

Statement of Principles on social responsibility and the treatment of human rights in companies in the MERKUR GROUP

Introduction

We are an international, family-owned company. In keeping with our motto of “GAMING enjoyment”, we offer the best GAMES at any time, wherever gaming is permitted. We advocate responsible GAMING. The Supervisory Board and the Management Board of MERKUR.COM AG, together with the CEOs of the companies in the MERKUR GROUP, consider legal, ethical and responsible conduct to be a fundamental and essential element of corporate and social responsibility.

In addition, we see ourselves as a family-run company with a responsibility to society and the environment. In striving to “identify savings potential, conserve resources and protect the environment”, we are constantly implementing new projects that will ensure the sustainable development of our company.

Recognising and respecting human rights and environmental due diligence obligations are of fundamental importance to us. Our mission is to respect and safeguard human rights in all companies in the MERKUR GROUP and among our business partners and service providers. Our approach to the implementation and management of human rights issues is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Our aim is to exercise reasonable care to comply with human rights and environmental obligations at all times while monitoring and executing the entire supply chain. In the following sections of this statement, we expand on and clarify our guidelines in relation to human rights and environmental due diligence obligations. To this end, we explain our responsibility when it comes to value creation and the requirements that we impose on ourselves and on our partners around the world.

We communicate this Statement of Principles to all employees and to our business partners and lobby groups. Our direct suppliers are contractually obliged to observe this Statement of Principles or to comply with comparable standards. The Statement of Principles is published and made available in a suitable form.

Our responsibility in value creation

This Statement of Principles represents the basis for any cooperation or collaboration between the companies in the MERKUR GROUP and stakeholders in the supply chain. We undertake, within the sphere of our influence, to disclose, minimise and end any negative effects arising from a violation of due diligence obligations within our companies or our global business activities. Direct suppliers in our supply chain are bound by the same obligations. Furthermore, direct suppliers are required to pass on these obligations to their own suppliers.

We advocate fair working conditions. We respect the right of employees to freedom of association and collective bargaining and we do not tolerate discrimination. We employ only staff who choose to work with us. We oppose child labour. In performing our business activities in the global supply chain, we observe the relevant international standards. These include:

- the UN Universal Declaration of Human Rights (UDHR)
- the conventions and recommendations of the International Labour Organization (ILO) on labour and social standards
- the UN Convention on the Rights of the Child (UNCRC)
- the UN Convention on the Elimination of Discrimination against Women (CEDAW)
- the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises

In particular, we observe the social and environmental prohibitions set out in Section 2(2) and Section 3 of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG), as amended.

In this Statement of Principles, we explain the requirements we impose on ourselves and on all participants in the entire supply chain. The implementation and management of these requirements at corporate level are set out in more concrete terms in the following sections. All our direct and indirect suppliers are expected to observe these requirements. We also expect that all our suppliers will apply the same standards and comply with the same implementation measures. All parties share the view that compliance with the social and environmental standards is the basis for successful and long-term cooperation.

The requirements we impose on ourselves and on our partners around the world

Trust in the integrity and reliability of the companies in the MERKUR GROUP is the most important basis for sustainable commercial success. In order to satisfy our aspirations with regard to integrity and reliability in the MERKUR GROUP, we have implemented guidelines throughout the Group that express our ethical attitude and responsibility for ourselves and our business partners. These guidelines form the basis for our daily actions and focus not only on our own employees and suppliers but also the employees in our supply chains, our service providers and our clients. At Group level, this entails the following guidelines in particular:

- **Code of Conduct:** The Code of Conduct serves as a normative guideline for our daily actions. Each employee is called upon to ensure that they uphold our corporate principles with tact and discernment in their area of responsibility, so that we fulfil our social responsibility and sustainable corporate development commitments. This code describes the values and codes of conduct that are also required from all suppliers and service providers, their employees and the supply chain.
- **Procurement Sustainability Policy:** This policy is the basis for sustainable procurement. Our aim at all times is to set a common performance standard, engage in educational work and commit to responsible business operations.

Exercising due diligence obligations is subject to an ongoing process of improvement, which we manage using an appropriate risk management process. Our risk management process is determined by the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains, as amended.

Depending on the type and scope of the business activities conducted by the individual companies in the MERKUR GROUP, we implement our human rights and environmental priorities in the global supply chain. We evaluate our own business activities and business relationships every year or as required in a multi-stage analysis process to identify potential risks and actual violations in order to derive preventive measures and corrective actions. In our risk analysis process, we check the key criteria for the business activities of our individual companies. In doing so, we view the risks from an industry, country and product group perspective. When analysing risk, we consider in particular the type and scope of the related business activity, the expected severity of a violation and the probability of a violation occurring.

We implement preventive measures and corrective actions in a number of areas, including the selection of suppliers, the monitoring of suppliers, sustainable contractual arrangements and internal guidelines. We believe that the way in which compliance, purchasing and contractual arrangements are structured and how their workflow is organised are key and sustainable factors in avoiding violations of due diligence obligations in the supply chain.

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We evaluate the effectiveness of our measures. We have defined appropriate processes to use as a management tool if substantiated suspicions are reported. Corrective actions must be proportionate and appropriate to stop violations or to minimise the effects of a violation. These are investigated through discussion, the submission of evidence and audits. If it is not possible to remedy a violation through corrective action or if there is an increased risk that the violation will occur again, we consider it our duty to ultimately terminate the contractual relationship. In our consolidated Group, the respective specific measure is derived as required at Group level, in cooperation with several Group companies or at individual Group company level.

We are conscious that, despite our efforts, violations can occur. We therefore consider it crucial to establish a whistleblower system in order to give the affected parties or individuals who have knowledge of or become aware of potential violations the opportunity to report risks and violations with a view to initiating countermeasures. A report can be submitted at any time by means of our integrated whistleblower system, which we make publicly available in a suitable form.

Each year, we publish a report on our due diligence process at Group level in the MERKUR GROUP's annual report. Further information on priorities and risks or measures specific to certain areas of business is published by individual Group companies.

This Statement of Principles was adopted by the Management Board of MERKUR.COM AG on 19 December 2022 and comes into effect once signed by the Board.

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