



Corporate Responsibility Report 2017

**Responsible
Entertainment
is Better
Entertainment**

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Letter from CR Team

Welcome to our 2017 Corporate Responsibility Report!

Today, MTG is a team of approximately 3,700 people around the world. We are united by a passion to create memorable experiences in music, sports, drama, reality shows, live esports events, mobile games - and so much more! - and to connect our audiences with the content that they love. We are on an exciting journey to become a leading digital entertainer and, together, we can use the power of media to make a positive impact on people's lives. We believe that responsible entertainment is better entertainment!

Diverse talent empowered by the same values and working towards the same goals can make a big and positive difference in all societies.

This is a responsibility we take seriously, which is why we have expanded our support in 2017 for the United Nations Sustainable Development Goals - a set of goals to protect the planet and ensure prosperity for all - by aligning our work and targets to specific SDGs.

This report shows our progress and shares the lessons that we've learned along the way. Most importantly, this report is a platform for our colleagues to talk about how our teams are shaping the future of entertainment. Whether it's content production and distribution, legal work behind our innovative digital services, or talent acquisition initiatives, we aim to create working environments that embrace plurality and diversity of background, approaches and opinions.

Explore our stories and get in touch to let us know what you think...or join us on our exciting journey.

Christin Hertzberg
Senior Corporate
Responsibility Manager

Marija Angelovska
Junior Corporate
Responsibility Manager

Mauro Silva
SVP, Head of Corporate
Responsibility

Letter from the CEO

Since MTG was born in Sweden in 1987, we have been on a journey to ignite content experiences for our ever-growing audiences. Our entrepreneurial spirit has taken us far beyond commercial TV and the borders of Sweden. This spirit has enabled us to navigate a world that has changed so much due to unprecedented technological progress and major socio-economic shifts. Today we are a structurally different company from what we were just a few years ago, and with perhaps the broadest entertainment offering in our industry.

“
Corporate Responsibility is the cornerstone of our brand and a key reference point in our decision-making
 ”



2017 has been one of the most successful years in MTG's history: 8% organic sales growth, 19% profit growth and 33% total shareholder returns tell their own story. This success is based on following a clear strategy and living according to our brand values. It is also based on our shared belief that responsible entertainment is better entertainment. This is why Corporate Responsibility is the cornerstone of our brand and a key reference point in our decision-making. Our CR work focuses on four priority areas: Media Responsibility, Social Impact, Business Ethics and Environmental Care.

These priority areas reflect our commitment to stay relevant by adapting quickly to the changing media landscape. Change is in our DNA and we are committed to shaping the future of responsible entertainment together. We reach millions of people every day with our content and products. This gives us the opportunity to support United Nations Sustainable Development Goals and make a positive difference in the daily lives of our audiences and customers around the world.

We measure our efforts against the very highest standards and globally recognised sustainability frameworks. We are committed to the UN Global Compact, OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and UK Modern Slavery Act. In 2017, we continued to further embed the UN Sustainable Development Goals into our corporate responsibility activities.

Our ambition and objectives are clear, as are the challenges and opportunities. We have delivered hyper growth and a first profit for our MTGx's global digital operations in 2017, and we are continuing to integrate new members of the MTG family into our culture and business practices. Data security awareness can vary between MTG's digital-first companies and our TV, satellite and radio businesses, where IT has historically had a different function. During 2018 we will use this gap as an opportunity to improve our processes, reinforce our information security posture, and to become even more transparent and responsive towards our customers.

Here are my personal highlights:



MTG has been included in the 2017 Dow Jones Sustainability World Index - the industry standard for corporate sustainability and the first global index to track the world's leading sustainability-driven companies. From a total of 72 media companies that are part of the DSI universe, only 6 media companies were included in the world index, and MTG is one of them for the sixth consecutive year. We are also included in RobecoSAM's Sustainability Yearbook, which helps investors to identify companies that are well positioned to create long-term shareholder value.



Our annual employee survey showed that 94% of respondents are willing to make an extra effort to make MTG a more successful company. This is so important in the world where new talent seeks purpose, along with an opportunity to make difference.



We welcomed over 70 talented women to our offices in Stockholm on International Women's Day and encouraged them to pursue a career in media and technology. We also continued with our efforts to support UN SDG number 5 by encouraging more gender equal work environments in our offices.



MTG Sweden partnered with the Swedish Diabetes Association to donate airtime on our broadcast TV, radio networks and streaming services, to increase awareness about the illness.



And most of all, we ended 2017 with 79% of MTG employees signing up to a refreshed and more relevant Code of Conduct, which sets out who we are, what we stand for and how we do business.



We produced an online documentary on the future of media and its impact on societies and democracy.

Thank you for taking the time to read this letter and for your continued support, which is a driving force in making MTG better. In over 20 years that I have dedicated to MTG, I have never seen so many opportunities in front of us, and that is really exciting.

Jørgen Madsen Lindemann

#wearemtg

Sustainable Development Goals

To contribute and create better value for all our stakeholders, we committed ourselves to the United Nations Sustainable Development Goal (SDG) 5, Gender Equality, in 2016 and decided to extend our commitment to other SDGs in 2017. We added SDG 3, Healthy Lives and Well-Being, SDG 4, Quality Education, SDG 7, Energy Efficiency, SDG 10, Reduced Inequalities, SDG 13, Climate action, SDG 16, Peace and Justice, and SDG 17, Partnership for the Goals.

We have carefully chosen the SDGs that are the most relevant to our strategy and our values as well as where we can contribute the most to the Agenda 2030.

Below we illustrate how we, in our different roles – as an employer, global digital entertainer and corporate citizen – impact our people, audiences and society.

	 Our impact on Individuals	 Our impact on Society	 Our impact on the Environment
 Our role as an Employer	 Providing initiatives that enhance employees' emotional and physical well-being while fostering an open, inclusive and diverse culture.	 Attracting and developing an equal, diverse and inclusive workforce that reflects and enriches the societies in which we work and live.	 Fostering a culture of environmental awareness and responsibility.
 Our role as a Global Digital Entertainer	 Empowering our audiences with media literacy skills and ensuring access to content for customers with disabilities.	 Creating engaging content that fosters discussions and actions to address some of the world's most critical issues, while operating as an ethical and accountable business.	 Improving the environmental awareness of our audiences.
 Our role as a Corporate Citizen	 Driving education and reducing inequalities through our content and partnerships.	 Enabling and influencing organisations that aim to make a positive impact on societies.	 Enabling environmental education and awareness through partnerships.

The Changing Roles of Media Companies

In today's world, mobile and connected means global. It also means power – the power to instantly reach a switched-on and empowered network of users.

Accessibility is a distinctive feature of the Fourth Industrial Revolution that brings all of us together to tackle universal humanitarian issues and innovate through sharing ideas. Media and entertainment are right at the centre of this digital revolution, both as its driving force and an industry influenced the most by technological changes. Tools that not long ago were media companies' prerogative and gave them the ultimate power to shape views and beliefs through creating and distributing content, are now in the hands of millions of individuals worldwide. It's an empowering opportunity, but it also poses a question whether we as a society have a robust regulatory framework to use these tools for greater good.

Ability to continuously adapt is not only a challenge for media businesses, but also for governments. Being mobile and connected enables citizens of the world to engage directly with opinion leaders, rather than institutions and its representatives, and challenge the notion of local and global when making important political, economical and environmental decisions. Social media plays an important role in promoting our democratic rights, but it also creates a segregated environment that can be misused by those with significant capital.

We've talked to experts in social media, politics, media law and corporate responsibility from around the world to explore what, or who, is shaping the future of media.

Watch *That's Entertainment!* - Digital transformation, trust and influence in the new media landscape on our official YouTube channel at www.youtube.com/MTGModernTimesGroup under Corporate Responsibility playlist.



Alex Krasodonski-Jones
Digital Researcher, CASM, Demos



Clara Henry
Youtuber, Comedian, TV Presenter and Author



Dunja Mijatovic
International Human Rights Expert, former OSCE Representative on Freedom of the Media



Mauro Silva
SVP, Head of Brand and Corporate Responsibility, Modern Times Group MTG

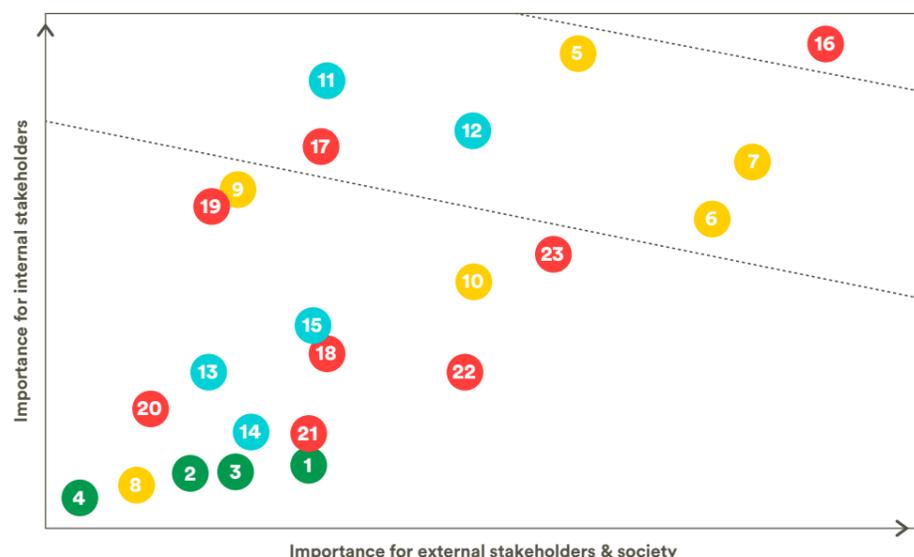


Helen Margetts
Director and Professor of Society and the Internet, Oxford Internet Institute, University of Oxford

CR Strategy and Materiality

MTG's vision is to shape the future of responsible entertainment. This vision is reflected in our Corporate Responsibility (CR) strategy, which consists of four focus areas – Media Responsibility, Social Impact, Business Ethics and Environmental Care.

At MTG, CR is closely integrated with our business strategy, values and culture. To ensure we focus on the most relevant and impactful topics, we regularly review our CR priorities with our stakeholders. These findings form the foundation of our CR strategy and are used to define the key focus areas as illustrated by the materiality matrix. We have continued to work with our current materiality analysis during 2017, but as our digital transformation continues and we focus on the integration of our digital ventures businesses, we consider it essential to conduct a new analysis during 2018. The aim of the new analysis will be to identify the material issues of our digital ventures and aligning them with our goals, targets and strategy going forward.



*White line (low) – Boundary for topics which are considered base topics.
 White line (high) boundary for topics considered focus topics for engagement. Reference point of the most important topic: number 16 (content quality).
 **Numbering for reference in the graph is not in order of importance.

