



Sustainable
SUCCESS

Stakeholder Advisory Panel

2022 - Diversity, Equity and Inclusion (DEI)

1. Introduction

As a business in a rapidly changing industry, Playtech wants to play its part in raising standards and embedding sustainability internally and across the sector. Playtech is aware that societal and stakeholder expectations are constantly evolving and as a result decided to set up a Stakeholder Advisory Panel to review and guide the Company's approach to sustainable business.

Playtech has set out a roadmap to grow its business in a way that has a positive impact on its people, its communities, the environment, and its industry. Sustainable Success is how the Company is bringing the principles of sustainability and responsible business into its culture and operations.

Following the four successful panel sessions last year, which allowed Playtech to draw on a wide range of knowledge, insights, and experiences, the Company has decided to continue its engagement with this group in 2022. By sharing ideas, suggestions, and constructive challenges with members of its senior management team, the panel has a crucial role in shaping the sustainability strategy and improving performance.

Panel composition:

- **Christian Toennesen**, Group Director of Sustainability, Selfridges Group
- **Polly MacKenzie**, Non-Executive Director, Registry Trust Ltd
- **Dan Waugh**, Partner, Regulus Partners

The first panel meeting of 2022 took place on 16th June 2022 and focused on a *progress update on Sustainable Success, Playtech Protect and Safer Gambling*. This second session took place on 21st September 2022 and focused on **Diversity, Equity and Inclusion (DEI)**. This will be followed by one final session, which will take place later this year, focused on 'Climate Change'.

After each session, the intention is to produce a short paper summarising the principal points raised by the panel and Playtech's response. These documents – and the discussions which will form the basis for them – will be predicated on the Chatham House Rule*.

For this meeting, the panel was joined by the following members of Playtech's senior management:

- **Linda Marston-Weston**, Non-Executive Director, Chair of the Sustainability and Public Policy Committee
- **Ian Penrose**, Non-Executive Director
- **John Krumins**, Non-Executive Director
- **Mor Weizer**, CEO
- **Ian Ince**, Chief Compliance Officer
- **Karen Zammit**, Head of Global HR
- **Sophie Yaxley**, Global HR Operations Director
- **Lauren Iannarone**, Advisor, Sustainability
- **Irene Markitani**, Sustainability Manager

Also, in attendance were Paul Burke and Stephanie Attal-Juncqua, Senior Partners at Carnstone Partners Limited, who facilitated the discussion and provided support.

* "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed."

2. Diversity, Equity, and Inclusion Progress and Priorities Update since last year

The session started with an update from Playtech's Global HR Operations Director on the progress made since the last meeting in October 2021. Key areas of progress included:

- **Governance:** Playtech has formalised a global action plan, accountability and governance structure across the organisation with the publication of a new global DEI and Belonging policy. The DEI strategy is based on four commitments, which go beyond gender. The global action plan focused on three key areas: 1) Workforce Diversity – Attracting and Selecting, 2) Workforce Inclusion – Employee Development; 3) Sustainability and Accountability – Process and Policy.
- **DEI targets:** At the end of 2021, Playtech has set a target of 35% female representation in leadership and senior management roles by 2025. Playtech's long-term ambition is to reach equal representation of both sexes by 2030.
- **Employee engagement:** Playtech has initiated a series of employee engagement surveys to encourage a two-way dialogue with employees. The next survey, to be released in October, will focus on DEI and Belonging to capture employees' views and feelings on what this means to them.
- **Learning and Development:** Playtech has established a new Global Learning & Development programme which will be a platform for driving awareness and equipping leaders with mindset and skillset on this and other topics.
- **Communication:** Playtech is in the process of communicating details of how ESG performance will link to remuneration. This has been approved by the Board, so we are now working on communication and implementation. Playtech is also in the process of ensuring that the organisation clearly articulates 'why' and 'how' diversity data is used, prior to collection; particularly with respect to ethnic and cultural diversity data. Regarding the data collection, Playtech will be exploring opportunities to collect global level gender pay gap data as well as information on ethnicity/cultural diversity.
- **DEI and gambling industry:** Playtech will continue to examine how DEI issues relate to the gambling industry and what steps the company should consider in the future.

Diversity, Equity, and Inclusion -Discussion points

The panel raised a number of questions and observations related to Playtech's DEI progress and future plans update, including:

- **Language: 'Sex' and 'Gender' tend to be used interchangeably when communicating the company's DEI strategy, how does Playtech handle this in different markets? In the UK, the terminology is not interchangeable. How will the company handle this complexity in different markets? What does Playtech think about the status on 'Trans' and 'Non-binary' groups?**

Playtech's conversation with the panel:

This is an interesting point that requires further consideration. From a system perspective, in the UK, the Company collects data on sex and sexuality, as well as other categories. We are also looking at how we can capture information on gender identity. The language relating to and distinction between sex and gender make sense in the UK and elsewhere. However, in some of the countries where Playtech operates, these distinctions are neither universally understood nor accepted. Playtech always develops its systems to collect data to reflect individual preferences and how people identify themselves and this principle will inform our approach going forward. Playtech is interested in hearing the panel's views on how other companies are managing this complex topic. The general consensus is that there is not a one size fit all solution. Some employees want to identify with their gender and others with their sex. Consequently, data gathering should reflect this and allow each employee to select the most appropriate category.

