

SNAITECH



**SUSTAINABILITY
REPORT 2022**
SNAITECH GROUP

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LETTER TO STAKEHOLDERS



The speed of change today is a constant challenge for companies, who are being called upon to rethink and seek product and process innovations in the name of sustainability.

I have always been convinced that the winning organizations are those that forecast changes before others and anticipate consumer needs. Over the past three years we have faced small and large revolutions in our daily lives. From education to business, commerce to entertainment: the lockdown contributed to rewriting the rules of the game and powerfully accelerated trends already underway. At Snaitech, we rolled up our sleeves and proved that we were up to the “new normal”, seeking to take advantage of difficulties and turn them into opportunities. Now we want to combine the good things we have learnt during this phase, with the strength of our brand and our history while continuing to base our business on four pillars: regulated market, innovation, sustainability and people. Essential ingredients to maintain that sense of common perspective in which we believe and which we have always wanted to nurture.

I am privileged to lead a company that has in its DNA innovation, passion for sport and the ability to challenge itself every day, continuing to search for customised solutions close to the preferences of each individual player.

The results confirm our choices. Following on from 2021, which was already characterized by a significant recovery, 2022 was a year of substantial growth, with performance exceeding even market expectations: Snaitech’s total GGR (Gross Gaming Revenue) grew by 61% compared to 2021, reaching Euro 1.928 billion at the end of the year. A growth that must, of course, be seen in relation to the post-pandemic recovery.

Important numbers that support a consolidated trend. Although the retail sector has restarted, the online sector continues to grow, once again reaping the rewards of the great work carried out by our team to strengthen the digital infrastructure: in 2022, GGR grew by 5.4% year-on-year, bolstering Snaitech’s position in the online gaming sector.

This growth reflects the success of a strategy that has harnessed the full potential of the retail re-openings, surpassing pre-pandemic levels and fueling the synergies made possible by innovation.

In an increasingly challenging and competitive market environment, we are making a move towards a complete alignment of the customer experience of the two environments (retail and online). Also worthy of note is how in December the 2023 Budget Law standardized the expiry dates of the concessions for the operation of public gaming, allowing for their extension until the end of 2024, a timeframe that enables more relaxed future activity planning.

In 2022, we also completed the merger process with the Trinity Bet Group (“HAPPYBET” brand), a Playtech Group company operating with around 130 shops in Austria and Germany, taking an important step in our path of internationalization. Using the experience gained in regulated markets and the exceptional business development skills that characterize our team, we took control of the operations and embarked on a targeted plan to restructure and enhance the brand, which is already showing the first results with double-digit growth in revenues compared to 2021. We also made a strong investment in technological innovation in shops to improve the gaming experience for customers, and to enhance HAPPYBET’s digital offering by creating a new website and app.

At Snaitech we have always promoted responsible and safe gaming, keeping a constant eye on the frequent legislative developments in the sector and shaping our range accordingly. We offer a gaming experience based on fun, centralized on our customers. That is why we have reconsidered the very environment and context in which to play, creating physical or digital agoras where sport, sociability and information can be experienced: places in which to promote involvement and passion for sport.

Our approach is also characterized by our ability to anticipate the future in the development of our own racecourses, promoted as multi-purpose meeting places. In 2022 we moved forward with the project to upgrade the Snai San Siro Racecourse, which will become a true Theatre of the Horse, a meeting point for all equestrian sports - from galloping to trotting and show jumping - as well as a hotspot for the city of Milan. We will host the 2023 European Show Jumping Championships (30 August - 3 September) that the Fédération Equestre Internationale has chosen to entrust to our country. This event is an extraordinary accolade for us and marks the culmination of the ambitious three-year project that began with the Milano Jumping Cup, which was appreciated by observers, technicians and Federation executives.

In keeping with our commitment to the equestrian sector, we have also upgraded our television offering from a predominantly technical slant to more popular and transversal programming. The year 2022 was, in fact, heralded by the birth of EQU^{tv}, the television station dedicated to the world of horses broadcast on digital terrestrial, tivùsat and Sky. Our subsidiary Epiqa - the successful bidder of the 6-year tender launched by Mipaaf (currently Masaf) for the image collection, processing and broadcasting service of the equestrian TV channel - is responsible for the developmental thrust of the new editorial project: a package transformed in terms of graphics, direction and content, which through a modern and accessible language, aims to bring a new audience closer to this world. A project that perfectly reflects our development strategy, focusing on product innovation, technological research and continued investment in people and their training.

And finally, in 2022, we continued to pursue the integration of sustainability into our way of doing business. Thanks to our iZilove Foundation, we have renewed or initiated partnerships with various non-profit associations and organizations. Our commitment to protecting the planet has therefore seen the involvement of our entire team this year, who have enthusiastically collaborated on corporate volunteering initiatives dedicated to urban reforestation and fighting plastic and waste pollution. In particular, with the “PLANT IT!” campaign, we involved employees in the planting of 3,000 new trees in the three regions of Snaitech’s main locations (Lombardy, Lazio and Tuscany). These initiatives are representative of the desire to develop a shared and deep-rooted culture of social responsibility. Strengthened by this commitment, we have greatly increased our employee training in Diversity & Inclusion in 2022, delivering more than 1,900 hours of dedicated training. An awareness-raising course aimed at generating a culture capable of channelling, orienting and welcoming all types of diversity.

Proud of our achievements in 2022, we encourage you to read this story. The desire is to continue and strengthen our growth, relying on the skills, professionalism and sense of belonging of our fantastic team.

Fabio Schiavolin
CEO Snaitech





READING GUIDE

The Sustainability Report 2022, which constitutes the seventh non-financial reporting period for the Snaitech Group, is characterised by a renewed structure, aimed first and foremost at **reflecting the ever-increasing attention that the market is paying to the representation of corporate performance, in its threefold economic, social and environmental dimensions**. From a methodological point of view, it welcomes the **updates of the latest version of the GRI Universal Sustainability Reporting Standards** (in accordance with which it is referenced). Underlying the drafting of the document is the desire to convey in clear and transparent lines the Group's culture and commitment to sustainability - to be communicated effectively to its stakeholders - as well as to pave the way towards alignment with key regulatory developments on the subject.

In continuation of the previous edition, the organisation of the Report's structure has also been guided by the following **four drivers, which, in addition to being considered strongly constitutive of Snaitech's identity and value universe, reflect the peculiarities of the gaming sector** in which, for years now, the Group has been active with a leading role:

- **Regulated market:** in the regulatory framework governing public gaming in Italy, concessionaires play a fundamental role since they are called upon to assume precise responsibilities to guarantee the protection of legality. Snaitech fulfils this commitment in its identity dimension, not only by complying with the regulations in force, but also by carrying out an active policy of combating any form of illegality or irregularity and promoting responsible gaming.
- **Innovation:** Snaitech's leadership is based on its ability to innovate, anticipating or even launching new trends in a sector that is characterised by a strong vocation for innovation and a very high technological content. In addition, this capacity allows the Group to act in compliance with the requirements of an ever-changing regulation and is also put at the service of the safety of the players.
- **Sustainability:** Snaitech conceptualises its business activities within the principles of sustainable development, embracing an idea of growth according to which the demands of economic efficiency and legitimate profit must be consistent with environmental protection and social development. In recent years, the Company has in fact accelerated the pace towards the creation of a model of shared value creation, implementing practices and initiatives capable of strengthening its competitiveness and protecting or improving, in the same time, the environmental and social conditions of the reference context.
- **People:** human capital, an indispensable strategic asset, is Snaitech's real strength. Attention to people, one of the pillars of the Group's social responsibility, takes the form of ongoing action focused on the creation of a positive, inclusive and meritocratic working environment, in which everyone can express themselves freely, be valued for their abilities and enhance their skills.

In keeping with the logic outlined above, the structure of the 2022 Sustainability Report has two opening sections, "*Snaitech Group's Identity*" and "*The Group's Sustainability Strategy*", aimed respectively at introducing and outlining the Group's **value profile, organisational structure and operating areas**, and the **strategic path it has taken in the ESG sphere**.

The remaining chapters, constituting the main body of the document, are instead dedicated to detailed reporting on the Group's economic, social and environmental performance, reflecting the four sustainability drivers listed above. Within these chapters, the priority sustainability issues (or "material issues") identified by Snaitech are also analysed in depth, focused on in terms of policies, actions and results achieved by the Group in relation to the management of these aspects and their related impacts on the reference context.

The table below shows the central chapters of Snaitech's Sustainability Report 2022 - corresponding to the 4 drivers - related to material issues, the Sustainable Development Goals (SDGs) to which the Group intends to contribute and, finally, the Principles of the UN Global Compact, to which the Group adheres.

The 4 Drivers of Sustainability	Financial Statements Chapters	Material Issues	SDGs / UN Global Compact Principles
THE REGULATED MARKET	1. REGULATED MARKET The regulatory environment, business integrity and the promotion of responsible gaming	1.Regulatory compliance and counteracting illegal activities 2.Promoting responsible gaming 3.Responsible management of sales outlets 4.Service quality and consumer relations 5. Data security and consumer privacy protection	SDGs: 12, 16 UN Global Compact Principles: Human Rights; Anti-corruption Policies
INNOVATION	2. INNOVATION Research, development and customer experience	6.Creation and distribution of economic value 7.Technological innovation, research and development 8.Responsible supply chain management	SDGs: 8 UN Global Compact Principles: Environment
SUSTAINABILITY	3. SUSTAINABILITY Community and environment: commitment to the National System	9.Commitment to the territory 10.Responsible water management 11.Reducing energy consumption and emissions 12.Responsible waste management 13.Responsible management of natural resources and combating climate change	SDGs: 1,3,4,5,10,11,12,13,15 UN Global Compact Principles: Environment, Human Rights
PEOPLE	4. PEOPLE The strength of the Snaitech Group	14.Employee Health and Safety 15.Diversity, equal opportunities and inclusion 16.Staff development, wellbeing and skills development	SDGs: 3,4,5,8 UN Global Compact Principles: Human Rights, Labour Protection

THE SNAITECH GROUP IDENTITY

HIGHLIGHTS

(IN MILLIONS OF EURO)

ECONOMIC-FINANCIAL PERFORMANCE	Revenues	900
	Consolidated shareholders' equity	487
	EBITDA	254.5
	Added value produced and distributed	1,291
SALES NETWORK AND RIGHTS OF CONCESSION	Physical network of gaming/betting points*	2,023
	Sales outlets with direct gaming concession	1,548
	Snaitech Shops	701
	Snaitech Corners	847
	Snaipay Points	7,000
	AWP operational licences	37,429
	VLT Rights	10,590
SOCIAL PERFORMANCE	Number of direct employees	960
	Female employee percentage	45%
	Training hours provided	16,831
	Personnel costs	57.5
	Income taxes, concession taxes and fees	1,044.1
	Local taxes and duties	1.4
	Support for social, sporting and cultural initiatives through the iZilove Foundation	0.2

*The physical network consists of 2,023 betting outlets, of which 1,548 have direct gaming concessions from the Company and the remainder with specialised service provision to outlets holding their own concessions.

THE SNAITECH GROUP: VISION, MISSION AND VALUES

“Every day we work to ensure that our customers see us as a solid and responsible company, looking at our gaming products and services as the best possible choice on the market in terms of fun, security and technological innovation”.

(Presentation of the Code of Ethics)

As a long-time leading operator in the management of authorised games in Italy, Snaitech bases its identity and day-to-day operations on the conviction that no entrepreneurial activity can develop and be undertaken in a correct and responsible manner if it is geared towards the exclusive pursuit of immediate financial objectives.

As it stands today, the Group is the result of extraordinary merger and equity investment transactions that have enabled it to generate significant synergies over time, in particular thanks to the complementary nature of its respective strengths, and to thus improve its economic and financial performance.

Through the implementation of an omnichannel technology, the Snaitech Group promotes legal and responsible gaming every day, providing its customers with a wide range of fun, innovative and at the same time, safe gaming and entertainment experiences.

Snaitech’s technological offer - the result of the fusion of ongoing investment in research and unparalleled know-how in the development of new products and services - is in fact one of the main levers of its success. It is exactly this attitude towards change that has also enabled the Group to deploy the necessary human and technological resources to overcome the consequences of the health emergency that has heavily affected the gaming industry in recent years.

What has been reported so far reflects the Group’s vision and mission, which respectively define what Snaitech:

- aspires to become and the goal it aims to achieve;
- the procedures, including instruments and actions, through which it aims to achieve this ambition.

VISION



In pursuit of ever-challenging business goals, our vision is to establish ourselves with all our stakeholders as responsible and supportive leaders. We invest in technological innovation so that it is an increasing source of security and positivity in interactive experiences. We work to make the responsibility of the company, the responsibility of each member of our community.

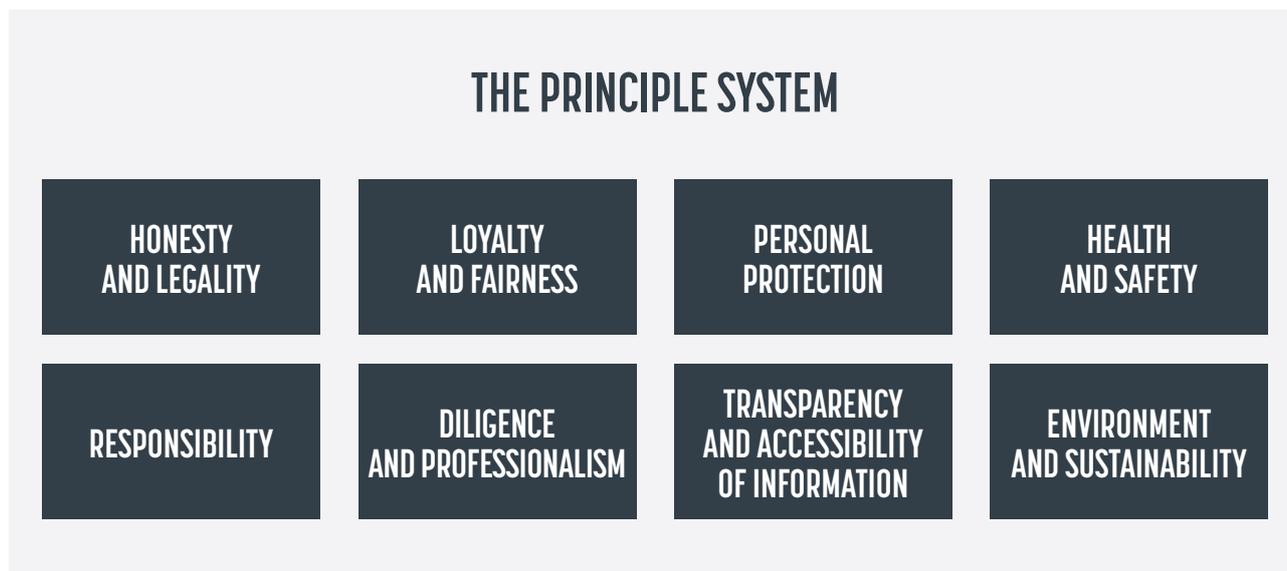
MISSION



Operating for years in the legal gaming sector, our mission is to provide the public with entertaining, high-performance and technologically advanced gaming and betting products and services, investing in the research and development of ever better and innovative consumer experiences. We aim to meet the highest standards of quality, reliability, safety and legality. In this regard, we believe that we can help players develop healthy and balanced gaming habits by discouraging the use of illegal, unauthorised and unsupervised gaming activities.

Identity and vision are reflected in the **shared ethical and value-based principles** that inspire every company decision on a daily basis and outline the concept of corporate social responsibility in which the Group recognises and firmly believes. The principles and values are firmly rooted in and facilitate cooperation with the regulator in the fight against illegal gaming and consumer protection.

The **Code of Ethics** brings together these fundamental principles and primary values, which enable the Group not only to work in an ethical and sustainable manner, but also to create a positive and inclusive working environment, where everyone is granted the freedom to express their full potential.



VALUES

RESPONSIBILITY	INNOVATION	PARTICIPATION
<p>For Snaitch, responsibility means acting in compliance with the rules in force, firmly adhering to the principles of legality and honesty and paying attention to all stakeholders as well as to any social and economic implications of its activities. <i>Embracing the value of responsibility therefore means pursuing sustainable growth objectives and creating shared value.</i></p>	<p>Snaitch places innovation at the heart of creating new opportunities to protect people and continuously improve performance and services for the benefit of employees, partners and consumers. <i>Recognising the value of innovation therefore means considering technology as a driver of growth and value creation, also in terms of social and environmental responsibility.</i></p>	<p>For Snaitch, Participation emerges as a founding value in the drive to approach work commitments with dedication and proactivity, to accept challenges and to get involved in project activities. <i>Sharing the value of participation therefore means making a positive contribution and doing one's best, in a continuous improvement process that looks to the future.</i></p>

THE GAMING MARKET IN ITALY AND THE GROUP'S POSITIONING

Similar to what happened in other sectors of the national economy, **the gaming market performance during 2022 benefited from the complete reopening of physical outlets and the gradual relaxation of measures introduced to counter the spread of the Covid-19 epidemic.** We also note the continued growth of games offered on the digital channel, in particular casino games and on-line slots, which is the result of the significant digitalisation process that has also taken place in the gaming and betting sector in recent years.

As a consequence of the above and on the basis of the data available to date (official ADM data, press reports, sector studies), **it is estimated that at the end of 2022, the gaming market as a whole will have increased significantly compared to 2021**, both in terms of expenditure, by which is meant the collection net of winnings (Gross Gaming Revenues or GGR), and in terms of tax revenues.

The total GGR of Snaitech's core segments, i.e. gaming machines, games and betting sold in the retail and online channel, and remote gaming, is estimated at Euro 13.5 billion, an increase of about 53% compared to 2021.

We should also emphasise the complete recovery of the gaming market, with the respective GGR registering a slight increase compared to the pre-pandemic period.

With a total GGR of Euro 1.928 billion, up 61% compared to 2021, the Group remains one of the leading operators in the Italian gaming market, both in retail betting and gaming machines and in online betting and games, with a market share in the relevant segments of over 14%.

With regard to all sports bets that are sold on the physical and digital channels, the Group holds a market share of 15.4%.

The GGR of the retail segment, mainly due to the complete reopening of physical sales outlets, increased sharply compared to 2021. More in detail:

- The GGR of gaming machines, VLTs and AWP, in 2022 was Euro 357 million (+93% compared to 2021) and Euro 916 million (+79% compared to 2021), respectively;
- The GGR of retail betting stood at Euro 250 million (+117% compared to 2021).

On the other hand, the GGR of the online sector grew by 5% compared to 2021, from Euro 384 million to Euro 405 million, further strengthening Snaitech's position in the online gaming market with a market share of 10.8%, up 0.2 percentage points compared to 2021.

SNAITECH'S PERFORMANCE IN THE RETAIL SECTOR 2022



Gaming machines (VLT, AWP)

- 15% market share of net expenditure (constant to 2021)
- 357 million GGR from VLTs (185 in 2021 + 93%)
- 916 million GGR from AWP (513 in 2021 + 79%)

Betting

- 19.3% market share of net expenditure (19.5% in 2021)
- 250 million GGR (115 million in 2021 +117%) of which:
 - 30.5 million horse racing-based bets (16 in 2021 +91%)
 - 158.5 million sport bets (71 in 2021 +123%)
 - 60.6 million bets on virtual events (29 in 2021 +109%)

SNAITECH'S PERFORMANCE IN THE ONLINE SECTOR 2022



- 10.8% market share of net expenditure (10.6% in 2021)
- 405 million (384 in 2021 +5%) GGR of which:
 - 182 million sports betting (190 in 2021 -4%)
 - 13 million horse racing (17 in 2021 -23%)
 - 21 virtual million (20 in 2021 +7%)
 - 189 million online gaming (157 in 2021 +20%)

In terms of total revenue before winnings, the Group recorded an increase of around 42% compared to 2021, indicating a post-pandemic recovery of the gaming sector.

In fact, the details in the table below show how the increases of 84.22% and 114.83% respectively, in revenue recorded in the retail sector (gaming machines and retail betting) have now made it possible to overcome the losses suffered by the same, due to the health emergency in the previous two years. These losses had already been partly offset by the strong increase in the online sector, which is now particularly driven by online gaming (+20.92% compared to 2021).

SNAITECH GROUP COLLECTION BY GAME TYPE AND CHANNEL (IN MILLIONS OF EURO)

Game	Collection 2022	Delta % 22 vs 21	Collection 2021	Delta % 21 vs 20	Collection 2020
AWP	2,632	78.32%	1,476	-8.49%	1,613
VLT	2,285	91.53%	1,193	4.37%	1,143
Gaming Machines	4,917	84.22%	2,669	-3.16%	2,756
Sports betting	822	116.98%	379	-16.70%	455
Betting on horse racing and National Horse Racing	143	101.85%	71	-8.97%	78
Betting on virtual events	381	115.42%	177	5.99%	167
Total Retail Betting	1,347	114.83%	627	-10.43%	700
Sports betting	1,297	-0.18%	1299	42.12%	914
Betting on Horse Racing and National Horse Racing	75	-17.17%	91	33.82%	68
Betting on virtual events	144	12.60%	128	43.82%	89
Total online betting	1,516	-0.12%	1518	41.74%	1071
Remote games of skill	5,468	20.92%	4,522	49.39%	3,027
TOTAL SNAITECH GROUP	13,248	41.90%	9,336	23.59%	7,554

STRATEGY

The Snaitech Group's strategic objective is to increasingly consolidate **its leadership position in the sector**, by leveraging the following main drivers:

- focus on the development of the online sector, in which the Group has already achieved a leading position at national level, thanks to the introduction of new products, the evolution of the services offered and the successful cross-selling activity implemented with the SNAI-branded retail network;
- search for new synergy opportunities for expansion into foreign markets;
- renewal of the rights and concessions currently managed, in preparation for the new tenders expected in Italy in 2025.

In the course of 2022, the goal of **strengthening the internationalisation process** was pursued through the corporate integration with the Trinity Bet group (brand name "HAPPYBET"), also part of the Playtech area, and operating through retail and online licences in Germany and Austria.

In the Playtech Group's more general strategic design, Snaitech establishes itself as a centre of excellence in the management of direct-to-consumer offerings, by consolidating and exporting the expertise and know-how that sets it apart.

CORPORATE GOVERNANCE

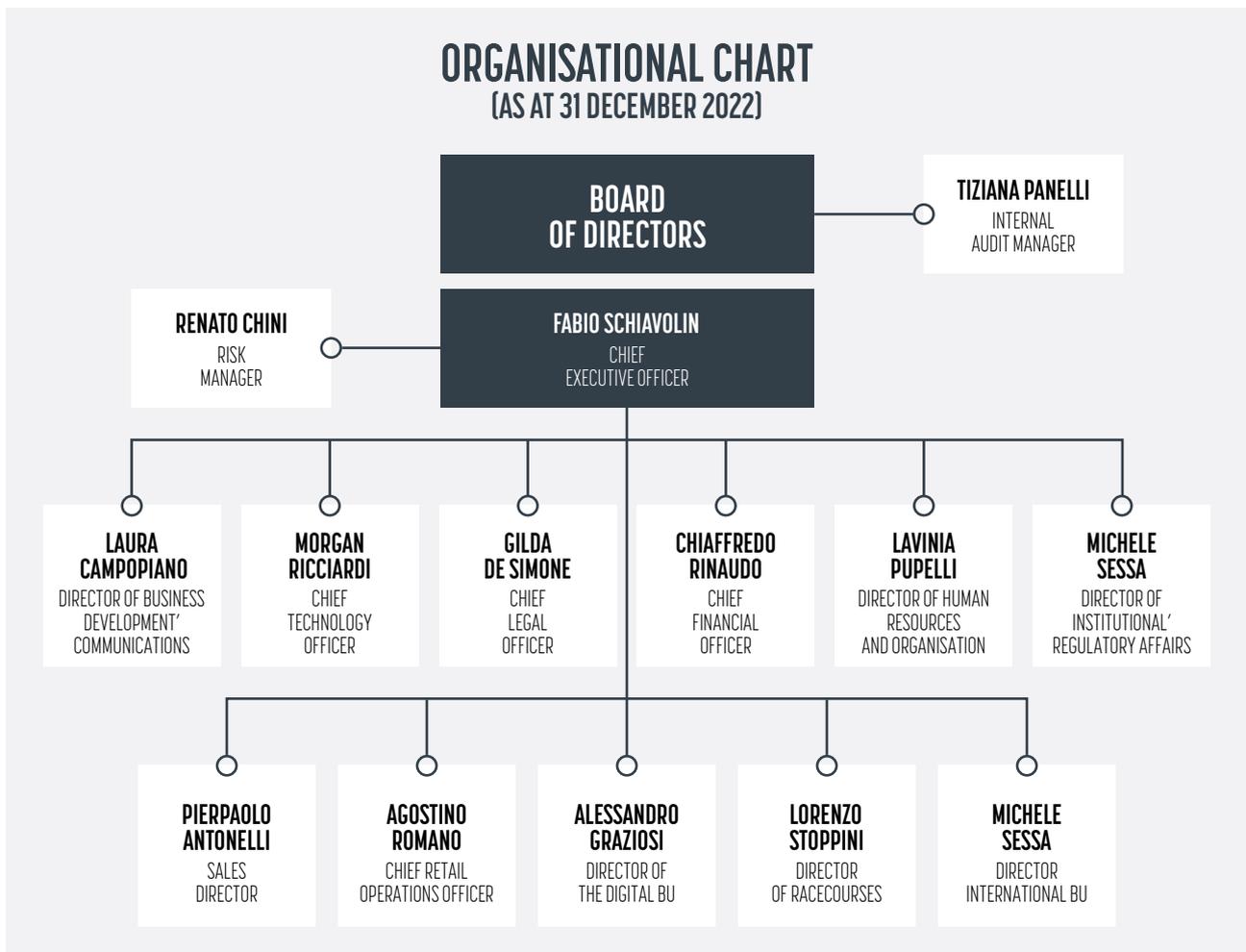
CORPORATE AND ORGANISATIONAL STRUCTURE

Snaitech S.p.A operates at the head of a Group of subsidiaries with more than 900 employees, and operates in the legal gaming sector by integrating and completing the services offered through the coordination of a retail network operating nationwide - and, as of 2022, also abroad -, the management of proprietary ICT platforms, television channels and proprietary racetracks.

As of 2018, Snaitech S.p.A. is a wholly-owned subsidiary of Pluto (Italia) S.p.A., whose capital is indirectly wholly-owned by Playtech PLC, a company listed on the Main Market of the London Stock Exchange and one of the largest producers of gaming software and ancillary services for many of the world's leading operators in the regulated gaming sector.

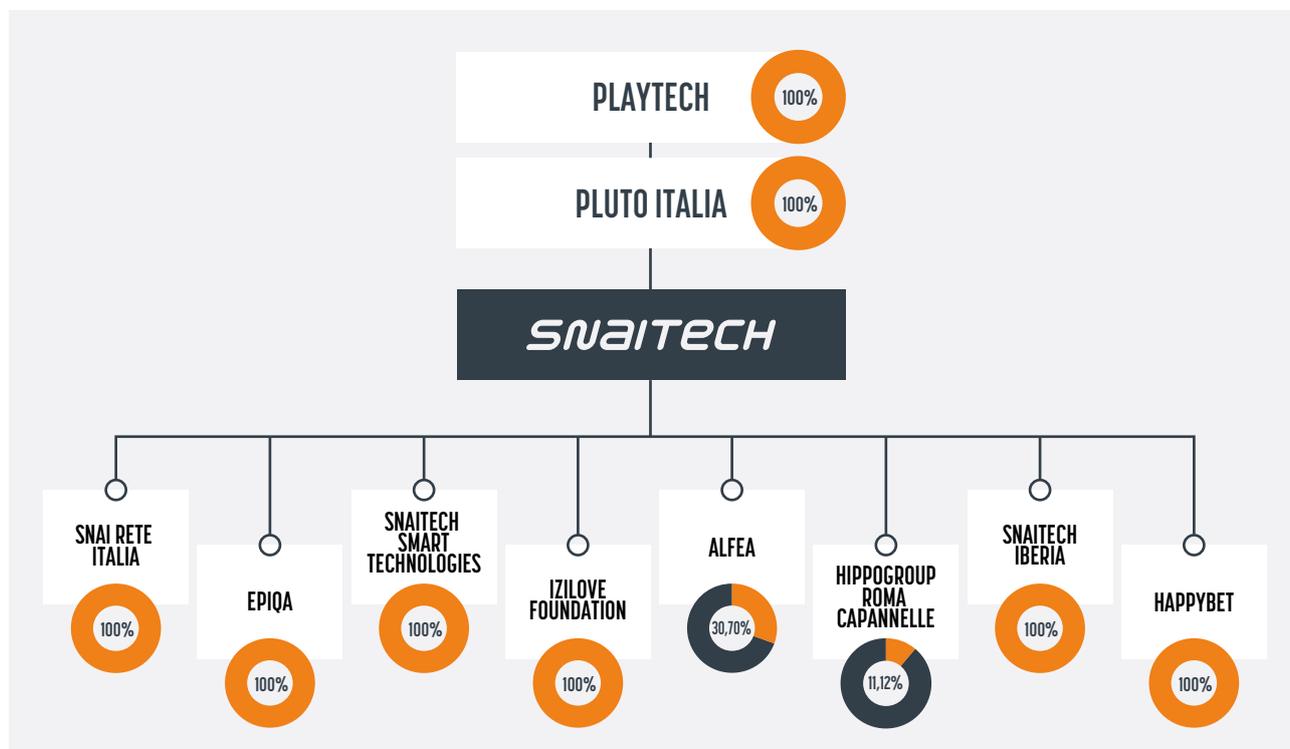
Being part of a Group with extensive experience across the entire value chain, both in the online and retail business, and which can rely on state-of-the-art proprietary technologies, has enabled Snaitech to reap the benefits of numerous development opportunities and important synergies, making it possible to set up a long-term strategic vision based on the quality and variety of the services on offer.

The **internal organisational structure** of the parent company Snaitech S.p.A. is of a functional type, divided into transversal coordinating and support Departments, with particular focus on the regulatory compliance of concessions and Business Units (BUs). The latter focuses on specific competences for the development and management of an evolving range of products and services that meet the criteria set by the regulator.



As mentioned above, the Group is composed of 7 other subsidiaries - plus entities operating under the HAPPYBET brand that receive services from the Parent Company's Head Offices and BUs, against the stipulation of intercompany contracts, or that operate in specific areas of competence by developing dedicated know-how - and 2 investee companies.

As at 31.12.2022, the Group's corporate structure was as follows:



SUBSIDIARIES AND INVESTEE COMPANIES

iZilove Foundation is an autonomous, non-profit organisation that aims to achieve social solidarity in the fields of social assistance, charity, education and training, promotion of culture, art and scientific research.

Epiqa S.r.l. (formerly Teleippica S.r.l.) provides the service of transfer, processing and transmission of video and audio signals from Italian and foreign racetracks on behalf of MASAF (Ministry of Agriculture, Food Sovereignty and Forestry). Producing four TV channels and three web TVs entirely dedicated to horse racing, plus three TV channels dedicated to virtual events, two to sports in general and a radio channel.

Snai Rete Italia S.r.l., as an entity authorised by the concessionaire Snaitech, carries out the activity of gathering games and bets, conducted as at 31 December 2022 at 34 gaming shops located in Tuscany, Lazio, Emilia-Romagna, Sicily and Lombardy. In particular, these outlets operate lawful gaming services with betting on sporting events, horse racing and virtual events, as well as with AWP and VLT gaming machines.

Snaitech Smart Technologies S.r.l. is engaged in the study, design, construction and production of, and everything related to, equipment, products, electronic and computer technologies, software and hardware.

Snaitech Iberia S.A. has as its object the organisation, marketing and management of games.

HAPPYBET is an operator active in the collection of sports bets in Austria and Germany on retail and digital channels. Founded in 2017, it was acquired by Snaitech in 2022.

Alfea S.p.A. manages the Pisa racecourse.

Hippogroup Roma Capannelle S.r.l. manages the Roma Capannelle Racecourse.

PRESENCE IN THE TERRITORY

[GRI 2-1]

 SITES  DIRECTLY MANAGED AGENCIES

GERMANY

GNEISENAUSTRASSE 94, 10961 BERLIN
MARTIN-BEHAIM-STRASSE 4A, 63263 NEU-ISENBURG

EMPLOYEES
16
6

AUSTRIA

DIEFENBACHGASSE 35/3/7-8, 1150 WIEN
AGENCIES

EMPLOYEES
17
37

ITALY

LOMBARDY

MILANO - PIAZZA DELLA REPUBBLICA, 32
MILANO - VIA CAPRILLI, 30
MILANO - VIA LAMPUGNANO, 95
PESCHIERA BORROMEO (MI) - VIA WALTER TOBAGI, 10/12
AGENCIES

EMPLOYEES
134
57
2
19
26

EMILIA ROMAGNA

IMOLA - VIA COGNE, 25
AGENCIES

EMPLOYEES
4
7

LAZIO

ROMA - VIA GOITO 58/A
AGENCIES

EMPLOYEES
179
13

TUSCANY

PORCARI - VIA BOCCHERINI, 57
PORCARI - VIA BOCCHERINI, 19
PORCARI - VIA BOCCHERINI, 39
MONTECATINI TERME (PT) - VIALE CADORNA, 30/B
AGENCIES

EMPLOYEES
123
67
162
4
65

SICILY

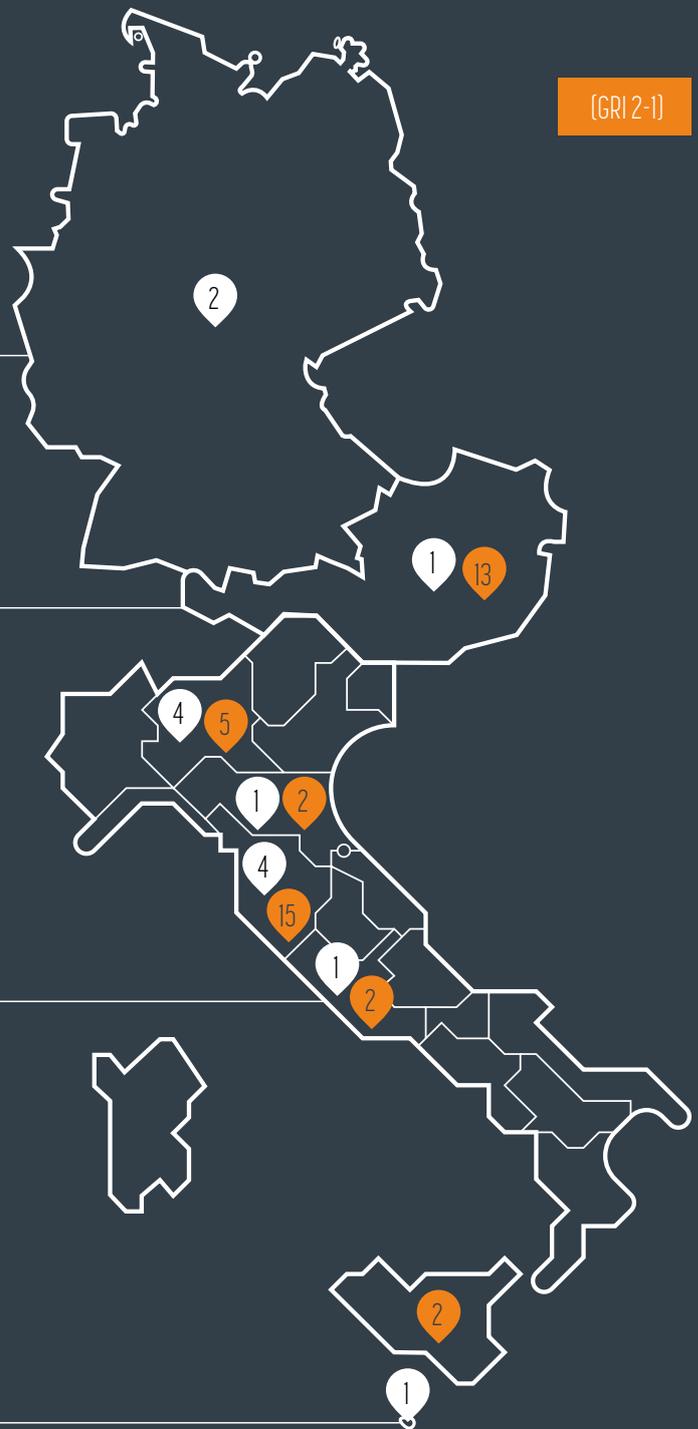
AGENCIES

EMPLOYEES
13

MALTA

4, CENTER DOME, LEVEL 1; TRIO IL-BAZILIKA

EMPLOYEES
9



	WOMEN	MEN	TOTAL
At the headquarters			
Snaitech Employees	349	450	799
Epiga Employees	14	42	56
Snai Rete Italia Employees	3	0	3
HPYBET Austria GmbH Employees	6	9	15
Trinity Bet Austria GmbH Employees	1	1	2
Trinity Bet Operations Ltd. Employees	7	2	9
PBS Germany Operations GmbH Employees	5	17	22
In the branch	83	78	161
Snai Rete Italia Employees	74	50	124
BGE Consulting GmbH Employees	0	6	6
HPYBET Austria GmbH Employees	9	22	31
TOTAL EMPLOYEES	432	528	960

THE GOVERNANCE MODEL

The governance model adopted by Snaitech is traditional, characterised by the presence of a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. The Group's corporate governance structure is based on the central role of the Board of Directors - as the highest body entrusted with the management of the company in the interest of the shareholders - in providing strategic orientation, in guaranteeing the transparency of corporate decision-making processes and in defining an effective internal control and risk management system, including internal and external decision-making processes. The Parent Company Snaitech S.p.A. is currently administered by a Board of Directors composed of seven Directors - in office from 18 March 2021 until the date of the shareholders' meeting called to approve the Financial Statements for the year 2023. The Board of Directors is vested with the broadest powers of ordinary and extraordinary administration, with the exception of those powers that the law reserves exclusively to the shareholders' meeting. The Board of Directors has identified from among its members a Managing Director who has been vested with the proxies and powers of ordinary administration necessary or useful for the performance of corporate activities. The Board of Directors is also responsible for the Group's internal control and risk management system, which is discussed in the paragraph below.

