of a Chevron group company, has been appointed as deputy MLRO. The MLRO is responsible for LOTTO24's AML strategy. The strategy contains obligations and duties which all relevant ZEAL employees must comply with at all times. These duties are monitored by the MLRO and the relevant departments. The AML strategy comprises:

- The implementation of effective and efficient AML procedures for day-to-day management and administration by an AML Management System.
- The development and performance of adequate controls to ensure that all applicable legal and regulatory AML requirements of its jurisdiction are being adhered to.
- Ensuring that local guidelines and procedures are in line with local AML laws/regulations.
- The development and maintenance of procedures to ensure that unusual and suspicious transactions are detected.
- Establishing and maintaining risk-based procedures, including enhanced due diligence for those customers presenting higher risk, such as Politically Exposed Persons (PEPs), and according to the risk categorisation performed.
- Establishing and maintaining risk-based systems and procedures to monitor ongoing customer activities.
- A procedure for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate.
- The maintenance of appropriate records for the minimum prescribed periods.
- Establishing and maintaining risk-based employee's due diligence, identification and verification of reliability procedures.
- Regular training and awareness for all relevant employees. Failure to comply with our internal rules to prevent money laundering or any other unethical behaviour may give rise to disciplinary action, up to and including dismissal.
- The provision of appropriate management information and reporting to senior management of ZEAL's compliance with the requirements.

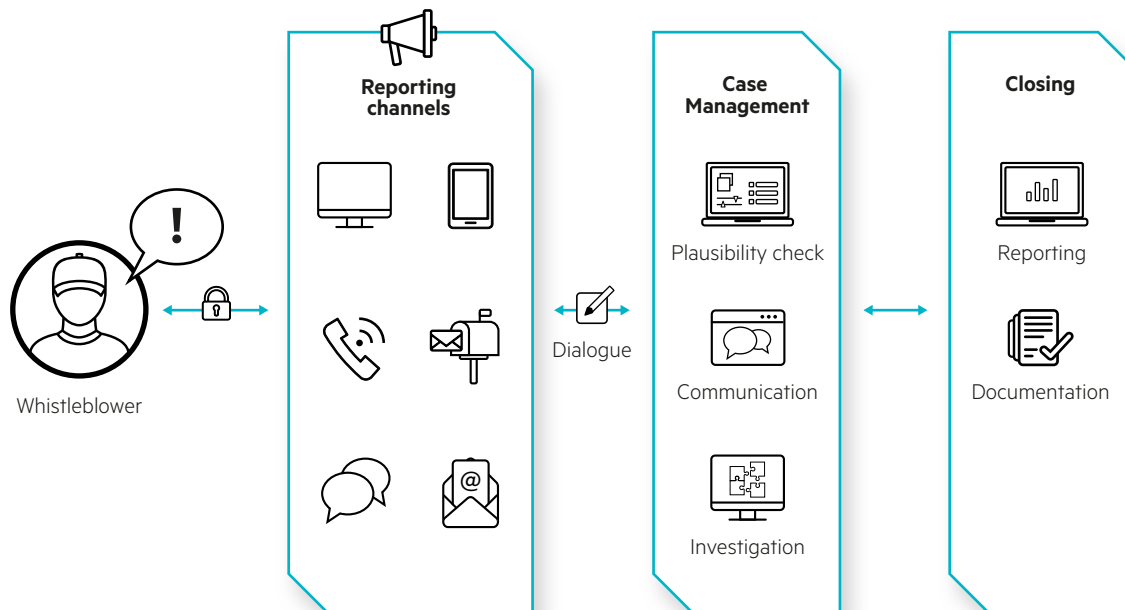
All employees are informed at regular intervals about the principles set out here and the possibility of using our whistleblower system. Detailed information on our whistleblower system can be found in further below in this section.

To prevent or reduce payment fraud, we set up the Payment, Fraud and Verification department, which comprised six full-time employees in 2023.