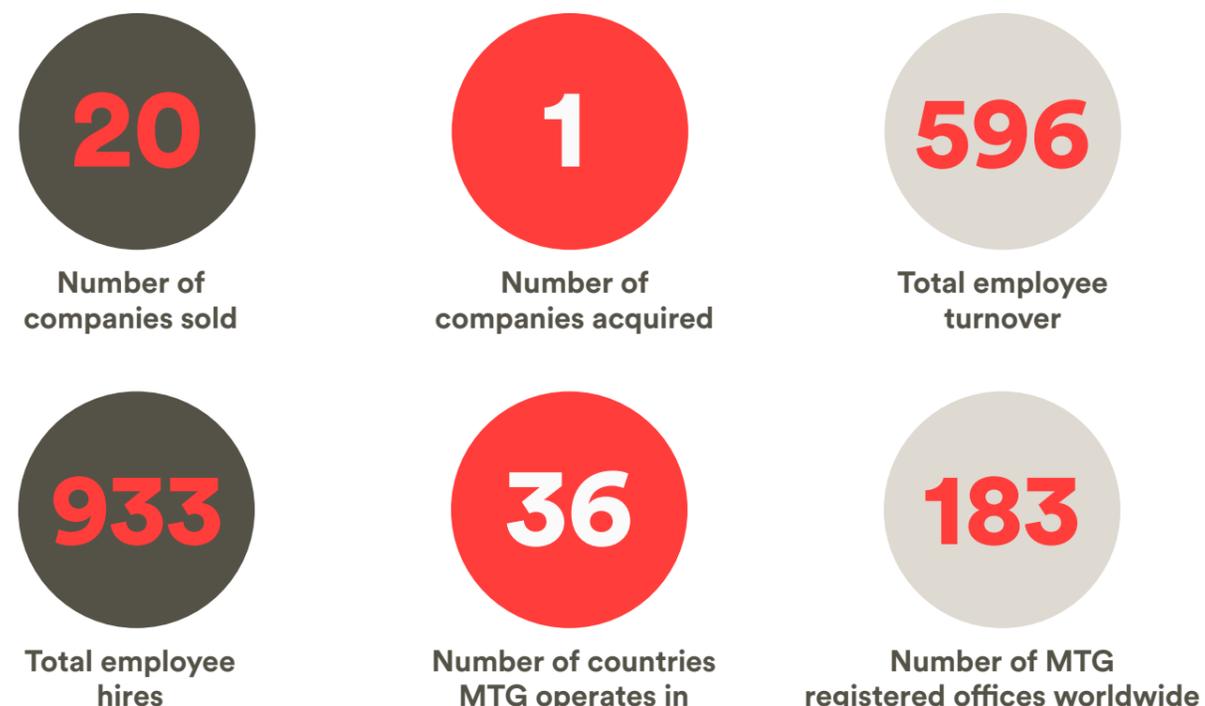
MTG's four focus areas:

<p>Environmental Care</p> <ul style="list-style-type: none"> 1 Reduce energy consumption 2 Reduce carbon emissions 3 Environmental management 4 Care for responsible management of e-waste 	<p>Social Impact</p> <ul style="list-style-type: none"> 5 Ensure and promote equality and diversity for employees 6 Health, safety and security for employees 7 Fair and decent working conditions 8 Safe and sound environment 9 Community engagement 10 Valuing creativity 	<p>Business Ethics</p> <ul style="list-style-type: none"> 11 Effective anti-corruption management 12 Data protection and privacy 13 Ensure a sustainable supply chain 14 Safeguarding intellectual property rights 15 Combat digital fraud issues 	<p>Media Responsibility</p> <ul style="list-style-type: none"> 16 Content quality 17 Child and minor online protection 18 Awareness of the impact of content 19 Responsible advertising 20 Editorial independence 21 Freedom of expression 22 Content accessibility 23 Transparent and credible dialogue and information
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MTG Overview

MTG is a leading international digital entertainment group and we are shaping the future of entertainment by connecting consumers with the content that they love in as many ways as possible. Our brands span free-tv and pay-TV, radio and next generation entertainment experiences in esports, digital video content and online gaming. We don't have any banned products in our markets. Born in Sweden, our shares are listed on Nasdaq Stockholm and MTG's headquarters is located in Stockholm.

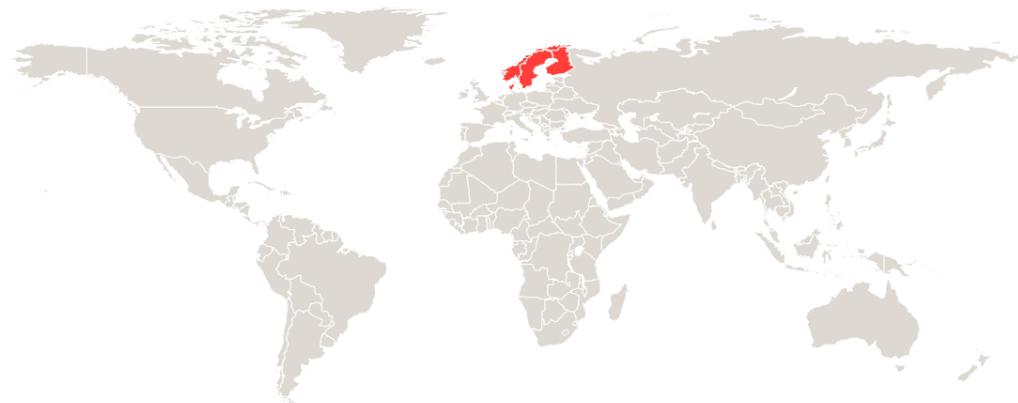
Key figures 2017:



Net sales and financial position	2015	2016	2017
Net sales (MSEK)	16,218	17,299	17,537
Operating income before items			
Affecting comparability (MSEK)	1,268	1,347	1,263
Basic earnings per share	3.22	-3	18.73
Average number of employees	3,995	3,805	3,280
Financial position			
Shareholders' equity	4,768	5,0166	,572
Long-term liabilities	3,305	3,794	2,648
Short-term liabilities	8,425	8,888	10,066
Total shareholders' equity and liabilities	16,497	17,699	19,285

MTG Overview

Nordic Entertainment



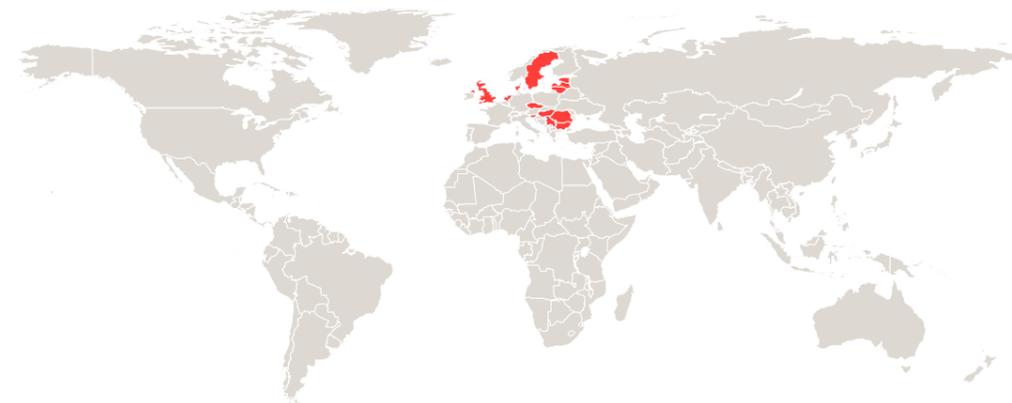
Free-TV		Subscription-TV		Radio
Denmark TV3 TV3+ TV3 PULS TV3MAX TV3 Sport Viafree	Norway TV3 Viasat4 TV6 Viafree Sweden TV3 TV6 TV8 TV10 Viafree	Denmark Viasat Viaplay Viasat Sport Viasat Film Viasat Series Viasat Golf Viasat Ultra HD Viasat Xtra esportsTV	Norway Viasat Viaplay Viasport + Viasport 1 Viasport 2 Viasport 3 Viasat Golf Viasat Ultra HD Viasat Film esportsTV HD	Norway P4 Hele Norge Sweden RIX FM Bandit Rock Lugna Favoriter Power Hit Radio Star FM I LIKE RADIO
Finland Viafree	Finland Viasat Viaplay Viasat Sport Viasat Sport Premium Viasat Fotball Viasat Hockey Viasat Golf Viasat URHEILU HD Viasat JÄÄKAPALLO HD Viasat JÄÄKIEKKO HD Viasat Ultra HD Viasat Xtra Viasat Film esportsTV	Sweden Viasat Viaplay Viasat Sport Viasat Sport HD Viasat Sport Premium Viasat Fotboll Viasat Hockey Viasat Motor Viasat Golf Viasat Xtra Viasat Ultra HD Viasat Film Viasat Series esportsTV		

International Entertainment



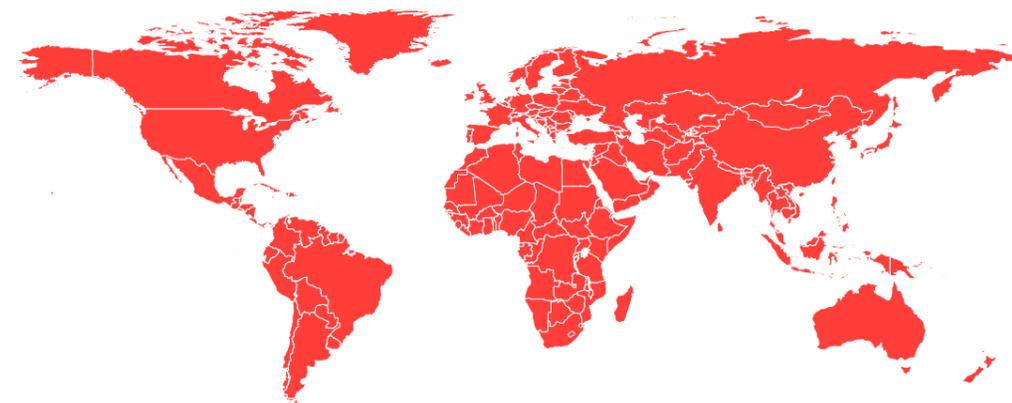
Free-TV	Subscription-TV	Radio
Bulgaria Nova Kino Nova Diema Diema Family Nova Sport	Bulgaria Diema Sport Diema Sport 2	Bulgaria Radio Nova News