At the end of 2022, the average age of the members of the current Board of Directors is 52 years and 3 out of 7 members are women (43%).

The **Board of Directors** and the **Shareholders' Meeting** are complemented by the **Board of Auditors**, whose task is to verify:

- compliance with the Law and the Articles of Association;
- compliance with the principles of correct administration;
- the adequacy of the Company's organisational structure, internal control system and administrative accounting system, also with regard to the latter's reliability in correctly representing management events.

In line with the provisions of Italian Legislative Decree 231 of 2001, the Company set up a Supervisory Board (SB), with the purpose of monitoring the application of the Company's Organisation, Management and Control Model ("Model") and the Group's Code of Ethics ("Code of Ethics") and compliance with the principles set out therein.

Snaitech's Supervisory Board also makes use of a mechanism for reporting offences and irregularities known as "whistleblowing", which allows for the reporting of episodes of violations of the Model and the Code of Ethics through a dedicated digital channel that protects the privacy and confidentiality of the person making the report. The Body has not received - including through the aforementioned channel - any whistleblowing reports of violations of the Model and the Code of Ethics.

Snaitech's Shareholders' Meeting entrusted the legal audit to BDO Italia S.p.A. until the approval of the financial statements for the year ending 31 December 2024. Further details can be found on the corporate website www.snaitech.it, on the section named Governance.

MEMBERS OF THE BOARD OF DIRECTORS AS OF 31.12.2022

First and last name	Position	Year of birth
MORAN WEIZER	President	1975
FABIO SCHIAVOLIN	Chief Executive Officer	1969
CHRISTOPHER MCGINNIS	Director	1978
PAOLO SCARLATTI	Director	1962
RAFFAELLA VISCARDI	Director	1975
CHIARA PALMIERI	Director	1970
MARA VANZETTA	Director	1967

[GRI 405-1]

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Internal Control and Risk Management System is the set **of rules, procedures and organisational structures set up to safeguard, through an adequate process of identification, measurement, management and monitoring of the main risks, a healthy, correct and coherent management of the company in accordance with its objectives.** Each person at Snaitech is an integral part of its internal control system and has an obligation to contribute, within the scope of the functions and activities carried out, to its proper functioning, contributing to the protection of the company's assets, the efficiency and effectiveness of corporate processes, the reliability of financial information and, more generally, compliance with laws and regulations, the Articles of Association and internal procedures.

In accordance with previous reporting years and its own corporate culture, Snaitech pursues a continuous objective of strengthening and updating its System, also in view of expansion processes and strategic lines of development.

RISK MANAGEMENT

Snaitech has set up a **Risk Management** function entrusted to the management of a Risk Manager.

The Enterprise Risk Management (ERM) methodology is applied in a formalised manner throughout the Group as follows:



The process, which is subject to ongoing updating, involves an initial phase of identifying potential risks that may have an impact on the company's business and quantifying them in terms of impact and likelihood. The definition of mitigation measures, i.e. the control activities to be undertaken to mitigate risks and bring them within predefined thresholds, is envisaged. The cycle concludes with the periodic acquisition of relevant information, analysis and communication to the Risk Owners, and periodic reporting to the Board of Directors, the Board of Statutory Auditors and on request to any national and international meetings.

The detection of risks and the identification of measures to contain them is conducted according to the position and specificity of the operations carried out by the various Snaitech Group com-

panies, and has over time, led to the **definition of a broad and varied Risk Register, which maps over one hundred risks**, subdivided by tier on the basis of the possible consequences of their inadequate management, mainly in terms of reputational damage and economic-financial loss.

For the year 2022 the Risk Management activity was characterised by several relevant events, firstly the **introduction of a specific ERM tool**, which allowed the process to be digitalised, enabling the Risk Manager and each Risk Owner to be equipped with a complete and dedicated tool for risk mapping that is also able to maintain a history of the assessments carried out previously.

Furthermore, by means of the tool, it is possible to define direct reporting, with both qualitative and quantitative evaluations necessary for the preparation of half-yearly reporting to the leadership and quarterly reporting to Playtech.

More specifically, following the first phase characterised by the technical development of the tool, a proactive approach was then requested from the Risk Owners, who were engaged through the sharing of operational manuals, the assessment of training needs, and with a collection of whistleblowing and feedback aimed at maximising the effectiveness of the tool and the Risk Owner's autonomy.

This development is part of the more general desire of the Risk Management structure **to increasingly develop the corporate culture of risk**, a theme that in the current historical period - post-pandemic and characterised by numerous economic, political, social and environmental stresses - represents a **managerial and strategic element of fundamental importance in the evolutionary trajectories of a complex Group such as Snaitech**.

For the purposes of this Sustainability Report, the list of main risks mapped has been reduced to six macro-categories, briefly identifying the main applicable and adopted mitigation measures.

1. CONCESSIONARY AND REGULATORY RISKS

DESCRIPTION Snaitech's ability to continue operating in the gaming sector depends, to a large extent, on maintaining the concessions it holds. A significant portion of revenues and results derives from business regulated by state concessions, which by their nature have limited duration and can be subject to revocation, therefore negatively impacting the Company's results. The ever-changing central government regulations are accompanied by local regulations that often make the exercise of licensing rights for the opening of outlets acquired by Snaitech complex. Changes in laws or regulations may reduce the margins due to concessionaires, or reduce the number of concessions and rights available, causing negative effects on the Company's results.

MITIGATION PREVENTION Snaitech, through its Institutional & Regulatory Affairs Department, works in close cooperation with ADM and the licensing and supervisory authorities to anticipate and promptly grasp new orientations of the legislator and supervisory authorities to protect legal gaming. Through the **Annual Development Plan**, agreed with ADM each year, the most important issues to be addressed are focused on. The legislative aspect is a top priority for all management, as reflected in the results of the materiality matrix.

For more details see Chapter 1 - The Regulated Market.

2. OPERATIONAL AND COMPLIANCE RISKS

DESCRIPTION The complexity and changeability of the reference legislative framework (EU, national and, from 2021, extended to the HAPPYBET context) and non-compliance with laws and regulations (e.g. on anti-money laundering, anti-corruption, privacy, responsible gaming) may have negative effects on the Company's results of operations, business activities, financial conditions and prospects. Operating through state concessions Snaitech may also be subject to the application of significant penalties in the event of proven breaches of contract by customer outlets (joint and several liability of the concessionaire).

MITIGATION MEASURES The regulatory aspect is a top priority for all management. The **Legal Compliance team** oversees, approves and monitors every aspect of the company's business to ensure compliance with relevant regulations and licensing obligations. The activities carried out for this purpose are summarised in half-yearly reports and brought to the attention of the Supervisory Board, the Board of Auditors and the Internal Audit function. The company has an integrated risk assessment system and the audit plan is carried out to cover all company risk assessments. The Privacy Function oversees, approves and monitors - with the cooperation of the DPO as well - processes and projects with an impact on the processing of personal data, and also reports to the Supervisory Board on the exercise of the rights of the data subjects on a six-monthly basis, and to the Board of Directors on an annual basis. In addition, through a PRIVACY/GDPR audit plan, prepared in relation to the risk levels of personal data processing associated with individual company Departments/Functions, it periodically verifies the level of compliance with the relevant legislation.

For more details see Chapter 1 - The Regulated Market.

3. RISKS RELATED TO SECURITY AND ADEQUACY OF INFORMATION TECHNOLOGY

DESCRIPTION The Company operates in a highly technological environment, and any problems in safeguarding the integrity and security of that environment may incur unforeseen costs and legal damages that may negatively impact the company's reputation and undermine its ability to achieve its goals. Added to this is the significantly growing risk of cyber attacks and the evolution of related breach techniques. In addition, the considerable evolution of the technological environment in the gaming sector due to regulatory changes (e.g. in the online market) could lead to a loss of market share in the absence of appropriate and well-timed strategic choices.

MITIGATION MEASURES Through its **IT team**, Snaitech has a strong defence to detect and protect itself from cyber criminal activities through compliance with strict security standards. In addition, it employs the expertise of external consultants with proven competence to improve and test its defence equipment. Snaitech is constantly working to adapt its technology infrastructure, platforms and internal processes for real-time data exchange with supervisory authorities and public regulators required by the concessions.

For more details see Chapter 2 - Innovation.

4. MARKET AND STRATEGIC RISKS

DESCRIPTION The betting and regulated gaming sector in Italy is characterised by high competitive pressure from other players on the market or from new entrants. Rising operating costs and tax levies, which mainly affect customer outlets, as well as changing gaming trends in the post-pandemic environment, could impact gaming revenues. If not managed effectively and in a timely manner, these issues can impact the company's funding and profitability.

MITIGATION MEASURES Continuous activity and investment in research and development allow Snaitech to maintain a leading position in a market where technological and digital innovation enable the acquisition of new market shares. The daily dialogue between Sales, Digital and Retail BUs goes in this direction: innovative products and services enable Snaitech to build loyalty in the sales network, which is offered training and tax and legal consulting services, shop restyling projects and financial support in times of difficulty.

For more details see Chapter 2 - Innovation.

5. HEALTH AND SAFETY RISKS

DESCRIPTION Infectious diseases such as the recent pandemic due to Covid-19 can lead to the closure of offices, the sales network, the imposition of quarantines, disruption of customer and supplier operations and a general climate of concern and uncertainty. Health crises could exacerbate other pre-existing political, social and economic risks in the country. The impact of a pandemic could last for an extended period of time.

MITIGATION MEASURES Even as the pandemic emergency eases, prudent application of **sanitary measures to contain the contagion** can reduce the danger of outbreaks at the point of sale workplace through assistance in the implementation and use of safety precautions. End-consumers are subject to greater uncertainty but can also benefit from the opportunity to enjoy entertainment services online.

For more details see Chapter 4 - People.

6. ENVIRONMENTAL RISKS

DESCRIPTION The major risks arising from the improper management of Snaitech's most significant environmental impacts, as a service company, mainly concern the handling and disposal of technological waste. Failure to comply with environmental laws could lead to economic and reputational risks. From the point of view of dual materiality, i.e. how Climate Change could affect Snaitech's business activities (such as the management of green spaces within the horse racing facilities). The risk could come from rising temperatures and the consequent need for increased irrigation of green areas and paths in a context of reduced water availability and a broader scenario of drought. This would result in a risk of business interruption, impacting one of the company's core businesses.

MITIGATION MEASURES Through a Control and Risk Assessment activity that is an integral part of the 231 Model, the Company has identified sensitive activities at environmental risk, and measures, processes and controls have been identified to reduce the impact of these threats on the Company's operations. Given the specificities of the racecourses, Snaitech has also dedicated specific supplementary controls in addition to those of the Group to reinforce awareness and monitoring tools.

For more details see Chapter 3 - Sustainability.

With reference to specific issues relating to 2022, it is worthwhile here to devote an in-depth discussion to cyber risks, environmental risks and the continued integration of the HAPPYBET brand into the Group structure.

In the first profile, it is noted that data security issues have not only maintained the relevance they acquired during the pre-pandemic period, but also increased their specific weight by virtue of the recent geopolitical crises. In this context, the measures taken are increasingly effective and widespread, and monitoring is carried out on a weekly basis in order to cope with the high pressure experienced by the entire sector.

With reference to environmental risks, it is worth mentioning that the risk is dealt with from a dual perspective: a first general one, characterised by a wide-ranging risk analysis, and a second one dedicated to racecourses, which, on account of their vulnerabilities (e.g. water stress), logistical specificities and the activities carried out, have a dedicated environmental risk manager.

As far as HAPPYBET is concerned, it should be noted that, since the end of 2021, the first projects of dialogue and collaboration with the Risk Management function have been underway, following the priority integration of systems, operations and personnel.

Finally, further mention should be reserved for pandemic risk, which Snaitech has continued to monitor on a regular basis and to consider one of its top risks, maintaining the main safeguards implemented in previous years.

INTERNAL AUDIT ACTIVITY

The areas of risk listed above are subject to periodic risk assessments, carried out by the various company departments of reference, who share the results with the Internal Audit Function at least once a year. These findings, combined with the results of previous control activities and the guidance provided by the Board and the functions at the second control level, make it possible to structure an integrated analysis aimed at the construction and development of a **risk-based audit plan**. The audit activity is also carried out on an ongoing basis at the point of sale network on the basis of the monitoring of multiple risk indicators covering the relevant processes.

Accordingly, the Internal Audit Function is responsible for verifying, on an ongoing basis and in relation to specific needs, the operation and adequacy of the Internal Control and Risk Management System adopted by the Group. It effectively assists the entire organisation in the fulfilment of its objectives through a systematic and integrated approach, **assessing the reliability and trustworthiness of information and data, verifying the compliance of business processes with policies, plans, laws and regulations, monitoring the correct application of company procedures and data security measures, and, in more general terms, contributing to safeguarding the company's assets** by pursuing the company's objectives in compliance with the reference regulatory framework and the mapping of risks both at "legislative" level (carried out by the functions at the second level of control) and at "enterprise" level (carried out by the "Risk Management" function).

The internal and external controls of the system outlined above are based on the following principles:

DIVISION OF DUTIES

The assignment of tasks and the resulting authorisation levels must be aimed at keeping the functions of authorisation, execution and control separate and, in any case, at avoiding their concentration in the hands of a single person.

FORMALISATION OF SIGNATURE AND AUTHORISATION POWERS

The conferral of such powers must be consistent and commensurate with the tasks assigned, and formalised by means of a system of delegated and proxy powers that identifies the scope of exercise and the consequent assumption of responsibility.

COMPLIANCE WITH THE RULES OF CONDUCT CONTAINED IN THE SNAITECH GROUP CODE OF ETHICS

All company procedures must comply with the principles dictated by the Code of Ethics.

FORMALISATION OF CONTROL

Sensitive business processes must be traceable (by document or computer, with a clear preference for the latter) and provide for specific line controls.

PROCESS CODING

Business processes are governed by procedures designed to define their timing and procedures, as well as objective criteria governing decision-making processes and anomaly indicators.

As mentioned, the audit plan also provides for the development of specific audit activities at the Network of directly operated and entrusted sales outlets; of particular relevance is the control of the correct application of Anti-Money Laundering provisions, such as Italian Legislative Decree 231

of 2007, relating to customer due diligence and the retention of data and documentation. On the basis of the results of the checks, action plans are established to correct any behaviour that is not in line with company guidelines.

With reference to 2022 activities, the following are some of the most relevant examples:

- the aforementioned **retail audit** cycle, which covered over 150 sales outlets during the year on the basis of a risk-based plan fuelled by various indicators, which make it possible to quantify the degree of relevance and risk of all the sales outlets, investigated both with desk activities and with verifications carried out directly on site. For the retail area, it is worth mentioning the specific supplementary privacy audits introduced in 2022 and retail bonuses, and accordingly the methods for assigning and disbursing bonuses to sales outlets following the implementation of improvement actions identified in the previous year;
- audit activities related to the **reporting of non-financial information**, which are extensively covered in this Sustainability Report and in the Playtech Group's reporting;
- the large number of activities in the area of **anti-bribery & corruption**, which involved a detailed analysis of the purchasing payment and liability cycle process, assessing the operation and adequacy of the relevant processes in this area related to the Administration, Finance and Control Area;
- ERM Risk monitoring, and therefore the verification of the adequacy and effectiveness of the actions put in place to mitigate the most relevant ERM risks;
- activities in the field of **corporate criminal offences**, carried out also under the relationship that binds Snaitech to Playtech, aimed at comprehensively assessing Snaitech's procedural framework with respect to the UK Criminal Finance Act - legislation with a mainly tax focus - in order to identify points of contact with the Anglo-Saxon legislation and to build a multi-compliance audit system. It is worth emphasising the innovative scope and complexity of this exercise, with which Snaitech has carried out an activity of comparison and alignment with legislation that is not directly applicable, which underlines the Group's ambitions and willingness to implement increasingly effective safeguards.

All of the above clearly represents the scope of the analysis and verification activities carried out on a daily basis by Internal Audit. The results of the audits are shared with the audited areas and departments with the aim of improving business processes as well as covering related risks. Based on the sharing, the corporate functions initiate any further process improvement and risk integration and/or mitigation activities, with a key focus on legislative compliance, ensuring business continuity and offering players a safe, lawful and entertaining product at all times.

THE GROUP'S SUSTAINABILITY STRATEGY

SNAITECH'S ESG PATH

“The Group also views responsibility in terms of adopting a corporate policy capable of harmonising economic objectives with the social and environmental objectives of the area in which it operates: in this sense it also understands responsibility as Corporate Social Responsibility [...]. In fact, corporate social responsibility constitutes an added value for every company while contributing to the development of our society.

(Code of Ethics Snaitech S.p.A.)

The growing relevance of sustainability issues has led to environmental, social and governance factors playing an increasingly crucial role in growth strategies and investment decisions. The legal gaming sector in Italy bases its social responsibility on the constant search for a balance between the interests of the various parties involved. In fact, the Group's priority is to protect players at any stage of their customer experience, aiming to promote and preserve the concept of healthy and contextualised gaming in the size and possibilities of the target audience. While consumers seek enjoyment in gaming, regulators establish a robust regulatory framework based on principles such as promoting responsible gaming, ensuring the safety of operations in an anti-illegality framework to protect players and the community as a whole.

Therefore, the challenge for the concessionaire, who is at the centre of this scenario, is to maintain **an appropriate balance between results, meeting customers' entertainment expectations and full adherence with the regulator's requirements.**

Snaitech is proud to have put sustainability at the forefront of its growth strategies. The Group is increasingly aware of its role within the company by assuming a leading status on ESG issues with the firm belief that a more sustainable company will have a better chance of development and leadership in the long run. Given the importance of this aspect, the Snaitech Group has taken on this commitment in its identity dimension, as emerges from the Code of Ethics and from the **materiality analysis, which again this year identifies the areas of greatest commitment and impact towards all internal and external stakeholders** in the issues of business ethics and consumer protection.

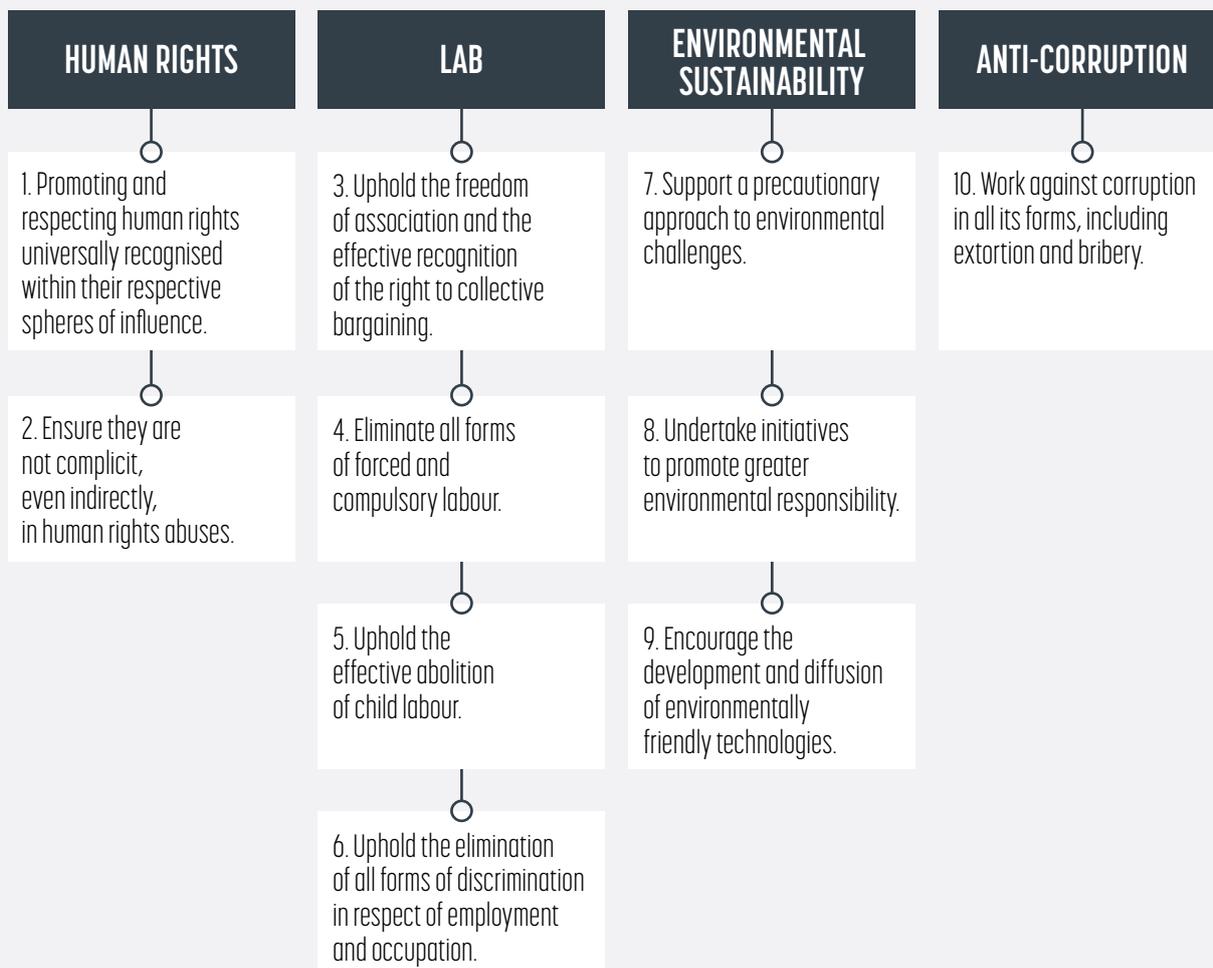
In recent years, given the significant changes in the regulatory environment, Snaitech has been committed to keeping track of a sustainability path in line with national and international best practices. One of Snaitech's commitments to social responsibility is the promotion of **sport** in all its aspects: as a time for gathering, unity, competition, individual and group growth. Commitment to sport opens up social relationships and the acquisition of greater self-awareness that leads to the ever growing achievement of independence, in sport as well as, simultaneously, in life. In addition to promoting individual wellbeing, sport has always been an important educational and social tool as well as a means of aggregation and inclusion. In the same way, sports culture and the constant update of information through the most varied channels made available by Snaitech allow consumers to play and bet on the basis of knowledge acquired over time, in part thanks to the Group's information and entertainment services.

COMMITMENT TO SUSTAINABLE DEVELOPMENT AND THE UN 2030 AGENDA

In order to implement the universal principles of sustainability and to support the UN goals, as of 2021 Snaitech has taken a further significant step on the path towards integrating social, economic and environmental responsibility: **adherence to the United Nations Global Compact**, the world's largest business sustainability initiative, based on ten universal principles relating to human rights, labour, the environment and anti-corruption, which has inspired Snaitech for years. The UN Global Compact provides a universal language for social responsibility and a framework for companies of all sizes, complexity and location. The initiative also supports companies in working responsibly and making strategic decisions to promote broader social goals. The ten principles are embodied in the Group's Code of Ethics and relate directly to its way of life in the world, its mission, the style and substance of the relationships that the companies have institutionally and informally with all their stakeholders, and the conditions of the complex sector in which it operates, which includes technological, social and economic contexts that are constantly evolving.

The UN Global Compact was launched operationally in July 2000; since then, **more than 17,000 companies** from **160 countries around the world** have joined it, creating a new global partnership with the aim of promoting the creation of a more inclusive and sustainable global economy.

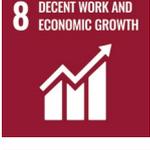
THE TEN PRINCIPLES OF THE GLOBAL COMPACT TO WHICH



Sustainable development has become the gold standard in the creation and application of international principles and standards. The first decisive push towards this contextual evolution found real substance at the United Nations Summit held in New York in September 2015, with the signing of the 2030 Agenda by the 193 member countries.

As is well known, the 2030 Agenda for Sustainable Development is the Programme of Action for People, Planet and Prosperity, the core of which is the 17 Sustainable Development Goals (SDGs), embedded in an action programme that identifies 169 targets. More specifically, the Sustainable Development Goals aim to address a wide range of economic and social issues: combating poverty, limiting inequality, combating climate change and sustainable growth are just some of the goals that the governments of the signatory countries have committed to achieve by 2030.

For this reason, Snaitech has undertaken to identify the SDGs that most closely align with its strategy, i.e. those the Group can most significantly contribute to achieving. The identification and association of the identified SDGs with the Group's strategic objectives further highlights the effort undertaken by Snaitech, through its strategy and business activities, in addressing sustainability challenges on behalf of the community it serves. Snaitech has refined the analyses undertaken in previous reporting years, to arrive at an increasingly comprehensive set of targets to which it makes, or could make a more significant contribution:

	FIGHTING POVERTY	Target 1.2. By 2030, reduce by at least half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
	HEALTH AND WELLBEING	Target 3.8. Achieve universal health coverage , including protection from financial risks, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
	QUALITY EDUCATION	Target 4.4. By 2030, substantially increase the number of young people and adults with the skills necessary, including technical and vocational skills , for employment, decent jobs and entrepreneurship.
	QUALITY EDUCATION	Target 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the most vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.
	GENDER EQUALITY	Target 5.5. Ensure full and effective participation of women and equal leadership opportunities at every level of decision-making in politics, business and public life.
	DIGNIFIED WORK AND ECONOMIC GROWTH	Target 8.1. Sustain economic growth per capita in accordance with national circumstances, and in particular an annual growth of at least 7% of the gross domestic product in developing countries.
	REDUCING INEQUALITIES	Target 10.2. By 2030, enhance and promote the social, economic and political inclusion of all, regardless of status related to age, gender, disability, race, ethnicity, origin, religion, economics or otherwise.
	SUSTAINABLE TOWNS AND COMMUNITIES	Target 11.4. Strengthen commitments to protect and safeguard the world's cultural and natural heritage .



STAKEHOLDER INVOLVEMENT AND MATERIALITY ANALYSIS

The many aspects of the sustainability path undertaken by Snaitech are based on an approach based on transparency, integrity and ethics, with the aim of involving stakeholders in the economic, social and environmental objectives pursued by the Group. A constant focus on these issues makes the Snaitech Group more attentive, sensitive and inclined to respond promptly to changing stakeholder needs, with particular reference to the external context and the behaviour of its customers. In the development of corporate activities and relating to the various competencies, the Group's management maintains relations with the main categories of stakeholders, on an ongoing and systematic basis, through both institutional and informal channels, always transparent and guided by goodwill. It is through an ongoing dialogue with its stakeholders, that the Group focuses its efforts and defines its strategic sustainability priorities. This makes it possible **to focus attention on all issues that are fundamental for business development and the related context, in line with the expectations of all categories of stakeholders with whom the Group interfaces on a daily basis as part of its activities, and with the expected positive and negative impacts on its business.**

Snaitech has identified and selected its stakeholders on the basis of an understanding of their role, with a view to identifying expectations and turning them into objectives to be achieved. Snaitech's Code of Ethics requires Group companies to foster fair and transparent relations with all stakeholders without discrimination, in a climate of fair competition on the market, and constructive collaboration in the institutional context, respecting the legitimate interests of everyone. The wide range of stakeholders with which Snaitech interacts is dependent on the primary role of the State (in all its manifestations, such as the Customs and Monopolies Agency, the competent Ministries, and central and local Administrations), which has the double interest of protecting the player and ensuring tax revenues, which are essential for balancing public accounts.

The management of relations with institutional stakeholders, with sector associations, and with the competent authorities regarding the concessions held by Snaitech, is taken care of by the Institu-

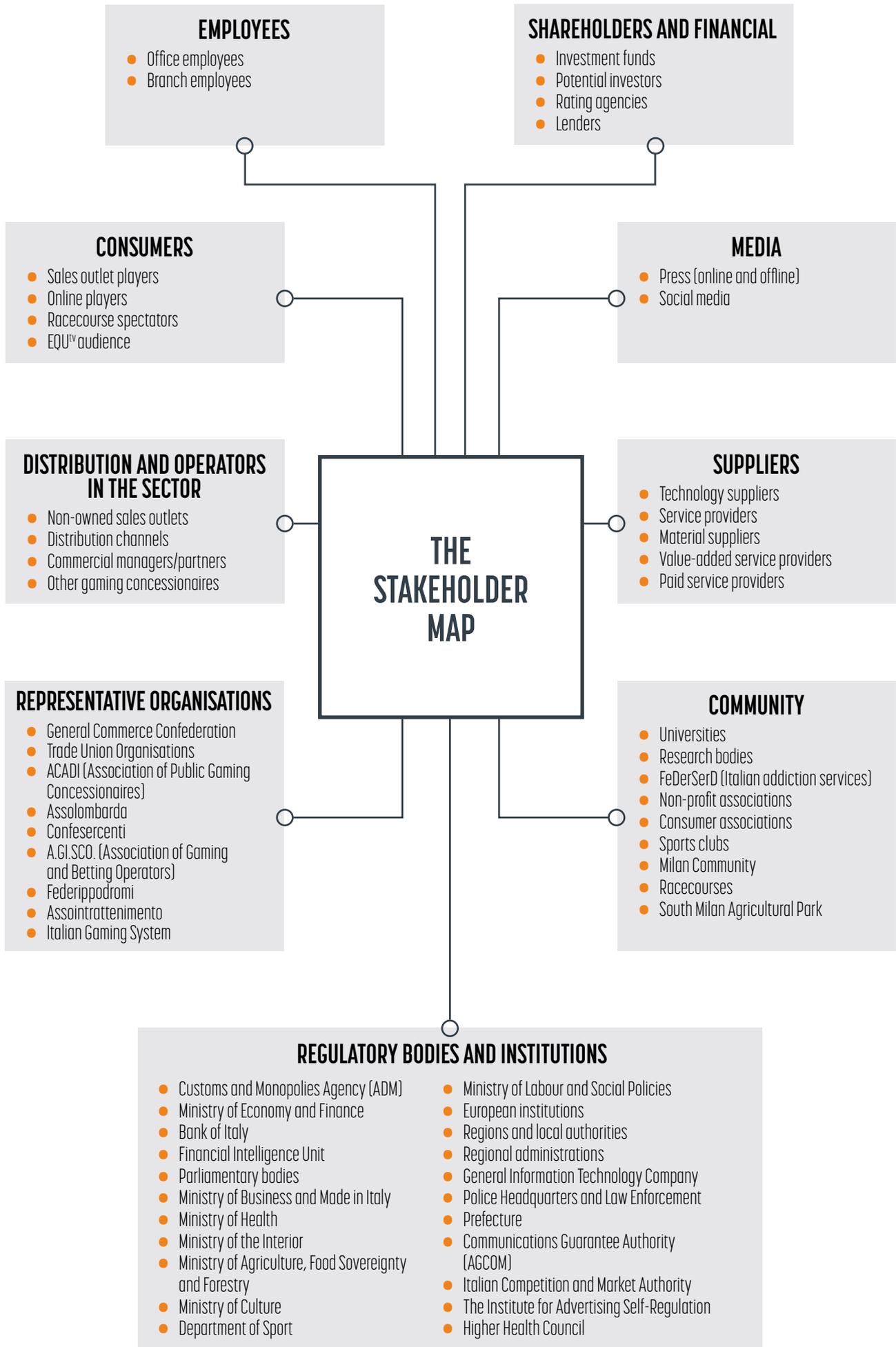
tional & Regulatory Affairs Department, for the consistent monitoring of the proper performance of conventional activities and the implementation of corporate strategies.

The year 2022 was a very busy one for Snaitech, from the point of view of interacting with the legislative and control authorities: in December, the Italian Civil Code Budget Law 2023 extended the concessions for public operation by widening this renewal to the remote collection of public games, the collection of bingo, the creation and operation of electronic gaming management networks by means of amusement and entertainment devices, and the collection of bets on sporting events, including horse racing, and non-sporting events, including virtual events. To fully understand the complexity of the regulatory environment, see Chapter 1 - The Regulated Market.

Communication with personnel is overseen by numerous parties, including the Internal Communication function, which ensures the distribution of all initiatives and activities carried out by the company, and Human Resources, which oversees training and development, administration, organisation and management issues, as well as trade union relations. As referred to in this Sustainability Report and as stated in the Code of Ethics, the Snaitech Group operates in full compliance with the principles of fairness and impartiality, avoiding any kind of discrimination and enhancing its human capital with targeted policies. In doing so, it acts fairly and justly towards all counterparts with whom it interfaces, **while never neglecting its active commitment to the environment and people, and ensuring full confidentiality of its own and individual sensitive information.**

Dialogue with external stakeholders is supervised by communication activities, which are always coordinated by the Business Development & Communications Department, that also deals with media relations, acting as a channel of information to the general public, which is increasingly supported by social channels.

Snaitech deals with its stakeholders according to the principles of stakeholder engagement that typify the nature of corporate responsibility in the Group's vision. Through this process, the Company succeeds in identifying the needs of the parties that play a key role in the business, ensuring their full satisfaction thanks to its ability to build relationships of trust over the years, that imply increasing transparency and openness on progress, creating tools to listen to the voice of stakeholders, producing a comprehensive Sustainability Report and operating according to a Group Code of Ethics.



In keeping with the above, Snaitech has implemented various procedures for stakeholder involvement, in order to engage each stakeholder as effectively as possible and to better convey the relevance of this transversal and continuous activity within the business.

STAKEHOLDER	INFORMATION AND ENGAGEMENT TOOLS
<p>EMPLOYEES</p>	<ul style="list-style-type: none"> • Corporate intranet dedicated to employees (Hello!) • Snaitech Sustainability Week • Internal newsletter (IN) • Company notice boards • GDPR newsletter • Zucchetti portal • DEM and email
<p>SHAREHOLDERS AND FINANCIAL BACKERS</p>	<ul style="list-style-type: none"> • Company documents • Company meetings • Group website • Presentation events dedicated to shareholders
<p>CONSUMERS</p>	<ul style="list-style-type: none"> • Interactive tools on the Group's product site (gaming behaviour tests, tools for customising the spending limit, self-limitation and self-exclusion procedures) • Information present on online gaming platforms, on the website www.snai.it and at sales outlets (information kits) • Contact centre
<p>DISTRIBUTION AND OPERATORS IN THE SECTOR</p>	<ul style="list-style-type: none"> • Information/training activities for distributors (anti-corruption, responsible gaming, anti-money laundering, anti-terrorism) • Information to be displayed at sales outlets (information kits) • Portal dedicated to Snaipartner-Webanti sales outlets • Information/training activity for managers/operators (anti-corruption, responsible gaming, anti-money laundering, anti-terrorism) • Audit activities
<p>MEDIA</p>	<ul style="list-style-type: none"> • Press office activities • Social media activities • Event Planning • Advertising campaigns on products and services other than paid gaming
<p>SUPPLIERS</p>	<ul style="list-style-type: none"> • Audit activities
<p>COMMUNITY</p>	<ul style="list-style-type: none"> • Corporate Social Responsibility Initiatives • Raising awareness initiatives • Donations (made through the iZilove Foundation) • Corporate volunteering
<p>REGULATORY BODIES AND INSTITUTIONS</p>	<ul style="list-style-type: none"> • Annual Development Plan • Periodic video conference meetings • Institutional documents • Participation in conferences • Parliamentary hearings
<p>REPRESENTATIVE ORGANISATIONS</p>	<ul style="list-style-type: none"> • Periodic meetings with trade union organisations • Stipulation of Supplementary Company Contracts and specific Agreements

In updating the materiality analysis 2022, in keeping with the evolution of the reference scenario and in light of the innovations introduced by the most recent edition of the reporting standards adopted for this document, the GRI Standards, Snaitech has updated the materiality process by focusing more attention on the concept of “impact” and on stakeholder engagement.