Like money laundering, corruption both in Germany and abroad is a criminal offence that we do not tolerate and that poses a risk to our reputation. We therefore have zero tolerance for any form of corruption, such as bribery, embezzlement, extortion or other forms of corrupt behaviour. Above all, we do not accept any abuse of our lottery services for the above purposes. We therefore also insist that our employees immediately report any violations and misconduct. We have drawn up a guideline for our employees regarding the correct handling of gifts and invitations.

We take immediate action against money laundering and any attempt of illegal influence and corruption, including the termination of our cooperation. In 2023, there were no reported or detected cases of money laundering or corruption at ZEAL or our suppliers. There were also no known conflicts of interest during the reporting period.

ZEAL expressly encourages an open corporate culture in which our workforce feel they can 'Think Brave' and raise concerns. It should always be possible for everyone to freely express any doubts they may have about the correct behaviour of others in the course of our business operations. Various channels and opportunities are open for this purpose: actual or suspected violations, as well as concerns, can be expressed to superiors, directly to the Management Board or anonymously through our publicly accessible whistleblowing system at [zeal.whistleblownetwork.net](https://zeal.whistleblownetwork.net). The whistleblower system is therefore also explicitly aimed at customers, suppliers and other third parties outside the Company who can use it to report suspicious cases.



Our Whistleblower Policy is also publicly available through our whistleblower system. The system is available to ZEAL employees in all relevant languages. In addition, information can also be sent in the following ways:

- By e-mail to [ethics@zealnetwork.de](mailto:ethics@zealnetwork.de).
- By post to ZEAL Network SE, Ethics & Compliance, Carsten Muth, Straßenbahnring 1, 20251 Hamburg.
- Personally to our Compliance Officer Carsten Muth ([carsten.muth@zealnetwork.de](mailto:carsten.muth@zealnetwork.de)).
- To our external consultant Maxie-Lina Mehling ([maxie@ethicsandcompliance.de](mailto:maxie@ethicsandcompliance.de); [www.ethicsandcompliance.de](http://www.ethicsandcompliance.de)).

Our Compliance Department processes all information with the assistance of external compliance specialists and ensures that the necessary steps are taken. Whistleblowers will never be denounced, disadvantaged, punished or otherwise prosecuted by us in any way.

As part of their onboarding process, all our employees are proactively familiarised with our whistleblower system and the various channels for raising concerns about compliance issues. ZEAL regularly refers to the whistleblower system when communicating compliance issues. In 2023, no complaints were submitted internally or externally via this or the other channels.

## LOBBYING AND ASSOCIATION MEMBERSHIPS

Lobbying as participation in political and social discourse is part of our social and corporate responsibility. It is in the interest of our Company and our shareholders that we bring our perspective to the political discourse and address potentially business-damaging controversial issues – always in line with our compliance and anti-corruption guidelines. In doing so, we are committed to the principles of non-partisanship, democratic opinion-forming, pluralism and transparency. ZEAL does not endorse any political parties, candidates or office holders – our political engagement is always based on issues and result-oriented. We have anchored this in our ZEAL Code.

As part of our transparency commitment, we publish our association memberships. In 2023 these were:

- German Lotto Association ('Deutscher Lottoverband').
- CDU Economic Council ('Wirtschaftsrat').
- SPD Economic Forum ('Wirtschaftsforum').
- Professional Association of Compliance Managers ('Berufsverband der Compliance Manager').
- Wettbewerbszentrale.
- World Lottery Association.

The main topics of our lobbying activities are:

- Gambling regulation.
- Data protection.
- Capital and financial market issues.

## STRUCTURES

Our sustainability strategy includes the creation of clear responsibilities for ESG-relevant topics. ZEAL follows a systematic approach and places responsibility at corporate management level, but also at the level of individual departments, each focusing on different aspects. While our Supervisory Board is responsible for the supervision of our ESG strategy, the Management Board is responsible for steering all sustainability-relevant goals and decisions and their follow-up. Based on these fundamental decisions, our directors coordinate and implement the strategic sustainability goals with different areas of focus.