MTG Studios

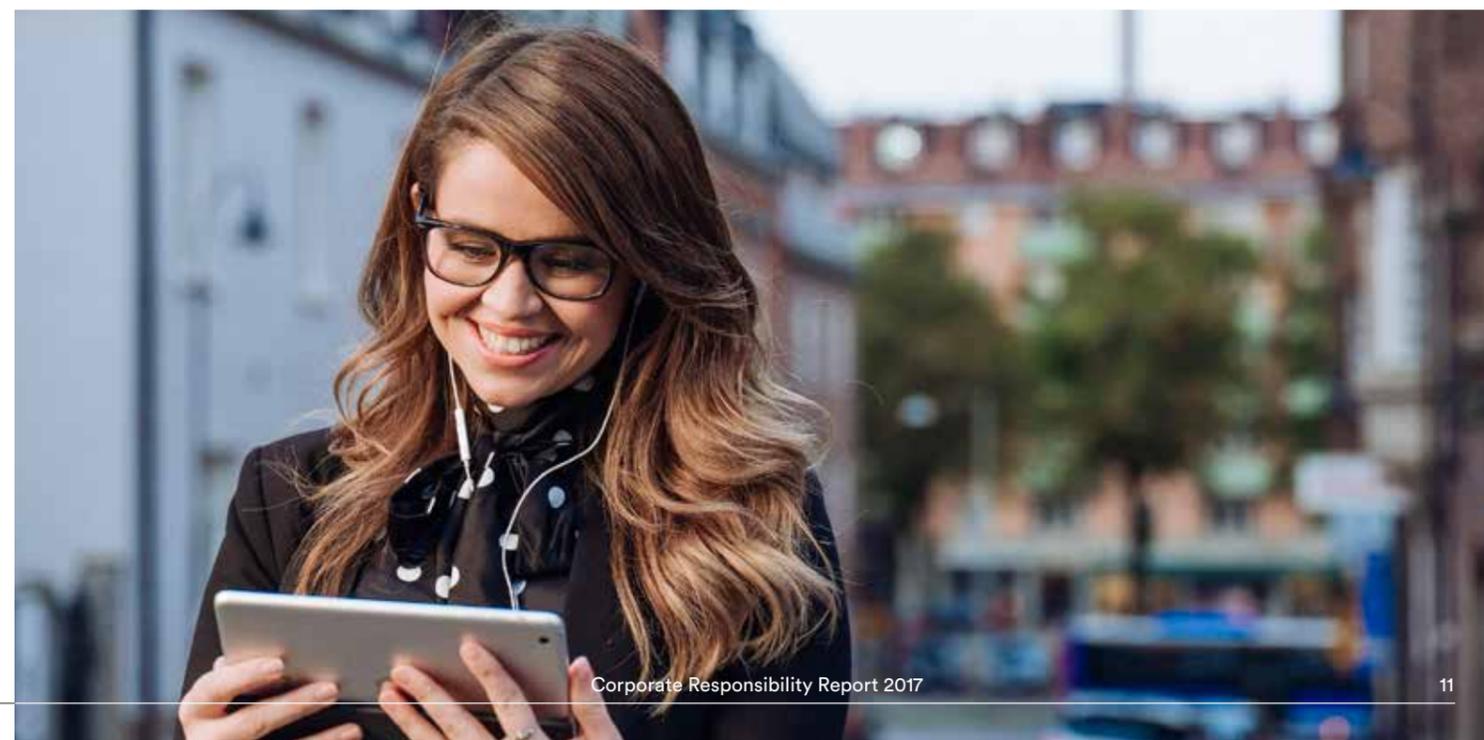


Nice Entertainment Group	MTG Studios
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MTGx Digital Ventures



Esports	Digital Video Content	Online Gaming
DreamHack (HQ in Sweden) ESL (HQ in Germany)	Splay Networks (HQ in Sweden) Zoomin.TV (HQ in the Netherlands) Engage Digital Partners (HQ in the UK)	InnoGames (HQ in Germany) Kongregate (HQ in the US)





Media Responsibility

Overview

Our ambition is to use the power of media to make a positive difference. We strive to provide content that is both entertaining and educational, and which reflects the complex and diverse world in which we all live. We believe editorial independence and freedom of expression are essential – both for producing engaging content, and for a free and open society. We aim to empower our audiences with media literacy skills, and to offer differently abled viewers the opportunity to enjoy our content. We are committed to offering children and minors a safe and fun experience at all times. We follow all applicable broadcasting rules and regulations, while providing parents with flexible, effective tools.

As part of our ongoing digital transformation, we have entered the esports and online gaming industries. We are aligning our corporate responsibility efforts to ensure that children and minors who play games on our platforms, or attend our tournaments and festivals, always stay protected in the same way as when they enjoy our broadcasting or streaming services.

Sustainable Development Goals



Diversity on both sides of the camera

We welcome gender, age and ethnic diversity among our directors, writers and cast



Accessible content



We create content in local languages, and make international content accessible through subtitling and dubbing



Engaged, not outraged!



We play by the rules and put broadcast-safe content on our TV channels



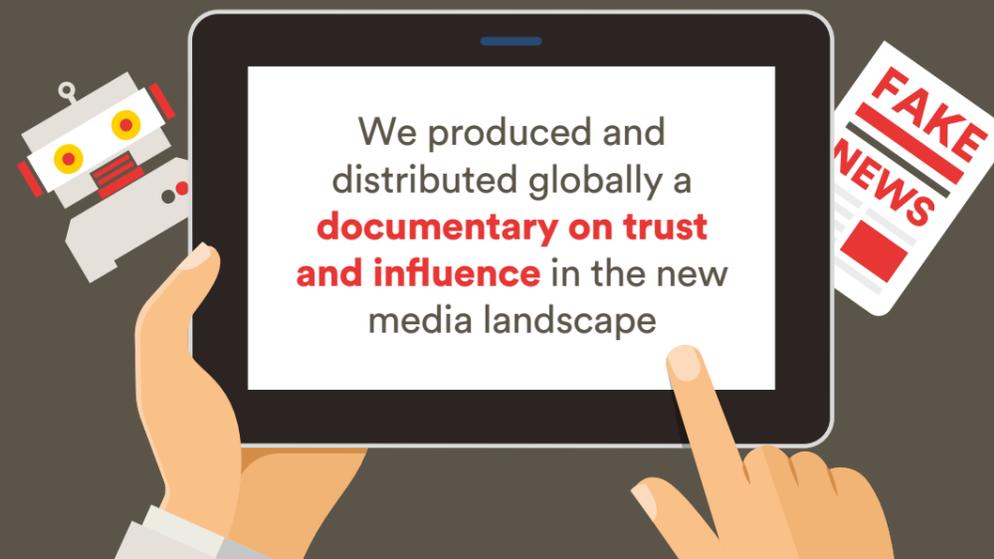
Media Responsibility

Award-winning original content

Viaplay original 'The Great Escape' was awarded with Children's Programme of the Year at **Kristallen awards**



Media literacy



Safe environment for young viewers

We offer parental control tools on our video on demand platform



Camilla Rydbacken
Head of Program

Malin Lancha
Head of Production



Responsible Content Production

“

My job is to make sure our programmes entertain, inform and touch as many people as possible

- Camilla Rydbacken

”

Do we integrate specific values into our free-TV content?

Camilla: Turn on TV3 (or any of our free-TV channels), and you'll see everything from young parents and secret admirers to big-bearded roadside assistance workers in northern Sweden. There's a reason for that.

We're in the storytelling business, and my job as Head of Program is to make sure our programmes entertain, inform and touch as many people as possible. MTG's free-TV channels reach viewers of all ages, backgrounds and lifestyles across Denmark, Sweden and Norway. And because our audience is so diverse, so is our content. We want to relate to people's lives. Storytelling works best when it resonates with viewers and reflects who they are (or aspire to be).

How does our production process work?

Malin: MTG owns Nice Entertainment Group, which includes 31 companies in 17 countries, and we work closely both with them and a wide range of independent partners to pitch ideas, develop concepts and deliver shows. In 2017, 11% of MTG's free-TV content was locally produced, which as Head of Production makes me happy!

At all stages of the process, we clearly communicate our expectations. Before filming starts, MTG and the production company sign a legal agreement detailing what will be delivered, including content, cast and messaging. During production, we're often present on set. And afterwards, we review all content and give final approval, sometimes in cooperation with our Broadcast Compliance team if we need extra eyes on something.

An independent partner audited our productions in 2017. What were the main findings?

Malin: The audit covered three suppliers and three of MTG's own productions. It identified three focus areas – the distribution of our Code of Conduct to production companies; availability of health and safety information on set; and the integration of corporate responsibility into our content.

How are we addressing these areas?

Malin: From autumn 2017, we include MTG's Code of Conduct in all production companies' agreements, and the Code is an agenda item at every start-up meeting for a new project. On health and safety, our executive producers are engaging with the production companies to ensure everybody's always informed of the requirements. And responsible content is a priority, as shown by our emphasis on diversity and plurality.

Of course, these areas have always been extremely important for us. Now we're taking the opportunity to capture this commitment in an even more structured and documented way.

Which free-TV show had the most positive impact in 2017?

Camilla: On 14 November, MTG produced Sweden's first ever TV gala focused on diabetes. It's another example of how we're focused on our audiences' lives – today, diabetes affects 450,000 people in Sweden and hundreds of millions around the globe. Some of the biggest names in Swedish entertainment joined us to make it happen. Together, we reached 400,000 viewers, raised over SEK 5 million and told so many great stories.



Cristina Stenbeck at Diabetes Gala

“

Responsible content is a priority, as shown by our emphasis on diversity and plurality

- Malin Lancha

”



Nathalie Bylund

Content Executive Series & Kids at Viaplay

Jessica Berglund

Product Manager at Viaplay



Responsible Online Content

There's such a wide range of content on Viaplay today – but how do we choose it?

Nathalie: We don't have one audience – we have tens

of thousands of audiences. Our customer community is broader than ever before, so we want to offer everybody moments that matter. As a Viaplay content executive with a remit covering content for both adults and kids, that's where I come in.

We talk to our customers through surveys, user testing and home studies to understand what they want (and don't want) to see. We aim to entertain, but also to challenge and start conversations. And for kids, Viaplay should always be a fun and safe experience.

For kids content, do we aim to balance entertainment with education?

Nathalie: The best kids content is both educational and fun – we know this because kids told us so! Our surveys show children want to learn when they watch. For them, learning is about exploring, interacting and seeing new things, as well as information. It's important for them – and of course for their parents –

which makes it important for us too. We view this as an opportunity to have a positive impact through responsible content.

What else does responsible content include – for children and adults?

Nathalie: For kids, it's vital to be presented with good examples – how to treat others, how to respond to new situations and so on – in an engaging way. In general, we're very aware that media can influence viewers of all ages. That doesn't mean we never offer adults edgy material – on the contrary, we embrace responsible freedom of expression. But it does mean we're committed to showing different perspectives, to portraying men and women equally, and to reflecting the complex world in which we all live. Series such as 'Empire', 'The Good Wife' and 'Transparent' are all good examples of this.

Do we integrate responsibility into our platforms as well as our content?

Jessica: That's what I work with every day. I'm a Viaplay product manager and regularly talk to our users about where to take the platform next.

We've had parental settings for some time – parents can set the kids section as the default Viaplay homepage and control access via a pin code (think of it as helping out parents rather than locking out their kids). Now we're integrating the findings of our latest research project into our product strategy. The big change is that parents today are more interested in knowing what their kids are watching (and for how long), rather than in controlling it in advance. Parents feel safer when their children use Viaplay rather than other streaming services. They also have a bigger need to be informed about their children's viewing habits rather than controlling the sessions.

What were the other major findings of this research?

Jessica: The research project was completed in December 2017 and covered 3,300 survey respondents, split equally between the four Nordic

countries and Viaplay customers and non-customers. Parents answered half the questions and then interviewed their kids (aged 2 to 15 years) for the rest. We learnt that 1) Viaplay is used by kids of all ages, and we need to cater to their specific needs: what works for an eight-year-old might not suit a two-year-old; 2) half of parents sometimes feel guilty about their kids' streaming usage, primarily because of the inactivity involved; and 3) parents whose kids use Viaplay trust us more than any other streaming service. They see us as responsible and that's a great acknowledgement of our efforts in this area.