According to the GRI Sustainability Reporting Standards, materiality is the **principle that determines which topics represent the organisation’s most significant impacts on the economy, the environment and people**, including impacts on human rights.

The new framework helps organisations to include topics that represent their “most significant impacts” in their reports. As a result, Snaitech’s materiality analysis was updated to take into account the move from a focus on the perceived relevance of issues for stakeholders and the organisation, to a focus on the actual and potential impacts, both positive and negative, arising from activities.

This analysis was conducted using a multi-step approach:

1. **Preliminary analysis and identification of relevant impacts:** The process involved an initial analysis of the Group’s activities and the various relationships within the complex context of sustainability. This made it possible to draw up an initial list of the impacts generated on the main stakeholders, broken down by positive/negative, current/potential, reversible/irreversible impacts and identifying the value chain areas (business operations - partners and suppliers - customers) on which they insist. This first analysis was based on a number of elements, among which it is worth noting:
 - the *procedures and internal analyses* Snaitech Group has developed over the course of its experience with sustainability issues, to ensure that its business operations are conducted in such a way as to minimise the risks of producing negative consequences for the environment and society, while at the same time fostering the extent and magnitude of positive impacts on people and the economy in general;
 - outlook and reports on the main macro trends in the sector in which the Snaitech Group operates;
 - the applicable SASB Sustainability Standards for the Group - sector standard Casinos & Gaming;
 - a dedicated international benchmarking analysis.
2. **Definition of macro-environments of impact, detailed impacts and related categorisations:** several risks and opportunities relevant to the Snaitech Group emerged from the previous phase, which were further verified by the Working Group dedicated to the matter with continuous engagement during interviews and in-depth analysis carried out throughout the Sustainability Report reporting process;
3. **Prioritisation of impacts and related material issues:** Starting from the assessments described above, a process was developed to evaluate and prioritise the elements that emerged. In this final stage of the materiality analysis, impacts were grouped into themed areas, therefore contributing to the substantive review of the material themes, their extended descriptions and reconciliation with the SDGs, as summarised in the table below.

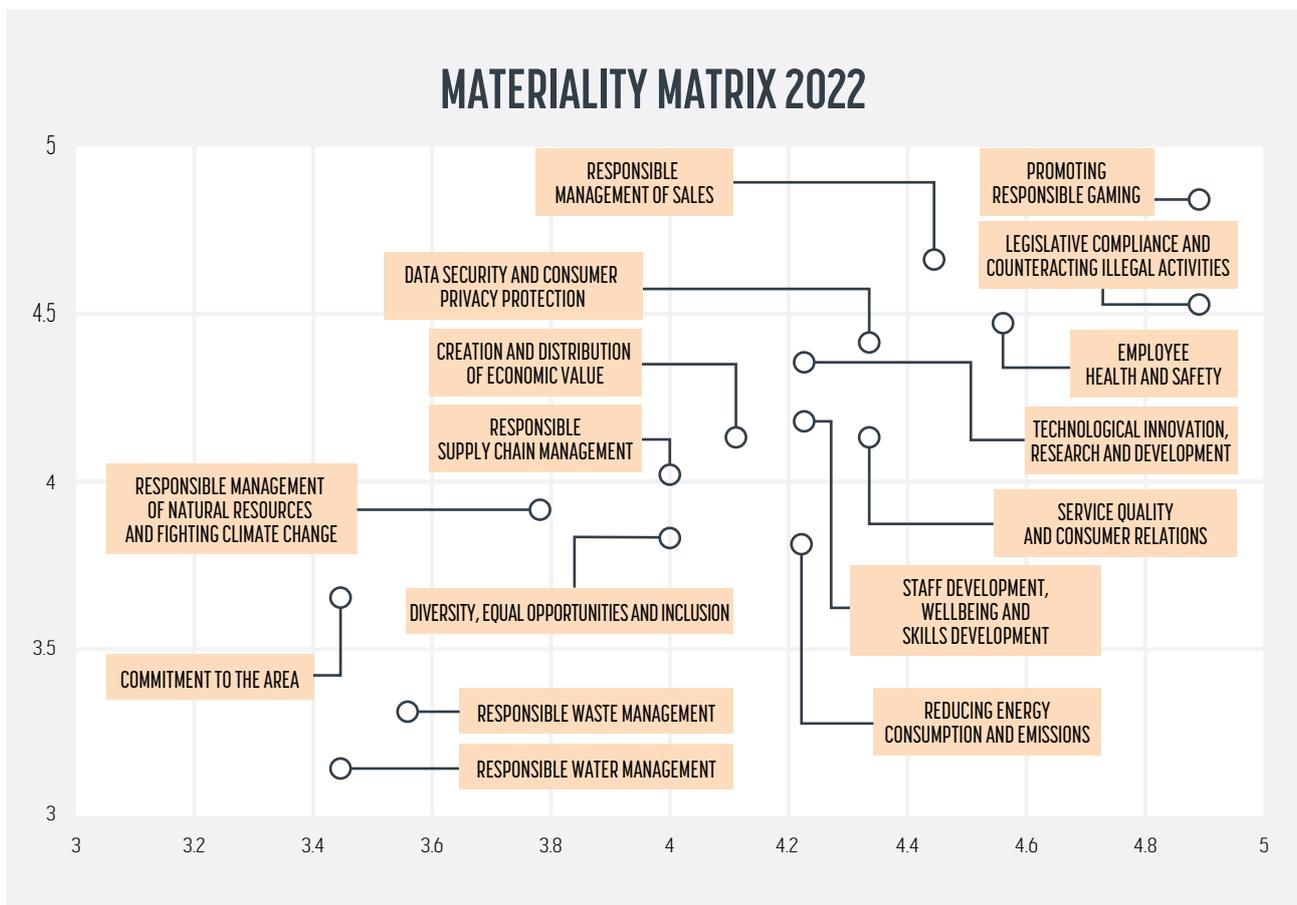
MATERIAL ISSUES	SDGS	QUALITATIVE DESCRIPTION
REGULATORY COMPLIANCE AND COUNTERACTING ILLEGAL ACTIVITIES	12,16	Act in compliance with the regulations in force in the area of reference, implementing safeguards to prevent illegal activities and corruption in all its forms.
PROMOTING RESPONSIBLE GAMING	12,16	To gear business activities towards a value system centred on consumer care, to promote responsible use of and access to gaming, combating dangerous gaming in all its forms, with particular emphasis on the protection of children.
RESPONSIBLE MANAGEMENT OF SALES OUTLETS	12,16	Maintain strong control, assistance, training and awareness-raising activities for gaming service outlet operators, to ensure that consumers have informed access to the service and to combat the phenomena of pathological and illegal gaming.
QUALITY OF SERVICE AND RELATIONSHIP WITH THE CONSUMER	12,16	To base business activities on a value system focused on service quality, promoting constructive relationships with consumers and the satisfaction of their expectations, seeking continuous improvement of business systems and processes.
DATA SECURITY AND CONSUMER PRIVACY PROTECTION	12,16	Set up IT security management systems capable of ensuring the protection of the company's information assets, and guaranteeing the protection of consumer privacy, also through the implementation of dedicated training and information paths.
CREATION AND DISTRIBUTION OF ECONOMIC VALUE	8	Strategically enhance internal activities and the relationship with stakeholders, in order to ensure the creation of economic and financial assets in the short, medium and long term.
TECHNOLOGICAL INNOVATION, RESEARCH AND DEVELOPMENT	8	Enhancing technological assets and knowledge and skills in a digital transformation perspective, through targeted training and continuous investment.
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	8	Ensure the responsible and sustainable management of the supply chain, ensuring the adoption of selection criteria based on principles of morality and reliability, devoting the utmost attention to quality, safety and respect for the environment in the procurement process.
COMMITMENT TO THE TERRITORY	8,9,11	Assisting local communities with listening and support activities, to understand their expectations and needs, resulting in an improved relationship of trust between local communities and the organisation.

MATERIAL ISSUES	SDGS	QUALITATIVE DESCRIPTION
RESPONSIBLE WATER MANAGEMENT	6,15	Ensuring a responsible water supply, rationalising consumption and strictly managing water wastage to minimise related environmental impacts.
REDUCING ENERGY CONSUMPTION AND EMISSIONS	12,13	Effectively manage the potential environmental impacts of the Group's energy consumption, contributing to the overall reduction of emissions into the atmosphere.
RESPONSIBLE WASTE MANAGEMENT	12,13	Ensure proper waste management aimed at protecting the environment, encouraging the reuse and recycling of recyclable material, including through continuous training and retraining of internal staff.
RESPONSIBLE MANAGEMENT OF NATURAL RESOURCES AND COMBATING CLIMATE CHANGE	12,13	Ensure the sustainable management of operations in order to minimise the environmental impact of activities, through the adoption of concrete solutions for the protection of the environment, such as the use of materials that favour circularity and waste recycling.
EMPLOYEE HEALTH AND SAFETY	3,8	Adopt policies and measures to protect the physical and psychological integrity of employees, through continuous monitoring of current and potential risks in order to limit and prevent accidents in the workplace.
DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION	3,5,8	Promote inclusion and the value of gender, generational and cultural diversity as factors for growth and innovation.
STAFF DEVELOPMENT, WELLBEING AND SKILLS DEVELOPMENT	3,5,8	Ensure high standards in the protection and enhancement of human resources, while promoting the creation of an inclusive and wellbeing-oriented work environment. Ensure the welfare and fulfilment of People with dignity, equal opportunities and individual freedom.

SNAITECH'S MATERIALITY MATRIX

The third phase of the materiality analysis process, as anticipated, involved extensive internal and external stakeholder engagement. The intersection of the engagement results of *suppliers*, the *sales network* and the judgements made by the *Top Management* constituted the prioritisation of the issues themselves and found definition in the materiality matrix, in which the x-axis expresses the scale of priorities emerging from external stakeholders (suppliers and sales network), while the y-axis represents the priorities assigned by internal stakeholders (Top Management).

An analysis of the matrix reveals, in keeping with previous years, 3 themes considered extremely relevant to Snaitech (top right quadrant). In particular, the theme **“Promotion of Responsible Gaming”** is by far the most important both internally and externally, as is the theme **“Compliance with Regulations and Combating Illegal Activities”**, especially when leveraged to achieve all other objectives. The other topic on which internal and external stakeholders agree is **“Responsible Shop Management”**, which is considered a strategic aspect especially since it is central to the core business. It should also be noted that the issue of “Employee Health and Safety”, which ranks immediately behind the most relevant ones, is recognised by stakeholders as a critical aspect and one on which they should make a considerable commitment. Particular attention is also to be paid to issues related to the area of “Data Security and Consumer Privacy Protection”, which, although judged to be covered, are considered central to the successful implementation of all the others, as Snaitech people are the main actors in the sustainable development of the business.



As already reported in the “Reading guide” at the beginning of the document, the themes identified have guided the revision of the contents and table of contents of the Sustainability Report 2022, leading to a more in-depth examination of some issues and restructuring the reporting in order to better represent Snaitech’s specificities, synergies and sustainability ambitions.





01

THE REGULATED MARKET

The regulatory environment,
business integrity
and the promotion
of responsible gaming

OUR COMMITMENT TO SDGS IN 2022

SDGS



GOALS

Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

ACTIONS

- Responsible gaming: Global Gambling Guidance Group (G4) certification.
- Annual Sustainability Report.
- Annual Snaitech Sustainability Week.



Target 16.4. By 2030, significantly fight unlawful financing and arms trafficking, strengthen the recovery and return of stolen property and combat all forms of organised crime.

Target 16.5. Significantly counter-act corruption and abuses of power in all their forms.

- 1,450 hours of training on anti-corruption compliance issues and offences under Model 231.
- 12 different training modules with 50 video tutorials on the Snaipartner portal.
- 100% of the employees received information and 96% of the employees during the year received specific training on the subject of anti-corruption.
- 64% of business units assessed for corruption-related risks.
- More than Euro 1,130,000 of investments and improvement projects in cybersecurity.
- Renewal of ISO 27001 certification relating to information security.

1.1 THE LEGISLATIVE FRAMEWORK AND THE MAIN INNOVATIONS

The Italian gaming sector, in which Snaitech operates as one of the most important authorised concessionaires, is characterised in particular by the need to respond to important **public interest objectives**, by a **rather complex and varied regulatory environment**.

At European level, there is no **single, standardised regulation of gambling**, in compliance with the principles of subsidiarity and proportionality (provided for in the **Treaty on European Union**). In areas that do not fall within its exclusive competence, the Union intervenes only if and insofar as the objectives of the planned action cannot be sufficiently achieved by the Member States, either at central or at regional and local level, but may, by reason of the scale or effects of the proposed action, be better achieved at Union level. **This implies an autonomy of member states in regulating the sector, provided they respect European law in general and the fundamental freedoms laid down in the Treaty on the Functioning of the Union (TFEU)**. In general, EU legislation is based on the principles of freedom to provide services, public order and consumer protection; it results in national rules focusing on the primary objectives of combating problem gambling and protecting children, as well as preventing crime and fraud.

Based on the assumption that gambling constitutes a legitimate human activity but with a great need for regulation, Italian legislation is intended to ensure that its exercise is appropriately regulated, limiting the possible social repercussions and consequently acts as a curb on the development of illegality.

More specifically, **the regulation of gaming in Italy is the responsibility of the State and assigned to the Ministry of Economy and Finance (Italian Legislative Decree no. 496 of 14 April 1948), which carries out its activities through the Customs and Monopolies Agency (ADM)**. The ADM is in charge of the provision and administrative activities for the creation, regulation and operation of individual games, and through supervisory and control activities it carries out activities to combat illegal gambling.

The Regions and Local Authorities, on the other hand, have the power to regulate, within the scope of their respective competences, the specific implementation procedures linked to the different territorial needs, while respecting the protection of health and public order.

Private operators may only operate in the gaming sector through concessions awarded following public tendering procedures, regularly announced by ADM in compliance with European legislation. In this regard, it is worth mentioning, as a significant legislative innovation for the year 2022, **Italian Law no. 197 of 29 December 2022 (the so-called Budget Law 2023), which standardised the expiry dates of the Concessions for the exercise of public gaming, providing for the extension of such Concessions, for consideration, until 31 December 2024**.

In their position as operators of regulated games, companies in the sector are subject to a **strict verification process**, which includes:

- preliminary and ongoing control by ADM, which is also responsible for carrying out verification activities for the collection of industry taxes;
- the control of the National Audit Office, which requires specific accounting regulations;
- the authorisation of the Public Security Authority, which is required for the collection of lawful gaming and betting.

In carrying out their functions, authorised concessionaires must also ensure compliance with complex and articulated legislation concerning various matters, of which the following five pillars are particularly relevant:

ANTI-MAFIA

(Anti-mafia Code - Italian Legislative Decree no. 159 of 2011 and as last amended by Decree-Law no. 162 of 2022, converted with amendments by Law no. 199 of 2022);

CONSUMER-PLAYER PROTECTION

(“Balduzzi Decree” - Italian Law no. 189 of 2012, Consumer Code, referred to in Italian Legislative Decree no. 206 of 2005, Service Charter, Italian Legislative Decree no. 87 of 2018 “Dignity Decree”);

PERSONAL DATA PRIVACY

(Italian Legislative Decree no. 196 of 30 June 2003, amended by Italian Legislative Decree 101 of 10 August 2018 and subsequent amendments, European Regulation on the processing of personal data and privacy 2018 EU 2016/679);

PUBLIC CONTRACTS CODE

(Italian Legislative Decree 50 of 2016 and subsequent amendments)*

ANTI-MONEY LAUNDERING AND TRACEABILITY OF FINANCIAL FLOWS

(“Consolidated Law on Public Security”, Italian Legislative Decree 231/2007 most recently amended by Italian Legislative Decree no. 125 of 4 October 2019, as amended, Article 3 of Italian Law no. 136 of 13 August 2010, as amended).

*Please note that as of 1 April 2023, Italian Legislative Decree 36 of 2023, the so-called “New Public Contracts Code”, which will take effect on 1 July 2023.

To combat the latter phenomenon, Italy has most recently transposed, with Italian Legislative Decree no. 195 of 2021, Directive (EU) 2018/1673 2019 (so-called VI Anti-Money Laundering Directive) and with Italian Legislative Decree 184 of 2021 the EU Directive 2019/713 on combating fraud and counterfeiting of non-cash means of payment, which aims to combat, in an increasingly global and competitive market, the free movement of funds of possible illicit origin and which involves companies in the most exposed sectors, administrative, investigative and judicial authorities.

Italian legislation has also provided for the establishment of a **“Committee for the prevention and repression of illegal gaming, gaming safety and the protection of minors”**, whose presidency is entrusted to the Director General of ADM and which is composed of leading members of the Carabinieri, State Police and Financial Police. The Committee’s work, based on the protection of lawfulness, has been strengthened following the long lockdown faced by gaming activities, which generated growing concern about the economic and financial hardship of businesses that act as a barrier to illegality and are most at risk of infiltration by organised crime.

The need to provide ever greater **protection for customers, especially children and the most exposed sectors of the population**, and to prevent forms of gaming addiction, is also ensured in Italy by regulations on gaming advertising that have one of the most restrictive schemes in Europe. Italian Decree-Law no. 87 of 2018 (the so-called “Dignity Decree”) - which stands alongside the restrictions already imposed by Italian Decree-Law no. 158 of 2021 (the so-called “Balduzzi Decree”) - introduced, in fact, an absolute ban on advertising for all cash games (in-person and online), carried out by any means of communication. As of 1 January 2019, this prohibition was also extended to sponsorship of events, activities, exhibitions, programmes, products or services and all other forms of communication with promotional content (for a more in-depth discussion on this topic, please refer to paragraph 1.3 “Consumer Protection”).

The most recent national legislative interventions have therefore been aimed at greater protection of public health and safety, the fight against illegal gaming, and the protection of consumers - and in particular the most vulnerable individuals, such as children - from the risks and dangers associated with forms of non-responsible gaming.

ENABLING LAW ON THE REORGANISATION OF GAMING

The gaming sector in Italy saw a further attempt at reorganisation in 2022, called for by all stakeholders operating in the sector, through a delegated law that for years has been among the unimplemented links to the budget law. According to both press and institutional sources, the enabling act, written and stamped by the Accounting Office, never made it to the Council of Ministers and then to Parliament, partly as a result of the government crisis in the final months of the 18th Legislature, which certainly has not made it any easier to produce legislation.

Looking towards the end of the period under review in this Sustainability Report, it is worth mentioning a further attempt to reorganise the gaming sector, this time through the draft law delegating authority to the Government for tax reform, approved by the Council of Ministers in March 2023 and currently under consideration in Parliament. Once Parliament passes the enabling act, the Government will have 24 months to adopt the delegated acts.

In the text of the regulation, **in Article 13**, the Government has been delegated to implement the reorganisation of the current provisions on public gaming, without prejudice to the organisational model based on the licensing and authorisation system, as a safeguard for the protection of faith, order and security, the balancing of general public interests in terms of health with those of the Treasury on the regular flow of the tax levied on gaming and the prevention of money laundering. The detailed analysis of the guiding principles and criteria, which address the protection of the vulnerable, the transparency of the supply chain, controls on illegal gaming and numerous other key issues for the sector, will be the subject of in-depth analysis in future Sustainability Reports.

Finally, it is crucial to mention the Group's keen interest in the international regulatory environment. Following the acquisition of the HAPPYBET brand, Snaitech interfaced with the regulatory environment of the gaming sector in Germany, Austria and Malta, marked by the presence of heterogeneous and more acerbic regulatory systems. In Germany, for example, the central regulatory body, the Gemeinsamen Glücksspielbehörde der Länder (GGL), is still in the development phase. As of 1 January 2023, the regulation of the German gambling market was in fact transferred from the sixteen states (with legislative autonomy on a territorial basis) to the GGL, which now centrally controls the gaming operators and endorses them nationwide, ensuring compliance with the rules that protect the player from the main risks of gambling. Accordingly, Snaitech is capitalising on the experience gained in the more mature and structured Italian context to implement its best practices in the European market as well, sharing and harnessing the know-how and expertise acquired over time in a synergic manner.

REGULATORY CHANGES IN 2022

CONTAINMENT MEASURES, SUSPENSION OF AMUSEMENT ARCADES ACTIVITIES, BETTING HALLS, BINGO HALLS AND CASINOS

The measures introduced to counter the spread of the Covid-19 epidemic were phased out during 2022.

EXTENSION OF GAMING CONCESSIONS: BUDGET LAW 2023

Italian Law no. 197 of 29 December 2022 “State Budget for the Financial Year 2023 and Multi-Year Budget for the Three-Year Period 2023-2025”, the so-called Budget Law 2023, extends the concessions for the operation of public gaming, for consideration, until 31 December 2024. This extension also extends to:

- the online collection of public games;
- the Bingo collection;
- the implementation and operation of electronic gaming management networks using amusement and entertainment machines (VLTs and AWP);
- the collecting of bets on sporting events, including horse racing, and non-sporting events, including virtual events.

PREU RATES

With regard to gaming machines with cash winnings, as a result of Italian Law no. 160 of 27 December 2019 (Budget Law 2020), as of 1 January 2021, the PREU rates for AWP and VLTs have been changed as follows, settling at this percentage for 2022 and 2023 as well:

- For AWP, the PREU rate increases to 24%.
- For VLTs, the PREU rate increases to 8.6%.

ADM DEVELOPMENT PLAN

In December 2022, ADM forwarded the guidelines for the 2023 development plan, based on four main activities, to the Licensees for the gaming collection through gaming machines with cash winnings, in accordance with the provisions of the relevant concession agreement:

- activities to improve the security and immutability of data recording and transmission;
- innovations necessary for the protection of public order and the safety of users;
- communication and information initiatives for the protection of legal and responsible gambling;
- provisions to safeguard the sector’s potential.

TERRITORIAL BODIES

By way of non-exhaustive example, the following are some examples of regional regulations that well represent the heterogeneity and legislative stratification that a widespread operator such as Snaitech must look at, maintaining a proactive and rigorous approach that also takes into account local specificities.

Calabria: as part of the amendments to the regional interventions legislation for the prevention and fight against the Ndrangheta phenomenon and for the promotion of lawfulness, responsible economy and transparency (Regional Law no. 9 of 2018), an extension has been provided for the deadline for compliance with the provisions on the spacing of premises where gaming machines with cash winnings are placed, also setting compulsory closing times for gambling halls, betting halls of public and commercial establishments, private clubs and all public premises or premises open to the public of retailers of monopoly goods where forms of gaming at risk of developing addiction are present or otherwise accessible.

Sicily: it has been established that taking over another person’s licence, in accordance with state legislation in force, constitutes a new installation, increasing the elements of verification and control, and ensuring a greater fight against illegality.

Lazio: following the amendment of Regional Law no. 5 of 2013, a number of measures were defined that are more restrictive than the national legislation, e.g. with regard to the requirements for opening new gaming halls, the reduction of the frequency of individual bets, the separation of the space dedicated to slots and VLTs, and mandatory breaks.

1.2 ETHICS, TRANSPARENCY AND COMPLIANCE

Among the goals set by the UN 2030 Agenda for Sustainable Development, which involve all countries and all components of society - from private companies to the public sector -, Objective 16 “Peace, Justice and Strong Institutions” includes the two targets 16.4 and 16.5, which Snaitech is committed to pursuing on a daily basis through its activities to prevent unlawful behaviour, carried out alongside the Italian regulator to protect the community as a whole. The Italian regulatory framework governing public gaming in fact identifies the concessionaire as the key figure within the sector, conferring important duties on it: as “guardians” of legality, gaming operators are called upon to assume precise commitments and responsibilities.

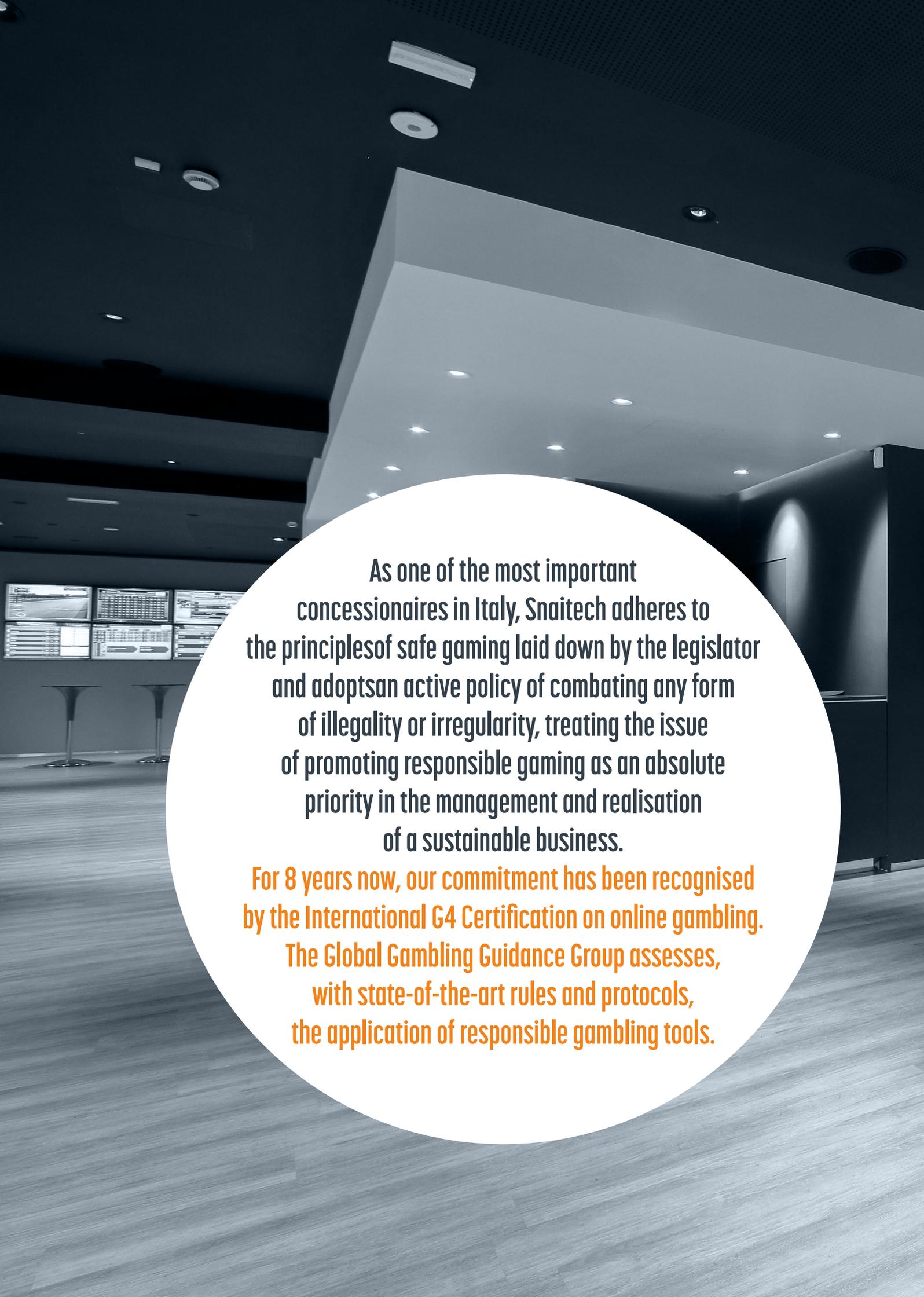
In acting in full compliance with the laws, regulations and guidelines, as well as with all the requirements set forth by national and international standards, the Snaitech Group recognises business ethics as one of its founding values, through which it aims to implement safeguards to combat corruption and illegal activities and to relay messages of loyalty, fairness, transparency and honesty. This commitment is therefore part of its identity dimension, as explicitly stated in the Code of Ethics and the Anti-Corruption Policy adopted by the Group and, more generally, in the Organisational Model of Snaitech and the Group Companies.

In this context, it is in the Group’s primary interest to **promptly adapt its organisational and administrative practices to the applicable legislation, given that the duties of the licensing authority require**, first and foremost, full compliance with the various regulatory frameworks.

In order to promote compliance with regulations and protect legality, Snaitech’s work is not simply inspired by **total compliance** procedures, but rather by an **active policy of combating any form of irregularity, based on the detection of** potentially suspicious behaviour and on systematic reporting, in ongoing dialogue with the authorities in charge at the various levels.

Carrying out their activities inspired by a total compliance procedure with the various regulatory frameworks is also a way of offering Group employees a feeling of a job that is rightfully theirs, as it responds to the legitimate desires of the player-consumer, who is at the same time protected from the pitfalls of illegal gaming and informed of the risks arising from non-responsible forms of gaming.

Snaitech, and the Group’s companies, have also adhered to the AGID Guidelines of 26 April 2022, aimed at increasing the accessibility of digital services by ensuring optimised access for people with disabilities. In particular, the legislation impacts Snaitech’s websites (whether gaming or institutional). In this context, Snaitech’s websites have been made AGID-compliant and contain a page dedicated to accessibility.



As one of the most important concessionaires in Italy, Snaitech adheres to the principles of safe gaming laid down by the legislator and adopts an active policy of combating any form of illegality or irregularity, treating the issue of promoting responsible gaming as an absolute priority in the management and realisation of a sustainable business.

For 8 years now, our commitment has been recognised by the International G4 Certification on online gambling. The Global Gambling Guidance Group assesses, with state-of-the-art rules and protocols, the application of responsible gambling tools.



THE CODE OF ETHICS: PRINCIPLES, VALUES AND SOCIAL RESPONSIBILITY

“As legal gaming operators, we have a duty to operate in the market in a responsible, competent and lawful manner. A duty that is first and foremost moral”.

(Snaitech Group Code of Ethics)

In recognition of the importance it attaches to the value of responsibility and to behaviour consistent with it, Snaitech has adopted a Group Code of Ethics, drawn up to guide and promote commitment and ethical conduct in all the areas and sectors of operation of the Companies belonging to the Group. In fact, the Code of Ethics defines the set of principles and ethical values by which the Group is inspired, with a deep conviction, in the conduct of its business and operating activities, and from which it derives specific rules of conduct for all those who relate to it directly or indirectly: customers, shareholders and collaborators, first and foremost, but also suppliers, business partners, the community, the territory and the environment.

The **Code of Ethics is an integral part of the Group’s Organisational, Management and Control Model** and is the tool it uses to interpret the values set out in it into principles and rules of conduct, which anyone dealing with the Company is required to abide by. In fact, the adoption of ethical principles relevant to the company’s entire operation constitutes an essential element of **Snaitech’s preventive control system**.

In order to prevent and combat unlawful conduct which is not in keeping with its values, the Group’s companies have adopted and implemented a **procedure and a tool for the report of misconduct and irregularities (so-called *whistleblowing**)**, which guarantees the anonymity of the whistleblower and protects him or her from any form of retaliation, discrimination or penalisation. The effectiveness of the 231 Model implemented, and the governance tools adopted have contributed to the achievement of no incidents of non-compliance with social and economic laws and regulations, and no incidents of corruption ascertained in 2022.

As part of its culture of ethics and social responsibility, the Snaitech Group consistently adopts adequate measures to prevent and combat corruption. The Company recognises the importance of the issues dealt with in the Model and the Code of Ethics and for this reason, undertakes to inform the addressees through adequate and regular training on the subject. More generally, all employees are informed of anti-corruption policies and procedures on an ongoing basis through specific internal information. Furthermore, in managing its business relations, the Group informs all its suppliers of the principles and models of conduct to be followed, all of which are based on the utmost transparency of action, and the strictest compliance with rules, laws and regulations.

Snaitech is aware that a structured approach is key to building trust and transparency, managing risks while safeguarding the Company’s reputation. In this context, an important innovation in 2022 concerns the adoption for the first time of the Code of Ethics and the Organisation, Management and Control Model of the parent company Pluto (Italia) S.p.A.

With regard to the company Epiqa S.r.l. on the other hand, it should be noted that during 2022, the following procedures (the previous version of which relates to Teleippica) were adopted by it in order to strengthen its controls:

- management of gifts and entertainment expenses;
- information flows to (the Supervisory Board);
- reporting misconduct and irregularities;
- waste management.

*Over the course of 2023, the procedures and tool for the handling of reports of misconduct and irregularities will be adapted to the provisions of Italian Legislative Decree 24 of 2023, which implemented Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, on the protection of individuals who report breaches of Union law and establishing provisions on the protection of individuals who report breaches of national laws.

ORGANISATION, MANAGEMENT AND CONTROL MODEL

In order to promote compliance with the spirit of the regulations and to ensure compliance with the relevant internal and external procedures, therefore protecting itself from risks related to sanctions, potential losses or reputational damage as a result of non-compliance with the law, the Snaitech Group has adopted an **Organisation, Management and Control Model in application of Italian Legislative Decree 231 of 2001**, which takes into account the specificity of the sector in which it operates and the organisation of the Group to which it belongs.

The Model is addressed to all those who work with Snaitech and the main objective of its adoption is to create an organic and structured system of control principles and procedures, designed to prevent, where possible and concretely feasible, the commission of so-called 231 offences.

The Model and the Group's Code of Ethics were approved - in their last update - by the Company's Board of Directors on 1 June 2021 after being shared with the Supervisory Board and the Board of Statutory Auditors. The new Code of Ethics was also submitted to the administrative bodies of each Group company for approval.

The periodic updates shall be the subject of a specific communication addressed to employees and third parties who have an ongoing contractual relationship with Snaitech, in order to provide evidence of the main regulatory and organisational changes incorporated in the updated Model, and of the adoption of the new Group Code of Ethics.

In addition, specific sections on the company's intranet and institutional website are updated regularly.

The regulatory changes implemented with the latest update of the Organisation, Management and Control Model are the subject of **specific training**.

The aims of the **Organisation, Management and Control Model** are:

- Spreading a culture of corporate integrity, reducing legal risks associated with unethical behaviour and fostering employee loyalty;
- promote business ethics by fostering a culture of control;
- implement an effective and efficient organisation of business activities, with particular emphasis on the formation of decisions and their transparency and traceability, on the accountability of the resources dedicated to taking these decisions and their implementation, on the provision of preventive and subsequent controls, and on the management of internal and external information;
- rapidly implement all necessary measures to minimise the risk of criminal acts;
- provide adequate training (differentiated in terms of content and procedures, depending on the qualification of the recipients, the level of risk in which they operate, whether they have functions of representation of the Company) and information to employees, to those who act on behalf of the Company, or are linked to the Company itself by relationships relevant for the purposes of the Decree, with reference to the activities that entail the risk of commission of offences.

The adoption of the Model therefore represents a tool to raise awareness among those who work on behalf of the Company, to carry out their activities with proper and faithful conduct, in order to prevent and reduce the risk of offences being committed.

In view of the organisational and regulatory changes affecting the Group, a further process was undertaken in 2022 to update and strengthen the system of internal controls and compliance programmes. Specifically, several documents were issued for the first time in view of the international integration of the company area. Specifically, it is important to mention here:

- Guidelines on Responsible and Safe Gaming for foreign-owned subsidiaries of the Snaitech Group;

- operating instructions on Responsible and Safe Gaming related to the German market for Snaitech's BU International;
- operating instructions on Responsible and Safe Gaming related to the Maltese/Austrian market for Snaitech's International BU;
- Guidelines for the prevention and combating of money laundering and terrorist financing for the Snaitech Group's foreign-owned subsidiaries;
- anti-money laundering operating instructions for BU International.

With reference to employees, on a regular basis during 2022, specific training courses were provided on compliance and Playtech policies applicable to the Group and national context, through the platform provided by the parent company. The courses required each employee to pass a number of final tests with reference to the different modules covering specific topics such as: antibribery & corruption, anti-money laundering, tax evasion, human rights, responsible gaming, privacy and cybersecurity.

Besides this training, the working group also prepares privacy training on a monthly basis and sends newsletters to all employees in order to inform them about privacy and cybersecurity awareness procedures, to increase awareness and knowledge on the subject.

NUMBER AND PERCENTAGE OF EMPLOYEES TRAINED IN ANTI-CORRUPTION*

	2022		2021		2020	
	no.	%	no.	%	no.	%
Milan Headquarters+Branches + Milan Horse Racing Facilities	198	97%	172	89%	0	0%
Rome Headquarters + Branches	188	98%	179	90%	1	0.5%
Parcari Headquarters+Branches	352	98%	350	96%	3	0.8%
Rest of Italy Branches + Montecatini Horse Racing Facilities	122	100%	138	95%	0	0%
Total	860	96%	839	93%	4	0.6%

*In addition to these training activities, informative activities on anti-corruption policies and procedures covered 100% of the corporate population in 2022.

GRI 205-2

Lastly, for the year 2022, Snaitech is planning to provide specific and periodic training in the area of anti-corruption, Italian Legislative Decree 231 of 2001 and Italian Legislative Decree 231 of 2007 for all employees of the Company, including in view of the changes introduced with the adoption of a specific Anti-Corruption Policy, the updating of the Model and recent regulatory changes. Specifically related to the national context, this training is also delivered in an integrated format through a digital platform.