### Main persons responsible for our ESG strategy and activities



## RISK MANAGEMENT

The early identification of risks ensures our ability to act and our entrepreneurial resilience. Within the Company, risk and opportunity management is a central component of internal business planning and thus influences all possible dimensions of our actions, both on an economic, ecological and social level, as well as in the context of governance and compliance. Our Compliance Officer reports directly to the Management Board, so that the latter is informed at all times about ZEAL's situation and prospects. Within the Management Board, Sebastian Bielski has been responsible for issues relating to ZEAL's risk management since 1 October 2023.

Our management approach includes clear responsibilities, processes and tools that enable us to identify risks at an early stage and address them adequately. For our general risk management, we use the AI-based governance, risk & compliance tool 'Alyne', which we introduced in the Company in 2022. Alyne not only enables us to record risks for the Company as a whole, which are then reviewed in the course of assessments during the year, but we are also starting to roll out our internal control system in Alyne and are planning the same approach for ESG risks.

One advantage of our approach is that we have placed risk management in different areas of the Company and have thus made it more comprehensive.

The software-based risk management supports all employees with their own decisions and enables them to draw on its expertise. This means that the entire Company can act competently with regard to potential and actual risks of all processes and decisions.

In addition, management and the Supervisory Board assess our risk management processes at least once a year so that we can optimally combine our data-based approach with ZEAL's strategic goals.

In 2022, we also started to set up an additional internal control system (ICS) that records financially critical processes, their risks and controls. Both systems, Alyne and ICS, were linked in 2023 in order to make our risk management process even more comprehensive and secure.

## CORPORATE GOVERNANCE STANDARDS

The following overview lists the relevant governance and reporting standards which we comply with and details the audit cycles. The scope of the audits is ZEAL Network SE as a group.

Area	Standard
Standards applied for auditing accounts	ISA (International standard on auditing) and the German standards of the Institute of Public Auditors in Germany ('Institut der Wirtschaftsprüfer' – IDW)
Standards applied for auditing non-financial information	ISO27001
Frequency of financial information audits (per year)	Annually with six-monthly reviews
Frequency of non-financial information audits (per year)	Annually
Standards applied for financial reporting	IFRS (International Financial Reporting Standards)
Standards applied for non-financial reporting	Global Reporting Initiative (GRI), ISO27001
Certification of Business Continuity Management System according to international standards	We constantly replicate our data from our primary to a secondary data centre and store backups at an off-site location with an external provider. In the event of a crisis, our employees can work from any location.
Certification of Information Security Management System according to international standards	ISO27001
Controversies related to the reliability and availability of systems and standards	0