What's the latest on Viaplay's kids originals?

Nathalie: In September 2017, our first kids original, 'The Great Escape', was named Children's Program of the Year at Sweden's Kristallen TV awards – the first time a streaming service won this prestigious prize. The December 2017 survey shows that science experiments are the most popular content category for both boys and girls, so the theme of 'The Great Escape' is spot on.

Jessica: We released 'Peppy Pals' in September 2017.

It started as an app from a company supported by Reach for Change, and the idea is to help smaller children develop their emotional intelligence. The language and scenarios have been developed together with child psychologists, and everything is presented in such an appealing and heart-warming way. Content doesn't get much more responsible than a series about considering other people's feelings and being a good friend. I think everybody should start the day with a 'Peppy Pals' episode!

“
We aim to entertain, but also to challenge and start conversations

- Nathalie Bylund

“
Parents whose kids use Viaplay trust us more than any other streaming service

- Jessica Berglund



Sara Breitholtz
Broadcast Compliance Advisor

Broadcast Compliance

What does a typical day in broadcast compliance look like?

At MTG, we want all our broadcasts to maintain the highest standards. Both our viewers and the regulators expect this too, so we do our very best to keep everybody happy. The majority of MTG's broadcast licenses are held in the UK, where Ofcom sets out clear rules about important issues such as programme content, sponsorship, product placement, fairness and privacy. A typical day for the broadcast compliance team focuses on pre-screening our broadcasts (including commercials and trailers) to ensure we're always following these requirements. This gives us the opportunity to fix any potential issues in a proactive way. I like the variety and the responsibility, and the opportunity to use my language skills in Swedish, Norwegian and English. There's also a problem-solving dimension that I particularly enjoy.

What kind of problems do you solve?

We cooperate closely with many MTG departments, including production, sales and MTG Creative, to make sure we meet our responsibilities in everything we broadcast. That's often quite a balancing act – for example, if we're integrating a commercial product into a programme, we want the advertiser to get value for money while respecting Ofcom's product placement rules. I'm happy to say that we had zero complaints about sponsorship in 2017.

Did we receive any complaints during 2017?

In 2017, MTG received a total of 49 broadcast complaints, one fewer than in 2016. Of these, 11 related to minors. For our Ofcom licensed services, we had 19 programme content complaints in 2017, compared with nine complaints in 2016. No complaints about MTG were upheld by Ofcom, with one decision still pending at the end of 2017.

Viewers can choose to contact us or the relevant regulator at any time. Complaints made to regulators in the Nordic region about MTG's broadcasts are forwarded to Ofcom in the UK, who assess every complaint they receive to determine whether a breach has occurred.

Do we help our viewers make informed decisions about what to watch?

We always carry on-screen warnings beforehand if a programme or film contains potentially offensive material. If we feel there's a need for additional guidance, we add that to the continuity voice-over before the broadcast starts. On Viaplay, we include

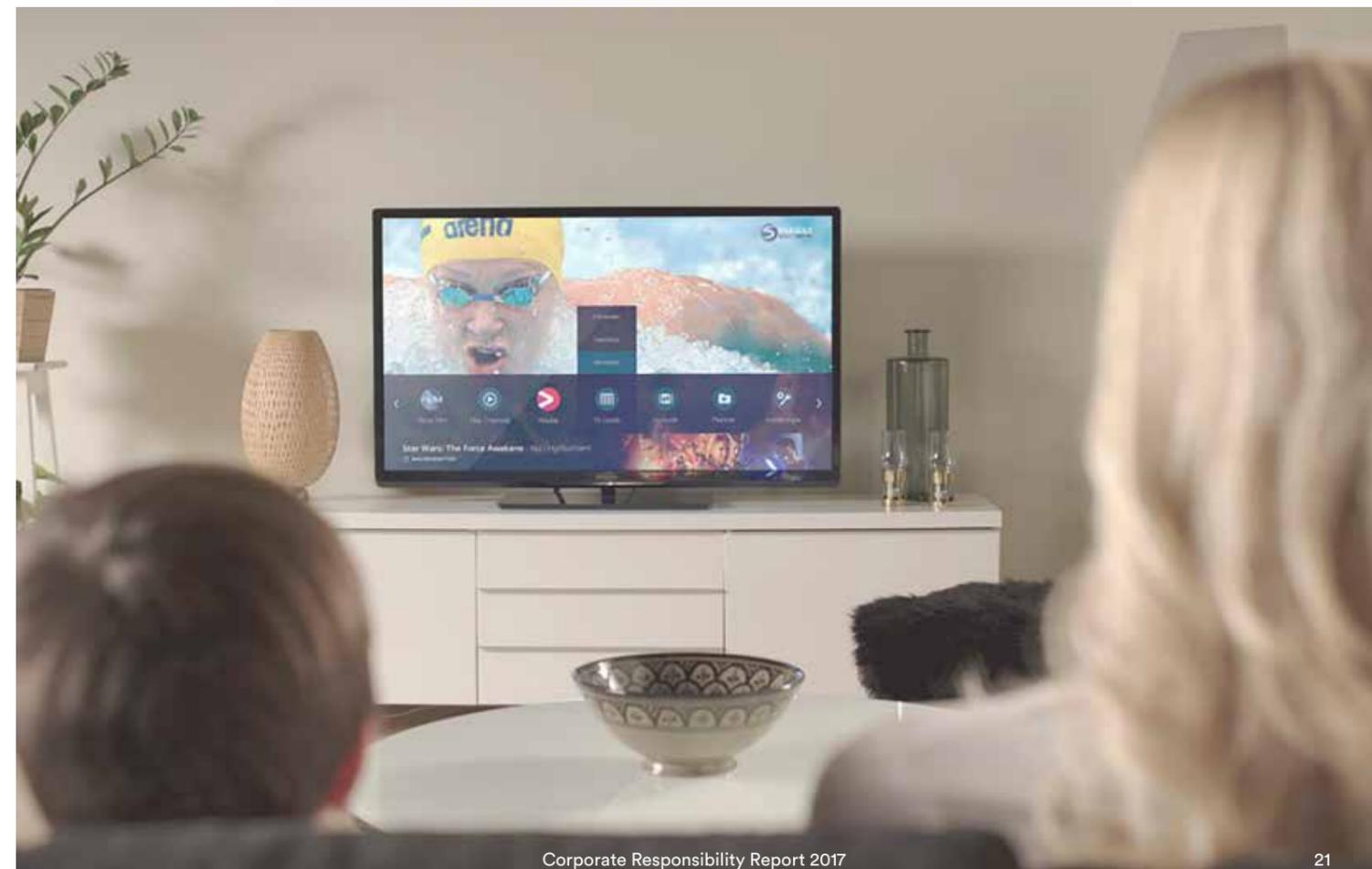
age rating information for all content. In this context, it's important to note that no adult content has been shown on our pay-TV channels since April 2017, and from May 2018 no third-party adult channels will be available either.

How are we making our content more accessible?

Ofcom requires us to broadcast a certain amount of content with audio descriptions (8%) and subtitles (40%). In 2017, we exceeded these targets in both areas, with 15% and 89% respectively. We're aiming even higher this year, such as introducing sign language captioning to our channels for the first time.

We cooperate closely with many MTG departments to make sure we meet our responsibilities in everything we broadcast

This year, we introduced sign language captioning to our channels for the first time





Julia Smetana

Head of European Regulatory Affairs in Group Legal

Future of Broadcasting

Julia, from an MTG perspective, what was the most important regulatory development in 2017?

Our Viaplay customers will directly benefit from the Portability Regulation, agreed upon by the European Union in February 2017. This will enable streaming service subscribers to access their favourite films, series and sports when travelling in Europe. We welcome this legislation, since it benefits consumers while preserving the principle of exclusive territorial licensing, which is crucial for MTG's ability to invest in great services and content.

What's the latest on the Audiovisual Media Services Directive?

This directive, which governs EU-wide coordination of national legislation on TV broadcasts and on-demand services, is still under review. Unfortunately, we're seeing two trends in this process that we believe could negatively impact our customers and business.

Firstly, the Country of Origin Principle, which increases consumer choice and media pluralism by enabling broadcasting across borders in Europe, could be weakened. Secondly, even though broadcasters are asking for less regulation to compete with global platforms, things seem to be moving in the opposite direction. Everyone benefits from a competitive European media sector, and we're engaging with policy makers to help shape the discussions accordingly.

MTG offers next generation entertainment experiences in esports, online gaming and digital video networks. How are regulators looking at these types of business?

These may be relatively new areas, but they're definitely on the European agenda – especially esports. Minor protection is always in focus for regulators across all forms of media, and both the content and format of esports productions have come under increasing scrutiny during 2017.

We share this commitment to ensuring a safe experience for viewers of all ages. In addition, MTG's esports businesses ESL and DreamHack are members of the Esports Integrity Coalition (ESIC), an industry body that addresses cheating, doping and fraud in professional gaming. Overall, our view is that specific regulation is not required at the moment, and that esports can benefit from some space to keep innovating and fulfill its potential to become the next global entertainment phenomenon.

As more digital offerings go global, how does that affect the regulatory landscape?

I think everyone wants to find a satisfactory answer to that question. There's already a growing sense that every platform should be held to the same standards of accountability and responsibility, but it remains to be seen if this requires new legislation or simply a rethink of how we apply the current rules. MTG's view here is very clear – when everyone competes on a playing field, consumers and businesses all win.

Every platform should be held to the same standards of accountability & responsibility

Minor protection is always in focus across all forms of media





Social Impact

Overview

We believe our success lies with our people. We are dedicated to diversifying both our workforce and audience, and we promote equal opportunities and inclusion for everyone – regardless of gender, age, nationality, race, religion or political opinion. If something isn't what it should be, we empower our employees to speak up. We are committed to providing a safe, healthy, dynamic and fun working environment that makes our people proud to be part of MTG.