ANTI-CORRUPTION

In the course of 2022, the Snaitech Group adopted an Anti-Corruption Policy that complements the procedures governing the internal risk management control system already in place, in order to provide a specific focus on preventing and combating corruptive phenomena.

By illustrating that corruption takes the form not as a univocal phenomenon but rather as a composite and multiform set of conducts all characterised by a common matrix of malpractice and dishonesty, the Policy is intended to be a tool enabling the addressees first of all to recognise the corruptive phenomenon in its various forms of occurrence and, consequently, to enable them to activate the measures adopted to report and repress it.

The Policy outlines the pivotal principles that characterise the operations of the Snaitech Group (honesty, legality, loyalty, fairness, responsibility, diligence, professionalism, segregation of roles, traceability and archiving) with which the actions of all those who act on behalf of the Group and/or the companies that are part of it must comply, identifying the areas of activity most exposed to the risk of corruption and indicating, with reference to each of them, the main rules of conduct with which the recipients of the Policy must comply.

In keeping with its materiality analysis, which demonstrates ample space for issues related to compliance with legislation and the fight against illegal activities, Snaitech believes that monitoring and preventing corruption risks, encourages the spread of a corporate culture based on ethics and good business practices, and that this corresponds to the expectations of good conduct that the national and international community demand from responsible companies.

Snaitech undertakes audits of both internal processes and at the directly operated and out-sourced point-of-sale network.

The internal functions and operators engaged in the activity of gaming and betting collection in the territory operate in compliance with the applicable regulations in order to nullify or mitigate the identified risks. The risks of particular importance include: **internal and external fraud and corruption between private individuals and between private individuals and Public Bodies.**

As an example, the control activities have been developed to verify:

- correct accounting and valuation of balance sheet items;
- adequate identification of revenue recognition criteria;
- correspondence of billing data with financial flows;
- adequacy of the supply flow;
- adequacy of the flow of selection and termination of employment relationships and changes in remuneration;
- adequacy of the relationships, communications and obligations required with the authorities and public bodies;
- correct prerequisites for operating sales outlets with relevant risk indicators, in order to identify and prevent potentially corrupt internal and external relations;
- the adequacy of the selection and monitoring flows of the potential and contracted sales network through prior verification and monitoring during the course of the commercial relationship of reputational requirements;
- adequacy of the monitoring flows of the sales network under-contract with respect to the consistency of the acceptance and authorisation limits in the game;
- the adequacy and consistency of the betting collection processes carried out at the network of sales outlets, both directly managed and entrusted (from acceptance to payment of winnings) in compliance with the provisions of the licence and the Organisational, Management and Control Model in application of Italian Legislative Decree 231 of 2001.

Below are the results for organisational units audited for corruption-related risks in the last three years:

ORGANISATIONAL UNITS ASSESSED FOR CORRUPTION RISKS*

	2022	2021	2020
Organisational Units	11	11	11
Number of organisational units analysed for corruption risks	7	6	6
Percentage of organisational units assessed for corruption-related risks	64%	60%	60%

*Italian Law 262/05 and Italian Legislative Decree 231/01.

It is reported that no incidents of corruption were detected during 2022.

Each year when there are regulatory or procedural changes, the members of the Board of Directors receive adequate communication and training on regulatory updates impacting the organisational model of management and control pursuant to Italian Legislative Decree no. 231 of 2001 with particular reference to anti-corruption issues.

The Snaitech Group also ensures that training programmes are carried out on the contents of the Italian Legislative Decree 231 of 2001 in the event of substantial legislative updates and whenever the Organisation, Management and Control Model adopted by the companies undergoes any change.

Information is also guaranteed to all staff through timely communications as well as by updating the intranet.

ANTI-MONEY LAUNDERING

For the Snaitech Group, it is a priority to ensure the effectiveness and timeliness of its control and verification activities to prevent and combat illegal gaming and money laundering. In fact, the concessionaire is obliged to comply with the requirements laid down in the legislation to combat money laundering and the financing of terrorism.

This is why Snaitech has adopted a **policy** system for the entire Group, which defines the structure and organisation of the Anti-Money Laundering function with specific responsibilities, roles and functions and rules to which all the Group's Italian and foreign companies must adhere in order to prevent money laundering and terrorist financing.

As risk mitigation and management safeguards, the concessionaire has also adopted special **Guidelines**, procedures and operating manuals, both internal and at sales outlets, to guarantee the legality and transparency of gaming and betting activities.

The specific risks of non-compliance with this very stringent legislation are monitored and mitigated by the anti-money laundering function and are related to the improper and illicit use of gaming and betting products by third parties (be they "players" or "operators" of sales outlets) to commit potential money laundering and terrorist financing offences.

In this area, Snaitech must address and control **operational risks related to the security of gaming and betting acceptance systems, the traceability of gaming movements (online and physical),**

and the ongoing control and monitoring of the subjective profile of players and business partners in order to ensure compliance with EU and national legislation. The gaming and betting services, in fact, despite being realised and offered by Snaitech on the market in accordance with player protection regulations, and despite the Group's continued commitment to supporting responsible gaming, could potentially lend themselves to distorted and fraudulent uses (or in any case uses other than those typical of fun and gaming).

The Anti-Money Laundering Function, coordinated by the Legal and Corporate Affairs Department, periodically verifies the adequacy of the guidelines, procedures and operating manuals adopted (proceeding to update them, where necessary), of the systems and procedures for verifying customers, monitoring gaming and reporting suspicious transactions - where the presence of one or more "anomaly indicators" is detected - to the Financial Intelligence Unit at the Bank of Italy, and for storing relevant data and documentation in compliance with regulatory requirements.

The Anti-Money Laundering Function also performs effectiveness and functionality checks and audits at operational areas and sales outlets and **maintains and manages ongoing relations with public authorities in the AML field by providing support, opinions, data and documentation**. It also prepares direct information flows to the corporate bodies and senior management, and cooperates with the Supervisory Board in monitoring compliance with the provisions on the prevention of the use of the financial system, for money laundering and the financing of terrorism.

The safeguards implemented by Snaitech over the years in the area of anti-money laundering are numerous and spread throughout the company's operations.

- The entire sales network has an adequate verification portal (Snaitech Group's Single Computerised Archive) for the registration of player data and the recording of gambling and winnings above the threshold provided for by the legislation in force;
- the sales network is kept up-to-date and trained on regulatory requirements, also by means of circulars and informative notes, also for the purpose of the diligent fulfilment of the duties of identification and verification of the player's identity that are carried out at the physical gaming points;
- In line with the "risk-based" concept and in order to comply with the relevant regulatory obligations, Snaitech carries out its due diligence activities using special automated systems, developed in-house on the basis of specific sector know-how, as well as databases provided by external providers. Among other activities, these systems allow for the careful reputational screening of players and management companies monitoring gaming (both "physical" and "online") in order to verify the maintenance of the reputational requirements of the legislation. This software also interacts with the Company's management systems, as well as with "checklists" provided by leading professional operators (for verifying the reputational requirements of natural and legal persons) and has been integrated and developed over the years, and today supports the Anti-Money Laundering Function in monitoring gaming activities and verifying the subjective profile of players. The software also makes it possible to monitor and verify the maintenance of the reputational requirements of shop managers as well as business associates - including suppliers;
- as part of its gaming monitoring activities, the Group actively cooperates with the Public Authorities to identify anomalous transactions and/or conduct to be reported to the Financial Intelligence Unit (FIU) for the Bank of Italy. For this purpose - through the Delegate for Suspicious Transaction Reporting - it sends reports of suspicious transactions promptly, where the presence of anomaly indicators is identified - supporting the report with relevant data and documentation;
- the Human Resources Department ensures that **all employees receive adequate training** to ensure that they are informed and up-to-date on the provisions of anti-money laundering and anti-terrorism regulations. **In the course of 2022, Snaitech delivered 1,450 hours of training to its employees on compliance issues concerning anti-corruption and offences under the 231 Model, such as:** new offences recently introduced in the so-called "231 Catalogue", anti-money laundering, combating tax evasion, etc.

An indispensable part of the AML Function's activity is precisely that of training: training activity is an indispensable element of the internal control system aimed at ensuring that adequate measures

are in place to manage and mitigate the risks of money laundering and terrorist financing. Mandatory training is provided to all employees (new and existing) and associates, including point-of-sale staff, in order to increase awareness of risks and basic knowledge of anti-money laundering legislation, as well as being informed about internal procedures and how to recognise and deal with potential suspicious transactions or activities.

1.3 CONSUMER PROTECTION

As illustrated in the preceding pages, Snaitech operates on Italian territory under a concession from the Customs and Monopolies Agency (ADM) and is always committed to complying with the legislation and principles of safe gaming, which the legislator has provided as fundamental requirements for the granting of a licence to operate in the Italian market and to safeguard players and the community as a whole. Snaitech, in fact, recognises and promotes gaming as a **healthy and legitimate recreational activity, as entertainment, an exciting, participatory activity and with a capacity for analysis and self-control**.

The Group's primary objective is therefore to prevent potential risks for the player, both in terms of addiction or compulsive gambling, but also for the community, not neglecting the danger, relevant to the sector, of infiltration by organisations that may resort to illegal gaming procedures to pursue crimes such as tax evasion, money laundering and fraud; crimes of which both end users and operators in the sector may be victims.

Following the guidelines of the Customs and Monopolies Agency and proposing its own Development Plan on an annual basis, Snaitech promotes all-round player protection which, with an eye to continuous improvement, involves the planning and development of activities aimed at guaranteeing:

- the promotion of conscious, responsible and safe gaming;
- the security of data and protection of the player's privacy;
- the responsible management of sales outlets.

PROMOTION OF CONSCIOUS, RESPONSIBLE AND SAFE GAMING

Playing games of chance has always been very popular and can be traced back to a socially acceptable form of recreation if practised in moderation and as an **occasional, healthy and conscious** moment of recreation. However, for a small minority of individuals, and often in conjunction with additional risk factors, gambling with cash winnings can lead to **addiction** and, in more severe cases, to a form of disorder called "Pathological Gambling Disorder", causing specific repercussions on the socio-economic wellbeing of the individuals themselves, their families and the community at large.

By adhering to and respecting the principles of safe gaming laid down by the legislator, Snaitech actively takes action to safeguard players and recognises the issue of promoting responsible gaming as a top priority in the management and realisation of a sustainable business, which is able to reconcile the demands of all stakeholders.

The Group's commitment to proposing gaming as healthy, exciting, participatory fun is attested in the Group's Code of Ethics, for a detailed discussion of which please refer to the section "The Code of Ethics: Principles, Values and Social Responsibility".

As testimony and guarantee of the above, Snaitech:

- all information concerning the rules of the game, the odds of winning, the prize structure, age restrictions and information on the dangers of excessive and uncontrolled behaviour, is made available to the player in a clear and transparent manner; in its online game proposals, it takes

care of aspects related to the usability of the site and apps, the simplicity of the graphics, the intuitiveness of the options and buttons, and the clarity of the graphic artwork, in order to avoid any possible misunderstanding about the rules of the game;

- adapts all communication both offline and online on an ongoing basis and makes the entire sales network aware of the obligations and prohibitions laid down by law, with particular attention to the ban on gambling by children, the inhibition of access to specialised premises and the prohibitions introduced by the so-called “Dignity Decree” on advertising and sponsorships.

In compliance with the above, or in strict compliance with Italian Legislative Decree no. 158 of 2012 (the so-called “Balduzzi Decree”) and Italian Legislative Decree 87 of 2018 (the so-called “Dignity Decree”), Snaitech has discontinued any form of advertising and promotional communication, even indirectly, on gaming products, limiting itself solely to informational communication intended for customers in the places designated for the collection of paid gaming.

Accordingly, each Snaitech sales outlet provides customers with information leaflets, printed and digital posters complying with legislation. The presence and visibility of this explanatory material - the correct display of which is also encouraged centrally through the sending of periodic circulars - is ensured by the checks that the Snaitech sales force carries out regularly during each visit. For all new openings and the redesigning of sales outlets, it is also planned that Snaitech will produce and install signs and decals that comply with the guidelines provided by the Group’s central management. Finally, the suitability of these elements is subject to the continuing verification of the Area Managers of the sales outlets, who are assigned the responsibility of monitoring their alignment with the same guidelines.

BALDUZZI DECREE

“Urgent provisions to promote the development of the country through a higher level of health protection”. Italian Legislative Decree 158 of 2012.

*In addition to addressing a number of health protection issues (such as territorial health care, restrictions on tobacco sales, food safety, etc.), the decree also provided for measures specifically aimed at preventing and treating people with a predisposition to compulsive gambling, placing the onus on the regions to include, among the essential levels of care, measures designed for this purpose. The decree also introduces **provisions on combating gambling, with a special focus on the protection of children and the vulnerable, and a ban on advertisements for games with cash winnings** in television and radio broadcasts and in the written press.*

DIGNITY DECREE

*Italian Decree-Law no. 87 of 2018 “Dignity Decree” - in addition to providing for measures to protect the dignity of workers, businesses and professionals and the introduction of measures to facilitate tax simplification - provides for the introduction of tools aimed at enabling an effective fight against gambling, including an **almost absolute ban on advertising and sponsorship of games and betting with cash winnings**, extending the bans on promotional communication already introduced in the sector”.*

*“In order to strengthen consumer protection and to more effectively combat gambling”, **“any form of advertising, even indirect, relating to games or bets with cash winnings, in any form and on any medium, including sporting, cultural or artistic events, television or radio broadcasts, the daily press, publications in general, posters and the internet” is prohibited**”*

In the implementation of Article 9 of the aforementioned Decree-Law, the Communications Guarantee Authority published the “Guidelines for the implementation of the ban on advertising and sponsorship of gambling”, providing a clear interpretation of the areas of application of the Decree and attributing particular attention to combating the risks connected to gambling disorder and, more generally, to the phenomenon of compulsive gambling, scientifically considered to be progressively growing, therefore renewing its commitment to effective oversight activities against actions instrumental to the economic exploitation of the condition.

In keeping with the priority given to raising customer awareness of responsible gaming, Snaitech again this year carried out initiatives to promote it, in the two worlds of physical shops and online platforms.

On the site www.snai.it, a section dedicated to player protection has been made available, in which Snaitech, emphasising the fun and wholesome dimension of the game, provides warnings and information necessary to enable the player to make informed gambling choices. Furthermore, a link is provided on the website and on the interface of the bookmaking PCs used by players at the sales outlets, through which they can fill in a self-assessment test aimed at verifying whether their gaming behaviour is problematic and compulsive. Finally, the online gaming platform and gaming apps always feature informative messages, odds of winning, warning formulas, the Customs and Monopolies Agency logos - developed and updated consistently by the Marketing Department - as well as specific logos, such as those designed to remind children of the ban on underage gaming.

In order to prevent excessive gaming habits, Snaitech has also developed and made available in its online platforms two easy-to-use self-monitoring tools:

- **Self-exclusion**, where customers can self-exclude themselves from gaming activities, according to their needs, for a limited period of time (30, 60, 90 days) or permanently. At this stage, the player may not make any money deposits or receive bonuses in his game account or make any further bets. The user may therefore request to block any gaming account in his or her possession and to be entered in the Single Register of Self-Exclusions (“RUA”);
- **self-limitation**, which provides the option for players to limit weekly payouts, daily spending and the maximum amount per bet.

In this respect, it is relevant to point out here that when deposit limits are reduced, the change is immediate; in contrast, when limits are raised, the change is not made available for seven days. The purpose of this mechanism is to prevent the user from making rash choices, following the enthusiasm associated with the game.

During 2022, there were no instances of non-compliance with legislation governing the Snaitech Group’s marketing communications.

THE INTERNATIONAL G4 CERTIFICATION ON ONLINE GAMING

Snaitech’s commitment in the fight against gambling obtains for the eighth consecutive year an important recognition, represented by the **G4 International Certification on Online Gaming**, deriving from the Company’s participation in the **Global Gambling Guidance Group**, the organisation that evaluates, with cutting-edge rules and protocols, the application of tools related to responsible gaming and aimed at limiting the possible damage related to gambling. The renewal of the certification, which is valid until December 2023, took place for the last time in 2021 following an audit carried out by G4, aimed at verifying the policies adopted by the company and the effectiveness of the tools made available to users. Strategies to prevent underage gambling are also evaluated by the organisation, as well as the information and support provided to players for responsible behaviour and conduct. The outcome of the audit confirmed a strong commitment to several projects, all with the main objective of increasing corporate culture and awareness of problem gaming issues and dynamics.

Another extremely important aspect for Snaitech is to ensure **that all online gaming and betting sites** - subjected to strict controls by ADM - **meet the requirements of player safety and security, protection of sensitive data, quality of entertainment, transaction security and reliability and punctuality of payments.**

For the concessionaire’s processing systems to be valid, appropriate security mechanisms such as firewalls, intrusion prevention and malware detection software are required. In addition, the computerised gaming system, based on technologically advanced centralised infrastructures, must

counter attempts at tampering and intrusion and guarantee, in real time, that all gaming transactions have a high performance in terms of security, certification and data storage.

For gaming machines with cash prizes, ADM manages the granting of distribution and commissioning authorisations and is responsible - through the central control system, to which the processing systems of the individual concessionaires are connected - for verifying the correctness of gaming activities. This allows for the proper determination of taxes due, the blocking of activity if an anomaly is found, and the possible settlement of penalties following violations.

For online gaming, ADM again has the task of issuing concessions to entities that demonstrate that they are able to comply with a series of measures necessary for the protection of the player - some of which are related to physical and environmental security -, among which it is worth mentioning:

- all computer systems must be physically located in a data processing centre, access to which must be limited to authorised staff;
- the player's access to the systems must take place following a credentials check. In this regard, it should be noted that SPID is to be used as a faster and more effective authentication method from 2022;
- Intrusion detection systems must be in place and all accesses must be recorded in verifiable form;
- a virus detection system must be installed on all systems;
- all removable media that contain or may contain critical data must be disposed of safely;
- a time-out must be triggered after a specified period of inactivity by the player during a session.

Accordingly, for some time now, and for all gaming and betting solutions open to the public, the Snaitech Group has been adopting the most advanced technologies and software, in order to ensure the compliance of its licensing systems and to allow its customers to use online gaming, which is subject to a strict control structure in Italy. In particular:

- the transaction management system, which is valid on all gaming channels, provides for the issuing of game tickets or bets only after the real-time connection with Sogei, the IT structure of the Ministry of Finance, has confirmed the acceptance of the application. This absolutely guarantees the validity of the bet and the payment of any winnings;
- account management operations, in particular for credit card top-ups, are subject to SSL128 encryption;
- withdrawal requests from gaming accounts are fully traceable and only possible by bank transfer or equivalent systems. The holders of the accounts may, at any time, contact a dedicated telephone number for assistance.

DATA SECURITY AND PRIVACY PROTECTION

Data security and privacy protection is another issue of utmost importance to Snaitech and is therefore rigorously managed and implemented by it, both in the physical and online network.

The progressive digitalisation of the gaming experience and the significant growth in transactions and data, which has also increased in recent years as a result of the pandemic emergency, has led to a reinforcement by the Group of its procedures for protecting and processing personal data, and the implementation of a more effective and appropriate data strategy.

In terms of the processing of personal data, Snaitech guarantees first and foremost the observation and application of the principles of correctness, lawfulness, transparency, as well as the protection of the confidentiality and rights of the data subjects, in accordance with European Regulation 679 of 2016 (European Regulation on the protection of individuals with regard to the processing and free movement of personal data, so-called GDPR) and Italian Legislative Decree 196 of 2003 "Personal data protection code", amended by Italian Legislative Decree 101 of 2018 and subsequent amendments.

Through a risk-based approach, the Group has defined an Organisational Model (MOP) for the management of personal data processing based on the principle of accountability and ensures that it is regularly updated. In particular, Snaitech has set up an organisational structure (Privacy Function and Data Protection Officer, also supported - where necessary - by the CISO and other company Departments/Functions), revises the Data Processing Register at least annually, the supporting documentation for the appointment of external and internal Data Processors and/or Persons in Charge, the operating procedures for managing data breaches and for handling requests from data subjects, and carries out training for new recruits and information on the subject for all staff.

With a view to improving operational efficiency, utilising the potential of digital clouding and reducing environmental impacts, the Group has also made the transition from company-owned data centres to external data centres.

With the involvement of the ICT Department, Snaitech continuously monitors the security level of IT tools and applies appropriate verification tools. The safeguards put in place, which are subject to inspections by the Supervisory Authority and the Guardia di Finanza with the necessary powers of control, are aimed at ensuring high standards of safety and quality and applied by the Company to demonstrate consistent compliance with the legislation. Within the ICT Department, the Parent Company also has Business Support units dedicated to monitoring the process and, in particular, the Information Security Officer function, set up so that IT security aspects can be handled with specific focus and attention.

In this context, it is worth mentioning that Snaitech is certified according to ISO 27001, an international standard that defines the requirements for an information security management system.

2022 INVESTMENTS IN CYBERSECURITY ACTIVITIES

Activity	Investment
Penetration test and vulnerability assessment	€232,507
Security IT Compliance	€215,126
Cybersecurity Systems	€690,038
Total	€1,137,671

RESPONSIBLE SALES OUTLET MANAGEMENT

Snaitech's commitment to ensuring a safe and responsible gaming model cannot disregard the establishment of **solid and preferential relationships with the Group's retailers, regarded by the company as true business partners**. It is their professionalism and their respect for the rules that the quality of the relationship with the customer and the reputation of the Group depend on.

In this regard, Italian Legislative Decree 231 of 2007 in Article 52 ("Risk Mitigation Measures") states, in a well-defined manner, that gaming concessionaires must adopt procedures and control systems to ensure that the selection of the persons on the list below is carried out according to standards that guarantee the legality and integrity of their behaviour:

- A. managers of betting shops and in-store outlets;
- B. VLT arcade managers and operators;
- C. agents;
- D. gaming concessionaires who are customers of connectivity services;
- E. Gaming providers (with whom they have a contractual relationship directly or indirectly functional to the offering of gaming services).

The constant and transparent relationship that binds Snaitech to the retail network, a highly strategic resource for the Group, is aimed at the continuous monitoring of compliance with high standards of reliability and quality. In this regard, the “Compliance and Regulatory Affairs Function” periodically updates the procedure for checking reputational requirements. The latest update of the procedure in 2021 also broadened the scope of those subject to control to include AWP gaming machine operators, GAD providers and owners and/or trainers of the horses.

To facilitate the control process and address the expansion of the scope of auditees, the following aspects were established and implemented:

- preparation of operational instructions concerning the compilation of supplier customer evaluation forms. By scrupulously adhering to the legislation, Snaitech identifies, verifies possession of and checks on the permanence, during the course of the relationship, of the reputational requirements required by the sector legislation (Article 80 of the Italian Tenders Code, Article 24 of Italian Decree Law no. 98 of 2011, etc.) and by the concession agreements stipulated by ADM. The controls carried out by Snaitech during the contractualisation phase, in relation to the possession of the reputational requisites of those exercising gaming activities, supplement - in almost all cases - the controls carried out by ADM, the Prefectures and the Police Headquarters in preparation for the issue of the authorisation to carry out gaming activities (police licence pursuant to Article 88 of the Consolidated Text of Laws on Public Security).

Following the contractualisation of the relationship, the responsible management of sales outlets is realised through the activation of different channels. With a view to consumer protection and satisfaction, Snaitech is committed to maintaining a constant dialogue with operators, carrying out periodic visits, sending notices and providing its business partners with information material produced in compliance with the guidelines and legislation in force and made available at all sales outlets, both in hard copy and digitally on the dedicated portal. The retailers are urged by the Group to display the updated material constantly in all areas of the premises, especially in the most visible areas and in the vicinity of the gaming machines.

In addition, the Marketing Department produces and updates on an ongoing basis, in accordance with the guidelines provided by ADM and the Balduzzi Decree, an **information kit on “Responsible Gaming”**, which is made available to newly opened sales outlets.

The above-mentioned support materials include informative messages on:

- warnings on the risks of gambling addiction as well as telephone numbers available to those who believe they have gambling-related problems;
- a prohibition of gambling for children and entering shops whose main activity is gambling and betting
- information on the odds of winning games
- name and number of the authorised operator
- ADM logos and certification marks.

For Snaitech, **training is another important tool for the responsible management of sales outlets**, as it makes it possible to establish close relations with numerous business partners, increase the operability of the business, and raise awareness of important issues, such as the risks of problem gambling and the relevant prevention and countermeasures. The Group’s training activities, which were traditionally delivered in person, have in recent years been replaced by modules delivered via

webinars, designed both for retail operators with slots and video lotteries and for all other operators wishing to learn more about certain topics. In addition to this, 12 different training modules with 50 video tutorials are developed and made available within the **“Snaitech Academy”** portal, which all retailers can access freely.

Training therefore constitutes a fundamental opportunity to impart knowledge and information to all the Group’s operators, with a particular focus on the resources that are in close contact with customers, who regularly and extensively undertake the various courses provided. The use of on-line platforms also increases the effectiveness of the supply chain by decreasing the distance between the company, with its values, and the network of its business partners.

AUDITING ACTIVITIES AT SALES OUTLETS

The Snaitech Group operates with the goal of continual improvement in its relationships with its business partners, with the priority of developing ethical and responsible gaming. Sales outlets are periodically monitored against the trend of risk indicators and are subject to periodic audits to ascertain the correct application of regulatory, managerial and contractual compliance obligations, as well as to detect the implementation of the principles of social responsibility foreseen for the direct and indirect protection of the player.

The plan of audits is developed by the Company’s Internal Audit function on an ongoing basis to progressively cover the national territory on the basis of the trend of specific risk indicators (including the trend of the results of audits previously carried out), to which audit activities carried out remotely are added. The monitoring of indicators and the planning of audit visits are carried out on a quarterly basis and involve the classification of sales outlets according to risk/priority levels for audit visits. On the basis of the results of the controls, action plans are developed to restore fairness to any behaviour that is found to be misaligned with the gaming procedures established by the Company.

The audit activities conducted periodically by the Group mainly concern:

- the formal and substantive correctness of the operation of the concession (i.e. suitability of the premises, possession and validity of the licences, maintenance of the ticket office, etc.) to guarantee and safeguard the legality of the collection of the game;
- the application of the provisions on the protection of the health of gamers laid down in the Balduzzi Decree, the Dignity Decree and contractual obligations, which define specific provisions on gaming communication activities for the purposes of adequate prevention of compulsive gaming phenomena and access to gaming by vulnerable categories (e.g. the ban on children entering and playing);
- activities aimed at detecting the application of the provisions of the so-called Dignity Decree and the AGCOM (“Italian Authority for Communications Guarantees”) implementation guidelines issued on 18 April 2019 on the subject of the prohibition of advertising, including indirect advertising, relating to games and betting with cash prizes and winnings;
- the application of anti-money laundering legislation (in accordance with Italian Legislative Decree 231 of 2007, and subsequent amendments), with reference to the knowledge and correct application of the procedures and contractual obligations to guarantee activities carried out in the fight against money laundering and terrorist financing (in particular, with reference to the prudent fulfilment of customer due diligence duties and the ensuing retention of data and supporting documentation);
- the application of the GDPR legislation, made even more stringent for direct network shops through the expansion of the checklist concerning data protection checks.

During 2022, certain specific audit interventions related to:

- the accuracy of the process of awarding bonuses and incentives to the sales outlet network

established by the Company; additional verification activities that included the analysis of the size and procedures for the disbursement of bonuses to some of the so-called “VIP gaming accounts” and the subsequent verification of the relevant crediting procedures;

- adequacy and accuracy of service provider services provided to the retail customer network;
- the verification of the correct use of the portal used by the sales outlet network for the development of the customer due diligence process.

For an overview of the activities carried out by the Group’s Internal Audit department, please refer to the paragraph “The Internal Control System and Risk Management”, section “Internal Audit Activities”.

Like every year, all control activities carried out were monitored, with the aim of bringing any problems found back to the correct level. Audit planning activities were therefore progressively directed towards an increasingly accurate risk analysis.





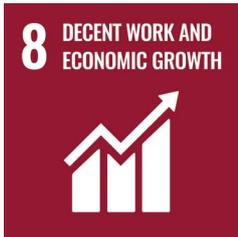
02

INNOVATION

Research, development
and customer experience

OUR COMMITMENT TO SDGS IN 2022

SDGS



GOALS

Target 8.1. Sustain economic growth per capita in accordance with national circumstances, and in particular an annual growth of at least 7% of the gross domestic product in developing countries.

ACTIONS

- Net added value generated €1,254,443 (in thousands of Euro).
- Tax contribution €1,019,483 (in thousands of Euro).
- Jobs generated through direct employment 960 people.
- Contribution to suppliers and third parties in charge of collection Euro 568.6 million.

2.1 THE SYNERGY BETWEEN RETAIL AND ONLINE: THE PROVISION OF GAMES AND SERVICES

The Snaitech Group's mission is to provide its consumers with high-performance and technologically advanced gaming and betting products and services, investing in the research and development of ever better and innovative consumer experiences. **Through continuous technological innovation, the company proves to be able to ensure the most complete compliance with the legal and legislative requirements of the sector, which is in constant evolution.** Technological expertise and network security are therefore, for Snaitech, the main competitive assets on which to work in order to prevent illegal activities, mitigate compulsive gaming and limit access to children. By defining structured investment plans and the presence of Playtech, the world's leading technology partner in the supply of online gaming software, in its shareholding, the Group continuously acts to ensure an integrated and digitalised management of the company, aimed at streamlining procedures and processes and the services offered, which will be increasingly connected, structured and secure.

As one of the largest players in the sector, Snaitech operates in the Italian and international market with an offer that includes the full range of legal and secure gaming experiences, managed on retail and online channels with a synergy approach:

- gaming machines (AWP and VLT);
- betting on sports, horse racing and virtual events;
- online skill games (skill games, casino games and bingo).

In addition to these are the provision of specialised betting services given to independent concessionaires, the offer of commercial services (telephone top-ups and payment of PA - Public Administration bills) and the management of the Group's racecourses, both in relation to the horse racing events and as multi-purpose meeting spaces open to the public for cultural events, displays, concerts and more.

As part of the Group's broader internalisation strategy, the supply of the betting platform to companies operating under the HAPPYBET brand in Austria and Germany was also implemented in 2022. The services are currently provided to all gaming outlets in the territory as well as for the online channel, active on PCs and mobile apps.

Conscious of the synergies that can be generated and from which significant benefits can be derived, the Group is fully committed to the process of **aligning the customer experience between**

the two worlds of physical retail and online platforms. The ultimate goal is **to ensure full integration between the two realities**, which today becomes feasible thanks to the use of special tools and devices developed for retail customers from a digital perspective. Each customer, using the Snai App on their smartphone or tablet, can in fact act autonomously within the “Multiplay Shop”, placing bets, checking the status of bets played, reading information and studying statistics.

The strategy of integrating the two realities represents a focal point for Snaitech as it allows it to trigger a virtuous circle necessary for the growth of its value, in particular by allowing it to reach and acquire, directly through its sales outlets, new online players. Customers are able to easily open their own online gambling accounts at Snaitech shops, while shop operators are paid a royalty on online bets made by those who have chosen to open an account at their shop. **In 2022, there was an 11% increase in active gaming accounts compared to the previous year, to over 668,000 accounts.**

In order to offer an excellent customer experience, Snaitech has made technological innovation and reliability the pillars of its mission. In 2022, the company continued with its strategy of integrating technology into its gaming range, with the aim of implementing an effective profiling system and offering its customers a high-performance experience in line with users’ gaming behaviour. To do so, Snaitech made use of specific algorithms, formulated by artificial intelligence and able to diversify, select and propose types of online games suited to the users of the different platforms. The use of artificial intelligence and machine learning represents the new frontier of Industry 4.0 and may mean the turning point in the industry’s development processes. The advanced use of these tools makes it possible to automate tasks that were previously carried out manually or to respond, on the basis of data collected and obtained from the players themselves, to the needs of individual customers, providing innovative and customised experiences and one-to-one communications, also aimed at counteracting and preventing unsustainable gaming behaviour.

The two areas in which Snaitech’s games and services are developed are presented in detail below.

PHYSICAL NETWORK

Snaitech has one of the most extensive physical gaming sales and service networks in the country. This currently consists of 2,023 betting outlets, of which 1,548 have direct gaming concessions from the Company and the remainder with the provision of specialised services to sales outlets holding their own concessions. As one of its main strengths, its deep-rooted and wide-spread presence in the territory is placed at the centre of Snaitech’s growth strategies. Snaitech has always invested in technological innovation, both to improve its customers’ enjoyment of its products and services and to keep ahead in a sector that is constantly and rapidly evolving.

For the Group, the holders of sales outlets with direct gaming concessions (retailers) are real business partners with whom it establishes a relationship of trust lasting over time and based on a continuous exchange of know-how: on the one hand, Snaitech provides the complete business model with all the related training activities and receives, on the other hand, all the information relating to the management of the final customer relationship. More specifically, the benefits that Snaitech provides to its retailers consist of:

- supporting the design of spaces and the organisation of layouts;
- dependability, resulting from the handling of transactions by the highest security standards;
- in the comprehensiveness of the gaming, betting and payment services on offer, enabling each sales outlet to ensure maximum customer satisfaction and to become a point of reference for them;
- in the provision of innovative, high-tech platforms that make gaming easy and fun;
- in a wide range of information that can be made available to players in order to guarantee them a safe and responsible gaming experience;
- in assisting in the completion of different administrative practices.

Sales outlets with direct gaming concessions are divided into:

- **Snaitech shops**, which, equipped with specialised technology, public information and acceptance systems, are specialised and dedicated to offering all types of games. In recent years, Snaitech's shops have undergone an intense and widespread makeover, based on the "Multi-play Shop" concept, i.e. on a distribution of interior spaces that can guarantee customers the best possible enjoyment of the different types of games on offer, together with a redesign of the external image, in particular of shop windows and signs. The Group's aim is to make sales outlets comfortable, entertaining and social places where every sports and games enthusiast can enjoy a healthy and responsible entertainment and sharing experience. The introduction of technological innovations is a central factor in the development of Snaitech Shops, given the opportunities they offer both in terms of functionality and usability and the integration of physical and online gaming. Among the various technologies adopted by the sales outlets are SmartShows, televisions showing infographics and statistics in real time, monitors and videowalls, on which it is possible to follow sporting events of all types broadcast live and free of charge from all over the world, bookmaking PCs, Smart Solutions and BetSmart totems, which allow customers to bet in a simple and interactive way (for a more in-depth look at the latter, see the box below "Snaitech: new betting technology").
- **Snaitech in-store outlet** which are environments located in public premises, such as bars, tobacco shops and shopping centres. In-store outlets, supervised directly by Snaitech's Network Managers, are characterised by the use of furnishings and technological solutions designed to ensure that they can best integrate with the reality of the sales outlets in which they are located, and by the adoption of real-time information and acceptance systems.

SNAITECH: NEW BETTING TECHNOLOGY

Bookmaker PCs represent an evolution in the world of betting, of the paper prospectuses on which odds were printed. Their introduction enabled customers to perform complex calculations easily and quickly and to prepare bets through a simple, convenient and secure system. Thanks to these PCs, after preparing a bet, players get a code with which they can confirm and pay their bet directly at the counter. On **Smart Solution bookmaking**, it is also possible to enable the FastBet function, which allows players to pre-purchase prepaid vouchers of the desired amount at the cashier's desk to be used to pay directly on the bookmaking PC. Digital and interactive gaming functionality is also implemented through the multifunctional **BetSmart** totems, self-service terminals with a simple and intuitive interface, through which it is possible to study rankings and statistics, consult odds, bet on sporting, virtual and horse racing events, play multiple tickets, follow the scoreboard of live events in infographics, and purchase bets by directly introducing monetary amounts on the totem or inserting the winning tickets to use the credit. Since their market launch in 2017, there are now more than 3,150 BetSmart totems installed across the country, reflecting their success with the public.

BETSMART



BETSMART MINI



SMARTSOLUTION



MYBET



SMARTSHOW



GAME TYPES ON THE PHYSICAL NETWORK

AWP Amusement With Prizes

The term AWP refers to all gaming machines installed in public establishments subject to authorisation under the Consolidated Text of Laws on Public Security (TULPS). AWPs represent the traditional “slot machines” found in bars, tobacconists, betting shops and dedicated rooms, enabling them to reach a wider audience.

As a result of the gradual reduction in the number of AWP operating authorisations provided for by the applicable regulations, **as at 31 December 2022, Snaitech had 37,429 authorisations in place, distributed over more than 9,000 establishments in the territory.**

VLT Video Lottery Terminals

This category includes all new-generation gaming machines, aimed at a more specific and select audience, which can only be installed in dedicated premises and which offer a wider variety of games that can be fully controlled remotely.

As at 31 December 2022, Snaitech is the holder of 10,590 VLT gaming rights, including 10,024 active VLTs in 1,114 premises.