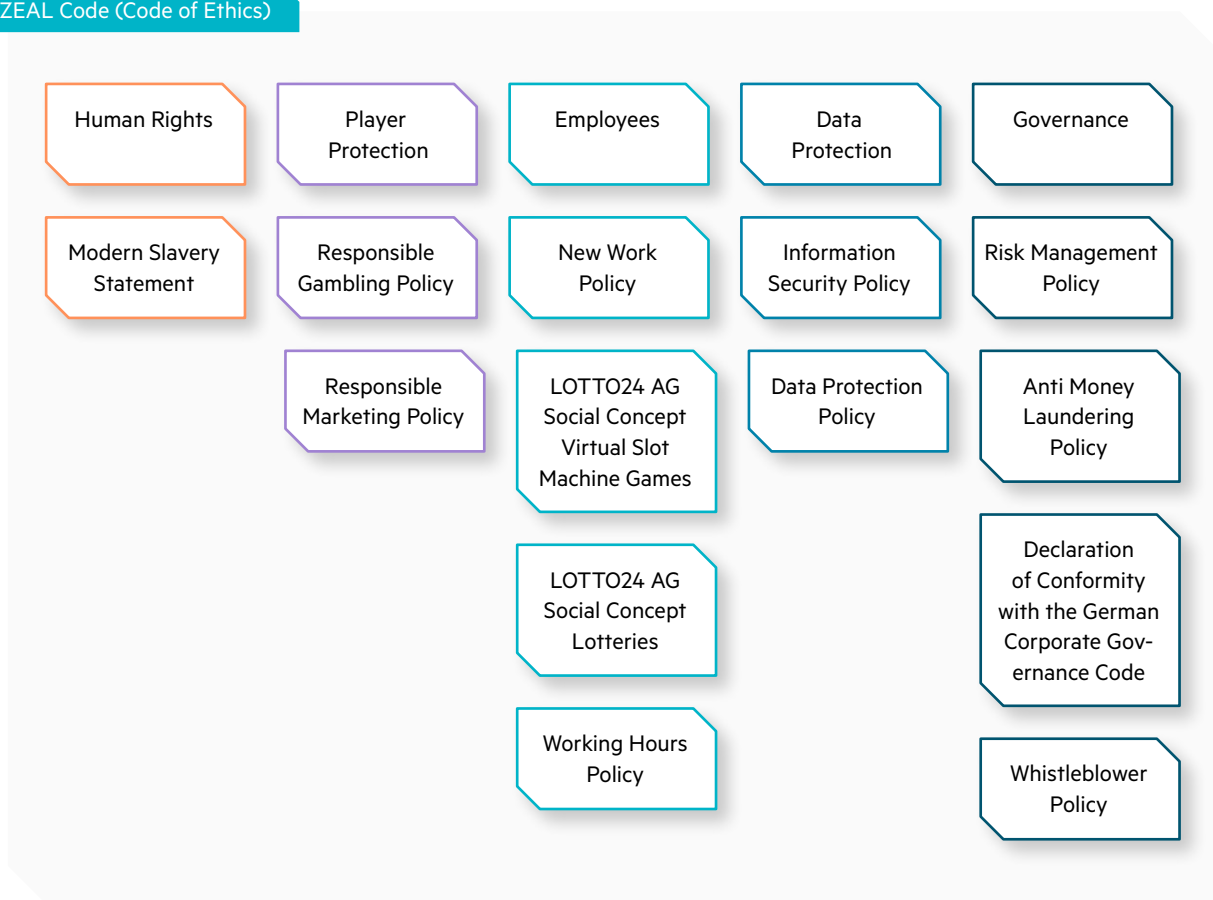
## ETHICAL GUIDING PRINCIPLES

The following overview describes the entirety of our guiding principles based on the ZEAL Code, which contains central commitments on all topics, including corruption prevention, financial reporting, environmental and social issues. On this basis, we have further detailed concepts and procedures in the areas of player protection, employees, data protection and governance. We also translate the values and laws of relevance to us, for example through internal guidelines (Group Policies), so that our employees receive both guidance and orientation in their day-to-day work.

For further information in addition to this Sustainability Report, we have prepared summarised descriptions of our guiding principles for the topics listed below. The respective documents in the overview below can be accessed on our corporate website ([www.zeal-network.de](http://www.zeal-network.de)).

The ZEAL Code, our Guiding Principles, and our internal Group Policies are generally valid throughout the Group, with the exception of our social concepts (Responsible Gambling Policies), which are based at LOTTO24 AG, as we market the majority of our products there.

### ZEAL Code (Code of Ethics)



### GLOSSARY

#### **AA1000 Stakeholder Engagement Standard (SES)**

AccountAbility's AA1000 Stakeholder Engagement Standard (SES) is a universally applicable framework for designing, assessing, implementing and communicating high-quality stakeholder engagement.