Sustainable Development Goals



Open and diverse

MTG's teams represent
59 nationalities

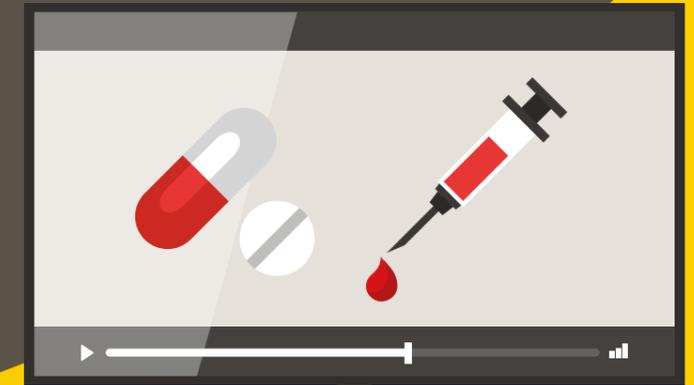


Girls Day

InnoGames encourage girls to find their talent in games development



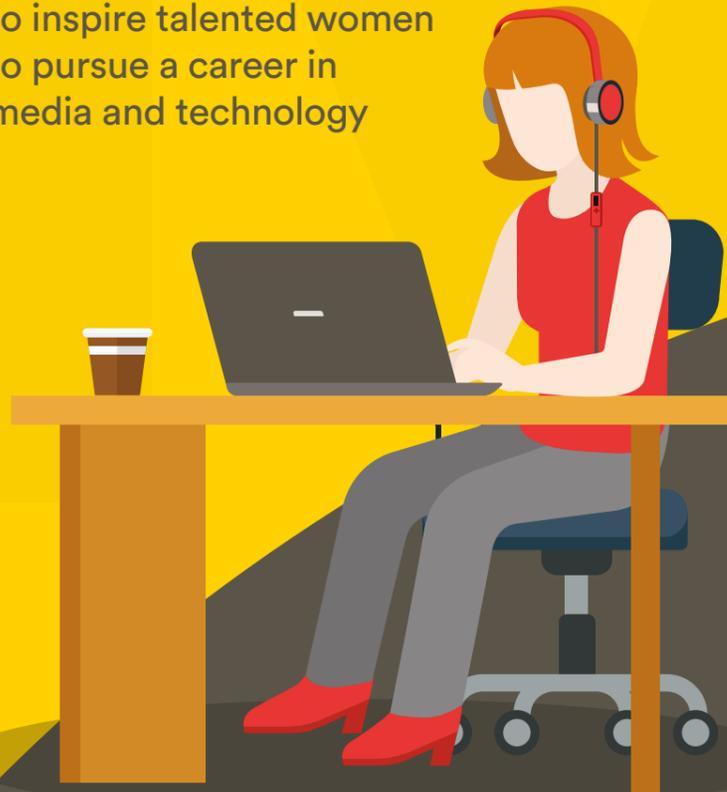
Diabetes Gala



MTG Sweden raises awareness about important issues through TV and online content

Women in Tech

We supported #WITsthlm2017 to inspire talented women to pursue a career in media and technology



MTG Social Impact



Pink Month & Pink Concert

Extra Life

Kongregate brings gamers together in a **24 hour** gaming marathon to support Children's Miracle Network Hospitals

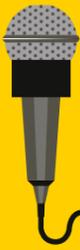


Power Hit Radio educates listeners on life-changing matters, like cancer



Jennie Jacobs
Head of Human Resources UK

Andreas Karlsson
Lead Recruiter



#weareMTG

Jennie: MTG conducts an employee survey every year. Why?

Our employee survey is an opportunity for us to say what's working well (and what can be improved) at MTG. It complements the conversations that take place across the organization throughout the year, and it's a great way to get a holistic view of what's on people's minds and to make sure we're setting the right priorities.

All responses are confidential, and the survey is managed by an independent partner. In 2017, we were able to benchmark MTG's results against our external peers for the first time. This benchmark includes 500,000 responses over 200 organisations, both in the Nordic region and internationally, and helps us put our figures in a meaningful context.

What were the 2017 survey highlights?

The energy and commitment of MTG's people comes through very clearly. Of all our employees, 84% think it's fun to go to work, 88% are proud to be at MTG and an amazing

94% say they are willing to make an extra effort to make us more successful. It's a similar story when it comes to leadership, where we outperformed the benchmark. The survey divides leadership into several sub-categories, and amongst other questions asks employees whether they feel respected by their manager. We scored highly on this specific question, which reflects well on the working environment and culture at MTG.

The survey response rate was 87% for the Nordic businesses and 76% for MTG overall. This gives extra weight to the results and underlines that we have a lot to be proud of together.

Where do we need to improve most?

The survey shows that we can do even more in terms of diversity and internal mobility. MTG's Human Resources teams already have ongoing initiatives in both these areas and we're committed to making further progress in 2018. In addition, I see the need for clarity as a key theme in the survey responses. The media

industry is continuously changing, and MTG is on a very exciting journey to become a global digital entertainer. It's important that everyone at our company knows how their day to day activities support MTG's strategy and drive the performance of the business.

How will we achieve this?

I think continuous dialogue, especially at the local level, is the key. Regular discussion between managers and employees, whether it's team meetings, one-on-one catch-ups or just taking a coffee together, can help us connect our roles to the big picture. That's how we can fully harness the incredible energy of the people at MTG – and the best thing is that we can do it any time of the year.

When it comes to leadership, we outperformed the benchmark

Andreas, what attracts people to MTG?

As the lead recruiter for MTG in Sweden, I meet people every day who are really excited about the idea of working with us. Many talents see us as a company that shares their ambition and entrepreneurial spirit, and they perceive MTG as a leader. Visible, innovative brands like DreamHack and Viaplay play a big part in that. Everybody knows the media business is transforming fast, and companies that embrace this change, like MTG, are the places people aspire to be.

Could we become more attractive?

Employer branding is a big focus for us. We want even more people to know that this is a great company. You can really feel our values – smart, bold, fun and engaging – in the atmosphere here, and we have a culture that's both dynamic and supportive. That's reflected in everything from our internal mobility policy (in Sweden and Finland, 28% of recruitment in 2017 were made internally) to our commitment to a healthy work-life balance. I also think MTG can become an even more diverse workplace. We're making progress – our gender split at recruit-

ment is almost equal today, for example – but we can do more. There's so much evidence to show that teams who mix genders, backgrounds and ages are more creative, sustainable and successful. That's better for our business, and much more fun, too!

Which practical steps are we taking to increase diversity?

We're now posting most of our job ads in English, and we've also refined the way we write them to make sure we're engaging a diverse and global audience. A good ad creates interest and gives you reasons to apply, rather than putting up barriers. In addition, we use third-party tools that assess candidates' problem-solving capabilities, personal strengths and other relevant factors. It's an insightful complement to the information we get from a resumé, and of course from face-to-face interviews, and helps us ensure we're always recruiting solely on talent and potential.

What's the aim of our management trainee program?

Our management trainees spend 12 months working closely with MTG's senior

management on a wide range of strategic projects. It's an opportunity to learn about our business in a very intense, hands-on way, and many trainees go on to successful careers with us. We had nine trainees in 2017, and the number of applications we received, coming from all over the world, exceeded our expectations for the 2018 program.

Why are people so important to the success of MTG?

Our people are our company – #wearemtg! Businesses come alive when employees thrive, and I think MTG is very good at giving everyone a mandate to explore, innovate and push boundaries. We all have a role to play. That's what attracted me to the company two years ago, and it's great that so many people want to be part of it today.

MTG is very good at giving everyone a mandate to explore, innovate and push boundaries



Sophie Gratadou
Global Mobility & Diversity
Manager

Diversity & Equality

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Diverse companies have been shown to be more creative, innovative & competitive

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Sophie, what's it like to be MTG's first ever global mobility and diversity manager?

I joined MTG in March 2017 and it's been a fantastic experience so far. MTG is an international company with people from so many different backgrounds, so working with mobility and diversity gives me an opportunity to make a direct impact on our business. From day one I've been given a lot of responsibility to drive activities and to challenge our ways of thinking.

Why is diversity so important for our business?

Diverse companies have been shown to be more creative, innovative and competitive than other companies. That means we aim to understand, respect and value each other's differences, and that we're committed to equal opportunities for everyone. When it comes to recruitment, promotion and training at MTG, what counts is competence, experience

and performance. It's about being the most successful business – and the best workplace – we can be.

How diverse is MTG today – and what are our targets for the future?

Today, 59 nationalities are represented at MTG, and our recruitment gender split is 48% women and 52% men in Sweden and Finland. However, we're less diverse at the management and executive levels. Overall at MTG 32% of new hires are women and 68% are men.

Our diversity work is currently focused on three priorities. Firstly, we've set the target of a 50/50 gender split in our executive team by 2020. Secondly, we want to increase female representation in the media and tech industries. And in general, we're looking to broaden the scope of diversity at MTG, particularly when it comes to inclusion. After all, even if you have diverse and equal teams, you can't trigger the benefits of diversity if people don't feel included.

Which actions are we taking to reach these targets?

In 2017, MTG's Human Resources department in Sweden commissioned a report on gender diversity from McKinsey, who presented their findings to the MTG Sweden management team. This research then formed the basis for a workshop where our Human Resources leaders from Scandinavia and the UK came together with MTG's Corporate Responsibility team to develop a gender bias training. I'm now localising this training and delivering it across the company -

by the end of 2017, we'd already reached a total of 41 people. At the same time, we're reinforcing our engagement in industry events such as Women in Tech, which sold out in seven minutes in 2017 and which we will sponsor again this year.

How does the gender bias training work?

The training starts by introducing diversity and why it's important, and then explores

the effects of unconscious bias. The aim is to encourage participants to reflect on how they make decisions, in relation to others and to themselves, and the feedback has been very positive. There's one thing in particular that often surprises people. We show a ripple effect simulation that reveals how even the smallest action can have positive consequences. It's something I think about in my own work too – if that's the power of small actions, just imagine what big ones can do for our business and our people.

In 2017, we supported the Women in Tech event in Stockholm for the fourth consecutive year





Veronica Sjöstrand

VP Human Resources,
MTG Sweden

#metoo

Veronica, what's the most rewarding aspect of working with human resources at MTG?

I think it's the fact that human resources themes are so high on the agenda across the whole organization. I work with MTG in Sweden and Finland, along with Splay and DreamHack, and I have a remit to create a more integrated environment where we share resources, policies and cultures (while respecting the diversity of our companies, of course). Our managers are very supportive and that allows us to be ambitious. I love having this opportunity to build something that benefits our employees and business so directly.

Why is the ongoing #metoo movement so significant?

For too long, some people in the media industry (and elsewhere) have had the power

to treat other people badly, simply because of a culture of silence. When that silence is broken, so is the power. That's what makes #metoo important, and I hope it leads to long term change for the better. Today, we can have more open discussions about sexual harassment in particular and bullying in general – both at an industry level and as an employer too.

How has #metoo impacted MTG?

First, it's vital to emphasize that MTG has a Code of Conduct that all employees are required to read and sign. We always investigate any reported violations of this Code, with support from external partners if necessary. In 2017, there were no investi-

gations related to sexual harassment at MTG. During the year, we conducted two larger investigations into claims of bullying. As a result of these investigations, we chose not to renew the contract of one individual and issued a written reprimand to another.

How will we do better in the future?