BETS Sports and other types of events

With this service, Snaitech offers the opportunity to predict the outcome of one or more events (sporting events, music competitions, etc.) among those authorised by ADM.

VIRTUAL SPORT

This refers to bets placed on sporting events, horse races and special races simulated using software, based on 3D graphics, that reproduce the main events in football, car racing, tennis, cycling, greyhound racing, horse racing and camel racing on the monitors. These bets complement Snaitech’s offer by proposing “quick” offers alongside the traditional game on real events to meet customer demands.

BETTING ON HORSE RACING

These are bets on harness racing, flat and steeplechase races being held at racecourses in Italy and abroad.

THE ONLINE

The technological changes of recent years and disruptive technologies have, in fact, strongly influenced the growth of the online gaming sector, **which in 2022 increased by 5.4 % compared to 2021, from Euro 384,000 million to Euro 405,000 million.**

The strengthening of the Group's position in this segment, where it holds a market share of 10.8% (up by 0.2 percentage points compared to the previous year), results from several factors. One is undoubtedly the shift of the centre of gravity of gaming activity to the online sector due to the closures prompted by the Covid-19 pandemic. In fact, operators have responded to the demand for entertainment, during the long lockdown periods, with the enhancement and innovation of their online services, made possible thanks to specific supply agreements and strategic partnerships and the presence of one of the most advanced technological infrastructures in Europe. Further aspects of fundamental importance in this development process are the acceleration of digitalisation and the integration of the physical space, i.e. the sales outlet, with the digital space. Always ready to embrace opportunities for innovation, Snaitech has long been strongly committed to a technological transition in infrastructure. In order to make the most of the scalability that the digital world allows and to respond to the specific demands of the industry, the company has upgraded its performance, resources and operations in 2022. In fact, Snaitech has carried out a process of both technological and data centre upgrades, through which it is limiting or completely abandoning the use of proprietary physical facilities in favour of external data centres, which perform better in terms of energy consumption and use of renewable energy.

The omnichannel project pursued by the company, in which the union of the physical space with the online space is to be realised, has provided for significant investments in 2022 in order to move the company towards a cloud-oriented approach and to innovate the available services. Snaitech has invested in the sports offering as a driver for growth in the online sector and through strategic partnerships with all streaming providers and top scoreboard providers, has strengthened the list of available live and streaming events, including some of the most important football, basketball and tennis events worldwide (Spanish La Liga, Bundesliga, NBA and three tennis slams). By enhancing the brand's familiarity and reputation, Snaitech has become a true sports broadcaster, offering its customers one of the world's most comprehensive programming schedules that is active seven days a week all year round.

Furthermore, in order to offer an even more immersive and personalised experience, the Group has reinforced the range of games such as live casinos - which are very popular abroad and are also gaining popularity in our country - and live tables in ten different languages, dedicated to both roulette and blackjack.

All online gaming activities are accessible from the site www.snai.it, through dedicated software and apps developed for IOS and Android devices, which, growing to eleven in 2022, are specifically designed to provide the most exciting gaming experience possible for each type of entertainment.

SN4IFUN

SN4IFUN, is Snaitech's app that rewards sports culture with news, quizzes and propositions. Via the platform, each user can test and improve his or her sports culture, collecting points and participating in instant wins to win a Snaipay Gift Card every day. Thanks to SN4IFUN and its well-balanced mix of trivia, statistics, real-time results, quizzes and predictions, Snaitech created a multimedia engagement with no extremes with which to strengthen the social dimension and convey the positive values of sport. In 2022, for the World Cup in Qatar, SN4IFUN was supplemented by **MET4GO4TS**: an innovative game based on the performance of real players, through the customisation of a "meta-athlete", unique in all its details, from skin to clothing to accessories. The SN4IFUN app, available in all online stores, available free of charge, also features "**ZeroXS**", a section dedicated to content and initiatives designed to promote fair play, healthy supporting and responsible entertainment.

OPERATIONS CARRIED OUT DURING THE YEAR

	2022	2021	2020
Gaming accounts in the year*	668,948	602,278	530,568
GGR [Gross Gaming Revenue, in mln €]	405	384	266
Value of online winnings [in millions of €]	6,590	5,656	3,832

*Gaming accounts that have purchased at least one ticket on any type of product offered during the calendar year.

TYPES OF ONLINE GAMING

SKILL GAMES



Online tournaments for poker, burraco, briscola, scopa and other traditional Italian games with cash prizes.

ONLINE SLOTS



Slots that allow you to play directly via the web from the mobile site or dedicated APPs.

LIVE GAMES



Classic casino games streamed live with real tables and dealers.

CASINO GAMES



Classic casino games such as French and American roulette, blackjack, video poker.

BINGO



A game offering five different virtual gaming rooms, with incremental jackpots for each room.

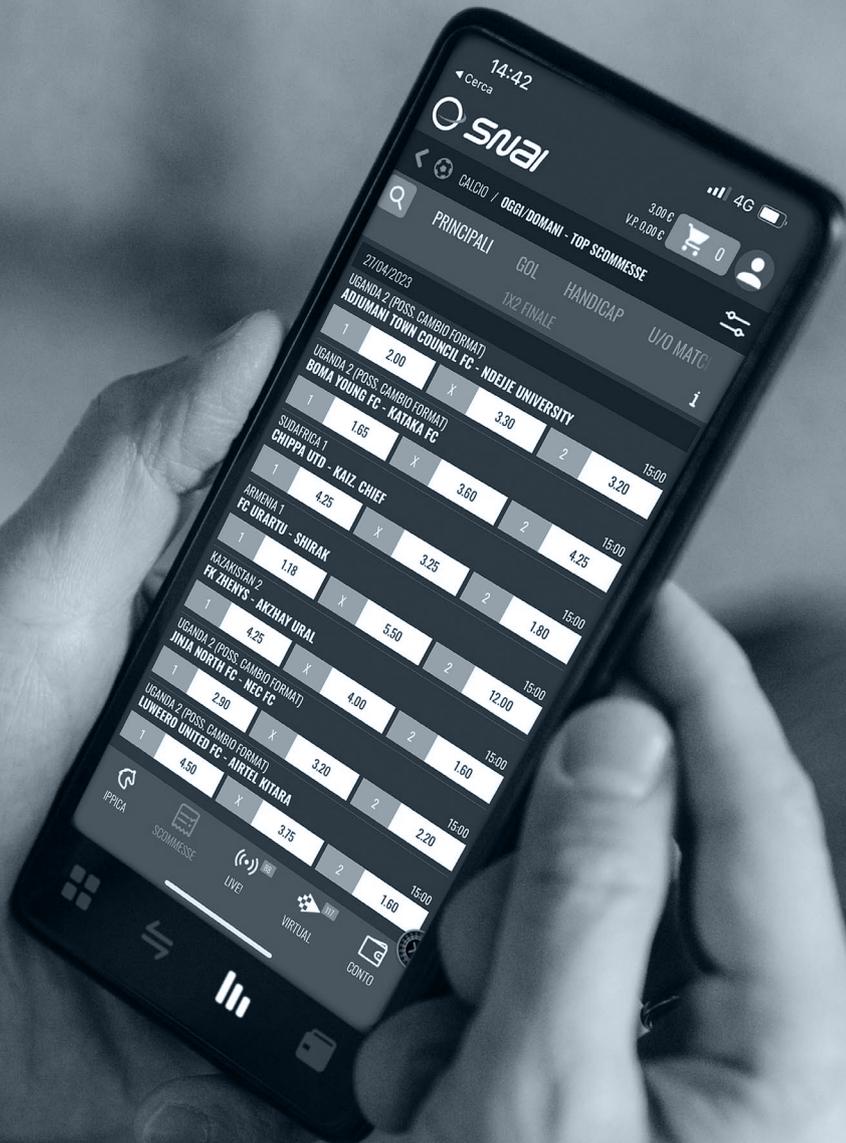
LOTTERIES



A portal that allows participation in major national and international lotteries.

Recognising the value of innovation means for Snaitech to consider technology as an indispensable driver of growth and value creation: in a dynamic and innovative sector like gaming, it is not enough to look to the future, but to anticipate it.

We are continuously engaged in the process of aligning the customer experience between the two worlds of retail and online: each shop is a comfortable place of entertainment and community, where every user can rely on the convenience and speed of digital tools.



14:42 Cerca

SNAI

CAUDIO / 0681/DOMANI - TOP SCOMMESSE 3,00 € VP 0,00 €

PRINCIPALI GOL HANDICAP U/O MATCH

27/04/2023

Match	1	X	2	Time
UGANDA 2 (POSS. CAMBIO FORMAT) ADJUMANI TOWN COUNCIL FC - NDEJE UNIVERSITY	2.00	3.30		15:00
UGANDA 2 (POSS. CAMBIO FORMAT) BOMA YOUNG FC - KATAMA FC	1.65	3.60	3.20	15:00
SUDAFRICA 1 CHIPPA UTO - KAIZ. CHIEF	4.25	3.60	4.25	15:00
ARMENIA 1 FC URARTU - SHIRAK	1.18	3.25	4.25	15:00
KAZAKHISTAN 2 FK ZHENYS - AKHENAY URAL	4.25	5.50	1.80	15:00
UGANDA 2 (POSS. CAMBIO FORMAT) JINJA NORTH FC - NEG FC	2.90	4.00	12.00	15:00
UGANDA 2 (POSS. CAMBIO FORMAT) LUYEERO UNITED FC - AIRTEL KITARA	4.50	3.20	1.60	15:00
UGANDA 2 (POSS. CAMBIO FORMAT) LUYEERO UNITED FC - AIRTEL KITARA	3.75	2.20	15:00	
UGANDA 2 (POSS. CAMBIO FORMAT) LUYEERO UNITED FC - AIRTEL KITARA	1.60	2.20	15:00	

IPPOCA SCOMMESSE LIVE! VIRTUAL CONTO

2.2 SNAIPAY SERVICES

Together with the market, the Snaitech Group has been able to respond to the increasingly demanding needs of its consumers by accessing the high-quality value-added services business under the Snaipay brand, which is technological, secure and efficient.

Over the years, the brand has been rebranded several times in order to search for new sales procedures, with the main objective of making it easier for the customer to use the services, and making the offer of payment services more widespread throughout the territory. Snaipay's 24-hour platform, using state-of-the-art Web Smartpos terminals with integrated camera and barcode reader and self-service kiosks located in sales outlets, is currently available in over 7,000 sales outlets.

The brand offers a rich portfolio of services to end-users, including the following:

- telephone top-ups from national mobile operators and MVNOs (mobile virtual network operators);
- international telephone top-ups;
- e-vouchers;
- wallet top-ups;
- gift cards;
- TV top-ups, video games, audio and video streaming;
- international phone cards;
- top-ups for snai.it betting accounts;
- travel tickets;
- products and certificates of incorporation;
- ticketing for sporting events, cultural events, shows, fairs, parks and concerts;
- payment of utility bills (MAV and RAV payment slips, car tax, PagoPa, pre-paid, etc.)

In 2022, Snaipay expanded the number of products available, introducing Chamber of Commerce services, including Ordinary and Historical Records and Company and Personal Reports, dedicated to professionals and all those who need company and personal data that would normally require an accountant or industry expert. Within the chamber of commerce products, an innovative service worth mentioning is the Historical Company Card, i.e. a comprehensive documentation containing the most important chamber of commerce information, aggregating data from Historical Records, Shareholder Lists, and Balance Sheet Summaries of corporations and partnerships.

Thanks to the network of around fifty partner companies, including Netflix, Amazon, Sky, Flixbus, PosteMobile, Iliad, Playstation, Xbox and Spotify, the brand provides services that those without a credit card can access through the portal and allows the purchase of gift cards from well-known brands such as Zalando, Feltrinelli, Q8, Foot Locker or Game Stop. In keeping with the Group's tradition, Snaipay is also committed to spreading the values of sport and sports culture and is partnered with Inter FC, AC Milan, Lega Basket Serie A and Volley Bergamo 1991.

Consolidated in 2022, the platform targets multiple users:

- distributors, or organised entities with their own structure (B2B) that intend to develop their service offerings to create new potential for their customers or commercial structures;
- end-of-chain retailers (B2C);
- Snaitech shops and in-store outlets;
- arcade halls;
- sales outlets with New Slot machines.

In 2022, the brand expanded its offer by partnering with Vivaticket, Italy's leading platform for booking and pre-sale services for tickets to sporting and cultural events, shows, fairs, parks and

concerts. As the only network in the industry enabled to distribute and manage Vivaticket's ticketing, Snaipay enables its customers to purchase tickets distributed and managed by Vivaticket by going to one of the 5,000 enabled sales outlets in the Snaipay network. A further distinctive element of the partnership is the opportunity to purchase tickets on the Vivaticket circuit to attend the races held at the Snai San Siro and Snai La Maura racecourses in Milan and the Snai Sesana racecourse in Montecatini Terme.

In 2022, Snaipay completed the **migration from the B2B platform Myweb**, which Snaitech used to operate as a service provider in the horse racing and sports betting market. The function was discontinued and absorbed by Snaipay, with a view to optimising IT systems and increasing transaction security. This migration has allowed significant technological renewal of the retail platform and introduced the entire portfolio of Snaipay services to the sales outlets still lacking them.

Snaipay, thanks to its PVR (Point of Sale Recharge) project, has in 2022 extended the number of non-gaming merchants where game accounts can be topped up and win vouchers paid out, thereby offering an alternative to customers who do not want to use electronic payment systems and prefer to go to the sales outlet in person. In the future, some of these establishments will be candidates to become new branches or in-store outlets with a gaming concession.

2.3 MULTIMEDIA SERVICES

The Snaitech Group's company Epiqa is in charge of providing the **service of collecting, processing and transmitting video and audio signals from the filming of races at Italian and foreign race-tracks and related services on behalf of MASAF** (Ministry of Agriculture, Food Sovereignty and Forestry), following the awarding of the tender "Communication campaign in support of the horse racing industry".

EPIQA COMPANY'S OUTPUT IN 2022

- Three television channels produced for MASAF, for which daily images from all active Italian racecourses and some foreign ones (France, Sweden, England, Australia, South Africa) are collected and broadcast. The channels Ippica 1 and Ippica 2 are shown in betting outlets throughout Italy, the new channel EQU^{TV} is included in Sky's satellite broadcaster offering on channel 220 in HD; on TVSat on channel 51 and viewable nationwide via Digital Terrestrial on channel 151;
- three web TVs entirely dedicated to horse racing;
- three TV channels, Sport Virtuali 1, 2 and 3 dedicated to broadcasting virtual events subject to betting;
- two television channels dedicated to sports in general, SNAI LIVE 1 and SNAI LIVE 2, containing streams of various LIVE sporting events (with bet acceptance), broadcast via satellite to the Group's network of bet acceptance points, with programming from 7.00 to 23.00 every day of the year;
- a web streaming radio channel, Radio Snai.

Epiqa has been working with the Ministry of Agriculture, Food Sovereignty and Forestry for more than 15 years, and the winning of the new tender (dated 4 August 2021) not only confirms the exceptional work carried out over time, but also represents an opportunity for the Snaitech Group to continue developing one of its key assets, setting itself the goal of reaching and exceeding the technical-quality requirements demanded by the Ministry.

Unire Sat was replaced in 2022 by the new television station **EQU^{tv}**: with a new graphic design, a new programme schedule, a new logo and new faces from entertainment, such as boxer Clemente Russo EQU^{tv} is on air on digital terrestrial television at channel 151, channel 51 on tivùsat and on the Sky platform at channel 220. The editorial project aims to present the world of horses and horseracing to television viewers, engaging and innovating compared to the past and addressing its programmes to a wider audience.

Alongside the competent Ministry, Snaitech is actively engaged in the fight against illegal gaming in the world of horse racing: Epiqa promotes horse culture, understood as everything that refers to the horse and its relationship with man, which also goes beyond the sporting event. In fact, in addition to promoting individual wellbeing, sport has always been an important educational and social tool as well as a means of bringing people together and promoting inclusion. In this vein, horse riding represents a sporting activity through which important messages of inclusion and social responsibility can be delivered, as it not only promotes physical training, but also the exercise of many other cognitive and coordinative faculties and the transmission of values such as respect for others and the environment. It is for this reason that topics such as horse wellbeing, the horse as a curative tool in therapeutic treatments, the horse as a companion in the discovery of the environment, etc., are among the main topics of the television programmes broadcast.

The objective, which is entirely in line with Snaitech's strategy, is to involve all users approaching the game as a means of managed entertainment and practising betting as a test of their previous knowledge. There is no longer a fatalistic reliance on luck, but rather rational choices based on a background of information that Snaitech with radio, television and multimedia programmes is in charge of distributing and boosting.





03

SUSTAINABILITY

Community and environment:
commitment to
the National System

3.1 SOCIAL COMMITMENT: RESPONSIBLE BUSINESS AND SUPPLY CHAIN MANAGEMENT

Snaitech, by virtue of its primary role in the Italian public gaming sector, has always considered it essential **to integrate Corporate Social Responsibility into its business strategy, in order to build bi-univocal relations with the reality of the territory, improve the relationship of trust that binds local communities and the organisation, and promote sustainable and durable development.** In fact, the Group’s primary objective in managing its business the transferring of the values of its corporate culture into shared projects and long-term partnerships, and strengthening the spirit of cohesion with a view to broadening the dynamics of solidarity and increasing awareness not only by governance and within corporate processes but by involving all its employees. Accordingly, Snaitech promotes numerous initiatives in the educational, social, cultural and environmental fields, with a particular focus on the promotion of sport as an instrument of community, social recognition and growth, as well as plain entertainment. The Group favours collaborations with locally rooted associations, which enable it to strengthen ties with the territory, and which work to protect civil rights, in order to design and implement socially useful initiatives aimed at the most vulnerable communities.

Snaitech’s commitment, aimed at charting a path increasingly oriented towards the integration of social, economic and environmental responsibility, is embodied in a sustainable growth strategy reinforced also thanks to its participation in two important networks dedicated to the ESG world: the United Nations Global Compact and the Sustainability Makers, the association that since 2006 has brought professionals and managers together who are personally committed to spreading the culture of sustainability in companies and other organisations..

OUR COMMITMENT TO SDGS IN 2022

SDGS	GOALS	ACTIONS
 <p>1 NO POVERTY</p>	<p>Target 1.2. By 2030, reduce by at least half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p>	<ul style="list-style-type: none"> • Collaboration with Care & Share for the Light for Future project. • The ADM Project “Social Dimension” dedicated to the Community of Sant’Egidio.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Target 3.8. Achieve universal health coverage, including protection from financial risks, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>	<ul style="list-style-type: none"> • Collaboration with Francesca Rava Foundation for the #Snaitech4Ukraine Project. • Collaboration with Tice Cooperativa Sociale (as part of the “Share 4 Good” initiative). • Collaboration with Unione Italiana Lotta alla Distrofia Muscolare - Pisa branch (as part of the “Share 4 Good” initiative).

SDGS



GOALS

Target 4.4. By 2030, substantially increase the number of young people and adults with the skills necessary, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Target 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the most vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

Target 4.7. By 2030, ensure that all students acquire the necessary knowledge and skills to promote sustainable development through, among other things, education for sustainable development and sustainable lifestyles, human rights, gender equality, the promotion of a culture of peace and non-violence, global citizenship and the appreciation of cultural diversity and the contribution of culture to sustainable development.

ACTIONS

- Collaboration Associazione Riaccendi il Sorriso (as part of the "Share 4 Good" initiative).
- Collaboration with Care&Share committed to supporting Indian women through micro-entrepreneurship projects and the education of needy children.
- Collaboration with Francesca Rava Foundation for the "Bambini in Goal" project.
- Collaboration with the POLIMI Graduate School of Management within the framework of the Master Executive MaBIC - Management of Cultural Assets and Institutions.



Target 5.1. End all forms of discrimination against all women, girls and young women everywhere.

Target 5.2. Eliminate all forms of violence against all women, girls and young women in the public and private sphere, including trafficking for prostitution, sexual exploitation and other types of exploitation.

Target 5.5. Ensure full and effective participation of women and equal leadership opportunities at every level of decision-making in politics, business and public life.

- Collaboration with Francesca Rava Foundation for the "Bambini in Goal" project.
- Adherence to Valore D.
- Adherence to Parks - Liberi e uguali Collaboration with CADMI - Casa di Accoglienza delle Donne Maltrattate in Milan.
- Collaboration with Associazione Centro Antiviolenza Luna (as part of the "Share 4 Good" initiative).
- Collaboration with Tice Cooperativa Sociale (as part of the "Share 4 Good" initiative).

SDGS



GOALS

Target 10.2. By 2030, enhance and promote the social, economic and political inclusion of all, regardless of status related to age, gender, disability, race, ethnicity, origin, religion, economics or otherwise.

ACTIONS

- Adherence to Valore D.
- Adherence to Parks - Liberi e uguali Collaboration with Renato Piatti Foundation for the "Magic Touch" project
- Collaboration with Special Olympics Italy.
- Support for the 2022 edition of the "Building the Future Award" dedicated to 55 amateur sports associations in Milan and its province.
- Support for the ADM "Dimensione Sociale" project dedicated to the Community of Sant'Egidio.



Target 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Target 12.8. By 2030, make sure that all people everywhere have the relevant information and awareness about sustainable development and a lifestyle in harmony with nature.

- Organisation of Snaitech Sustainability Week on an annual basis.
- Collaboration with Climate Network through the activation of the forestation project "PLANT IT! - More people create change. More trees make a forest".
- Collaboration with Plastic Free.

IZILOVE FOUNDATION AND SOCIAL INITIATIVES

The road to “social” is made possible thanks to the foundation set up by Snaitech in 2013. iZilove Foundation is an autonomous, non-profit organisation, entirely controlled by Snaitech, which exclusively pursues solidarity purposes in the fields of social assistance, charity, education, promotion of culture, art and scientific research. Through the endowment fund made available by Snaitech, voluntary donations from Group companies and staff voluntary contributions, the company develops ongoing charitable and solidarity initiatives in collaboration with numerous non-profit organisations and associations. It is worth mentioning how the adoption in 2020 of the Group’s own Organisation and Control Model and Code of Ethics has raised the awareness of all employees and all those who collaborate with the Entity in various capacities, while at the same time improving the operation and verification process.

Every year, iZilove Foundation pursues its path in Corporate Social Responsibility by activating new projects, identifying the beneficiary organisations involved, defining a plan for the “Design and Implementation of Social Benefit Initiatives”, and disbursing and reporting the necessary resources for implementation accordingly. In 2022, the Foundation continued to support CSR projects dedicated to charitable initiatives in the areas of sport, education, women’s empowerment, environmental protection and children’s charity. Specifically, there are 14 active projects in 2022 with total donations of over Euro 228,000.

IN 2022 PROJECTS SUPPORTED BY THE IZILOVE FOUNDATION

- during the course of the year Snaitech’s multi-year collaboration with the **Francesca Rava Foundation** was renewed, a non-profit organisation, established in 2000, with the objective of helping children in distress in Italy and around the world and representing N.P.H. - Nuestros Pequeños Hermanos, an international humanitarian organisation that has been saving orphaned and abandoned children for 60 years. The partnership between the iZilove Foundation and the Rava Foundation foresaw, with regard to 2022, the activation of the “Bambini in Goal” project with three initiatives focused on environmental protection, education and gender equality, implemented within the three children’s homes supported by the Snaitech foundation, in Milan, Rome and Florence. The Rava Foundation also took care of the entertainment activities in the paddock of the Snai San Siro Racecourse where, on the main race days, the children from Milan’s foster home were invited. In the face of the humanitarian crisis in Ukraine, Snaitech launched, again with the Francesca Rava Foundation, the **#Snaitech4Ukraine** initiative, through which a donation was made to bring medical aid to Ukrainian paediatric hospitals. Employees at all locations were also directly involved through a collection of basic items that were sent to the places most affected by the war;
- iZilove Foundation shared with **Special Olympics Italy**. For the sixth consecutive year, the aim was to promote, through sport, the theme of intellectual disability at the XXXVII Summer National Games held from 4 to 9 June 2022 in Turin. By making a financial donation and carrying out corporate volunteering activities to help athletes during competition days, Snaitech wanted to bring its target audience closer to the issue of disability, breaking down prejudices and stereotypes and underlining how sport is one of the most powerful tools for inclusion and growth, both staff and community;
- with the support of the **Renato Piatti Foundation**, the non-profit organisation that provides assistance to people with neurological, autism spectrum and behavioural disorders, the “Magic Touch” project was set up, which involved the purchase of a 75-inch interactive touchscreen monitor with a wall-mounted up-and-down stand and integrated software, designed to suit children with autism and neurodevelopmental disorders;
- the collaboration with Care&Share continued through the Light for Future initiative, born out of Snaitech’s desire to improve the economic and social living conditions of Indian women in vulnerable situations, caused by social fragility or the effects of the Covid pandemic, including having suffered the loss of a loved one, and very often their husband. In particular, the initiative provided for the organisation of training activities and the supply of small objects and tools

useful for starting micro-economic activities, in order to guarantee them a certain level of autonomy. The children of the families identified, who had guaranteed access to schooling, were also included in the support programme.

- through the support of the iZilove Foundation, activities were supported by **CADMI**, the Casa di Accoglienza delle Donne Maltrattate in Milan, which offers telephone reception for emergencies, in-person interviews to identify dangerous situations, a legal desk, hospitality and a secret refuge for women who want to escape from violence; during the year, support was given to the **Fondazione Costruiamo il Futuro**, which finances the projects of amateur sports associations in Milan and its province through an annual prize. Continuous and supportive cooperation has made it possible to award an increasing number of sports clubs, reaching as many as 55 associations in 2022;
- 2022 marked the success of the “**Share 4 Good**” project, launched in 2021. This includes the opportunity for all employees to report a socially useful initiative and nominate it so that the iZilove Foundation can support it with a donation. More details can be found in the box dedicated to the “Snaitech Sustainability Week” initiative;
- Snaitech, thanks to its collaboration with the **POLIMI Graduate School of Management**, the management training school of the Milan Polytechnic, has confirmed its commitment to Italy’s cultural heritage in 2022. For the third edition of the MaBIC Executive Master’s Course “Management of Cultural Objects and Institutions”, iZilove Foundation made a donation to support the training of two Master’s course participants;
- in 2022, the iZilove Foundation continued its commitment to environmental initiatives through its partnership with **Plastic Free**, which included three corporate volunteering events held in the cities of Snaitech’s three headquarters (Rome, Milan and Lucca) during which employees cleaned up plastic and waste areas. In addition, again with Plastic Free, an awareness-raising initiative was launched in 4 schools, which included training days and
- the installation of water purification dispensers within the institutions;
- a second project on environmental issues is the one born from the partnership with **Rete Clima**, a non-profit organisation thanks to which Snaitech created the initiative “**PLANT IT! - More people create change. More trees make a forest**” project. As part of this project, Snaitech planted 3,000 new trees in the regions of Snaitech’s three locations (Lombardy, Tuscany and Lazio) during three corporate volunteering events.



THE SNAITECH SUSTAINABILITY WEEK

From 23 to 27 May 2022, **Snaitech Sustainability Week** took place, the fourth edition of the Snaitech format dedicated to communication, information and awareness-raising on sustainable issues in general and the company's social responsibility activities. To mark the initiative, whose slogan this year was "La nostra identità si fa in 4", the Sustainability Report 2021, now in its twelfth edition, was presented, and numerous initiatives were carried out, all focusing on ESG issues. The aim of Snaitech Sustainability Week is to promote dialogue and discussion among stakeholders in order to develop a shared and increasingly deep-rooted corporate social responsibility and to make all employees leading players in the Corporate Social Responsibility path initiated by the company.



The following is a summary of the initiatives implemented during the 2022 edition of Snaitech Sustainability Week:

SHARE 4 GOOD

On 24 May 2022, Snaitech launched the second edition of Share 4 Good, the innovative format through which all Group employees were able to nominate charitable projects on the topics of women's empowerment, environmental protection and sport as a vehicle for social inclusion, becoming leading players in the Corporate Social Responsibility journey. Following an internal selection and voting process, the highest-scoring projects were funded by the iZilove Foundation, which doubled the budget for the four winning projects for the 2022 edition. Specifically, the organisations that received support are:



- **Associazione Riaccendi il Sorriso**, which through the "Sconnessi in salute" project - supported by the Region of Tuscany and the regional CONI (Italian National Olympic Committee), with the cooperation of the Lucca and Massa Carrara Territorial School Office and the Italian Federation of Paediatric Doctors - has launched a series of initiatives aimed at raising awareness among parents, educators, paediatricians and representatives of the world of sport on the consequences of technology abuse at a young age;
- **Unione Italiana Lotta alla Distrofia Muscolare** - Pisa Branch, which as the national association of reference for people with dystrophies and other neuromuscular diseases, was able to further strengthen its activities thanks to the "Insieme si può" project, which includes many initiatives such as the creation of an amateur sports association, the purchase of new sports equipment, and support for the team's travels and awareness-raising campaign in schools and bowling centres;
- **Tice Cooperativa Sociale** with the project "Costruire l'autostima in pre-adolescenza", has set up a pathway for the building of self-esteem in female pre-adolescents with emotional difficulties through an online group project involving meetings mediated by two psychologists to address various topics: emotions, body changes, friendship, use of social media, cooperation and the future;
- **Association Centro Antiviolenza Luna** which developed the project "Riparto da me" for the re-integration of female victims of violence.

CLEAN UP PLASTIC FREE

To raise awareness of the need to protect the environment, 130 employees of the Snaitech Group carried out a corporate volunteering activity, through which they collected plastic and rubbish by cleaning up a number of public places in the cities connected to the company's three headquarters: Milan, Lucca and Rome. Snaitech volunteers were involved by collecting more than 500kg of waste in the following areas: Parco Ravizza in Milan, Santa Maria a Colle in Lucca and Villa Borghese in Rome.

THE 2022 SUSTAINABILITY REPORT

Snaitech Sustainability Week is when Snaitech publishes its Sustainability Report. The aim of the document dedicated to the 2021 financial year was to explore the 4 pillars of Snaitech's identity, which have also become cornerstones of the company's communication plan: the regulated market, innovation, sustainability and people.



Snaitech prides itself on putting sustainability at the heart of its growth strategies, combining the needs of economic efficiency and legitimate profit with environmental protection and social development.

In 2022, our commitment to safeguarding the planet was marked by the campaign “PLANT IT! - More people create change. More trees make a forest”, in cooperation with Rete Clima, which planned the planting of 3,000 trees in the areas where we have our main offices (Lombardy, Lazio, Tuscany).



SNAITECH

OTHER SOCIAL INITIATIVES

In 2022, the Customs and State Monopolies Agency launched the “Social Dimension” project with the aim of creating a link between the Second and Third Sectors. The initiative included the extensive involvement of the main concessionaires and as a result a key role for Snaitech. Following the evaluation process of the 14 non-profit organisations that took part in the annual public call for “social” projects on the issues of disability, labour discrimination and social policies, the Community of Sant’Egidio was selected, with the initiative entitled “La Città Ecosolidale”.

Sant’Egidio’s “Città Ecosolidale”, located in the centre of the city of Rome and operating since the 2000s, is a place where necessities are collected and, then recycled and distributed to the poor, items that through a “culture of reuse and inclusion” find a new value in solidarity. Thanks to the support received, it will be possible to carry out important redevelopment work on the buildings in use.

MANAGEMENT AND ENHANCEMENT OF RACECOURSES

OUR COMMITMENT TO SDGS IN 2022



Snaitech is currently the owner of three Italian racecourses: the Snai San Siro racecourse (gallop) and the Snai La Maura racecourse (harness racing) in Milan, with areas that include the training tracks and horse stabling facilities, and the Snai Sesana racecourse (harness racing) in Montecatini Terme.

The company regards these spaces as fundamental in its development strategy:

- as iconic venues for a noble sport of great tradition;
- as multifunctional spaces for gathering and recreation capable of providing a wide range of entertainment services.

SNAI SAN SIRO RACECOURSE

The Snai San Siro racecourse (gallop) has been one of the most prestigious horse racing venues internationally for over a century. With its 136 hectares, almost 1% of the entire surface area of the municipality, it is a unique legacy and an immeasurable green lung for the city of Milan. The facility and its spaces, which also house a prized botanical park and 2,700 tall trees, indisputably represent, in terms of history, tradition, architectural features, extensive spaces and environmental values, the flagship among the racecourses managed by Snaitech.

The racetracks are considered to be among the most competitive in the world, welcoming thousands of spectators and races each year (384 in 2022). Thanks to the different tracks - four for flat races, one for sprinting, one for steeplechase and one for cross-country - it is possible to race over different distances.

Over the past five years, Snaitech has strived to combine the racecourse’s sporting vocation with

numerous cultural initiatives such as artistic and entertainment events, outreach and educational opportunities, and musical events open to the general public. Through important partnerships, the Group has made the racecourse one of the most important meeting places for the city of Milan and beyond, attracting almost a million spectators to the facility in recent years for horse racing and to attend concerts, shows and events.

These include the Snai San Siro racecourse hosting several concerts of Piano City Milano, a popular festival established in 2011 and dedicated to the piano, recognised as one of the most prestigious in Italy. Also worth mentioning is the Milano Summer Festival, held in the Summer Arena of the Snai San Siro Racecourse, and from 2022 the I-Days 2022 and the Vasco Rossi concert, hosted in a new area dedicated to major events unveiled at the Snai La Maura Racecourse.

It should be noted that the concert area of the Snai San Siro Racecourse has been expanded over time to hold up to 35,000 spectators. Alongside these cultural initiatives, the horse racing facilities offer new and inclusive areas and businesses, which will be further enhanced to create a unique recreational space.

With a view to development and progress, Snaitech has presented a revolutionary project for the Snai San Siro Racecourse as early as 2021, aimed at relaunching a space with enormous potential, transforming it into a multi-purpose complex where sporting passion linked to horse racing can be combined with a cultural and entertainment programme in keeping with the times. The “**Teatro del Cavallo**” project developed by Snaitech has two main aspects: **multidisciplinarity**, understood as the union of equestrian events in a single multi-purpose facility, and the **eco-sustainability** of the interventions, respecting environmental, architectural and urban planning constraints; redevelopment of existing greenery; and light pollution abatement.

In 2022, Snaitech carried out restoration and conservation works, beginning in 2021 with structural consolidation and seismic improvement to restore the receptivity and functionality of the Secondary Grandstand, the splendid structure of Art Nouveau architecture that has been inaccessible to the public for over twenty years. Built in 1920, like the rest of the facility, the new harness racing grandstand (now the secondary grandstand) can hold up to 2,000 spectators on two tiers of superimposed terraces that overhang the tracks and, at the back, ground-floor spaces that overlook the marvellous Cavallo di Leonardo. The structural adjustment and seismic improvement works had the highest priority of not altering the original form of the Grandstand itself.

The multidisciplinary nature of the equestrian site is also achieved through the introduction of **horse riding** into the equestrian events calendar. In the centre of the tracks is an area for horse riding competitions. The competitive arena, 100 metres long and 70 metres wide, is surrounded by grandstands that can host a total of 10,000 spectators and 400 VIP guests.

SNAI LA MAURA RACECOURSE

The Snai La Maura Harness Racing Racecourse was established in Milan in 2015 and takes its name from an old Lombardy farmstead that stood on the large piece of land originally used for training tracks for thoroughbred horses. The complex was designed using existing cubage and using recycled and “zero-kilometre” materials, such as the track underlay and the original San Siro harness racing fence. The new “minimal environmental impact” facility welcomed around 17,000 spectators in 2022 and was also used as a recreational space for events and 4 concerts for over 200,000 spectators.

SNAI SESANA RACECOURSE

The Snai Sesana Harness Racing Racecourse, one of the main venues in central Italy, located between the provinces of Pistoia, Pisa and Lucca, and more precisely in Montecatini Terme, is set in the urban and cultural context of the spa town as well as the entire Val di Nievole. This is distinguished by the highest technical and quality standards for horses, riders and trainers as well as the public.

It was built in the early 20th century and has undergone major structural improvements and extensions over time. As well as the track where competitions are held, the facility also hosts important events in the spring and summer season. The facility includes: the covered grandstand that seats two thousand spectators comfortably, the press room, the racecourse control room, the parterre and the trackside that together can accommodate more than eight thousand people. The horse racing facilities also house the Varenne Museum with a permanent exhibition, which tells the story of the last decades of the Sesana, and a special area for children.

The Snai Sesana Racecourse is famous for the Gran Premio Città Montecatini, which takes place every year in August and welcomes thousands of spectators. The “Grand Prix of Ferragosto”, as it is nicknamed, is in fact a real party open to everyone free of charge where, as well as the sporting extravaganza, impressive events and entertainment activities are organised.