#### **German Sustainability Code ('Deutscher Nachhaltigkeitskodex' – DNK)**

The German Sustainability Code (DNK) is a cross-industry transparency standard for reporting corporate sustainability performance. To comply with the DNK, user companies provide the database with a declaration on 20 DNK criteria and the supplementary non-financial performance indicators.

#### **German Corporate Governance Code ('Deutscher Corporate Governance Kodex')**

The German Corporate Governance Code represents the basic legal regulations for the management and supervision of listed companies in Germany and adopts internationally and nationally recognised standards of good and responsible corporate governance in the form of recommendations.

#### **General Data Protection Regulation (EU GDPR)**

The General Data Protection Regulation (EU GDPR) is an EU regulation that sets out rules for handling personal data in a uniform manner. This applies to private and public entities throughout the EU. The aim is to guarantee the protection of personal information within the EU while enabling the free flow of data within the European Single Market.

#### **Diversity**

Diversity refers to the conscious handling as well as the acceptance and equality of different people in companies, regardless of, for example, ethnicity, skin colour, age, gender, nationality, religion, ideology or sexual orientation.

#### **Renewable energies**

Renewable energies are types of energy that are considered sustainable resources because they are self-renewing and thus cannot be depleted as a resource. Renewable energies include, for example, wind energy, solar energy and hydroelectric power. These are also grouped under the category 'green electricity', while 'grey electricity' refers to electricity from sources of unknown origin and fuels.

#### **ESG**

E = Environmental, S = Social, G = Governance. ESG refers to non-financial factors that investors use to check potential investments. They also refer to the sustainability impacts and contributions of a particular company and the associated risks for the company. Companies are increasingly expected to report on ESG factors.

#### **EU Ecodesign Directive**

Since 2005, the EU Ecodesign Directive has set a framework for uniform ecological design requirements for products within the EU. It promotes the market for efficient and environmentally friendly products and enables significant savings in energy and resources in the area of appliances and products.

#### **Greenhouse Gas Protocol (GHG Protocol)**

The Greenhouse Gas Protocol (GHG Protocol) is currently the most widely used standard for accounting greenhouse gas emissions. Its development is coordinated by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

#### **GLOBAL REPORTING INITIATIVE (GRI)**

The Global Reporting Initiative (GRI) is an international standardisation organisation for sustainability reports. It is internationally accepted and represents the de facto standard for sustainability reports worldwide. The GRI originates from a 1997 initiative by CERES, a US investor initiative, and the Finance Initiative of the United Nations Environment Programme.



### **GERMAN STATE TREATY ON GAMES OF CHANCE**

In Germany, the online offering of lotteries is regulated by the State Treaty on Games of Chance ('Glücksspielstaatsvertrag' – GlüStV). The current GlüStV has been in force since 1 July 2021, has an indefinite term and can be terminated by individual federal states on 31 December 2028 at the earliest. It contains regulations that apply to all forms of gaming and are also relevant for commercial gaming brokerage.

### **INTERNATIONAL LABOUR ORGANIZATION (ILO)**

The International Labour Organisation is the oldest specialised agency of the United Nations. It was founded in 1919 with the aim of defining globally valid labour and social standards.

### **NACE (FRENCH: NOMENCLATURE STATISTIQUE DES ACTIVITÉS ÉCONOMIQUES DANS LA COMMUNAUTÉ EUROPÉENNE)**

NACE is a system for classifying economic activities and was designed by the European Union on the basis of the International Standard Industrial Classification of all Economic Activities (ISIC) of the United Nations.

### **OKR (OBJECTIVES AND KEY RESULTS)-FRAMEWORK**

The Objectives and Key Results (OKR) framework links the tasks of teams and employees with the company's strategies, plans and visions. Objectives are divided into qualitative objectives and quantitative key results.

### **IDW PS 980**

IDW PS 980 is a standard set by the Institute of Public Auditors in Germany ('Institut der Wirtschaftsprüfer in Deutschland' – IDW). It determines the effectiveness of compliance management systems. It is applicable to the audit of a company's compliance management system regardless of the respective sector.