In addition to MTG's Code of Conduct, we have a local policy in Sweden relating to victimization. We conduct mandatory training for all managers in Sweden that covers both documents, and we're now extending this training to everyone employed by MTG in Sweden. By the end of 2017, we'd already trained 45% of our managers and the feedback has been really positive – in particular, people tell us they understand

Leadership by example is essential in creating an equal and respectful workplace

We're focused on improving our HR tools to support the continued success of MTG and its people

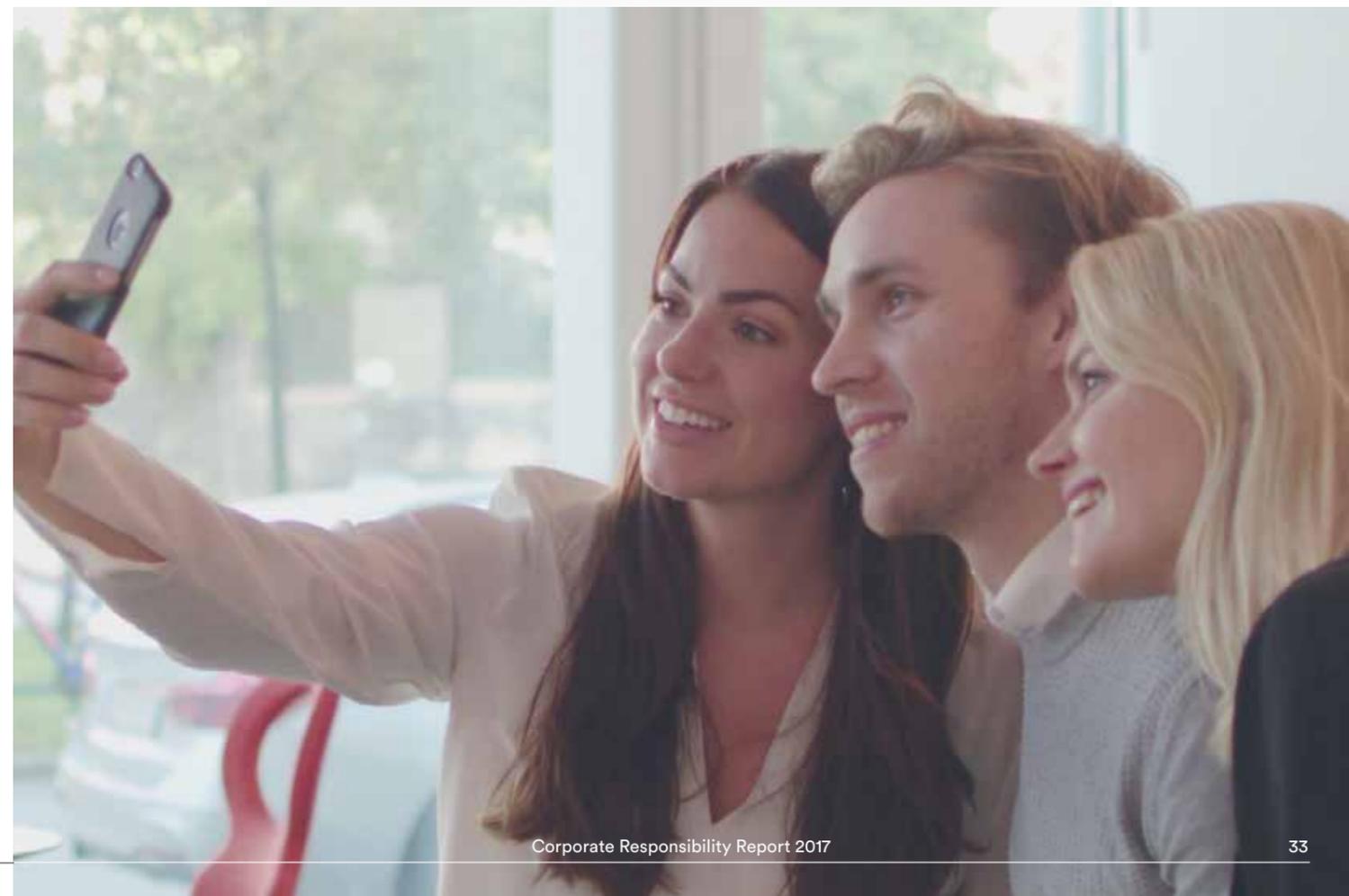
their responsibilities more clearly. We're aware that specific challenges can sometimes arise in production environments, so we've also renewed our Supplier Code of Conduct. This clearly sets out the high standards we expect from all our partners, who starting from November 2017 were required to sign the Code before starting work on any production. Overall, I think MTG's management teams have done a good job in communicating the importance of what we're doing here. Leadership by

example is essential in this context, and I'm happy to say that our management understands that in creating an equal and respectful workplace is not negotiable.

What are your other priorities for 2018?

We're focused on continuously improving our human resources tools and structures to support the continued success of MTG and our people. There's so much that's good about

our company, but we want to make MTG an even more innovative, stimulating and above all fun place to work – for all our employees.





Yvette Martinez
Chief Operating Officer,
ESL US

Women in Esports

“We need to do a better job in telling the stories of females competing, casting & managing teams”

Yvette, how did you get involved in the esports industry?

I came to ESL two years ago with over a decade’s experience from the tech sector, and I’ve never felt so excited about an industry’s potential! Millions of fans around the world, passionate employees and great young companies ready to take the next step – esports is everything I look for. My role is to bring structure and scale to ESL’s increasingly complex and dynamic business, and everybody has been incredibly supportive, even though I don’t have a gaming background.

How would you assess the current levels of female engagement in esports?

My view is that the landscape is nuanced. It’s great to see so many female streamers, some of whom are role models for millions of followers. In fact, women now account for 40% of gamers and that’s probably an underestimate, since many play under androgynous names online.

On the other hand, fewer than 15% of esports competitors and fans are female. Things are improving, but ESL, the industry and the community can all work harder to nurture diversity and bring those two numbers closer together. It’s a mistake to assume that women aren’t interested in watching, playing and attending esports events.

What is ESL doing to encourage more women into esports?

In 2015, we partnered with Intel to launch AnyKey, an advocacy organization dedicated to supporting diverse participation in esports. AnyKey focuses on research to build greater understanding of diversity challenges and on initiatives to address those challenges. One very visible example is the diversity and inclusion pledge that we ask everyone participating in ESL’s events – whether online or in person – to sign. At our biggest event of the year, Intel Extreme Masters Katowice 2017, we hosted an all-female tournament where the world’s best women’s

‘Counter-Strike’ teams battled for a USD \$30,000 prize pool. The action was so incredible we did it again in 2018, this time with USD \$50,000 on the line.

Are all-female tournaments more effective in promoting diversity than mixed tournaments?

With equal levels of investment and training, there’s no reason why women can’t compete directly against men. There’s no relevant physical difference that requires separate competitions. But for that to happen, I think we need to start much earlier – by teaching our daughters and the young women in our lives that competitive gaming is a positive activity, and by supporting their participation at the casual and amateur levels. We also need to do a better job telling the stories of females

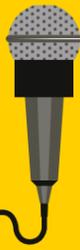
competing, casting, and managing teams and working in the industry.

How about ESL as a business?

We are proud that we have increased the representation of female employees in the US from 14% (2016) to 24% (2017). One simple but effective step was changing the way we advertise for new colleagues: we no longer post jobs for esports project managers, for instance, simply for project managers. Focusing purely on skillsets makes us a more accessible employer, as I’ve personally experienced. I may have a very relevant tech background, but just before coming to ESL I was COO of a luxury beauty start-up. That’s a very different world from esports – although helping ESL take our vision forward in an inclusive way has a beauty of its own too.

“We’ve increased the number of female employees in the US from 14% (2016) to 24% (2017)”





Julia Salomon
Product Manager Elvenar
at InnoGames



Thibaut Minguet
Head of Risk and Resilience

Women in Gaming

Julia, what's the idea behind 'Elvenar'?

'Elvenar' is a browser game with a fantasy theme. The aim is to build cities, develop strategies and interact with players on a big world map. We want to bring cool gaming experiences to a mainstream audience as well as our hardcore fans, and when creating 'Elvenar' we gave a lot of thought to designing visually attractive characters, and to ensuring the game is easy to play yet complex enough to hold your attention.

Who plays the game?

We expected a gender split of 75% male and 25% female, in line with our previous games. It's turned out to be 52% male and 48% female, and their behavior is really interesting – our players usually fall into one of four categories, and 61% of female 'Elvenar' players (by far the largest category) are 'Peaceful Explorers'. That means they're motivated more by socialising and immersion in the story than by action and competition. Of course, you can still play in a competitive way if that's what you enjoy!

Does InnoGames support female developers as well as female gamers?

Absolutely – my colleague Ulrike Kunkel and I are both Elvenar product managers and we have female colleagues in most areas of game development. We hope these numbers increase in the coming years, and we're working to accelerate this through initiatives such as the annual Girls & Boys Day in Germany, where we invite young students to our offices to show them just how awesome it can be to create games for a living.

How did you start your career in this field?

It was quite an unexpected direction for me – I studied nutritional science and began working with a small studio developing an educational title for the Nintendo DS. Straight away, I liked the friendly atmosphere and the constantly evolving challenges of the games industry, and I've been involved ever since. I like the fact that it's possible to take unconventional routes into this business, which can

definitely help us create experiences that appeal to a wider and more diverse audience.



“
We invite young students to our offices to show them just how awesome it can be to create games for a living
”

Safety & Security

Thibaut, what's the role of the Risk & Security team at MTG?

We aim to protect, respond and enable. MTG's data, infrastructure and (most importantly) our people are essential to the company's success,

“
We aim to protect, respond & enable
”

and the work of the Risk & Security team is all about making sure everyone here can focus 100% on what they do best. In 2017, we created a new enterprise risk framework to help achieve this in the most effective and structured way possible.

What does this framework include?

The framework has seven workstreams – Information Security, IT Security, Regulatory, People, Resilience, Security Operations

and Content Protection – with a lead expert assigned to each stream. In each one, we want to identify, control and address as many relevant risks as possible.

Governance of the framework rests with MTG's ENABLER committee, which is chaired by MTG's CFO and gathers representatives from the whole business. Every month, the committee meets to set priorities and assign resources for risk management activities, and to address issues encountered by the workstream experts. It's a holistic approach that ensures we have an accurate group-level picture of our risk exposure as well as a clear escalation process for each workstream.

Were there additional developments in 2017?

Yes – 2017 was a busy year for the Risk & Security team. We recruited MTG's first ever Chief Information Security Officer, who has now completed a cyber-maturity assessment of many MTG businesses. We supported our esports companies with event security and reviewed physical security at some of our critical locations. In addition, we're making it

simpler for employees to report incidents through an online portal and we've launched information security e-learning.

On an industry level, we continued our engagement with the Audiovisual Anti-Piracy Alliance and Nordic Content Protection organizations through quarterly meetings where we share intelligence and best practices.

How do we engage employees around risk and security issues?

We're here for our people – and the more our people are there for us, the better we can be! We ask all MTG employees to use our tools, take our trainings and speak up if something doesn't seem right. We've also appointed 45 Security Champions across the organisation to be our local voices, to help implement initiatives, and to be our first point of contact when we engage with different parts of MTG. We have a monthly virtual catch-up and meet once a year for a workshop. All this helps us get closer to the business, align our priorities and make MTG an even safer and more fun place to be.



Reach for Change

MTG is a co-founder of Reach for Change, together with Kinnevik, Millicom, Tele2 and the Stenbeck Foundation. Reach for Change is a foundation that helps social entrepreneurs develop solutions to pressing issues for children

and youth. Since launching in 2010, Reach for Change has expanded to 18 countries and supported more than 900 social entrepreneurs, who in turn have positively impacted the lives of more than 3 million children.

In addition to its co-founder role, MTG runs the Game Changers initiative together with Reach for Change, where MTG's brands use their platforms to find and highlight social entrepreneurs working locally to improve children's lives.

