



Sustainable  
**SUCCESS**

# Stakeholder Advisory Panel

First Meeting

## 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.

Through Sustainable Success Playtech has set out a roadmap to grow its business in a way that has a positive impact on our people, our communities, the environment, and our industry. Sustainable Success is how the Company is bringing the principles of sustainability and responsible business into its culture and operations. The Company's purpose is to deliver change to build a sustainable and safe gambling entertainment industry, with an ambition to be a trusted global leader in safer products and technology solutions to raise industry standards. Our purpose and our ambition are underpinned by the commitments to: **Power safer gambling solutions**, **Promote integrity and an inclusive culture** and **Partner on shared societal challenges**. These commitments include commitments to ethical and responsible business practices, safer gambling, diversity and inclusion, environment, and social investment activities. An overview of the commitments and framework can be found in the appendix of this report.

In establishing the panel, Playtech has been keen to draw on a wide range of knowledge, insights, and experiences. By sharing their ideas, suggestions, and constructive challenges with members of its senior management team, the panel will have a crucial role in shaping the sustainability strategy and improving performance.

Panel composition:

- **Fiona Cannon**, Director Sustainable Business, Lloyds Banking Group
- **Chris Coulter**, CEO, GlobeScan
- **Polly MacKenzie**, Chief Executive, DEMOS
- **Judy Samuelson**, Executive Director, Business and Society Program, Aspen Institute
- **Dan Waugh**, Partner, Regulus Partners

The first panel meeting took place on 10<sup>th</sup> February 2021 and focused on Playtech's recent analysis of material Environment, Social and Governance (ESG) issues and sustainability strategy. Three further meetings have been scheduled for 2021.

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

- **Claire Milne**, Group Interim Chairman
- **Mor Weizer**, CEO
- **James Newman**, Director of Corporate Affairs
- **Ian Ince**, Chief Compliance Officer
- **Karen Zammit**, Head of Global HR
- **Simo Dragicevic**, CEO BetBuddy
- **Lauren Iannarone**, Director of Public Affairs and Sustainability

Also, in attendance was Christian Toennesen, a Senior Partner at Carnstone Partners Limited, who facilitated the discussion. His colleague, Paul Burke, attended as an observer.

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\* "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."

## Main Themes

The panel accepted that Playtech was at an early stage of its sustainability journey. Notwithstanding, it felt that **Playtech could articulate its sustainability purpose and the reasons for the approach more clearly and effectively**. One relatively simple but powerful change would be to **incorporate sustainability into Playtech's purpose and corporate strategy explicitly**. Likewise, the panellists identified a need to **develop a set of objectives and metrics (especially around diversity and inclusion)** to be refined over time.

**Language matters** – Related to the above, sustainability has developed a vocabulary of its own that can often be confusing to non-expert audiences. For a variety of reasons, including a lack of confidence about the 'what, why and how' set out above, corporate communications on sustainability will use often neutral language that doesn't capture the importance of the subject matter or have the impact required to engage stakeholders' attention. For internal audiences – which the panel regarded as a, if not the, key stakeholder group – it was especially important that **messaging around sustainability needs to be clear, concise** and couched in a way that aligned with the tone of other internal communications.

Turning to Playtech, the panel highlighted a couple of specific examples where the current language – and the meaning it conveyed – could be improved.

- **Why “safer” and not “safe” gambling?** By focusing on limiting adverse effects does this demonstrate a reactive, risk-focused mindset rather one that embraces opportunities with aim doing good rather than not doing harm? Perhaps there is a case for moving towards an approach that concentrates on enhancing the entirety of the end-user's experience which could be summarised as Good Gambling?
- **Why aim to “reduce” rather than “eliminate” the gender pay gap?** Similarly, while “increasing” the proportion of women in senior management is a laudable objective, why not replace it with a stronger commitment to ensure parity between the sexes?

### Playtech's Commentary

The themes raised by the panel resonated strongly with the Playtech representatives who also recognised the benefit provided by the panel's constructive challenges. Prompted by the panel, Playtech will re-examine its conception of what leadership in the sector should look like and how this could be expressed in a way that is both engaging and meaningful. Additionally, Playtech emphasised the importance of “process” to inform and guide its sustainability strategy and activities. For example, using data derived from customer interactions – subject, obviously, to relevant legal and regulatory requirements – would be hugely valuable in shaping the entire customer experience.

## ESG Materiality Analysis

Following introductory remarks from the CEO and Chairman, which included the rationale for why the panel had been created, and an initial presentation providing context for the discussion, the first part of the session focused on Playtech's recent materiality analysis.