### **SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

The United Nations Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals for sustainable development. They were published under the title 'Transforming our world: The 2030 Agenda for Sustainable Development (for short: Agenda 2030)'. Its call for companies to participate comes primarily from the international community of states, in Europe primarily from the EU member states and the EU Commission, from individual initiatives such as the UN Global Compact, the Global Reporting Initiative and the World Business Council for Sustainable Development, but also from investor groups, and is reflected in legal requirements and corresponding standards.

### **MATERIALITY ANALYSIS**

A materiality analysis is a process to identify the most important (material) economic, environmental and social issues and challenges of a company. Basically, it has several functions: it helps to identify the relevant stakeholders and thus the addressees of sustainability reporting and it enables the prioritisation of areas of responsibility and fields of action, thus reducing complexity. It also helps in the selection of suitable strategic goals, policies, certifications, indicators or reporting priorities.

## GRI Reporting Framework

### Disclosure Table

GRI indicator		Location/reference in report
<b>GRI 2: General disclosures</b>		
2-1 a	Legal name of the organisation	About this Sustainability Report
2-1 b	Legal form of the organisation	About this Sustainability Report
2-1 c	Headquarters of the organisation	Hamburg/Germany
2-1 d	Countries of operation of the organisation	About this Sustainability Report
2-2 a	All entities of the organisation that are considered in the Sustainability Report	About this Sustainability Report
2-2 b	If the organisation has audited consolidated financial statements or financial information filed on public record, the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting must be specified	No differences About this Sustainability Report
2-3 a	Reporting period and frequency of sustainability reporting	About this Sustainability Report
2-3 b	Reporting period for financial reporting	11.2023-31.12.2023
2-3 c	Publication date of the report or reported information	20 March 2024
2-3 d	Contact point for questions about the report or the reported information	About this Sustainability Report
2-6 a	Sector(s) in which the company is active	About ZEAL; Our integrated business model
2-6 b	Value chain of the company	Description of our value chain
2-7	Employees	Employees
2-9	Governance structure and composition	Corporate Governance Statement
2-11	Chair of the highest governance body	Peter Steiner (Chairman of the Supervisory Board) Corporate Governance Statement
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement; Evaluation; Compliance management
2-15	Conflicts of interests	There were no known conflicts of interest in the reporting period Corporate Governance Statement; Combating money laundering and corruption
2-16	Communication of critical concerns to the highest governance body	Compliance management
2-26	Mechanisms for seeking advice and raising concerns	Combating money laundering and corruption
2-27	Compliance with laws and regulations	There were no violations of laws or regulatory requirements in connection with gaming at ZEAL in 2023 Governance
2-28	Membership in associations or advocacy organisations	Lobbying and association memberships
2-29	Approach to stakeholder engagement	Stakeholder mapping and material topics
<b>GRI 3: Material topics</b>		
3-1	Process to determine material topics	Stakeholder mapping and material topics
3-2	List of material topics	Stakeholder mapping and material topics
3-3	Management of material topics	Stakeholder mapping and material topics