3.2 THE CREATION OF SHARED VALUE

ECONOMIC PERFORMANCE AND GENERATED AND DISTRIBUTED VALUE

The 2022 financial year results are strongly influenced by the progressive reopening of the post-pandemic period, which showed a substantial recovery of the retail sector, complementing, and not to the detriment of, the positive trend of the gaming offering on the digital channel, which had shown a significant acceleration during the Covid-19 pandemic. The combination of these elements led to a widespread improvement in profitability and economic/financial performance indicators at the end of the year, which the Group welcomed as a clear sign of confidence in the “return to normality” in the reference sector, and an across-the-board appreciation of Snaitech’s initiatives, investments and, more generally, its offerings in its operating context.

The Group’s total revenues in the financial year 2022 show an increase of 53.9% over the previous year, from Euro 585.2 million in 2021 to Euro 900.4 million in 2022, mainly due to the complete reopening of the retail network and the continued growth of the online sector.

EBITDA in the financial year 2022 increased by 39.2% from Euro 182.8 million in 2021 to Euro 254.5 million, mainly due to the excellent results of gaming machines, betting in the retail channel and online gaming.

Net profit for the financial year 2022 amounted to Euro 136.3 million, an increase of 33.5% compared to Euro 102.1 million in 2021.

Net financial debt at 31 December 2022 showed a value of cash and cash equivalents and financial assets greater than that of financial payables, with a net negative balance of Euro 119.3 million, an improvement of Euro 158.1 million compared to the positive balance of Euro 38.8 million at 31 December 2021. The improvement in net financial debt is mainly due to the excellent results of current operations and the low amount of investments.

The global net added value produced by the Snaitech Group’s business in 2022 increased by 58.4% compared to the previous year. This is distributed among key stakeholders on the basis of legislation (to central and local Government), existing contractual relationships (to staff, business partners and capital providers) and strategic business decisions (to shareholders in the form of dividends and to local communities in the form of donations and sponsorships). The increase in the share of added value reserved for staff, which rose to Euro 57.8 million (+5%), was mainly due to lower benefits from the use of social shock absorbers and extraordinary leave (which had been used in 2020 and 2021 to cope with the Covid-19 epidemiological emergency), as well as an increase in the workforce. Financial expenses decreased in line with the reduction in net debt, while operating taxes increased. Finally, the resources allocated to the communities in the reference territories increased by 9.1% compared to the previous year.

ADDED VALUE GENERATED (IN THOUSANDS OF EURO)

	2022	2021	2020
GROSS VALUE GENERATED	1,906,151	1,179,134	1,122,653
Revenues from sales and services	896,186	581,281	520,515
- Revenue adjustments	0	0	0
Other revenues and income	4,176	3,929	2,197
Total revenues	900,362	585,210	522,712
Taxes on gaming	1,003,862	592,393*	598,284
Change in inventories	0	0	0
Increases in fixed assets for internal work	1,927	1,808	1,657
PRODUCTION COSTS	574,012	340,516	335,020
Raw and ancillary materials, consumables and goods	1,144	898	608
Costs for services	567,420	347,941	318,912
Costs for the use of third-party assets	1,012	770	791
Allocations for risks	-1,017	-2,773	-368
Miscellaneous operating charges	5,453	-6,320	15,077
GROSS INCOME	1,332,139	838,618	787,633
Financial income and extraordinary items	292	229	32,777
Deferred (-) / prepaid (+) taxes	-41,390	7,826	-16,541
Financial charges and extraordinary items	0	-854	-487
GROSS OVERALL ADDED VALUE	1,291,041	845,819	803,382
Amortisation and depreciation	36,598	53,805	63,222
NET OVERALL ADDED VALUE	1,254,443	792,014	740,160

DISTRIBUTION OF ADDED (IN THOUSANDS OF EUROS)

	2022	2021	2020
STAFF REMUNERATION	57,843	55,105	47,342
PAYMENTS TO THE PUBLIC ADMINISTRATION	1,044,138	615,257	620,930
Taxes	15,621	6,596	7,465
Taxes on gaming	1,003,862	592,116	598,284
Concession fees and administrative penalties	24,655	16,545	15,181
INTEREST PAID ON LOANS	14,482	18,080	22,462
Charges for short and long-term loans	14,482	18,080	22,462
REMUNERATION OF RISK CAPITAL	20,000	0	0
Profit distributed	20,000	0	0
REMUNERATION FOR THE COMPANY	116,261	102,071	47,865
Retained earnings	116,261	102,071	47,865
PAYMENTS TO THE COMMUNITY	1,719	1,501	1,561
Local taxes and levies	1,434	1,314	1,395
Charitable donations and gifts	285	187	166
NET OVERALL ADDED VALUE	1,254,443	792,014	740,160

*Please note that the 2021 figure for gaming taxes has been reclassified by Euro 277,000.

GRI 201-1

CONTRIBUTION TO TAXATION

The Group has always been committed to **ensuring the timely fulfilment of tax obligations and payment of amounts due to the State, adopting a behaviour aimed at minimising tax risk and ensuring strict compliance with applicable regulations**. Consequently, the tax principles the Group adheres to can be summarised as follows:

- obligation towards the state, local authorities and the community as a whole to pay taxes due by law;
- obligation towards its shareholders and stakeholders not to pay more tax than that due by law, making sure in any case to take advantage of legitimate savings and tax benefits allowed.

In this regard, the Financial Statements, Tax Compliance and Passive Invoicing Area, together with its Management, is responsible for ensuring tax compliance and tax risk management. More specifically, the Area:

- takes responsibility for all tax obligations (e.g. statements and calculations of VAT, taxes, levies and gaming, etc.);
- periodically sends all tax declarations including judicial statements to ADM;
- prepares the necessary documentation for the tax returns of Group companies and for preventive *ruling* activities;
- assists the tax authorities during planned audit activities.

As well as this, the Group also relies on the support of dedicated suppliers, who deal with the revision of VAT and income declarations and their submission, while also supporting the Group in the analysis of various tax issues and in some minor activities such as the preparation and transmission of Intrastat data.

To ensure compliance with tax legislation and the maintenance of a solid control framework within the Group, Snaitech has implemented specific training activities for staff delegated to tax activities. These activities include updates through regular professional development *newsletters* and specialised training courses.

With regard to controlling and managing tax risk, Snaitech undertakes to manage and reduce the risk of violating tax laws or abusing the principles and purposes of tax legislation. In general, where tax legislation creates doubts of interpretation or application difficulties, the Group adopts a reasonable interpretation with the support of external experts and in consultation with the competent tax authority. In fact, the Group is focused on developing close relations with the competent tax authorities, mainly with the Agenzia delle Entrate and the ADM, operating transparently and honestly in the transmission of gaming tax payments (mainly the Single Tax and Preu as well as concession fees and deposits) and the periodic statements required by the authority in application of the concession regimes.

Snaitech is also committed to correctly applying the tax regulations of the foreign countries in which it operates, a matter that has become even more specific with the integration of the legal entities of the HAPPYBET brand during 2022. In this respect, the Group generally encourages its companies to engage in a cooperative attitude with local authorities beyond the requirements of national tax regulations.

Cross-border intra-group transactions are considered under the arm's length principle for tax purposes, as defined by the OECD.

The table below is a summary of the tax levy in terms of income tax, which is a good representation of Snaitech's contribution to the country system and context.

Names of resident entities	The organisation's main activities	Revenues from sales to third parties	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before taxes	Tangible assets other than cash and cash equivalents	Corporate income taxes paid on a cash basis	Income taxes of companies accrued on profits/losses
Snaitech S.p.A.	The Company is one of the leading operators in the Italian gaming market and operates through concessions issued by the Customs and Monopolies Agency	885,881,123	0	186,416,218	95,617,847	2,314,628	12,759,559
Epiqa S.r.l.	The company provides services for the transfer, processing and broadcasting of video and audio feeds from Italian and foreign racetracks on behalf of Mipaaf (formerly assi-unire)	11,957,844	0	-293,021	2,870,210	52,131	0
Snai Rete Italia S.r.l.	The company carries out betting collection activities through gaming points throughout Italy	10,960,467	0	-1,176,306	1,650,925	150,819	10,174
Snaitech Smart Technologies S.r.l.	Marketing, purchase, sale and maintenance of gaming terminals	895,557	0	290,135	186,775	0	78,915
TOTAL		909,694,991	0	185,237,026	100,325,757	2,517,578	12,848,648

[GRI 207-4]

The Group's taxation information is audited annually by the auditors as part of the audit of the annual financial statements. In addition, the tax calculation is reviewed on a monthly basis by the consultants and the Tax director.

SNAITECH 'S RELATIONSHIP WITH ITS SUPPLIERS

In 2022, the supply costs for goods and services borne by the Snaitech Group amount to Euro 568.6 million and include, among others, the fees paid to third parties in charge of collection (managers and business partners) and the costs related to platforms, which together account for approximately 87% of total supplies, more than 92% of which are from Italian suppliers.

In order to carry out its activities, Snaitech uses different categories of suppliers, which, depending on the type of supply, can be categorised as follows:

- a. managers and business partners;
- b. hardware and software (gaming terminals and platforms, office machines);
- c. energy supply (electricity, natural gas, oil);
- d. telecommunications and connectivity;
- e. support and maintenance;
- f. professional advisory services;
- g. logistics and transport services;
- h. legal and financial services;
- i. communication agencies;
- j. services dedicated to marketing and market research activities.

The responsible and sustainable management of the supply chain is an issue of extreme strategic importance for Snaitech, and is embodied right from the supplier selection phase, which foresees the adoption of **criteria based on the principles of objectivity, morality, reliability, impartiality, price fairness, safety, and quality of the object and service**, and carefully evaluates the service guarantees and the overview of offers in a competitive regime. This is also where the supplier's reputational requirements are checked in advance, and their compliance is then monitored periodically during the course of the business relationship.

Verifications are carried out on the potential supplier to ascertain whether it possesses the technical, professional and asset requirements and authorisations to carry out its activities, as well as to assess the possession of any certifications. The potential supplier must also certify that they are aware of and undertake to comply with Snaitech's Code of Ethics and Model 231.

To safeguard the complete transparency of the process, contracts are monitored by different business areas and are subject to different levels of approval. In addition to the above, each supplier is required to ensure compliance with and enforcement of legislation in the area of:

- safety and the environment;
- employment contracts and social security contributions for its employees;
- employment of non-EU citizens.

The supply chain of racecourses presents specific characteristics in its management due to the particularity of the activity and the number of relationships that characterise it. The variety of product categories is noteworthy, ranging from supplies for the maintenance of buildings (construction, electrical, plumbing), forestry, the supply of vehicles and equipment, to the supply of fuels, sand and seeds for the racetracks. Suppliers directly linked to racing activities, which have specificities closely related to the world of horse racing, are also important.

The racecourse supplier selection process is characterised by the need to contain costs and the quality of the services offered, but also by the choice of supply companies that are close to the racecourse districts, since the racing calendar, which is very rich and concentrated in particular periods, requires prompt intervention and very specific professionalism to deal with any difficulties that may arise. Therefore, the presence of racecourses in the territory represents an important creator of induced activities for the local economy.

3.3 ENVIRONMENTAL COMMITMENT: RESPONSIBLE MANAGEMENT OF CONSUMPTION AND EMISSION REDUCTION

Respect for the Planet has now become a key issue for any sphere of operation and sector. By proactively working towards sustainable development, **Snaitech considers environmental protection as an integral part of its business strategy.**

During 2022, the Group conducted an analysis of the various corporate areas in order to identify its most impactful processes and, at the same time, the intervention levers to be used in order to develop sustainability strategies that can serve as the foundation for an increasingly eco-sustainable business.

Snaitech firmly believes that in order for a commitment to the environment to generate the desired results, it must be a shared undertaking and therefore needs the involvement of everyone: citizens, governments and institutions. In accordance with this conviction, in 2022 the Group's strategy has embraced an increasingly broader and more conscious vision of the responsibility that every company is required to take on, not only locally but also globally, optimising the governance that oversees environmental issues and improving compliance with the recommendations of the relevant Authorities and Institutions.

Huge investments are being made around the world, and ambitious targets have been set for the containment of CO2 emissions and the sustainable use of natural resources. In this respect, Snaitech adopts **a specific policy of progressively reducing the environmental footprint of its production activities, assuming an important role in enhancing natural resources and, more specifically, the racetracks it owns**, representing green lungs in the urban areas in which they are located, which have a positive impact on air quality and people's wellbeing.

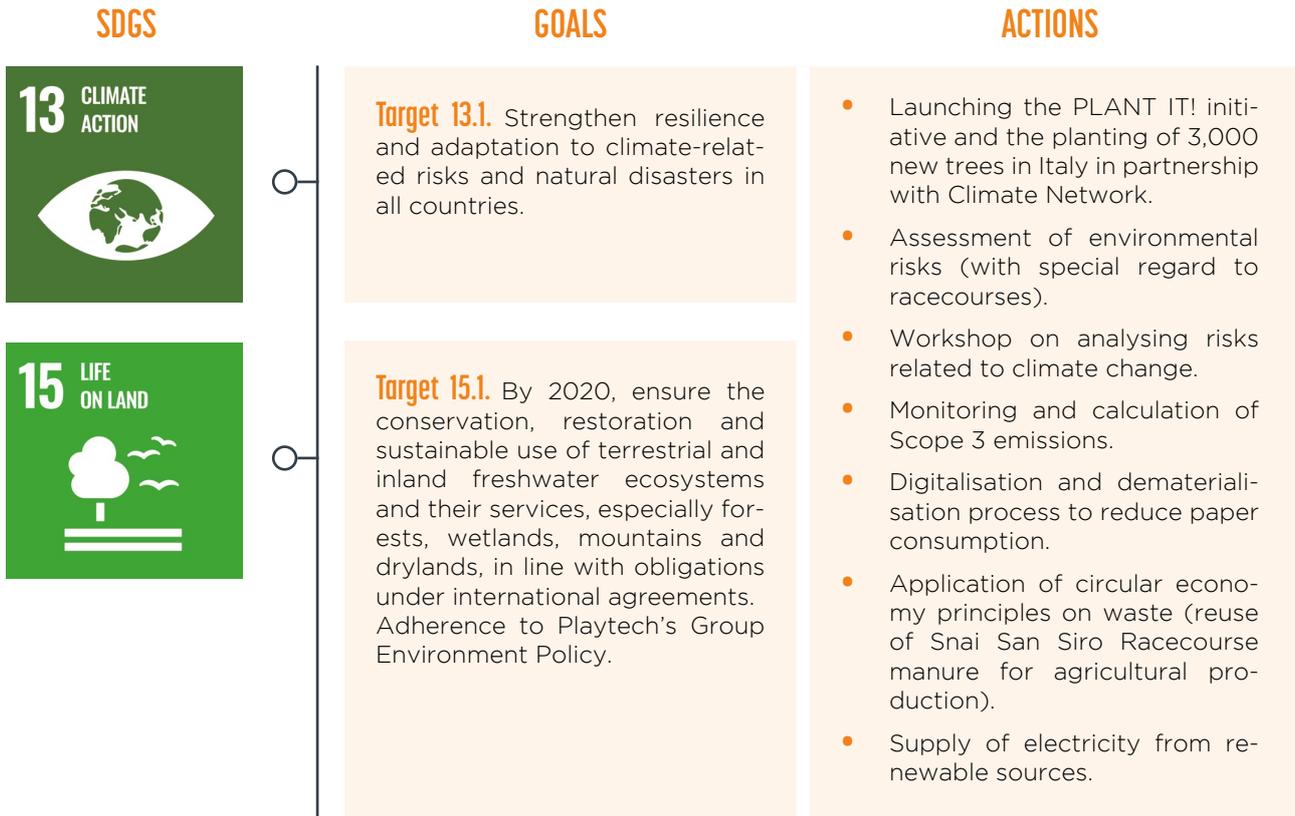
The Group's core business entails the limited environmental impacts typical of a service company, the most significant of which relate to greenhouse gas (GHG) emissions from electricity used in offices and data centres and the life cycle of gaming machines, as well as the use of water to irrigate the greenery and racetrack tracks, on top of normal office consumption.

In recognition of its role and expertise, Snaitech is therefore committed to implementing rules of conduct and behaviour designed to support sustainable growth, with respect for the planet and the needs of future generations at its heart.

More specifically, the Group's commitment to environmental protection is reflected in the daily pursuit of Goals 13 and 15 set by the UN 2030 Agenda for Sustainable Development, and is embodied in the adoption of behaviours aimed at ongoing improvement, focusing efforts on preventing pollution, reducing emissions and, in a more general sense, minimising the environmental risks and impacts associated with the normal conduct of business, operating in line with the following principles:

- define specific environmental objectives and improvement programmes designed to minimise significant environmental impacts;
- use appropriate control and monitoring tools on the main environmental aspects generated by its activities and the improvement programmes adopted;
- promote environmental awareness and training activities in-house, therefore pursuing the growth and circulation of ecological awareness and a sense of responsibility.

OUR COMMITMENT TO SDGS IN 2022



For the Group, risk management is of paramount importance, including in the field of environmental protection. This is why every year Snaitch monitors the processes by which it carries out its activities, in order to measure their main impacts, and enables precise procedures to ensure compliance with regulations and the prevention of related risks.

The Group's Code of Ethics, Model 231 and the internal operating procedures of Snaitch and its subsidiaries, define the principles and guidelines relating to the Group's Environmental Responsibility and the control of the impacts - direct and indirect - generated by its activities.

The parent company Playtech has adopted specific environmental policies, which have been implemented by Snaitch in the Italian context in which it operates. Playtech's new **Group Environment Policy** approved in May 2021, which applies to all Group companies, aims to reduce carbon emissions by 2025, reduce water use and waste generation, and implement measures to mitigate the environmental impact of its operations. Playtech has appointed an ESG Sustainability Board and Policy Committee who have overall responsibility for ensuring that this policy is in line with its commitments and objectives, as well as regulatory, legal and ethical obligations, and that all those under its control comply with its principles; employees are also invited to comment on this policy and suggest ways in which it could be improved.

THE PRINCIPLES OF THE PLAYTECH GROUP'S ENVIRONMENTAL POLICY

- **Maximum compliance with local environmental legislation and laws** applicable in the contexts in which the Group's components operate;
- Commitment to **reduce greenhouse gas emissions** by monitoring consumption throughout the supply chain and to play a role in keeping global warming below 1.5°C;
- Procurement of energy generated from renewable sources for its offices and activities where technically feasible and available in the relevant markets;
- Commitment to minimise the use of resources such as **water consumption** and **waste generation** (including plastic) and, where possible, engage in recycling programmes;
- Engage and **collaborate throughout the supply chain by** taking environmental issues as a significant requirement for the selection and management of partners and suppliers;
- **Awareness and involvement of employees and the community** in order to raise awareness of environmental issues;
- Transparency and ongoing performance improvement through **constant monitoring**.

A special mention must be made of **racecourses**, which, by virtue of their size as highly extensive and predominantly green areas, **require special protection and enhancement** and, at the same time, present considerable potential environmental impacts, in many cases closely related to the dynamics of climate change.

RISKS RELATED TO CLIMATE CHANGE

Climate change is a growing concern for all the Group's stakeholders, whether investors, employees or members of the community it operates in. With the collaboration of the parent company Playtech, in 2022 Snaitech adopted the so-called dual-materiality perspective, according to which issues relating to ongoing climate change must be analysed in parallel from two different perspectives: from the point of view of the impacts that the organisation generates on the environment ("inside-out" perspective) and from the point of view of the consequences that climate change can or could generate on the company's performance ("outside-in" perspective).

With this in mind, **workshops were organised to examine critically a range of potential climate change scenarios**, following the guidelines of the Task Force on Climate-related Financial Disclosures ("TCFD") for climate-related disclosures. During the workshop, the company was asked to assess the resilience of business plans against potential future climate scenarios and identify solutions to increase strategic and business responsiveness. In this regard, Snaitech identified in particular the specific financial and business impacts that a global temperature increase of 1.5 and 2 degrees Celsius would cause: through a critical analysis of the data in the company's possession, possible consequences such as the cancellation of horse races due to temperature increases or the significant water stress that racecourse ecosystems would be subjected to were considered.

The **Milan Horse Racing Facilities**, together with all its adjacent areas, **represents a green lung and therefore an extremely important environmental resource for the entire Lombard metropolis**. In addition to being home to an important botanical park, with more than 70 species of flora and a pond that is also characterised by the presence of bird species during the migration period, the Racecourse is also an **artistic and cultural centre subject to the protection of the Environmental and Cultural Heritage**, in which Art Nouveau architectural buildings dating back to the beginning of the last century (Tribune and the Palazzina del Peso) and sculptural works of fundamental importance such as the "Cavallo di Leonardo" are preserved.

In order to protect the natural and artistic-cultural heritage of the urban environment, minimising negative impacts and enhancing positive ones, Snaitech regularly carries out risk and environmental impact assessments.

Specifically, the aspects most closely monitored concern the maintenance of sports facilities, noise and odour emissions, control of water quality and portability, agronomic assessments, assessments of the remaining hazardous asbestos-containing materials in underground tanks and their plans for disposal, and analyses of the state of preservation of buildings by appointed external professionals and technicians. All contracts with external companies, which maintain the technical installations (water, electricity, lighting, lifts, generators, heating, firefighting), are also revised annually.

In this context, it is also worth mentioning that - as part of the work carried out for the relaunch of the **Snai San Siro racecourse** and the **Teatro del Cavallo Project** - improvements to the lighting and irrigation systems are planned and underway, both in terms of performance and consumption. All renovation work was carried out using ecological and recycling principles: during the implementation of the site, earth movements were managed so that they were volumetrically contained by using advanced technologies, while the displaced volumes of soil were reused on site, where possible, to upgrade the tracks and regenerate them.

MANAGING ENVIRONMENTAL IMPACTS

In following up on the objectives set in relation to the management of environmental impacts, the Group acts to minimise the adverse effects on the environment of its production processes, both direct and indirect, by appropriately identifying roles and responsibilities in this regard and implementing specific efficiency initiatives.

In order to ensure the proper management of environmental issues, in December 2021 Snaitech's Board of Directors appointed a Group Environmental Manager for risk prevention and environmental protection, who among other things is in charge of waste management.

Given the particular nature of the racecourse environment with respect to the typical company activity, the management of environmental issues is carried out with the support of an external consultant specialised in environmental issues, who coordinates with the Group Environmental Manager in carrying out his/her duties.

Specifically, the Group Environmental Manager is responsible for regular written reports to the Managing Director on the fulfilment of his/her duties.

At the specific request of the Group's supervisory boards (Supervisory Boards, Boards of Statutory Auditors/Single Statutory Auditor, Legal Department, Compliance Function, Internal Audit Function), it provides specific feedback on delegated environmental issues.

WASTE MANAGEMENT

Snaitech's waste management is directed towards the adoption of a circular economy approach, i.e. linked to the promotion of the use of recyclable resources and materials, the reduction of waste production, its proper disposal and the use, where possible, of recycling practices.

The Snaitech Group's Environmental Manager, as mentioned in the previous section, performs a function that, among the various mandates, also includes specific responsibilities in the field of waste management.

Most of the hazardous waste produced by office activities is Waste from Electrical and Electronic Equipment (abbreviated as WEEE), which, having reached the end of its life cycle, is managed and handled according to a special internal procedure, reviewed and updated by Snaitech periodically.

The phenomenon of the illegal handling of WEEE is in fact an international problem that has been addressed by the competent authorities for some time, partly because of its rapid increase (an annual growth rate of 2.6% is reported at European level). Despite the critical nature of this category of waste - rich in substances and materials that can be reused but are also harmful to the atmosphere if not processed properly - it is estimated that, globally, only 20% of WEEE is properly disposed of. The main reason for this is the opportunity to extract high-value precious metals (iron, gold, silver, copper and aluminium, as well as some rare components such as lanthanum, yttrium, cerium, samarium) from them, which fuels an illegal export market for waste abroad.

Snaitech has therefore set up a corporate control function, whose task is to provide for the organisation and supervision of the system for the collection and disposal of waste from WEEE products placed on the market by the Company, in line with the principle of Extended Producer Responsibility governed by European Directive 2012/19/EU, later amended by European Directive 2018/849, transposed in Italy by Italian Legislative Decree 118 of 2020 in the Circular Economy Package.

The Compliance and Regulatory Function also established, as early as 2021, a procedure for the transfer of electrical and electronic equipment, furnishings, fittings and movable objects from Snaitech's premises to the sales outlets of the retail network and to the Technical Assistance Centres and vice versa, covering the entire product life cycle. Added to this, Snaitech has very strict regulations concerning the sale of WEEE and the management of the waste generated. Finally, the "flow for the closure of the Sales Outlet" was prepared and detailed, which presents a careful focus on the management of the take-back of technology and materials (furniture).

Furthermore, during 2022, processes were reinforced to ensure that **all electrical and electronic devices that are obsolete or characterised by criticality are collected by Snaitech in its warehouses and analysed in order to ascertain whether they can be reused and recycled, to reduce the volume of waste to be disposed of in the first place**. In contrast, for machinery that is beyond recovery and definitively destined for disposal, the company has decided to rely on external specialised companies, certified and duly registered with the National Register of Environmental Operators, capable of managing a regulatory and logistically complex matter, which requires a degree of specialisation that the company could hardly ensure internally.

For the management of this type of waste, Snaitech shall provide specific training to the company professionals in charge of managing the processes provided for in the procedure.

70% of the total waste produced by the Group comes from the management of racecourses and is almost entirely non-hazardous waste. Of this, an important fraction is derived from the maintenance of the vegetation of the equestrian grounds, which, through separate collection, enables the recycling of renewable energy by means of biogas production.

With a view to improving the positive environmental impact generated through the activities of the racecourses, the Group continued its **commitment to the redevelopment and reclamation** of the grounds of the Milan Horse Racing Facilities. In particular, the Horse Racing Facilities adopt a circular economy approach related to the further utilisation of waste as an input to the crop industry. The horse manure, in fact, is sent for recycling and reused as an animal by-product.

WASTE GENERATED (TONNES)

	2022	2021	2020
Total waste produced Offices	244.8	240.73	141.30
<i>of which non-hazardous</i>	212.53	194.61	76.63
<i>of which hazardous</i>	32.27	46.12	64.67
Total waste produced Racecourses	733.81	368.14	364.94
<i>of which non-hazardous</i>	731.93	365.26	363.38
<i>of which hazardous</i>	1.88	2.89	1.56
Total waste produced	978.61	608.87	506.24

[GRI 303-3]

NON-HAZARDOUS WASTE - OFFICES (TONNES)

	2022	2021	2020
Total non-hazardous waste produced	212.53	194.60	76.62
<i>of which recycled</i>	212.28	194.605	76.62
<i>of which destined for disposal</i>	0.25	0.000	0.000
<i>Paper, cardboard and packaging</i>	18.38	9.31	11.96
<i>Metals and related products</i>	0.53	1.17	0.77
<i>Electrical and other components</i>	87.46	92.91	20.59
<i>Wood and related products</i>	10.78	13.42	3.05
<i>Other</i>	95.37	77.78	40.25

[GRI 303-4]

HAZARDOUS WASTE - OFFICES (TONNES)

	2022	2021	2020
Total hazardous waste produced	32.27	46.12	64.67
<i>of which recycled</i>	32.27	46.12	64.67
<i>of which destined for disposal</i>	0.00	0.00	0.00
<i>Batteries and related products</i>	0.15	0.48	4.03
<i>Equipment</i>	32.11	45.31	60.63
<i>Other</i>	0	0.32	0

[GRI 303-4]

NON-HAZARDOUS WASTE - RACECOURSES (TONNES)

	2022	2021	2020
Total non-hazardous waste produced	731.93	365.26	363.38
<i>of which recycled</i>	726.50	357.82	358.64
<i>of which destined for disposal</i>	5.43	0.018	4.74
<i>Wood and related products</i>	10.62	15.96	11.02
<i>Metals and related products</i>	3.64	5.04	4.84
<i>Biodegradables and manure</i>	316.45	330.62	307.92
<i>Other</i>	401.22	13.64	39.6

[GRI 303-5]

HAZARDOUS WASTE - RACECOURSES (TONNES)

	2022	2021	2020
Total hazardous waste produced	1.88	2.88	1.55
<i>of which recycled</i>	1.88	2.48	0.95
<i>of which destined for disposal</i>	0.00	0.40	0.60
<i>Batteries and related products</i>	0.2	0.44	0.62
<i>Equipment</i>	0.97	1.80	0.12
<i>Other</i>	0.70	0.63	0.80

[GRI 303-5]

ENERGY EFFICIENCY AND EMISSIONS

Although the Snaitech Group operates in a low-criticality sector, it has made environmental management one of its sustainability priorities, giving the material issue an even greater emphasis than in the past, with the aim of **rationalising the use of energy resources employed and reducing the impacts generated directly or indirectly by its operations.**

In order to measure the positive effects of its climate change mitigation interventions and investments, Snaitech considers it very important to not only quantify the emissions related to its own organisation (direct and indirect) but also those along the entire value chain. For the first time last year, Snaitech tackled the calculation of Scope 3 emissions through a comprehensive data collection process. The GHG Protocol classifies Scope 3 emissions as all indirect emissions from resources not directly controlled or owned by the organisation, but which occur within its value chain. These are emissions not generated by plants or processes directly controlled by the Group but attributable to company activities, which contribute to the corporate risk profile (e.g. climate risks) and can be reduced through direct and indirect actions by Snaitech.

For its normal activities, operating predominantly with low-voltage electronic circuits, Snaitech has an energy requirement typical of office work, to which further consumption must be added from the use of various energy sources used for winter heating and summer cooling of the operating sites. Methane, in particular, is used both for heating and cooling areas and data processing centres.

In this context, reducing consumption mainly involves rationalising spaces and improving energy efficiency at points of sale, offices and data centre rooms.

In general, the Group has progressively adopted LED lighting and replaced old monitors with more energy-efficient equipment.

With regard to the offices, the following should be noted:

- For the warehouse in Peschiera Borromeo (via Walter Tobagi), a continuous downward trend is evident, thanks in part to a rationalisation of logistics activities. Therefore, with the exception of the period related to the health emergency, 2022 shows a lower consumption than 2019, also in view of the transfer of some resources to the Milan office in Piazza della Repubblica (thus freeing up the entire first floor of the Peschiera Borromeo offices).
- For the offices in Piazza della Repubblica (Milan) and those in Via Boccherini 57 (Porcari), comparing the pre-covid period (years 2017 - 2019) and the post-covid period (2022), it is possible to state that the **contribution of smart working has led to a reduction in electricity consumption of an average of about 11%.**
- The building at via Boccherini 39 in Porcari is a building that has undergone several upgrades and modernisations since its acquisition in 1996. The building includes a medium-voltage substation and houses the vast majority of Snaitech's data processing rooms. In addition, the UPS machines (*uninterruptible power supply*) in the building in Via Goito 58/A (Rome) were replaced during the year 2022, with others with newer, more energy-efficient technology.
- The Rome office in via Goito 58/A was designed about 12 years ago and includes a computer room equipped with the latest technology. Overall, the building is equipped with efficient systems and has low consumption for power and cooling.
- The Milan offices in Piazza della Repubblica occupy the seventh, eighth and eleventh floors of an architecturally valuable building. Despite not having undergone maintenance during 2022, recent interventions have been carried out to replace the windows on the seventh and eleventh floors.

It should be noted that a project was launched in 2022, designed in 2021, to replace track lighting at the racetracks in favour of a widespread switch to LED technology, resulting in lower consumption and less light pollution.

In addition, it is worth mentioning the set of energy efficiency activities developed in 2022, which saw many interventions on the Rome headquarters, the Porcari headquarters and the racetracks, which in various ways involved the replacement of air conditioning, climatization and heating systems, as well as the aforementioned replacement of lighting fixtures with LED sources and the replacement of outdoor lighting and service lights with astronomical clock ignition devices.

Finally, it is specified that, with regard to the Group's electricity supplies, **a dedicated contract has been developed with a new supplier for 2022 and 2023, which guarantees access to 100% electricity from renewable sources.**

ENERGY CONSUMPTION (GJ)

	2022	2021	2020
DIRECT CONSUMPTION (non-renewable)			
Methane for heating	19,363.41	8,257.68	9,423.14
Diesel fuel generators	36.73	111.75	391.70
LPG for heating	0	0	163,79
Diesel for motor vehicles	5,541.10	4,737.02	4,276.48
Petrol for motor vehicles	410.53	388.12	276.12
Total direct consumption	25,351.77	13,494.57	14,531.23
INDIRECT CONSUMPTION			
Electricity purchased	32,751.19	29,420.03	29,676.19
of which from renewable sources	32,751.19	26,581.96	28,673.30
of which from non-renewable sources	0	2,838.07	1,002.90
District heating (renewable)	630.55	629.90	425.23
Total indirect consumption	33,381.74	30,049.93	30,101.43
% energy from renewable sources (electricity+heat) on total indirect consumption	100%	91%	97%
TOTAL CONSUMPTION	58,733.51	43,544.50	44,632.66

[GRI 302-1]

The values of the emissions produced by Snitech during 2022 are expressed in tonnes of CO2 equivalent (tCO2eq) and their calculation was performed taking into account several emission factors, specified in the notes.

EMISSIONS - SCOPE 1 AND 2 (tCO₂)

	2022	2021	2020
DIRECT EMISSIONS (Scope 1¹)			
Methane for heating	1,151.55	464.18	529.87
Diesel fuel generators	2.71	8.56	30.03
LPG for heating	0.00	0.00	11.21
Diesel for motor vehicles	407.27	350.19	314.66
Petrol for motor vehicles	29.81	28.57	20.25
Scope 1	1,591.33	851.51	906.01
INDIRECT EMISSIONS (Scope 2²)			
Scope 2 Location based²	2,596	2,320.52	2,324.50
Scope 2 Market based³	0	788.81	279.04

¹ For the calculation of Scope 1 emissions, the conversion factors published by ISPRA in the "National Standard Parameter Table" updated as of 2022 were used.

² For the calculation of location-based Scope 2 emissions, the average emission factor relative to the specific national energy mix of electricity production was used (for Italy equal to 0.280 gCO₂/kWh, Source: Terna 2019 "International comparisons"). For calculating emissions for the years 2021 and 2020, however, the reference period emission factor of 0.278 was used).

³ For the calculation of Scope 2 market-based emissions for the year 2021 and 2020, the emission factor for the national "residual mix" was used (for Italy equal to 0.456 gCO₂eq/kWh, Source: European Residual Mixes 2020 - AIB). It should be noted that the data for Scope 2 2021 and 2020 have been revised following a methodological fine-tuning.

[GRI 305-1 / 305-2]

As the table format shows, the value of emissions changes substantially by switching from Location based to Market based methodology; the latter is the one that best represents the Snaitech Group's situation, allowing the specific weight of a supply of electricity from renewable sources to be adequately represented across the entire area. In previous reporting years, this supply service had suffered interruptions and/or area limitations, which did not occur in 2022.

EMISSIONS - SCOPE 3 (tCO₂e)

		2022	2021
Category	INDIRECT EMISSIONS (Scope 3)		
1	INDIRECT EMISSIONS (Scope 3)	25,603	20,078
2	Capital goods	2,404	3,644
3	Fuel and energy related activities (item not included in Scope 1 or Scope 2)	1,071	965
4	Upstream transport and distribution	31	18
5	Waste generated during activities	115	154
6	Business trips	101	57
7	Commuting	328	184
9	Downstream transport and distribution	1,418	542
11	Use of products sold*	-	2,070
14	Franchising	45,957	17,972
15	Investments	251	392
Total other indirect emissions (Scope 3)		77,279	46,076

*The 2021 emission figure for Category 11 refers to the Playtech Group. Specifically, the data used for the calculation refer to revenues from B2B activities relating to the Playtech Group as a whole, and it was not possible to determine the relative share relating to the companies in the Snaitech Group's reporting area.

[GRI 305-3]

WATER CONSUMPTION MANAGEMENT

Snaitech is aware that globally, water is a limited resource, subject to progressive reduction and possible fluctuations in availability, which depend on seasonal weather patterns, in turn influenced by climate change. Sustainable water management is therefore a highly relevant issue for the Group and refers to the procedures with which it manages its water consumption in offices and racetracks, aimed at promoting the correct use of the resource to prevent and avoid waste as much as possible.

Snaitech aims to improve water quality by reducing pollution, eliminating waste and combating the release of chemicals and hazardous materials, halving the percentage of untreated water and substantially increasing recycling and safe reuse.

As early as 2021, the irrigation system for the flowerbeds and green areas of the headquarters at via Boccherini 39 was made more efficient with the installation of a water softener, and the routes of the irrigation network were remodelled to prevent wastage. In addition to this, Snaitech launched an executive project concerning the hydraulic system of the horse racing facilities, commissioning a hydraulic engineering company to carry out an audit for the creation of a state-of-the-art irrigation system that would allow the amount of water distributed on the ground to be measured. There are drinking water dispensers from the aqueduct at the main sites with a view to saving plastic bottles.