- **DEI processes: How is Playtech monitoring employee exits and gathering data on this? What is Playtech's approach on parental leave?**

Playtech's response:

The Company collects data when an employee exits the business. This data collection is done at a local level. The Company requires local teams to gather this information to understand why people leave and turnover trends. The information is then summarised and shared with the Head of Global HR, which allows us to identify the reasons for departure, understand whether exits are one-offs or form part of a broader trend. This information is also used, where necessary, to develop local or corporate level responses accordingly. Playtech's approach to parental leave is driven by each country/local HR team, aligned with the market practice, and reviewed annually. However, we will take an action in 2023 with the aim of implementing a Global guideline. The guideline will not replace or change any local, legally mandated or prescribed parental leave benefits, but will allow for a minimum amount of leave.

- **Communicating Playtech's DEI vision: How is the vision being disseminated? There is a need to have a clear consistent message across the different communication channels, including the website, as to what the Company's DEI vision is.**

Playtech's conversation with the panel:

This is a good point. Playtech is working on aligning the messages around the DEI vision, commitments, and targets across all its communication channels, both internally and externally. As part of this exercise, we will align all content on various channels. One of the significant amendments to our vision will be clarifying that our ultimate goal is to achieve equality by 2030. This will be included in the Company's updated communication, both internally and externally. When communicating the DEI vision, commitments and targets, it is important to share the plan that underpins it, including the concrete activities the Company will undertake and milestones it will use to assess performance.

Playtech asked the panel about the importance of having a clear vision that is consistently articulated at all levels. The panel accepted the need for consistency and highlighted the benefits that arise from the strong personal commitment of C-suite especially where they can share their own experiences of overcoming barriers and prejudice. It is important to ensure C-suite executives, including CEOs, with minority background, act as sponsors and powerful role models.

- **DEI target: The panel recognised some progress has been made since FY2021. Playtech now needs to define the story behind this target – Where do the numbers come from? How does it benchmark against other companies? Is there a plan underpinning these aspirations?**

Playtech's response:

The development of the strategy involved extensive discussions with the executive management and Board. This process was informed by comparisons with our peer group and other similar sized companies. We recognised from the outset that we had to make significant changes to current policies and practices if we wanted to achieve our goals. At the same time, we wanted to be realistic about the pace of change when set against the scale of the challenge. We have already seen progress in certain areas (such as female representation at senior level) but are not complacent and acknowledge there is a lot more that needs to be done to turn our aspirations into reality.

Our approach is underpinned by a detailed plan – which has been endorsed by the Board – and we are happy to share this with the Panel. The plan embraces individual business units and, in addition to a prioritized list of specific actions (e.g., a wide-ranging review of our succession planning), we have also ensured there is senior level buy-in. The COO currently serves as the executive sponsor and playing a major role in overseeing progress.

Finally, a central theme relates to the diverse nature of our employees and how we see diversity as a major strength that can help us better meet the needs of our client base.

- **Under-represented groups: What does Playtech mean by under-represented groups? Is it LGBTQ+? Is it disability? Is it ethnicity? Etc. Why does Playtech want to collect this information at the leadership group only and not across the entire organisation like it has for gender?**

Playtech's response:

We used underrepresented groups to refer to a different dimension of diversity. Initially our focus has been on sex/gender as well as racial and ethnic minorities. Our ultimate goal is to have a workforce which is truly representative of the societies where we operate, and people are valued for their individual contributions. We accept that we are on a journey and to get to our destination requires a much deeper understanding of workforce demographics.

The complication is that what constitutes an under-represented group varies from country to country and to build a clear understanding of where we need to focus our efforts requires robust data. However, obtaining this information is a challenge. This is partly because of individual sensitivities and wider cultural issues; also, the legislation in the different countries where we operate is not consistent and, hence, information that can be gathered in one is not necessarily available elsewhere. A further challenge is that national census data uses different terminology and categorisations so while it can help to inform our approach and, ultimately, target setting, have to be treated with care.

To overcome these challenges, we will use our regular colleague surveys to gather data on how different demographics view their relationship with Playtech. This information will provide valuable insights that will inform our actions. More fundamentally, achieving our goals is less about words and more about actions. Specifically, we want to encourage – from the most senior levels and across the entire business – behaviours and mindsets that, ultimately, deliver equality.

Summary of key points

Three main themes emerged during the discussion:

1. Achievement of Playtech's ambitions requires a detailed plan with appropriate milestones and an explicit statement of what the ultimate goal is.
2. The strategy, plan and other elements of the company's approach to DEI need to be communicated to internal and external audiences in clear and consistent language. In particular, there needs to be a convincing rationale as to the "why" as well as explaining the "what" and "how".
3. Once the strategy and plan are articulated there has to be tangible evidence of senior management support and engagement and that the necessary resources to facilitate behavioural and cultural change are in place.