<b>GRI indicator</b>	<b>Location/reference in report</b>
<b>GRI 201: Economic performance</b>	
201-1 Direct economic value generated and distributed	Group Management Report
<b>GRI 205: Anti-corruption</b>	
205-2 Communication and training about anti-corruption policies and procedures	Combating money laundering and corruption
205-3 Confirmed incidents of corruption and actions taken	There were no known cases of corruption at ZEAL in 2023 Combating money laundering and corruption
<b>GRI 206: Anti-competitive behaviour</b>	
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no legal proceedings relating to anti-competitive behaviour at ZEAL in 2023 Fair competition
<b>GRI 207: Tax</b>	
207-1 Approach to tax	Group Management Report
207-2 Tax governance, control, and risk management	Risk management
<b>GRI 301: Materials</b>	
301-3 Reclaimed products and their packaging materials	Reuse: IT hardware
<b>GRI 302: Energy</b>	
302-1 Energy consumption within the organisation	Our electricity consumption
302-3 Energy intensity	Our electricity consumption
302-4 Reduction of energy consumption	Our electricity consumption
302-5 Reductions in energy requirements of products and services	Our electricity consumption/ Digital technologies and innovation
<b>GRI 303: Water and effluents</b>	
303-1 Interactions with water as a shared resource	Our water consumption
303-5 Water consumption	Our water consumption
<b>GRI 304: Biodiversity</b>	
304-2 Significant impacts of activities, products and services on biodiversity	Environment
304-3 Habitats protected or restored	Our goal: reducing and offsetting emissions
<b>GRI 305: Emissions</b>	
305-1 Direct (Scope 1) GHG emissions	Our CO <sub>2</sub> emissions
305-2 Energy indirect (Scope 2) GHG emissions	Our CO <sub>2</sub> emissions
305-3 Other indirect (Scope 3) GHG emissions	Our CO <sub>2</sub> emissions (measurement in progress)
305-4 GHG emissions intensity	Our CO <sub>2</sub> emissions
305-5 Reduction of GHG emissions	Our goal: reducing and offsetting emissions

<b>GRI indicator</b>	<b>Location/reference in report</b>
<b>GRI 306: Waste</b>	
306-1 Waste generation and significant waste-related impacts	Reduce: office waste
306-2 Management of significant waste-related impacts	Reduce: office waste
306-3 Waste generated	Reduce: office waste
<b>GRI 401: Employment</b>	
401-1 New employee hires and employee turnover	Employees; employee satisfaction and turnover; recruiting and retaining talent
401-3 Parental leave	More flexible working hours and working models
<b>GRI 403: Occupational health and safety</b>	
403-1 Occupational health and safety management system	Occupational health and safety
403-2 Hazard identification, risk assessment and incident investigation	Occupational health and safety
403-3 Occupational health services	Occupational health and safety
403-5 Worker training on occupational health and safety	Occupational health and safety
403-6 Promotion of worker health	Occupational health and safety
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
403-8 Workers covered by an occupational health and safety management system	Occupational health and safety
403-9 Work-related injuries	Occupational health and safety
403-10 Work-related ill health	Occupational health and safety
<b>GRI 404: Training and education</b>	
404-2 Programs for upgrading employee skills and transition assistance programs	Training employees and promoting their development
<b>GRI 405: Diversity and equal opportunities</b>	
405-1 Diversity of governance bodies and employees	Diversity
<b>GRI 406: Non-discrimination</b>	
406-1 Incidents of discrimination and corrective actions taken	There were no controversies relating to discrimination at ZEAL in 2023. Diversity
<b>GRI 407: Freedom of association and collective bargaining</b>	
<b>Freedom of association and collective bargaining</b>	
<b>GRI 408: Child labour</b>	
<b>Monitoring and guiding principles</b>	
<b>GRI 409: Forced or compulsory labour</b>	
<b>Monitoring and guiding principles</b>	
<b>GRI 414: Supplier social assessment</b>	
414-1 New suppliers that were screened using social criteria	Our central code of conduct: the ZEAL Code

GRI indicator		Location/reference in report
GRI 415: Public policy		Lobbying and association memberships
GRI 416: Customer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories	Responsible gambling
416-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services at ZEAL in 2023. Responsible gambling
GRI 417: Marketing and labelling		
417-1	Requirements for product and service information and labelling	Reuse: IT hardware; Responsible marketing
417-2	Incidents of non-compliance concerning product and service information and labelling	There were no incidents of non-compliance concerning ZEAL's product and service information nor the labelling of the Company's products and services in 2023. Responsible marketing
417-3	Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance, proceedings or controversies concerning unethical or unlawful marketing in 2023. Responsible marketing
GRI 418: Customer privacy		Data protection and data security

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