DATA ON WATER CONSUMPTION, WITHDRAWALS AND DISCHARGES (CUBIC METRES)

	2022		2021		2020	
	All areas	<i>of which from areas with water stress</i>	All areas	<i>of which from areas with water stress</i>	All areas	<i>of which from areas with water stress</i>
Withdrawal Total Offices and Branches	8,944.73	7,539.29	7,053.48	5,914.36	8,646.83	7,733.00
Milan +Peschiera+Imola municipal waterworks	1,405.44	-	1,139.23	-	914.00	-
Rome, Porcari municipal aqueducts	4,523.00	4,523.00	4,376.73	4,376.73	5,284.00	5,284.00
Branches' municipal aqueducts	3,016.29	3,016.29	1,537.53	1,537.63	2,448.83	2,449.00
Total Withdrawal by Racecourses	390,069.00	8,342.00	550,469.00	7,204.00	406,536.00	7,493.00
Municipal aqueduct	46,462.00	2,942.00	179,569.00	1,804.00	76,274.00	2,093.00
Extraction from wells	338,207.00	-	365,500.00	-	324,862.00	-
Other sources	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00
Total withdrawal	399,013.73	15,881.29	557,522.48	13,118.36	415,182.83	15,226.00
Total release	399,013.73	15,881.29	557,522.48	13,118.36	415,182.83	15,226.00
Discharge into municipal sewer system	224,510.23	10,481.29	369,372.48	7,718.36	247,351.83	9,826.00
Irrigation	174,503.50	5,400.00	188,150.00	5,400.00	167,831.00	5,400.00

[GRI 303-3 / GRI 303-4 / GRI 303-5]

In 2022, 97.76% of the Group's water consumption is attributable to the Milan and Montecatini horse racing facilities for a total of 390,069 cubic metres. Of these, 338,207 cubic metres, or 84.76% of the total, come from private wells whose consumption is monitored through meters installed and managed by Società Metropolitana Milanese S.p.A., while 46,462 cubic metres come from the Milan and Montecatini waterworks. The entry "other sources" refers to the withdrawal from the Torrente Borra, which is used to dampen the (sand) track at competitions. Water withdrawal from the stream is authorised by the Tuscany Regional Authority. The value of the withdrawal is estimated in cubic metres on the basis of the number of races and the amount of water transported by a tanker truck around the track between races.

PAPER CONSUMPTION

Paper represents one of the materials most consumed by the Group, given its considerable use both within the offices and sales outlets for the provision of services. Snaitech is therefore committed to reducing its impact **by opting for digital solutions and using renewable and recyclable materials**. Promoting responsible behaviour among its employees is another important aspect that Snaitech uses as leverage to limit paper consumption at all company locations. The latter - understood in particular as a willingness to adopt responsible use and recycling practices for materials - is also part of the evaluation criteria set out in the selection of suppliers.

The progressive **process of dematerialisation and streamlining aimed at a progressive reduction in the use of paper** by creating the document area, the integration of information and documentation, which also involves relations with the sales network and suppliers, has therefore led to a gradual reduction in consumption over the years, which will also be confirmed in 2022 if we take into account the massive return to the office premises in the post-pandemic period.

Paper consumption (UdM t)	2022	2021	2020
Paper consumed	9.4	9.1	13.03

(GRI 301-1)





04

PEOPLE

The strength of
the Snaitech Group

4.1 HUMAN CAPITAL: COMMITMENT TO OUR PEOPLE

The definition of an “organisation”, provided in sociological culture, as a group of people who are formally united in order to work towards a common goal, is shared by Snaitech and at the same time superseded by the **profound conviction that human capital is an essential strategic asset, on which the existence of the company itself depends.**

At Snaitech, more than in any other organisation, people are the main asset. The corporate competitiveness embedded in business needs is therefore developed within a framework of strong awareness and protection of individuality, which places the value of responsibility at the centre of the relationship with employees and, more generally, with all the Group’s stakeholders.

Respect for personal and workers’ rights, dignity and the physical and moral integrity of the individual, first and foremost, steer the daily conduct of Snaitech’s activities, constituting the fundamental values that the Group’s Code of Ethics unequivocally enshrines in adherence to the principles dictated by the most internationally recognised conventions, among which are:

- the Universal Declaration of Human Rights;
- the UN Convention on the Rights of the Child and Adolescent;
- the International Labour Organisation Convention;
- the European Convention for the Protection of Human Rights and Fundamental Freedoms.

In keeping with this vision, the Group promotes the adoption of management systems to prevent and combat human rights violations, both within its production cycles and when sourcing goods and services.

As a pillar of Snaitech’s social responsibility, the focus on people is reflected in the company’s concrete commitment to creating a positive, welcoming, inclusive and merit-based work environment, where everyone can be valued and meet their full potential. The spirit of sharing the company mission and the professionalism of its employees are decisive values and conditions for the pursuit and achievement of Snaitech’s objectives, which operates on an ongoing basis to ensure opportunities for professional growth, based exclusively on merit criteria and the recognition of skills.

A further objective that directs Snaitech’s daily activities is the ongoing improvement of the working environment, both from the point of view of worker health and safety and from a functional point of view, acknowledging its importance as a means through which to improve the quality of relations between employees, who are asked to actively collaborate in the performance of their duties.

Active participation, continuous dialogue, intra-functional involvement and collaboration on projects and initiatives carried out by the company, and the integration and enhancement of diversity are therefore the real strengths of the Snaitech team, brought together not only by goals, but also by principles, values, experiences and perspectives.

In view of the importance that the recognition of a common and shared culture assumes for the Snaitech Group, 2022 was characterised by a great deal of work aimed at fostering the integration of HAPPYBET.

For some time now, the Group has made concrete commitments to ensure the full and effective participation of women: as of today, 45% of the Group’s employees are women; a balance that makes it possible to create varied and high-potential work teams, and which also results in a significant female presence on the Board of Directors and among supervisors and executives. The company has also stepped up its efforts to reduce all forms of discrimination in recent years, acting proactively to close the gender pay gap at all levels of the organisation. In this regard, we would like to mention the partnerships that Snaitech has established with the associations

Valore D and Parks - Liberi e Uguali, committed to promoting the values of diversity and inclusion within organisations, with a particular focus on gender identity. Another important strategic value for Snaitech, as a growth driver, is the wellbeing of its employees. In this regard, we would like to point out the important innovations introduced by the **Supplementary Company Agreement**, the renewal of which was signed by Snaitech following a year of agreements and close negotiations, and which will be in force from January 2023: Bank of solidarity hours, new contributions for nursery care, leave for female victims of gender-based violence, and an increase in pay for holiday and Sunday work are just some of the measures taken for the wellbeing and protection of workers.

In 2022, there is also a significant increase in the number of hours dedicated to training, particularly on the topic of Diversity & Inclusion (+ 1,670 hours provided in comparison with 2021).

Of paramount importance to Snaitech is also the safeguarding and protection of people, an issue that has become even more crucial in the wake of the Covid-19 epidemic, where the Group, despite the end of the health emergency that marked the year 2022, has continued to take functional measures and actions to manage the related risks, as well as the now rarer cases of the virus.

OUR COMMITMENT TO SDGS IN 2022

SDGS

GOALS

ACTIONS



Target 3.8. Achieve universal **health coverage**, including protection from financial risks, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

- ISO:45001 certification “Workers’ health and safety management systems”.
- Forms of health cover.
- Medical examinations and paid leave for employees.
- Confirmation of pandemic containment measures.
- Health insurance policy in case of Covid.



Target 4.4. By 2030, **substantially increase the number of young people and adults with the skills necessary**, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

- Professional development of employees through ongoing training.

SDGS



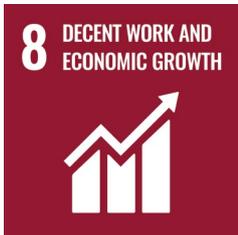
GOALS

Target 5.1. End all forms of discrimination against all women, girls and young women everywhere.

Target 5.5. Ensure full and effective participation of women and equal leadership opportunities at every level of decision-making in politics, business and public life.

ACTIONS

- 45% female employment
- 25% female executives.
- 43% female presence on the Board of Directors.
- Contribution to registration and nursery fees to help reintegrate new parents.
- Measures to support working mothers returning to full-time work.
- Opportunity for all applicants to take part-time post-maternity leave in excess of the maximum number provided for by the respective National Collective Labour Agreements applied.
- Leave for female victims of gender-based violence.
- Paternity leave.
- Adherence to Valore D.
- Adherence to Parks - Liberi e Uguali.
- Training on Diversity & Inclusion issues.



Target 8.1. Sustain economic growth per capita in accordance with national conditions.

- Implementation of the “Hybrid Work” project.

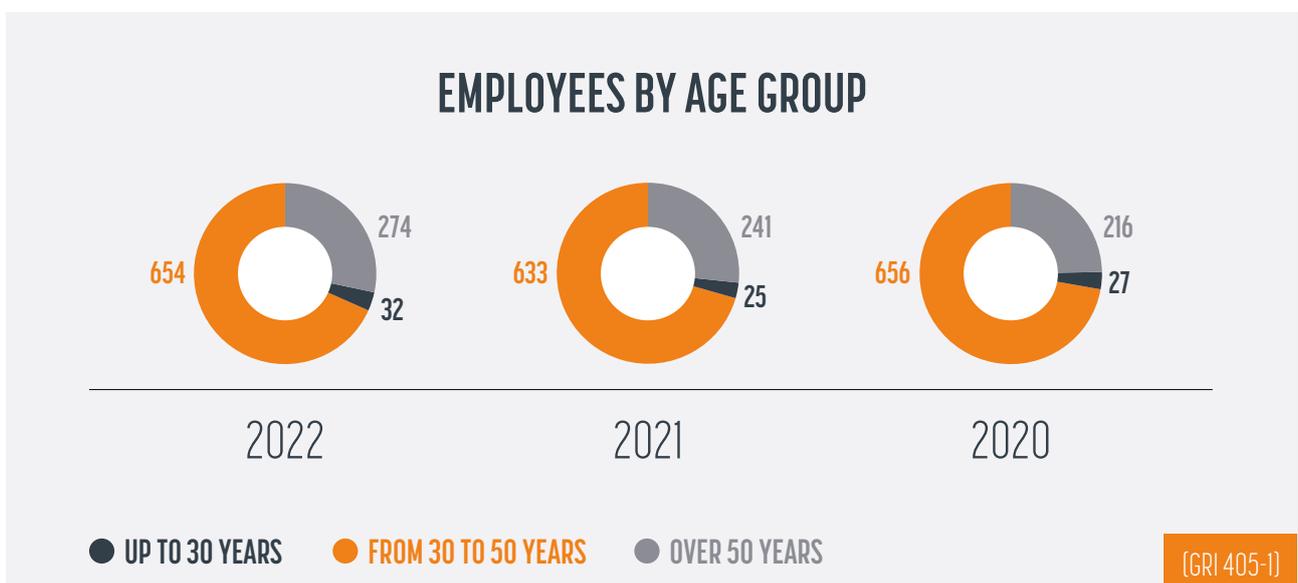
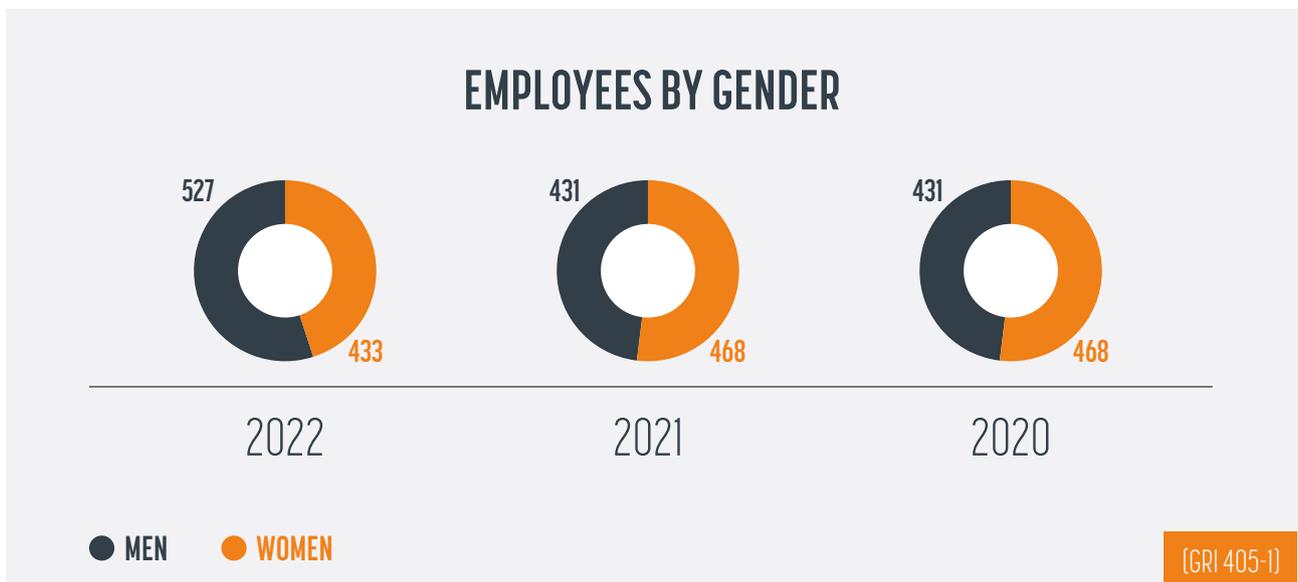
EMPLOYEES' PROFILE

At the end of the financial year 2022, the Snaitech Group had a total workforce of 960 employees, 85 of whom belonged to the companies operating in Germany, Austria and Malta under the HAP-PYBET brand.

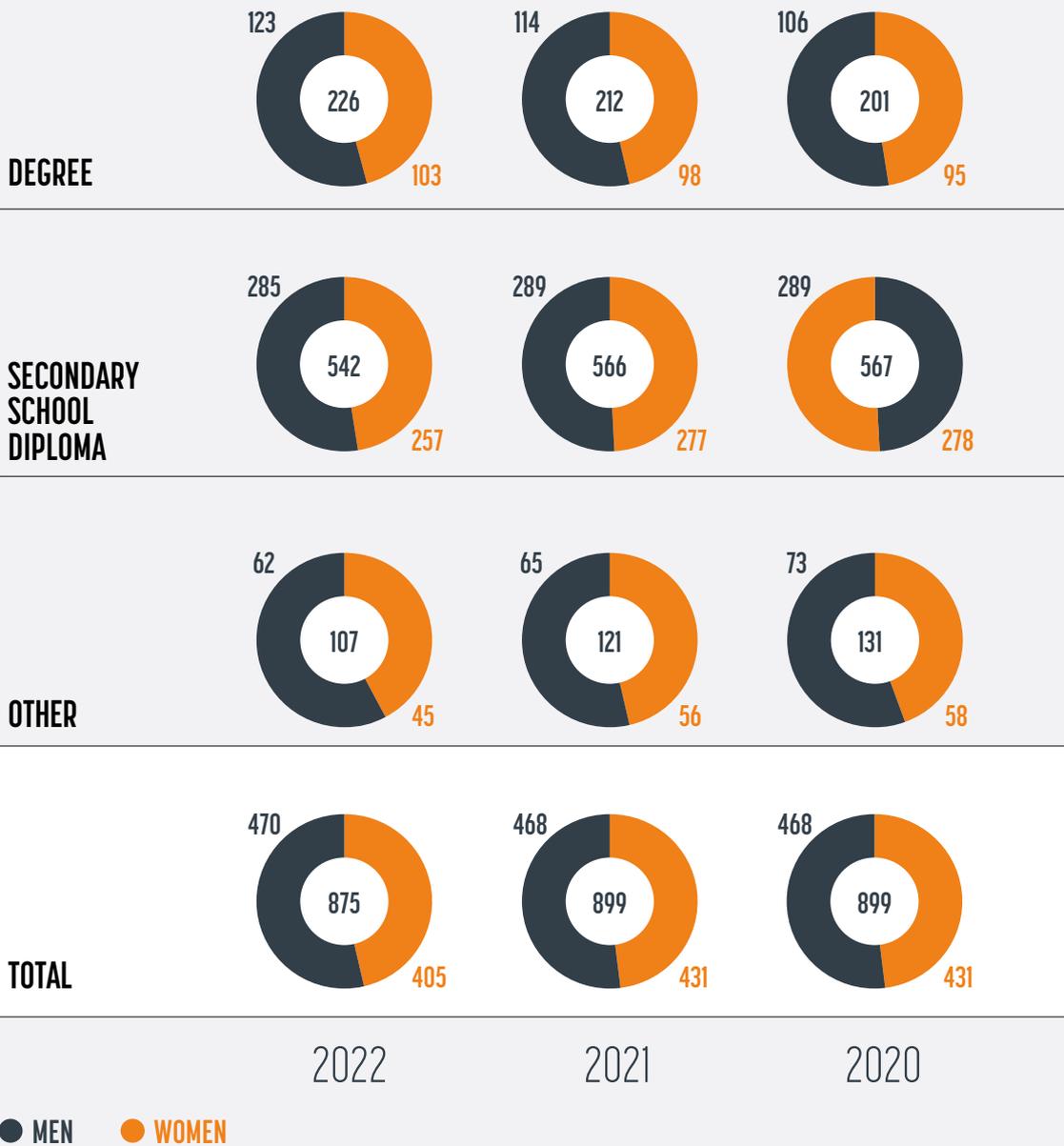
The different working contexts that typify the Group, such as the headquarters offices, the sales network, and the racetracks, form a working group that is diverse in terms of skills and experience, but compactly directed towards common growth. In fact, the stimulating and positive working environment in Group companies goes beyond the integration and synergy between different perspectives and skills, which, in turn, is reflected in the ability to attract and retain talent.

The male component of the workforce stands at 55%, while the female component is 45%, proving, therefore, that Snaitech is also in line with the targets it has set itself for 2022 in terms of maintaining a good gender balance in the composition of the company workforce.

About 3% of Snaitech employees are under 30 years of age and 68% under 50. Furthermore, the percentage of staff with a university degree, compared to the total number of employees over the last three years, is around 24%.



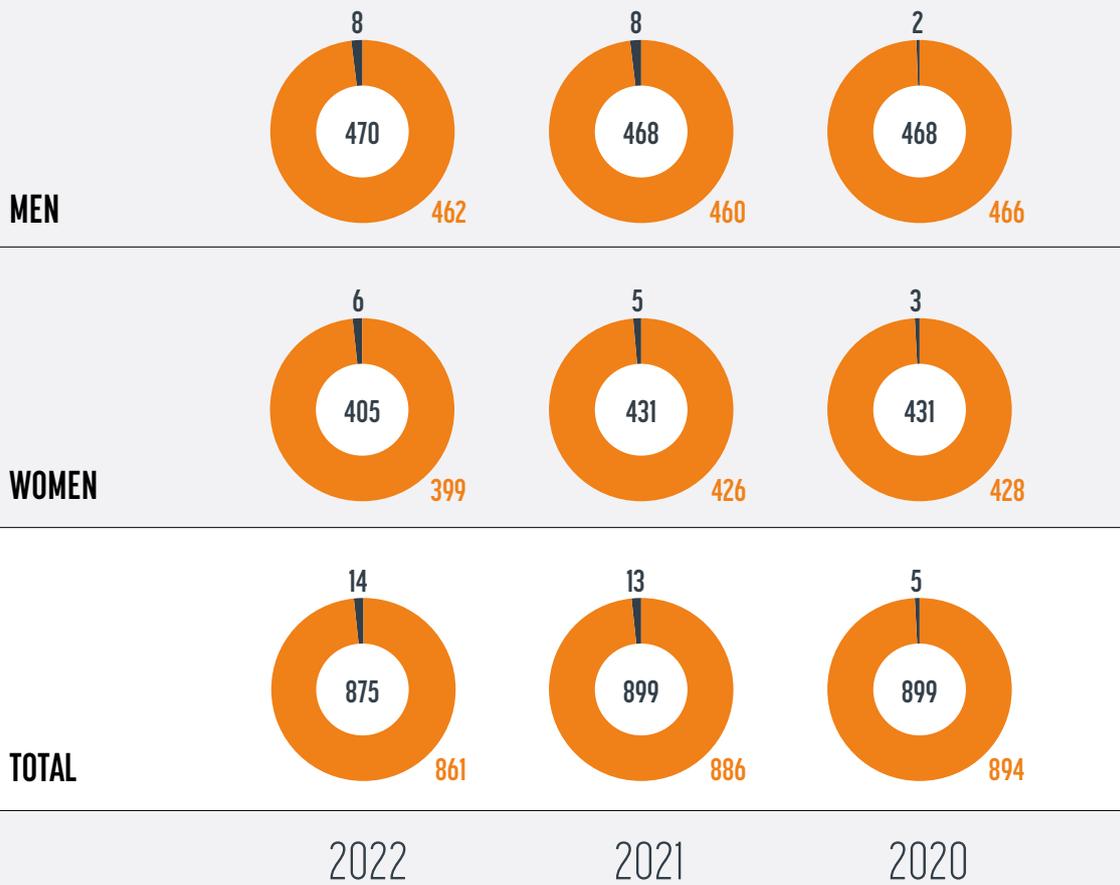
QUALIFICATION*



*Please note that, with regard to the categorisation by qualification, the area considered relates to the Italian area only.

As of 31 December 2022, more than 98% of Snaitech staff were employed on permanent contracts (at HAPPYBET all employees) and 82% on full-time contracts. During the year, Snaitech also uses staff hired on temporary contracts, particularly during the opening periods of the horse racing season or other events at the racecourses. Although in a residual manner, the Group also relies on external collaborators to carry out its activities, represented by, for example, self-employed persons and consulting firms, which provide the Company with various types of services (e.g. in the IT field).

EMPLOYEES BY TYPE OF CONTRACT



● PERMANENT

● FIXED-TERM

[GRI 2-7]

With the exception of the 85 staff working at the foreign offices of the HAPPYBET branded companies, as at 31 December 2022 the Group's staff was geographically distributed as follows: 41% of the Group's staff were based in Porcari, 23% in Milan and Peschiera Borromeo, 22% in Rome and 14% in the rest of Italy.

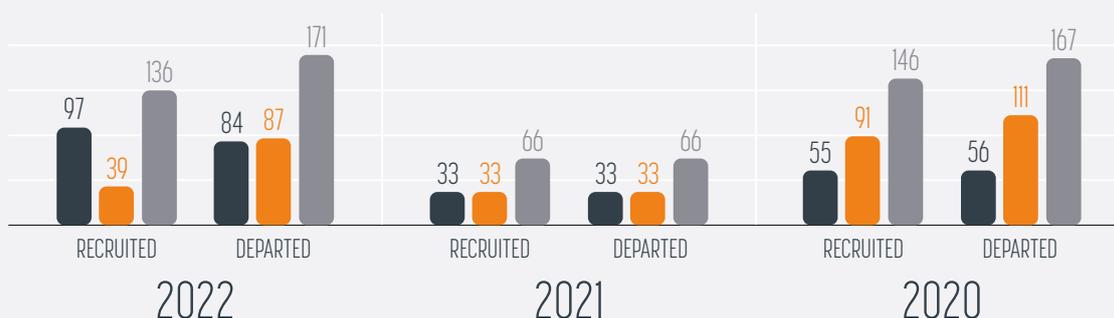
GEOGRAPHICAL BREAKDOWN OF EMPLOYEES BY CONTRACT

	2022			2021			2020		
	Fixed-term contract	Permanent contract	Total	Fixed-term contract	Permanent contract	Total	Fixed-term contract	Permanent contract	Total
Milan Headquarters + Branches + Milan Horse Racing Facilities	4	200	204	4	188	192	1	192	193
Rome headquarters + branches	2	190	192	2	196	198	0	190	190
Porcari headquarters + branches	5	355	360	3	360	363	4	361	365
Rest of Italy Branches + Montecatini Horse Racing Facilities	3	116	119	4	142	146	0	151	151
Total	14	861	875	13	886	899	5	894	899

(GRI 2-7)

Compared to the previous reporting year, the Snaitech Group's headcount showed an overall increase of around 7%, partly related to the integration of HAPPYBET staff into the group. In fact, the year 2022 saw 136 new recruits and 171 departures, with incoming turnover therefore lower than outgoing turnover, at 14% and 18% respectively.

TURNOVER BY GENDER (NR.)



● MEN ● WOMEN ● TOTAL

*The number of employees recruited and departing in 2020, includes staff transfers between companies that are part of the Group (see Methodological Note).

**Recruitment rate: number of employees recruited in the period/number of employees at the end of the period*100.

***Turnover rate: number of employees who departed from the company during the period/number of employees at the end of the period*100.

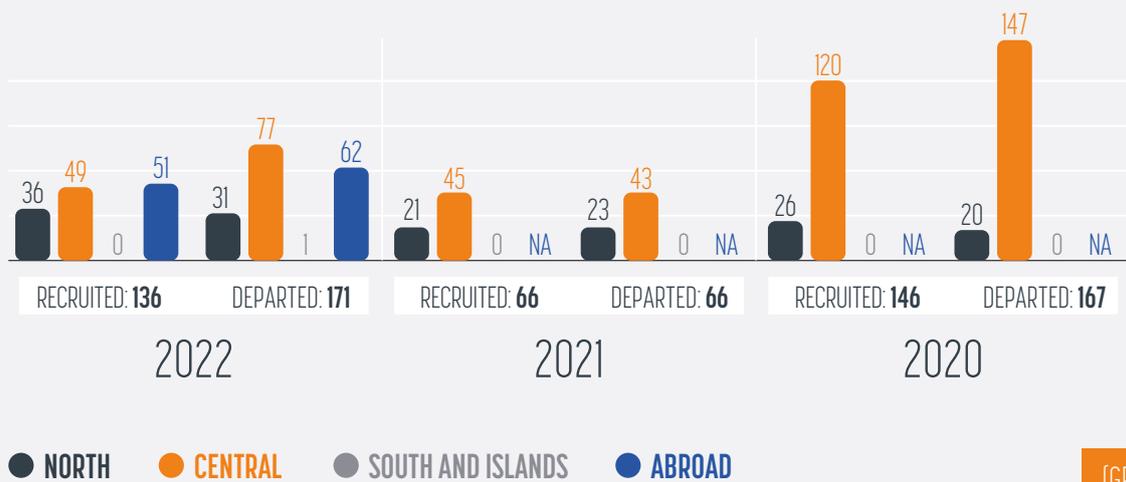
(GRI 401-1)

TURNOVER BY AGE GROUP (NR.)



(GRI 401-1)

TURNOVER BY GEOGRAPHICAL AREA



(GRI 401-1)

INDUSTRIAL RELATIONS

The organisational model adopted in the area of industrial relations consists of numerous references, among which the Code of Ethics and Behaviour, the Organisational Model, the Job Description and various management procedures are to be noted.

Snaitech adopts the National Collective Labour Agreement, Executives of Tertiary, Distribution and Service Companies, the National Collective Labour Agreement for Tertiary Distribution and Services Employees, the Agreement to regulate the Collection and Payment of Bets, Admission and Various Services at Racecourses. The National Collective Labour Agreement for employees of Horse Racing Companies has been adopted until June 2022.

In 2022, Snaitech underwent a season of close negotiations, which, following the positive outcome of the workers' and employees' meetings, led to the signing of the renewal of the Supplementary Company Agreement (CIA), valid as of January 2023. The Contract, which lasts three years, is the result of the second-level agreement reached with the national and territorial trade union secretariats and covers more than 80% of Snaitech S.p.A. employees (excluding Executives and the Racecourse BU, for which a different CIA is in place). Bank of solidarity hours, nursery care, leave for female victims of gender-based violence, are just some of the areas for which the CIA provides important interventions.

Epiqa S.r.l. has adopted the National Collective Labour Agreement for Executives of Tertiary, Distribution and Services Companies and the National Collective Labour Contract for Private Companies Performing Radio and Television Services with publishing and broadcasting activities, production and marketing of programmes.

Snai Rete Italia S.r.l. adopted the National Collective Labour Agreement for Employees in Tertiary, Distribution and Services and the additional Protocol for the regulation of employees of Betting Agencies of 30 March 2015.

CONTRACTUAL INSTITUTIONS

In keeping with the legislation of their sectors, Snaitech's staff are completely covered by compulsory social security. The Group companies therefore regularly set aside and pay sums to cover severance pay. The contracts also provide for forms of health insurance and supplementary pensions, managed by industry bodies, which commit the companies to their members in different procedures depending on the relevant National Collective Labour Agreement.

Membership of these professional bodies allows employees to benefit from better treatment compared to third-party funds, listed below:

- Fasdac for Executives, to which the National Collective Labour Agreement for Executives of Tertiary, Distribution and Services Companies applies;
- Quas for supervisors, to which the National Collective Labour Agreement for the Tertiary, Distribution and Services Sector applies;
- Sanimpresa and Fondo Est for Clerical Staff, to which the National Collective Labour Agreement for the Tertiary, Distribution and Services Sector applies;
- Salute sempre for Clerical Staff, to which the National Collective Labour Agreement for Private Radio and Television applies.

4.2 DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

“At Snaitech, we want our people to feel the freedom to be the way they are, which is unique. A respectful and inclusive working environment that values different points of view and ensures fairness and equal opportunities is the basic prerequisite for any kind of sustainable business development”.

(Fabio Schiavolin, CEO of Snaitech)

Recognition and appreciation of the multiplicity of viewpoints and perspectives are combined within the Snaitech Group with consistent action towards the creation of an environment where each individual can be respected in his or her individuality and express him or herself freely.

On a daily basis, Snaitech is committed to strengthening the culture of diversity, fairness and inclusion, making itself a spokesperson for these values inside and outside the company, in the conviction that their recognition is an essential factor for the company's sustainability, in its broadest sense as an opportunity to endure over time. It is only an environment rich in experience and open to different visions that can lay the foundations for structural growth and development, both on a human and corporate level.

The Code of Ethics - which recognises the protection of the person as one of the principles underpinning the Group's identity - refers in several points to the commitment to protect human rights and, in particular, individual dignity and the physical and moral integrity of the person, with specific reference both to staff and to anyone who has relations with the Company.

The measures taken by the Group to counter any violations of human rights, as well as those implemented to prevent any form of discrimination, are included in the risk-based monitoring plans put in place by the Internal Audit function and the Supervisory Board. In this respect, it should be noted that no discriminatory situations against internal or external stakeholders were reported during 2022. Furthermore, with regard to compliance with legislation on labour relations, with particular reference to child labour, forced and compulsory labour, Snaitech is not aware of any instances of exploitation throughout the reported financial year, either within the Group or within its supply chain.

In keeping with this vision, the Group also devotes primary attention **to the promotion of equal gender opportunities**. In order to maintain a good balance in the company's workforce composition, Snaitech has therefore ensured over the years a female presence of no less than 40% of the workforce; a presence that at the end of 2022 will be 45%.

Lastly, the long-established collaboration with **Parks - Liberi e Uguali and Valore D continues**, two associations with which Snaitech has embarked on a significant path linked to the recognition of the richness of diversity and the importance of conscious inclusion, inside and outside the office. This collaboration continues to this day in a series of training and awareness-raising events linked by a single objective or thread: to contribute to the spread of a culture of respect and inclusion, spreading and promoting any kind of diversity, from sexual orientation to gender identity, from age to sex, and even to disability.

PARKS - LIBERI E UGUALI

The non-profit association Parks - Liberi e uguali works with companies to understand and maximise the business potential of developing strategies and best practices that respect the values of diversity and inclusion. To date, there are about 100 shareholders of the association, i.e. companies that have decided to commit themselves - with their staff management practices - to building a culture of global inclusion, which also considers the perspective of LGBT people. In a continuation of the previous year, during 2022 the Group's staff took part in virtual meeting and sharing moments dedicated to LGBT issues, usually excluded from the corporate context. Meetings are always opportunities for exchange and sharing, to talk and describe ourselves, and at the same time allow us to become familiar with a more inclusive language that is careful not to legitimise and perpetuate stereotypes and discrimination.

SNAITECH AND VALORE D

Taking a further step towards the creation of a real culture of inclusion, since 2021 Snaitech has been an ordinary shareholder of **Valore D**, the first association of companies in Italy that has been committed to building a professional world free of discrimination and gender inequality for over a decade. To do this, through the use of an integrated approach, Valore D is able to provide companies with effective tools and intercompany dialogue with institutions. As part of this collaboration, regular briefings are dedicated to the corporate population, promoted on Snaitech's communication channels and focused on topics such as the enhancement of female talent and leadership or responsible communication.

AWARENESS TAKES SHAPE

The adhesion of the Snaitech Group to Valore D and Parks - Liberi e uguali represented the symbolic beginning of a journey that over the years will be increasingly developed within the company context.

With the internal communication campaign "La consapevolezza prende forma" (Awareness takes shape), launched in 2022, Snaitech continued to raise awareness of inclusion issues in order to create a corporate culture more capable of channelling, orienting and welcoming all diversity. The aim of the campaign was to further enhance and strengthen the Group's commitment to Diversity & Inclusion issues.

What form do emotions take? What form does awareness take? Everyone has a unique personality and is never the same when faced with different situations.

With this concept, the campaign wanted to invite people to become more aware of themselves and others through nice geometric shapes, each with its own personality - "Because he who is born round, is also square".

As part of the campaign, three webinars were developed and delivered to all Snaitech employees on "Mindset and micro-diversity", "Language intelligence and inclusion" and "Filters, prejudice and judgements that create inclusion". These webinars attracted considerable interest and were therefore able to boast a high level of involvement. Engagement activities did not stop at the training course alone; in fact, headquarters employees were the stars of a video spot dedicated to the project and a number of interviews focused on the topics addressed during the courses.



EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	24	8	32	23	7	30	21	7	28
Supervisors	59	24	83	55	24	79	49	22	71
Clerical Staff	354	373	727	360	399	759	361	401	762
Manual workers	33	0	33	30	1	31	37	1	38
Total	470	405	875	468	431	899	468	431	899

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

	2022				2021				2020			
	Up to 30 years	From 30 to 50	More than 50	Total	Up to 30 years	From 30 to 50	More than 50	Total	Up to 30 years	From 30 to 50	More than 50	Total
Executives	0	13	19	32	0	14	16	30	0	13	15	28
Supervisors	0	51	32	83	0	50	29	79	0	47	24	71
Clerical Staff	17	539	171	727	25	564	170	759	27	591	144	762
Manual workers	3	2	28	33	0	5	26	31	0	5	33	38
Total	20	605	250	875	25	633	241	899	27	656	216	899

[GRI 405-1]

To these figures, the employees of HAPPYBET must be added, which cannot be reconciled with the above-mentioned professional categories at the moment due to the differences in management systems. However, it should be noted that, with regard to HAPPYBET, 30 employees are employed on the business premises, while the remaining 55 belong to corporate functions.

The Snaitech Group's willingness to be a promoter and spokesperson for the values of diversity and inclusion is also demonstrated by the significant presence of employees belonging to protected categories (of which none related to the HAPPYBET companies), who in 2022 represent 6% of the workforce, totalling 51 people.