In summary, the key points of feedback were the following:

- The panel agreed that **the results of the analysis were comprehensive, credible and had captured the principal ESG issues** they would expect to be addressed by Playtech.
- In particular, **the panel commended the prominence given to safer gambling** (see above), which was seen as being both central to Playtech's sustainability strategy and an area of opportunity where the Company could take a leadership position.

Likewise, **the panel recognised the scale of the challenges posed by financial crime, data protection and cybersecurity**; noting that authorities are increasingly looking to industry to play an increased role in tackling financial crime and cybercrime.

- The panel did not identify any additional themes but did question the relative weight attached to certain stakeholders compared to others. For example, **are employees' views more important to the organisation than those of investors?** (especially in a world where the war for digital talent becomes ever more pronounced)
- Following on from that, **the panel highlighted the importance of employee wellbeing and effective human resources management**. Having a strong employee proposition that attracts, retains and motivates people will, they believe, be seen increasingly as an essential contributor to organisational success.
- A central element of the proposition will be **demonstrating alignment between the personal values of each employee and those of the employer**. Hence, clear and engaging internal communication that explains Playtech's purpose and how it turns aspirations into reality will be vital to building a sense of ownership across the workforce. With that in mind, would it be better to avoid references to ESG and, instead, use language that is more empathetic and readily understandable?
- While acknowledging the value of the materiality analysis and its outputs, **the panel stressed that formal assessments like this should form part of a broader and ongoing process of horizon scanning, dialogue and critical thinking** about the world and how it's evolving. Recent years have shown how ideas and movements that were once seen as, at best, peripheral have rapidly become mainstream. Only by constantly questioning assumptions and looking beyond the short term can an organisation address the challenges and, crucially, identify and seize the opportunities.

## Sustainable Success

The second part of the session concentrated on the ambition, structure and content of Playtech's sustainability strategy. The panel were asked for their views on whether anything was missing from the strategy; how it could be strengthened; what could be learned from other companies and sectors; and how might the strategy evolve in the future.

In summary, the following themes were raised:

- Overall, the panel felt **the strategy was appropriate**, reflected the realities of Playtech's current position and the variety of challenges, risks and opportunities that confronted it.
- Based on what they had heard, their knowledge of the sector and sustainability more generally, the panel believed there was **a real opportunity for Playtech to develop into a leader**, differentiated from its competitors both by its ambitions and the way in which they are expressed. Such a leadership position would entail, among other things, **moving from a focus on clients that utilised the Company's products to one that emphasised the end-user/customer experience**.
- As outlined above, the thrust of the panel's specific recommendations focused on **being more explicit about the Company's purpose and the internal and external drivers that underpin it**. Put simply, what does Playtech want to achieve and why?
- Following on from that, the panel acknowledged the difficulty of defining objectives and targets at such an early stage. However, the panel encouraged Playtech to **be clearer in its language and set more ambitious goals that would command the support of stakeholders, especially employees**.
- Finally, the panel highlighted Playtech's role as **a catalyst for, facilitator of and supporter of partnerships and collaborations**. Many of the issues identified in the materiality analysis required concerted and co-ordinated responses from a variety of stakeholders and this was recognised within the strategy. The panel encouraged Playtech to embrace the opportunities this presented.

## Summary of key points

The table below contains key points, notable feedback and challenges articulated by the panellists during the first session. These points will be duly considered by Playtech's senior leadership team and any actions arising from this review will be communicated back to the panel and will be outlined as a supplement to this insights report.

<b>Ambition</b>	A description of the ambition – can Playtech articulate what the desired end state looks like if the objectives and plans sitting under Sustainable Success are achieved? What will it mean for society?
<b>Purpose</b>	Playtech could articulate its sustainability purpose and the reasons for the approach more clearly and effectively. Can Playtech incorporate sustainability into its core purpose and corporate strategy explicitly?
<b>Metrics</b>	Can Playtech accelerate the development of objectives and hard metrics (especially around diversity and inclusion)?
<b>Language</b>	The messaging around sustainability needs to be clear, concise and couched in a way that aligned with the tone of other internal communications. Can it be aligned less with ESG jargon and more with 'normal' language?
<b>Framing – Risk or Opportunity?</b>	Instead of doing 'less bad' can Playtech talk about doing 'more good'? For example, referring to 'good' or 'safe' gambling instead of 'safer'; 'eliminating' the gender pay gap rather than 'reducing' it? It is worth noting, however, that 'safer gambling' is the preferred term of the regulator.
<b>Diversity &amp; inclusion</b>	D&I is fast rising up the agenda. What is Playtech's ambition and what does it want to achieve in this area?
<b>Materiality</b>	Many specific points were made and the materiality assessment will be updated as a result of these points.