MTG's brands use their platforms to find and highlight social entrepreneurs working locally to improve children's lives



2017

In 2017, Reach for Change and MTG partnered to support 100 social entrepreneurs, who in turn positively impacted the lives of more than 142,000 children. This contributed towards the realisation of 10 of the UN's Sustainable Development Goals (1-8, 10 and 16). We activated the partnership in several ways, including:

Responsible content

In Bulgaria, NOVA TV broadcast a day of content raising awareness about children's issues and the work of the Game Changers. In Sweden, Viaplay and the social entrepreneur Rosie Linder created 'Peppy Pals', an original series

designed to strengthen children's EQ development.

Co-worker engagement

A total of 164 co-workers engaged with Reach for Change, including as mentors to entrepreneurs, as selection jury members and as communication ambassadors. In Denmark, the former Chelsea football player Jakob Kjaer promoted Reach for Change in social media and hosted the selection event for this year's winners.

Public engagement and advocacy

In Bulgaria, NOVA TV invited

its viewers to participate in selecting the 2017 Game Changer, which generated an all-time high of more than 62,000 votes. In Sweden, Reach for Change gathered opinion leaders at the annual Almedalen event for a high-profile discussion on integration, with MTG Sweden CEO Anders Jensen opening the discussion and promoting it in social media.

Business Ethics



Overview

An ethical business culture is a key aspect of our commitment to making a positive social impact. Our Code of Conduct and associated policies clearly set out the values and standards we expect from each other. We have appropriate mechanisms to address any instance when we fall short, which fortifies our good governance and fosters a culture of transparency and accountability. We respect the right of every individual to data privacy and work intensively to become fully compliant with GDPR by 25th May 2018. We also partner with associations that aim to make a positive difference in the areas of professional integrity, anti-piracy and fraud.

Sustainable Development Goals



Data is the new oil

As a technology-driven and consumer-focused company, we take data privacy very seriously and respect the rights and freedoms of our viewers



Zero confirmed incidents of corruption



Zero whistleblower cases open



Business Ethics

Equal rights

All forms of modern slavery, forced or child labour, exploitation and discrimination are prohibited at MTG

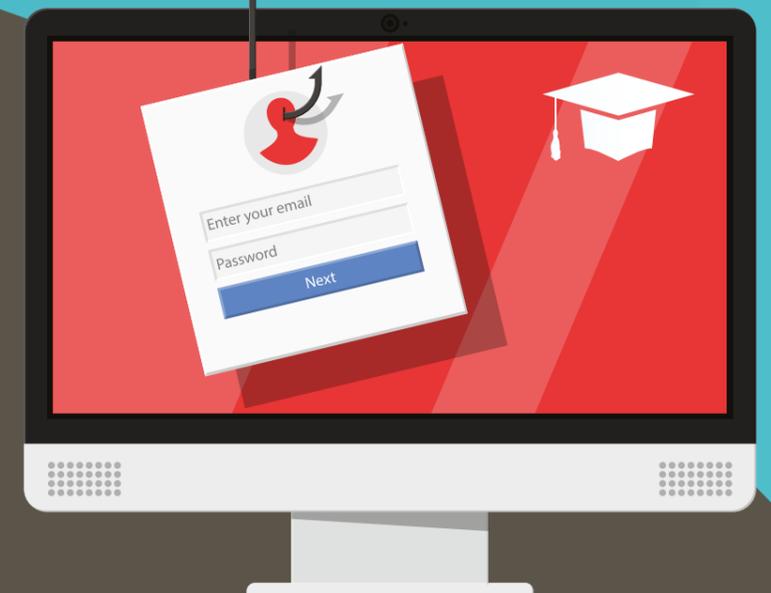


Acting on our values

We launched our new Code of Conduct in Nov 2017, and by year end **79%** of our people had already signed it

Think before you click

An e-learning course for all employees on how to avoid **phishing** - most common threat in our industry





Ulrika Wester
Group Compliance Officer

Guidelines & Policies

During 2017, every major MTG policy was reviewed. Why – and what was the result?

We completed a comprehensive internal audit that identified some shortcomings in MTG’s policy framework which also prompted us improve our governance structure. In response, we’ve established a new Group Steering Documents Framework, which has been approved by MTG’s Board of Directors, and for which MTG’s Group Legal and Compliance Function holds overall governance responsibility.

What does this framework include?

The Group Steering Documents Framework has three components. First, a new Code of Conduct presents MTG’s principles and values in terms that are easy to understand. Every MTG employee, including employees of entities in which MTG exercises decisive control, is required to sign this document.

In turn, the Code forms the basis for seven Group Policies and several Directives. The Group Policies cover anti-bribery and corruption, asset protection, competition, corporate responsibility, data protection, insider trading and people, and define how we act in these important areas. The Directives are deep dives into specific topics and complement the Group Policies. This is a major step forward in structure and clarity, and will enable us to drive a more aligned and effective approach to business ethics across MTG.

What does the Code of Conduct say?

The Code is a practical guide to how we do (and don’t do) business. It reflects MTG’s ambition to be the employer, supplier and partner of choice in the entertainment industry, and sets out what we expect from each other. The Code also expresses our four values: smart, bold, fun and engaging.

Does the new Code of Conduct differ from the previous one?

The purpose of the Code – to present our principles and values – is unchanged. The biggest difference is in how we achieve this. I think the new Code is more accessible and much easier to read, and it feels in line with what you would expect from a leading digital entertainment company. There are also clear explanations of how we should act if something at MTG isn’t what it should be.

How should employees act in such a situation?

MTG promotes a culture of openness, responsibility and accountability. We want everyone to feel comfortable about raising concerns, including possible violations of our Code of Conduct, without worrying about retaliation. We encourage employees to speak up as early as possible. This can be through a manager or the manager’s manager, and at any time employees can also use our whistleblower procedures, which are clearly described in the

Code. MTG offers an independent, confidential and anonymous reporting system via a free phone number or online. Every report will be investigated appropriately and, if required, on a confidential basis. At MTG, zero violations were reported via these procedures in 2017.

How many employees have signed the Code? How will signing work in the future?

The Code was launched in Q4 2017, and 79% of employees had signed by the end of the year. We are working with local management teams to secure the signatures remaining. In the future, Human Resources will ensure that all new staff sign the Code.

How does MTG work with anti-bribery and corruption?

We operate a Gift & Hospitality Register that aims to protect our people from allegations of bribery or improper financial conduct. Employees must get approval from their line manager, and in some cases MTG’s Group Compli-

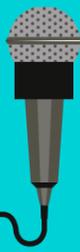
ance Officer, for gifts and hospitality valued above certain limits. In 2017, zero cases of bribery or corruption were reported via MTG’s whistle-blower procedures. As noted, we’ve updated our Anti-Bribery & Corruption Policy, and we’re aiming to launch a mandatory e-learning on this topic for our employees in 2018.

What are your targets for 2018?

Our ambition is to launch a Code of Conduct e-learning, complemented with face-to-face compliance training for selected managers. It’s great that so many people at MTG have now signed the Code, and we want to capture this engagement and ensure we continue living up to the highest ethical standards.

“
MTG promotes a culture of openness, responsibility and accountability
”





Cathrine Abadji
 Legal Counsel and Data
 Protection Officer

Dimitrios Stergiou
 Chief Information
 Security Officer



GDPR

On 25 May 2018, the General Data Protection Regulation (GDPR) comes into force across the European Union. Why is this important for MTG?

Cathrine: People are increasingly aware of data privacy questions, and GDPR makes the rights of individuals and the responsibilities of companies in this area more prominent. MTG is a technology-driven, consumer-focused business, and that means we need to take data privacy very seriously and always respect the rights and freedoms of individuals. If data really is the new oil, we can't spill it.

Dimitrios: GDPR doesn't mean we can't recommend movies to you on Viaplay anymore. It simply ensures that everyone can use digital services in a more informed and empowered way. For example, you can ask to see – or remove – all the data a company holds about you. We see GDPR first and foremost as an opportunity to improve our processes, to reinforce our information security posture, and to become even more transparent and responsive towards our customers. Of course, there's a lot of work involved in ensuring we fully realize these benefits.

What are we doing to ensure MTG is fully compliant with GDPR?

Cathrine: We began in February 2017 with a readiness assessment conducted by Deloitte to assess the maturity of key data privacy processes across MTG's business areas and functions. Based on this analysis, we developed a GDPR roadmap and appointed 25 data protection managers (DPMs) and 12 HR representatives to lead the local implementation of GDPR project

“
We see GDPR as an opportunity to become even more transparent and responsive”

- Dimitrios Stergiou

...iaplay anymore. It simply ensures that everyone cDeloitte to assess the maturity of key data privacy processes across MTG's business areas and functions. Based on this analysis, we developed a GDPR roadmap and appointed 25 data protection managers (DPMs) and 12 HR representatives to lead the local implementation of GDPR project plans. The DPMs have been trained by the central project team (led by me, Dimitrios and MTG's Chief Compliance Officer together with two

implementation leads), and we're working together intensively together to get ready for 25 May. We also completed a GDPR introduction for most major MTG management teams to ensure the DPMs have the resources they need.

What are our biggest challenges?

Cathrine: Our biggest challenges are decentralisation and maturity. The first is a combination of volume and decentralisation. Compliance starts by mapping our data processes and assets, for which we're using the On-eTrust tool, and by the end of 2017 we'd mapped over 500 processes and over 800 assets. And the second challenge is maturity. Data security awareness can vary between MTG's digital-first

companies and our traditional businesses where IT has a different function. We're addressing both these challenges by working as systematically and pedagogically as possible.

Did we have any data breaches during 2017? How did we handle them?

Dimitrios: There were no data breaches at MTG in 2017. We have a clearly defined crisis management framework to manage any such situation – a core team makes an initial assessment and coordinates external and internal activities, while an operational team deals with the actual breach. We conduct regular training where we make sure people know how to handle these scenarios.

How we will keep our data as safe as possible in 2018?