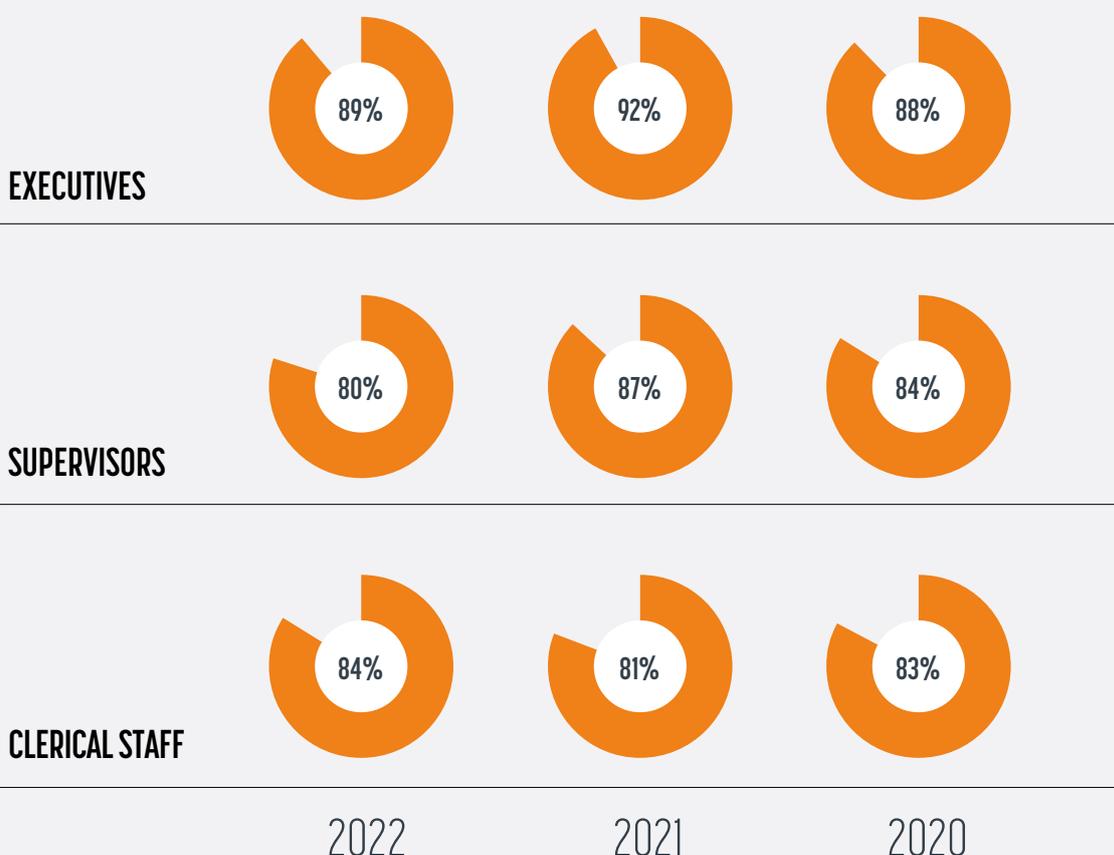
EMPLOYEES BELONGING TO PROTECTED/DISABLED CATEGORIES BY GENDER

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	2	1	3	2	0	2	2	0	2
Supervisors	2	1	3	2	1	3	1	1	2
Clerical Staff	17	22	39	20	20	40	19	17	36
Manual workers	6	0	6	6	1	7	6	1	7
Total	27	24	51	30	22	52	28	19	47

[GRI 405-1]

With respect to the three occupational categories of Executives, Supervisors and Clerical Staff, as at 31 December 2022, the gross annual base remuneration (RAL) of women was 89%, 80% and 84% of that of men in the same categories, respectively. Although the figures for the last three years do not show a steady trend of improvement (in 2022, compared to 2021, the ratio increased by about 4 percentage points for the clerical component alone), the gender pay gap is still contained thanks to the Group's ongoing efforts to foster a corporate culture based on merit and recognition of skills. The same considerations also apply to the ratio of the average gross overall remuneration (RGL, given by the RAL plus the variable part and the production bonus) of the female component to that of the male component, which is 77% for Executives and Supervisors and 84% for the Clerical category.

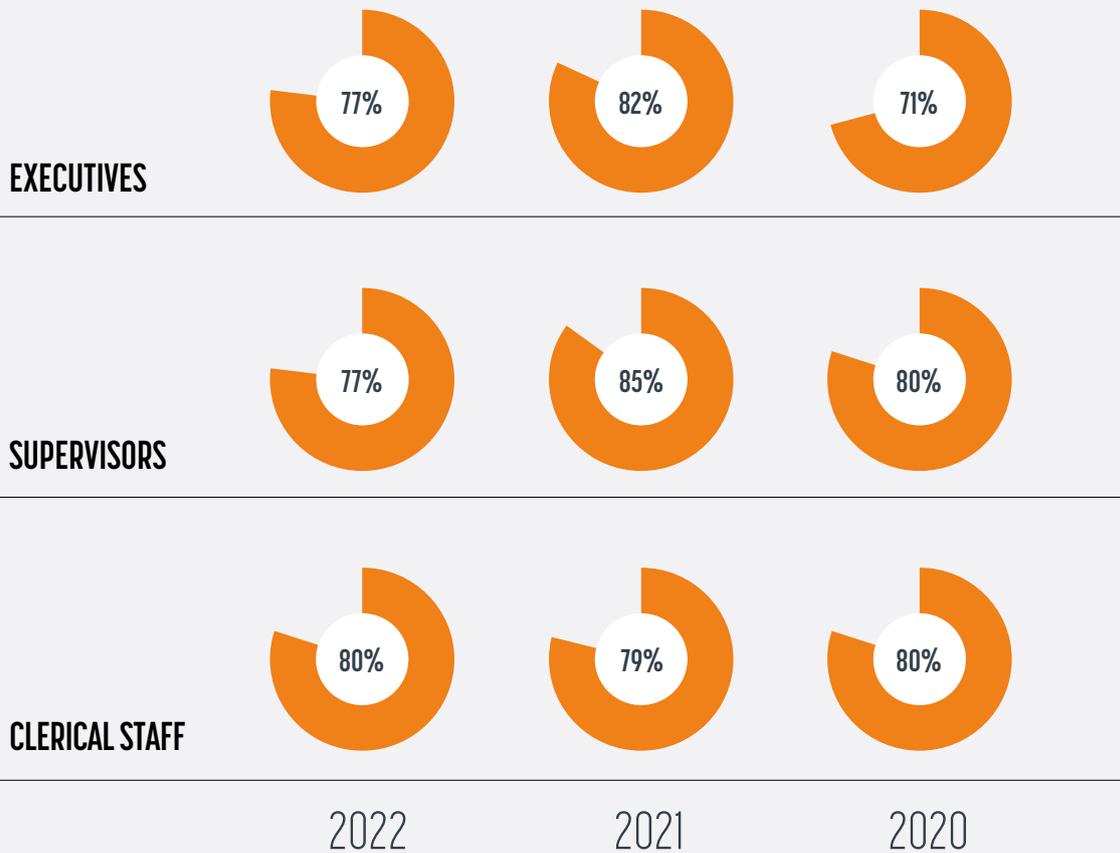
AVERAGE GROSS ANNUAL BASIC PAY OF WOMEN/ AVERAGE GROSS ANNUAL BASIC PAY OF MEN*



*Salary: the gross annual salary in accordance with contractual obligations and the company supplements.
 **The figure for manual workers is not significant given the small number of female workers.
 ***The salary and remuneration data for HAPPYBET were not calculated as the current level of detail in the management systems does not allow a precise assessment of the ratio deltas.

(GRI 405-2)

AVERAGE GROSS ANNUAL BASIC PAY OF WOMEN/ AVERAGE GROSS ANNUAL BASIC PAY OF MEN*



*Remuneration: refers to the gross annual basic salary (fixed component) + the variable components and the production bonus.

**The figure for manual workers is not significant given the small number of female workers.

***The salary and remuneration data for HAPPYBET were not calculated as the current level of detail in the management systems does not allow a precise assessment of the ratio deltas.

[GRI 405-2]



The focus on people and their individuality is a pillar of Snaitech's social responsibility, which is committed on a daily basis to strengthening the culture of diversity, fairness and inclusion, both inside and outside the company.

In 2022, the training provided in the area of Diversity & Inclusion exceeded 1,900 hours.

We have also launched the communication project La consapevolezza prende forma which has provided for the development, for all employees, of webinars dedicated to issues such as inclusive language.

SNAITECH



SNAITECH

4.3 HEALTH AND SAFETY AT WORK

The attention paid to people, which represents, as repeatedly emphasised, one of the pillars of Snaitech's social responsibility, also takes shape **in the Group's adoption of measures to protect the physical and moral integrity of its staff and, therefore, to ensure Health and Safety in the workplace. In addition to the investments made regularly to improve the adequacy and safety of plants and facilities, particular attention is also paid to training and information, and awareness-raising activities on the subject**, made available to staff.

In the last three years, the spread of the Covid-19 pandemic contributed to reinforcing the centrality previously attributed by the Group to the protection of its employees and collaborators, both in the definition of internal policies and in the implementation of tools to ensure safer conditions within the various working environments.

The issue of health and safety at work is therefore a priority for the Group, and is considered and managed as such.

The companies Snaitech S.p.A. (with the exception of the Racecourses) and Epiqa S.r.l have on a voluntary basis adopted an Occupational Health and Safety Management System, based on the principles of **UNI ISO 45001:2018**, the first international standard to establish minimum standards of good practice for the protection of workers. By managing, monitoring and continuously improving the entire company organisation, this System is aimed to prevent and counteract the occurrence of occupational accidents and illnesses, thereby increasing the company's performance in terms of Health and Safety.

Specifically, the certification obtained by Snaitech refers to the management processes of gaming machines and related IT systems, namely:

- activation, operational management and support of the network for the electronic management of lawful gaming through gaming machines and the Company Management System;
- provision of the service of management and technical assistance for gaming machines and business management systems;
- maintenance of gaming cards, gaming machines, gaming systems with their video terminals and all peripherals connected to them.

With regard to Epiqa, the activities included in the scope of the certification relate to the service of collection, processing and broadcasting of the television signal originating from the filming of horse races at racetracks, both Italian and foreign, and related services.

UNI ISO 45001, which was last renewed in 2021, places individuals at the centre with the primary objective of ensuring that they can perform their duties in a healthy, wholesome and safe working environment, covering the vast majority of the Group's population. With this in mind, the Occupational Health and Safety Management System is continually audited by certifying bodies, which ensure that the company's activities and documents comply with the requirements of the reference standard.

As a result of compliance with the UNI ISO 45001 standard and compliance with the Group's Code of Ethics, Snaitech and Epiqa have defined an organisational structure that is responsible for protecting health and safety in the workplace. This structure aims to ensure that the adoption of appropriate prevention and protection measures can make it possible, if not completely avoid, at least minimise, health or physical safety risks to which staff are exposed.

The main corporate figures responsible and competent in security matters, identified by Snaitech and Epiqa, are listed below:

- the Prevention and Protection Service Manager (RSPP), who reports directly to the respective Employer on the performance of the Health and Safety Management System;
- the Prevention and Protection Service Managers (ASPPs), two of whom are appointed by Snaitech and one by Epiqa, who assist the RSPP in carrying out and coordinating their activities;
- the Workers' Safety Representatives (RLS), who act as spokespersons for the Group's workers, encouraging them to be listened to and involved;
- the Medical Coordinator, who is responsible for employee regulation and company health records;
- the Persons in charge of fire-fighting emergencies and first aid.

By virtue of the special features that significantly differentiate their characteristics and activities from those of the offices, the management of Health and Safety aspects at Snaitech Racecourses in Milan and Snaitech Montecatini Terme is instead entrusted to a Safety Delegate, who is in charge of implementing specific prevention and protection measures within the training tracks and horse accommodation facilities. For instance, by means of the horse trainer provided by third-party companies, Snaitech has progressively reduced the level of riskiness of the activities carried out by employees at racetracks.

Again to guarantee worker protection, each Group company has also drawn up, in accordance with Article 28 of Italian Legislative Decree 81 of 2008, the Risk Assessment Document (DVR), a document containing the analysis and assessment of the company's health and safety risks and the prevention and/or protection measures to be adopted for their proper management and control.

Thanks also to the adoption of the safeguards outlined so far, the Snaitech Group has not recorded any serious accidents or seen a significant increase in the number of such incidents in the last three years. **During 2022 there were 8 accidents, a decrease from 2021, none of which had serious consequences. The total number of accidents determines the frequency index, which rises from 1.55 in 2021 to 1.14 in 2022. Finally, no cases of occupational diseases were detected by the Group during 2022.**

ACCIDENTS

	2022	2021	2020
TOTAL NUMBER OF ACCIDENTS	8	10	4
of which accidents while travelling*	4	2	0
of which: number of accidents with serious consequences (<180 sick days)	0	0	0
FREQUENCY INDEX**	1.14	1.55	0.67
Severe accident index***	0	0	0
HOURS WORKED	1,404,916.89	1,289,207.46	1,188,278.05

*It is specified that accidents occurring when the transport was organised by the organisation are included.

**Total number of accidents/number of hours worked x 200,000.

***Total number of days lost due to accidents with serious consequences (more than 180 sick days)/total number of hours worked x 200,000.

[GRI 403-9]

HEALTH AND SAFETY TRAINING

Snaitech Group companies take active steps to promote responsible and appropriate behaviour at all levels of the organisation to manage situations of risk or danger, through the periodic provision of courses on health and safety at work. For the Group, each individual worker is in fact called upon to contribute to the effectiveness and continuous improvement of the management of the issue, carrying out his/her activities in compliance with the company rules and regulations and reporting any inadequacies to the competent figures.

In 2022, Snaitech delivered more than 1,900 hours of Health and Safety training. This also includes training initiatives in accordance with Italian Legislative Decree 81 of 2008 in compliance with the deadlines set by the legislation itself, which specifically covered the following areas:

- Supervisors;
- Executives;
- Training and Information for Workers;
- First Aid;
- Fire Prevention;
- Use of forklift truck;
- Workers' Safety Representative;
- Emergency Teams.

COVID-19 PANDEMIC RISK MANAGEMENT

The presence of an organised, well-structured and well-functioning system was instrumental in enabling Snaitech to cope with the Covid-19 emergency. Until the previous financial year, given the prolonged state of the health emergency, the focus of the Group's Health and Safety companies was to continue implementing all necessary measures to contain the spread of the virus in the workplace, including offices, sales outlets and racetracks.

In contrast, 2022 was marked by the lifting of the state of emergency, ordered by the Council of Ministers on 31 March of that year, and therefore saw a progressive relaxation of the restrictions introduced to guard against the spread of the epidemic. Nevertheless, the Snaitech Group continued to put in place a series of functional actions to manage the rarer cases of Covid-19, acting through the corporate departments in charge of it; in fact, the Risk Management Function, together with the Compliance and Regulatory Compliance and Internal Audit Function, continued to monitor the Covid-19 risks identified and the related activities implemented by the Company during the year. It also confirmed the validity of the specially defined emergency policy, which all Group employees can use to obtain support and assistance in case of need and throughout the course of the illness. Specifically, the guarantees that are part of the policy relate to the various stages of the evolution of the virus: in-patient indemnity; convalescence indemnity; post-hospitalisation assistance, which provides practical help through different activities such as home shopping service, taking children to school, babysitting and pet sitting, and domestic help.

Added to this are the more general preventive measures that the Group has also maintained in 2022, such as the provision of devices - in particular, thermoscanners, sanitising gels and dispensers - to staff at all company locations, including the sales network (which includes not only direct branches but also shops and in-store outlets in partnership).

4.4 EMPLOYEES EMPOWERMENT, WELLBEING AND SKILLS DEVELOPMENT

The general wellbeing of workers can be a key competitive value for a company. Strengthened by this conviction, Snaitech has made it a strategic value for the Group's growth and is therefore committed to ensuring that all the companies belonging to it can converge, while respecting the specificities of the various structures, in the same development vision for their resources.

In 2022, an **important work of dialogue and listening was carried out with the Snaitech workers' representatives, which led to the signing of the new Corporate Supplementary Agreement** in force from 2023. Lasting three years, the Contract is the result of the second-level agreement reached with the national and territorial trade union secretariats and concerns over 80% of Snaitech S.p.A. employees (excluding Managers and the Racetrack BU, for which a different CIA is in place) and provides for important changes and interventions on the following main issues:

- **Bank of Solidarity Hours:** from 1 January to 31 December 2023, Snaitech S.p.A. employees, employed with a permanent contract of employment, will be able to donate to colleagues who need them - for serious and documented reasons of their own or to assist a family member (up to the second degree of kinship) - holidays and leave accrued in excess of the limits provided for by current legislation. Employees who have already taken all their holiday and leave days may apply to the company to benefit from the days set aside in the Bank of Solidarity Hours up to a maximum of 20 days in total. In support of the initiative, Snaitech has pledged to contribute a total of 20 days per year to the Bank of Solidarity Hours.
- **Nursery care:** with a view to ensuring equal opportunities for employees who are mothers and to encourage the reintegration of new parents, Snaitech confirms the contribution towards the payment of the registration and tuition fees for nursery care for each of the employee's children aged between 0 and 3 years. The monthly reimbursement was also increased (from €350 to €450) for mothers returning to full-time and the share for the mother or father returning on a part-time basis confirmed. In the case of parents who are both employees of the Company, the aforementioned reimbursement will instead be granted to the mother alone.
- **Leave for female victims of gender-based violence:** for employees who are victims of gender-based violence, Snaitech grants an additional 2 months of leave with respect to the provisions of Article 24 of Italian Legislative Decree 80 of 2015. Leave which will be fully paid by the Company and may be taken on an hourly or daily basis over a three-year period. The employee is also entitled to convert their full-time employment relationship into part-time, vertical or horizontal employment.
- **Paternity leave:** another important innovation introduced by the CIA is the increase of 2 days (to 12 in total) of paternity leave, to be paid by the company.
- **Meal vouchers:** as of 1 January 2023 and for the whole of its lifetime, the CIA will increase meal vouchers to Snaitech staff.
- **Paid leave for specialist examinations:** in the event of appropriately certified diagnostic tests and specialist medical examinations, and with the exception of physiotherapy examinations, the CIA provides for the opportunity to take paid leave, up to a maximum of 20 hours per year. Such leave will also be recognised and granted in the case of specialist visits for family members of employees in the family status.
- **Holiday and Sunday work:** from 1 January 2023, work performed on public holidays will be remunerated with a 45% surcharge (previously 40%) calculated on the hourly portion of the salary. The surcharge will also increase from 30% to 45% for Sunday work.

These interventions are part of a broader framework of welfare and total remuneration institutions, including performance bonuses, additional benefits, and access to wellbeing initiatives, all with the aim of improving the opportunity to reconcile work with personal needs, increasing the wellbeing of staff and their families, and promoting a sense of belonging to the Snaitech Group and its core values.

THE HYBRID WORK PROJECT

Paying due attention to the change in awareness brought about by the health emergency and reconciling the needs of the production world with those of its employees, the Group focused on defining a new working procedure during the year. Specifically, as of September 2022, a company policy on Hybrid Work has been implemented, **an experimental model that represents the new “way” of understanding being at work in the company. In fact, this is not a trivial compromise between the old and the new, but a procedure that aims to synthesise the best of the two experiences of online and face-to-face work.**

Due to its complexity, the development phase of the project required the contribution of many corporate functions, which collaborated in order to implement a process based on the analysis of critical business processes and the identification of objectives and performance indicators necessary for the structuring of a robust model, i.e. one that would be able to make the most of all the advantages of hybrid working. In fact, Hybrid Work is based **on two of Snaitech’s main values, responsibility and trust**, concepts that are further strengthened in this process.

With the aim of supporting employees in the path of change resulting from the introduction of the policy, the Human Resources and Organisation Department planned a training and information course, during which the many possibilities of hybrid work were explored. In addition to this, the Communication team launched a dedicated project entitled **“What’s Hy-brid?”**, providing engagement activities on multiple corporate channels. In addition to the training courses already mentioned, there are also five video clips in which the “My Personal Hybrid Trainer”, an “all-home-office” character, reveals the secrets of becoming an experienced hybrid worker, testing the employees with entertaining social challenges.

Furthermore, all employees involved in the initiative received a Hybrid Kit, a box containing some customised items that can be used both in the office and when working at home.



STAFF TRAINING AND DEVELOPMENT

The continued enhancement and development of professional skills at all levels represent, for the Snaitech Group, fundamental growth drivers as well as an important source of competitive advantage. Increasing and updating professional skills, acquiring new and transversal ones, makes it possible to adapt to all the social, technological and regulatory changes that characterise the environment in which the Group's business develops.

The growth of the staff's personal potential is encouraged and promoted by Snaitech, which is committed to building career paths that guarantee the achievement of professional growth objectives, also supporting the company's development.

The training activities are divided into four macro categories:

- **Behavioural:** aimed at the development of soft skills consistent with the role and the processes of organisational change and development. The primary objective is to develop awareness of the individual's contribution to achieving the corporate mission and the ability to act effectively in increasingly complex contexts, by learning techniques and tools to facilitate the management of emotions and the synergic achievement of individual and corporate goals. Among the many activities undertaken during 2022 were leadership training, as well as coaching courses tailored to the needs of individuals.
- **Technique:** necessary for the realisation of the corporate strategy, aims to develop and maintain specific skills. In this context, the Company has developed various on-the-job training initiatives, coaching activities, role-specific technical courses and English language courses. In 2022, sessions dedicated to corporate welfare were also organised and made available to all Snaitech employees in the form of a "gaminar" to strengthen, in an interactive and entertaining manner, knowledge about the Flexible Benefit Plan and present the main innovations introduced. Furthermore, an awareness-raising and training programme was set up to strengthen cybersecurity awareness.
- **Occupational Health and Safety:** including the provision of staff training and information courses in accordance with Italian Legislative Decree 81 of 2008.
- **Compliance:** which include the various training initiatives promoted by the Legal and Corporate Affairs Department and the Human Resources and Organisation Department, designed to strengthen information, awareness and compliance with current laws and regulations.

Over the past three years, the use of digital as the prevailing medium of communication and contact has required the utmost flexibility and adaptability from all Group staff, who have embraced and successfully met this challenge. Despite the difficulties, the members of the teams managed to successfully work together as a team, maintaining high levels of communication and strong collaboration between them, which are essential to ensure the continuity and efficiency of the company's activities. The gradual removal of restrictions introduced to counter the health emergency in recent years has not stopped people's need to feel part of a group again and to share thoughts on issues to which the pandemic has given even more centrality, such as the importance of safety and healthy lifestyles. The **team-building experiences** that Snaitech organises regularly to strengthen engagement, teamwork and foster the development of an environment that is increasingly inclusive and attentive to the wellbeing of the individual and the team are also part of this context.

In relation to the training provided by the Group in 2022, the figures confirm the positive trend already recorded in the previous two years as a result of the post-pandemic recovery.

In 2022, the largest increase concerns:

- courses provided in the **Diversity & Inclusion area** (+ 1,670 hours), a training area introduced as a result of Snaitech's recent commitment to the creation and circulation of a culture based on the values of diversity and inclusion;
- training on **Model 231 and Anti-Money Laundering** in accordance with Italian Legislative Decree 231/2001 and also concerning issues such as **responsible gambling** and **the fight against tax evasion** (+600 hours), all of which are absolutely central to Snaitech's business sector.

A summary of the training hours provided in 2022, including HAPPYBET, follows.

HOURS OF TRAINING BY TYPE

	2022	2021	2020
Behavioural	1,633	5,548	993
Team building	1,642	824	-
Technical (including Welfare)	7,716	5,602	5,107
Refresher (on-the-job training)	625	1,724	652
Italian Legislative Decree 231/2001 and anti-corruption, AML (anti-money laundering), responsible gambling, anti-facilitation of tax evasion	1,448	850	287
Health and safety	1,966	1,515	4,145
Privacy	21	833	167
Information security	402	579	-
Diversity & inclusion*	1,936	265	-
Total	16,389	17,740	11,351

*The training area started to operate in 2021, data for the financial year 2020 are therefore not available.

2022 saw the introduction and use of the **Snaitech Academy**, the platform dedicated to online training, dedicated, in particular, to the provision of mandatory courses (such as the aforementioned Model 231 and Anti-Money Laundering training).

As a result, two training courses involving Snaitech, SRI and Epiqa were created and made available: “Criminal liability of entities” and “Anti-money laundering and combating the financing of terrorism”, aimed at presenting the main innovations recently introduced on the subject.

The number of training hours per capita for the Italian market* amounts to 18.69 in 2022, representing a valuable result that confirms Snaitech’s commitment to enhancing its human capital, recognised as the Group’s true strength.

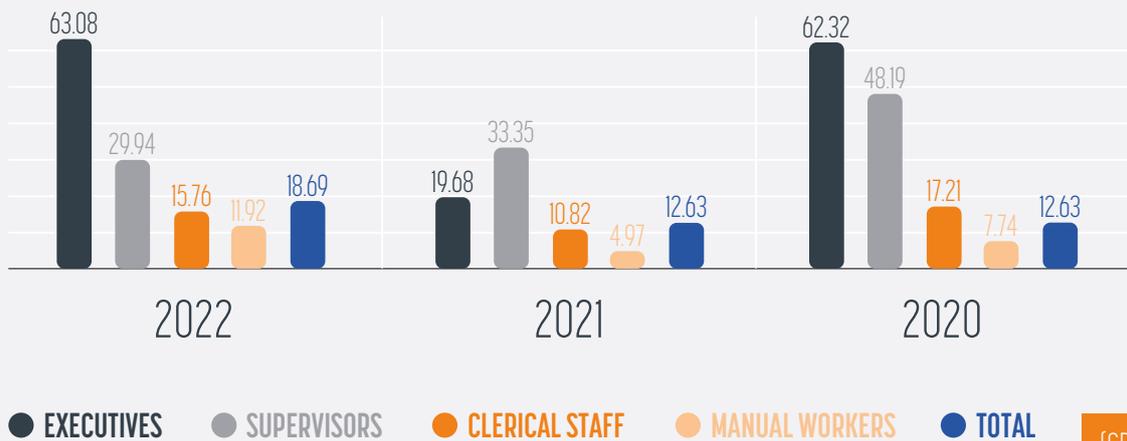
*This figure is to be increased by the addition of 36 hours of training relating to HAPPYBET.

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER



[GRI 404-1]

AVERAGE TRAINING HOURS PER EMPLOYEE PER PROFESSIONAL CATEGORY



[GRI 404-1]



METHODOLOGICAL NOTE

THE OBJECTIVES AND REFERENCE STANDARD

For years, the Snaitech Group has set itself the goal of reporting annually on its ESG performance and ambitions, sharing with its stakeholders its awareness and culture of sustainability. The Snaitech Group's Sustainability Report 2022, which covers the period between 1 January and 31 December 2022, is in fact the seventh year of non-financial reporting, and is purely voluntary in nature. Following the acquisition of Snaitech's total share capital by Playtech - a leader in the international casino and gaming software market - Borsa Italiana S.p.A. ordered the delisting of Snaitech S.p.A.'s ordinary shares with effect from 3 August 2018, making the Group no longer required to comply with Italian Legislative Decree 254/2016, to which it was subject as a large public interest entity. Nevertheless, Snaitech has chosen to continue its commitment to reporting and conducting its business activities according to a responsible approach in its triple economic, social and environmental dimensions. In terms of methodology, this Sustainability Report 2022 has been prepared using the principles defined by the Sustainability Reporting Standards published by the Global Reporting Initiative (hereinafter referred to as "GRI") in their latest updates, according to the "referenced" option. The new edition published in 2021 (GRI 1, GRI 2 and GRI 3), which came into force on 1 January 2023, and all other applicable GRI 2016 were used.

MATERIALITY ANALYSIS AND THE REPORTING BOUNDARY

The issues dealt with in the Sustainability Report are the result of the Materiality Analysis presented in detail in Chapter "The Group's Sustainability Strategy", conducted for the first time this year in line with the new GRI 3 requirements. Through this analysis Snaitech identified the themes representing the Group's main impacts on the economy, people and the environment, which also guided the structure of the contents and the new Index of the document.

The Sustainability Report 2022 describes the environmental, social and economic performance of Snaitech Group companies, excluding associated companies and companies without employees. An exception is the iZilove Foundation - a wholly owned subsidiary of Snaitech S.p.A. and with no employees -, in view of the relevance of its social solidarity activities in the fields of assistance, charity, education and training, promotion of culture and art, and scientific research. For the first time, the legal entities united under the HAPPYBET brand were also integrated into the group area in 2022.

In order to provide as complete and comprehensive a picture as possible of the performance of the reporting year, the published data are presented in comparative form where relevant; there are also supplementary data, information and KPIs that cannot be linked to the GRI Standards, but which are nevertheless deemed helpful in ensuring a fair representation of the reporting year and a comprehensive understanding of the material issues. Any repositioning of previously published data is clearly indicated within the different sections of the Sustainability Report.

THE PROCESS AND PROCEDURES FOR DATA PROCESSING

The Working Group set up by the Parent Company for the preparation of the Sustainability Report 2022, coordinated by the Business Development & Communications Department and consisting of the corporate departments of the Group Companies, was in charge of data collection and document preparation. The Directors were involved through in-depth interviews on the activities under their responsibility and to verify the Group's stakeholders, as well as to collect data and subsequently draft and revise the document's text.



CONTENT INDEX

DECLARATION OF USE	The Snaitech Group has prepared its Sustainability Report with reference to GRI Standards for the period between 1 January 2022 and 31 December 2022.
GRI 1 USED	GRI 1: Fundamental Principles 2021

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
ORGANISATIONAL PROFILE			
GRI 2	2-1 Organisational details	The Snaitech Group: mission, vision and values; Corporate Governance	
	2-2 Entities included in the organisation's sustainability reporting	Corporate Governance; Methodological Note	
	2-3 Reporting period, frequency and point of contact	Methodological note	For further information ufficio.stampa@snaitech.it
	2-4 Review of information	Methodological note	
	2-6 Activities, value chain and other business relationships	Corporate Governance; 2.1 The synergy between retail and online: the offer of games and services; 2.2 Snaipay services; 2.3 Multimedia services; The gaming market in Italy and the positioning of the Group; Highlights; 3.1 Social commitment: responsible business and supply chain management	
	2-7 Employees	4.1 Human capital: commitment to our People	
	2-8 Non-employee workers	4.1 Human capital: commitment to our People	
	2-9 Governance structure and composition	Corporate Governance	
	2-22 Sustainable development strategy statement	The letter to stakeholders	
	2-23 Policy commitment	1.2 Ethics, transparency and compliance <i>subparagraph:</i> The organisation, management and control model <i>subparagraph:</i> Anti-corruption and anti-money laundering 3.2 Environmental commitment: responsible management of consumption and emission reduction 4.4 Staff development, wellbeing and skills development	
	2-28 Membership of associations	Stakeholder engagement and materiality analysis	
	2-29 Approach to stakeholder engagement	Stakeholder engagement and materiality analysis	
	2-30 Collective agreements	4.1 Human capital: commitment to our people	
GRI 3	3-1 Process of determining material topics	Stakeholder engagement and materiality analysis	
	3-2 List of material topics	Stakeholder engagement and materiality analysis <i>subparagraph:</i> Snaitech's materiality matrix	

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
MATERIAL ISSUES			
Creation and distribution of economic value			
GRI 3	3-3 Management of material topics	3.2 The creation of shared value	
GRI 201	201-1 Directly generated and distributed economic value	3.2 The creation of shared value <i>Subparagraph:</i> Distribution of added value	
Regulatory compliance and counteracting illegal activities			
GRI 3	3-3 Management of material topics	1.2 Ethics, transparency and compliance 1.3 Consumer protection	
GRI 205	205-1 Operations assessed for corruption risks	1.2 Ethics, transparency and compliance <i>Subparagraph:</i> Anti-corruption and anti-money laundering	
	205-2 Communication and training on anti-corruption policies and procedures	1.2 Ethics, transparency and compliance <i>Subparagraph:</i> the organisation, management and control model	
	205-3 Established incidents of corruption and actions taken	1.2 Ethics, transparency and compliance <i>Subparagraph:</i> Anti-corruption and Anti-money laundering	
GRI 206	206-1 Actions for anti-competitive behaviour, antitrust and monopolistic practices		In 2022, there were no prosecutions for anti-competitive behaviour and/or violations of antitrust and monopolistic practice regulations
GRI 207	207-1 Approach to taxation	3.2 The creation of shared value <i>Subparagraph:</i> The contribution to taxation	
	207-2 Tax governance, control and risk management	3.2 The creation of shared value <i>Subparagraph:</i> The contribution to taxation	
	207-3 Engaging stakeholders and addressing tax concerns	3.2 The creation of shared value <i>Subparagraph:</i> The contribution to taxation	
	207-4 Country-by-Country Reporting	3.2 The creation of shared value <i>Subparagraph:</i> The contribution to taxation	
Staff development, wellbeing and skills development			
GRI 3	3-3 Management of material topics	4.4 Staff development, wellbeing and skills development	
GRI 401	401-1 New recruitment and staff turnover	4.1 Human capital: commitment to our people <i>Subparagraph:</i> The employee profile	
	401-2 Benefits granted to full-time employees but not to part-time or fixed-term employees	4.4 Staff development, wellbeing and skills development	
GRI 404	404-1 Average annual training hours per employee	4.4 Staff development, wellbeing and skills development	

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
Diversity, equal opportunities and inclusion			
GRI 3	3-3 Management of material topics	4.2 Diversity, equal opportunities and inclusion	
GRI 405	405-1 Diversity in governing bodies and among employees	The Snaitech Group: vision, mission and values <i>subparagraph:</i> The Corporate Governance model; 4.2 Diversity, equal opportunities and inclusion	
	405-2 Ratio of basic salary and pay between women and men	4.2 Diversity, equal opportunities and inclusion	
GRI 406	406-1 Instances of discrimination and corrective measures taken	4.2 Diversity, equal opportunities and inclusion	
Employee health and safety			
GRI 3	3-3 Management of material topics	4.3 Occupational health and safety	
GRI 403	403-1 Occupational health and safety management system	4.3 Occupational health and safety	
	403-2 Hazard identification, risk assessment and accident investigation	4.3 Occupational health and safety	
	403-3 Occupational health services	4.3 Occupational health and safety	
	403-4 Worker participation and consultation and communication on health and safety at work	4.3 Occupational health and safety	
	403-5 Worker training in occupational health and safety	4.3 Occupational health and safety <i>subparagraph:</i> Health and safety training	
	403-6 Promoting the health of workers	4.3 Occupational health and safety	
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	4.3 Occupational health and safety	
	403-8 Workers covered by an occupational health and safety management system	4.3 Occupational health and safety	
	403-9 Accidents at work	4.3 Occupational health and safety	
	403-10 Occupational illnesses	4.3 Occupational health and safety	
Commitment to the territory			
GRI 3	3-3 Management of material topics	3. Social and environmental sustainability: a commitment to the Country System	
GRI 413	413-1 Activities involving local community involvement, impact assessments and development programmes	3. Social and environmental sustainability: a commitment to the Country System <i>subparagraph:</i> IZilove Foundation and social initiatives <i>subparagraph:</i> The management and enhancement of racecourses	
Service quality and consumer relations			
GRI 3	3-3 Management of material topics	1.3 Consumer protection	
GRI 416	416-1 Assessment of health and safety impacts by product and service categories	1.3 Consumer protection <i>subparagraph:</i> Audit activities at sales outlets	

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
Promoting responsible gaming			
GRI 3	3-3 Management of material topics	1.3 Consumer protection <i>subparagraph:</i> Promotion of conscious, responsible and safe gaming	
GRI 417	417-1 Information and labelling requirements for products and services	1.3 Consumer protection <i>subparagraph:</i> Promotion of conscious, responsible and safe gaming	
	417-2 Incidents of non-compliance in relation to information and labelling of products and services		In 2022, there were no cases of non-compliance in this area.
	417-3 Cases of non-compliance concerning marketing communications		In 2022, there were no cases of non-compliance in this area.
Data security and consumer privacy protection			
GRI 3	3-3 Management of material topics	1.3 Consumer protection <i>subparagraph:</i> Data security and privacy protection	
GRI 418	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	1.3 Consumer protection <i>subparagraph:</i> Data security and privacy protection	
Responsible management of sales outlets			
GRI 3	3-3 Management of material topics	1.3 Consumer protection <i>subparagraph:</i> Responsible sales outlet management	
GRI 416	416-1 Assessment of health and safety impacts by product and service category	1.3 Consumer protection <i>subparagraph:</i> Responsible sales outlet management	
Technological innovation, research and development			
GRI 3	3-3 Management of material topics	2. Innovation 2.1 The synergy between retail and online: the offer of games and services 2.2 Snaiipay services 2.3 Multimedia services	
Customised indicator	2022 investments in cybersecurity activities	1.3 Consumer protection <i>subparagraph:</i> Data security and privacy protection	

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
Reducing energy consumption and emissions			
GRI 3	3-3 Management of material topics	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Energy efficiency and emissions</i>	
GRI 302	302-1 Energy consumed within the organisation	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Energy efficiency and emissions</i>	
GRI 305	305-1 Direct GHG emissions (Scope 1)	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Energy efficiency and emissions</i>	
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Energy efficiency and emissions</i>	
	305-3 Other indirect GHG emissions (Scope 3)	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Energy efficiency and emissions</i>	
Responsible water management			
GRI 3	3-3 Management of material topics	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Water consumption management; Paper consumption</i>	
GRI 303	303-3 Water collection	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Water and material consumption management</i>	
	303-4 Water discharge	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Water and material consumption management</i>	
Responsible management of natural resources and combating climate change			
GRI 3	3-3 Management of material topics	3.3 Environmental commitment: responsible management of consumption and emission reduction	
GRI 304	304-3 Protected or restored habitats	3.1 Social commitment: responsible business and supply chain management <i>subparagraph: the management and enhancement of racecourses</i>	

GRI STANDARD	INFORMATION SHEET	LOCATION / PARAGRAPH	NOTES
Promoting responsible gaming			
GRI 3	3-3 Management of material topics	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
GRI 301	301-1 Materials used by weight or volume	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
	306-1 Waste generation and significant waste-related impacts	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
	306-2 Management of significant waste-related impacts	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
GRI 306	306-3 Waste generated	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
	306-4 Waste not intended for disposal	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
	306-5 Waste destined for disposal	3.3 Environmental commitment: responsible management of consumption and emission reduction <i>subparagraph: Waste management</i>	
Responsible supply chain management			
GRI 3	3-3 Management of material topics	3.2 The creation of shared value <i>subparagraph: Snaitech's relationship with its suppliers</i>	
GRI 412	412-1 Activities that have been subject to human rights audits or impact assessments	3.2 The creation of shared value <i>subparagraph: Snaitech's relationship with its suppliers</i>	

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