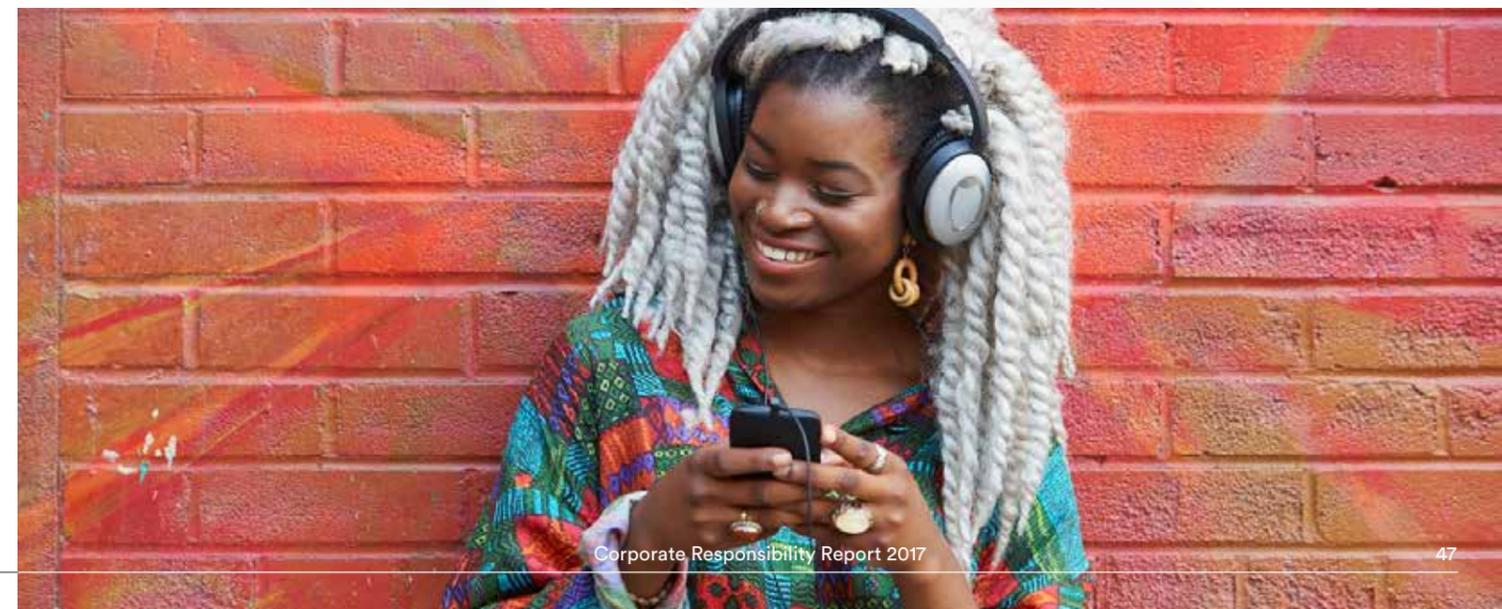
Dimitrios: There are many technical approaches to data security, but nothing beats effective education. Right now, phishing is the most common type of attack for many organisations, and we launched a phishing e-learning for all MTG employees in December 2017. We try to communicate as much as we can, through trainings, workshops or even something as simple as regular blog posts.

Cathrine: I think this is the key to success with GDPR too. This isn't something we do today and then forget about on 25 May – GDPR will shape our business and the way we engage with our customers. It's a way of thinking, and that's about education as much as legislation.



If data really is the new oil, we can't spill it

- Catherine Abadji





How We Govern

Modern Times Group MTG AB is a Swedish public limited liability company. The company's governance is based on the Articles of Association, the Swedish Companies Act, the listing rules of Nasdaq OMX Stockholm, the Swedish Code of Corporate Governance, and other relevant Swedish and international laws and regulations.

Shareholders

Our valuable investors who can exercise their right to decide on issues affecting the company and its operations at the AGM.

Nomination Committee

The Nomination Committee evaluates the Board of Directors' work and composition (the Board), submits proposals to the AGM regarding the election of the Board, the Chairman of the Board and

Auditors, prepares proposals regarding fees paid out to the Board and the Auditors as well as proposals for the Chairman of the AGM. Additionally, the Committee prepares proposals for the administration and order of appointment of the Nomination Committee for the AGM.

Board of Directors

The Board of Directors comprises six non-executive directors, all of which are independent of the Company and its management and five are independent of the major shareholders. The Chairman of the Board is independent of both the Company and the major shareholders. The Board also governs MTG's Corporate Responsibility. The Remuneration Committee appointed by the Board is responsible for issues related to salaries, pension plans, bonus programmes, providing advice on

long-term incentive schemes, the Guidelines for Remuneration, remuneration programs, the structure and levels of remuneration at MTG as well as the employment terms of senior executives at MTG.

CRAG

The Corporate Responsibility Advisory Group (CRAG) was established in 2013 to support the Board of Directors on corporate responsibility topics. The Group meets three times a year and consists of two members of the Board of Directors. MTG's President and CEO, one member of the Executive Management team, the Group General Counsel and the Head of Corporate Responsibility report and are part of the CRAG meetings. The CRAG has overall responsibility for the Group's corporate responsibility strategy, agenda and practices, including issues relating to human

and labour rights, anti-corruption and environmental performance. The group reports their findings to the Board of Directors.

Global Corporate Responsibility Team

The Global Corporate Responsibility Team drives MTG's corporate responsibility strategy. The team implements a cross-functional corporate responsibility agenda and processes, monitors and reports on progress, and communicates various activities. The team reports to the CRAG.

The AGM

The AGM is the highest decision-making body, where MTG shareholders vote on various resolutions, sign off the accounts, elect MTG's Board of Directors, appoint External Auditors, and may make other proposals. Proposals must be submitted in writing at least seven weeks before the AGM.

External Auditors

The External Auditors examine the Annual Report and financial accounting, the Board's and CEO's administration and perform other tasks. The External Auditors report their findings to the shareholders in an Auditor's Report which is presented to the AGM. The auditors also report detailed findings at each of the Audit Committee's ordinary meetings and to the full Board as necessary.

Audit Committee

The Audit Committee focuses on financial reporting accuracy, accounting policy changes, internal controls, risk assessment, auditor qualifications and independence, adherence to regulations and transactions with related parties. The Internal Auditors are responsible for the evaluation of risk management and internal control activities and report the result of these reviews to the Audit Committee.

Executive Management

The Executive Management team is in charge of day-to-day implementation of the business strategy and corporate responsibility.

Local Business

Local CEOs ensure that MTG's corporate responsibility strategy is implemented and forms an integral part of our various businesses. Each country has an appointed corporate responsibility representative and a green ambassador who works as a link between the Global Corporate Responsibility Team and the local operations.



Memberships in Associations

Strategic Association Memberships

As a global digital entertainer, MTG maintains memberships in industry associations, national and international organisations and additional bodies. Of these memberships, the following are considered strategic and/or significant to our business:

AAPA

The Audiovisual Anti-Piracy Alliance (AAPA) is a European organisation addressing media piracy issues. The activities of the AAPA include information sharing between members and dialogue with EU institutions to promote effective anti-piracy legislation.

ABBRO

The Association of Bulgarian Broadcasters (ABBRO) is a non-governmental body representing TV and radio operators in Bulgaria.

ACT

The Association of Commercial Television in Europe (ACT) represents the interests of leading commercial broadcasters in 37 European countries. ACT engages with EU institutions to achieve a balanced and appropriate regulatory framework that encourages investment and growth in the media sector.

COBA

The Commercial Broadcasters Association (COBA) is an

industry body for UK-based multi-channel broadcasters in the digital, cable and satellite television sector and their on-demand services.

EDRA

The European Digital Radio Alliance (EDRA) is supported by the European Broadcasting Union and has the goal of making digital radio the standard and preferred choice of listeners across Europe.

EGTA

The European Group of Television Advertising (egta) aims to support television and radio sales houses in monetising audio and/or audiovisual content through advertising solutions, regardless of device or platform.

ESIC

MTG's ESL and DreamHack are both members of the Esports Integrity Coalition (ESIC), a non-profit association established in 2015 by key esports stakeholders to deal with integrity issues in esports, particularly match manipulation and betting fraud.

FWC

The Freewheel Council for Premium Video (FWC) is a global advocacy group that represents businesses working with premium video content and advertising.

Kontakta

Kontakta is a Swedish industry association for companies and organisations that work with customer service and telemarketing.

MESA

Based in the US, the Media & Entertainment Services Alliance (MESA) aims to advance new technologies that enable the digital transformation of media and entertainment.

MPAA

The Motion Picture Association of America (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries.

NCP

Nordic Content Protection (NCP) is a cross industry Nordic body focused on addressing piracy through engagement and intelligence sharing with enforcement agencies.

Norsk Presseforbund

Norsk Presseforbund (NR), or the Norwegian Press Association, is a joint body for Norwe-

gian mass media that aims to promote ethical standards and professional integrity, and to strengthen and protect freedoms of speech, media and information.

Reklamombudsmannen

Reklamombudsmannen (RO), or the Swedish Advertising Ombudsman, is a self-regulatory organisation. RO handles complaints about advertising, assesses whether commercial advertising is following the Consolidated ICC Code, and provides information, guidance and training in the field of ethical marketing.

Responsible Media Forum

The Responsible Media Forum is a partnership between leading global media companies. The forum collaborates on sustainability issues, identifying and acting on social and environmental challenges facing the sector.

TV-Folket

TV-Folket is an industry group comprising all commercial broadcasters in Sweden. Key issues for the group include anti-piracy, the position of public service broadcasting, net neutrality and content distribution.

WESA

In 2016, MTG's ESL helped found the World Esports Association (WESA). Based on similar traditional sports associations, WESA aims to further professionalise esports by introducing elements of player representation, standardised regulations and revenue shares for teams.

WorldDAB

WorldDAB is a global industry forum aiming to facilitate the adoption and implementation of broadcast digital radio based on DAB/DAB+ standards.



Our Stakeholder Engagement

MTG's stakeholders consist of all the people and organizations that may be affected by our business – and those that in turn affect us as a company. It goes without saying that their input guides us in the right direction, and that our stakeholders are therefore key to our success. We engage with stakeholders as part of our everyday business, and continuously involve them in our corporate responsibility activities and goal-setting processes as part of our materiality assessment. We have identified our stakeholder groups through a mapping and analysis process. This process includes all people and organizations that may be affected by our business. This engagement aims to achieve

shared goals of common interest. As we continue our digital transformation, we will continue the integration of our digital ventures into our business and include them in our new materiality analysis, which will be conducted during the second half of 2018. Our corporate responsibility strategy and focus areas are consequently based on stakeholders' input. We use our social media channels, intranet, web and in-person meetings to broaden the conversation around our ongoing corporate responsibility work and to strengthen our feedback processes even further.

Customers

B2C: video streaming and linear TV viewers, users of our digital video networks, radio listeners, esports participants and enthusiasts; and B2B: media agencies and corporations.

Day-to-day engagement methods: Free-TV: focus groups, attitude research, social media, viewing figures and audience appreciation index. Pay-TV: customer support channels and social media. Radio: listener hotlines, competitions, websites, blogs and social media. B2B: direct dialogue.

Key issues: Health, safety and security, transparent and credible dialogue, content quality.

The Board

MTG's Board of Directors.

Day-to-day engagement methods: Board of Directors meetings.

Key issues: Data protection and privacy, equality and diversity, effective anti-corruption management.

Suppliers

The companies whose products and services we buy.

Day-to-day engagement methods: Continuous dialogue, supplier principles and self-check document.

Key issues: Compliance with our requirements.

Regulators

Ofcom and other authorities that set the rules for what we do.

Day-to-day engagement methods: Continuous dialogue with the compliance and legal teams.

Key issues: Product safety and compliance (regulatory and legal), child and minor protection, responsible advertising, content accessibility and impact awareness.

Trade Associations

Memberships in associations through which we engage on issues relevant to the audiovisual sector including legislative proposals at EU and national level. We are members of the Association of Commercial Television (the "ACT"), "EGTA" the Brussels-based trade association of television and radio sales houses that market the advertising space of both public

and private broadcasters across Europe, as well as the UK's Commercial Broadcasters Association "COBA".

Day-to-day engagement methods: Face to face meetings, Task Force calls, association events with key stakeholders including political institutions and regulators.

Key issues: Digital Single Market initiatives including the revised Audiovisual Media Services Directive, Copyright Directive, Broadcaster's Regulation, ePrivacy Directive, platform regulation, fake news, child and minors protection and advertising.

Shareholders

Our investors.

Day-to-day engagement methods: Annual General Meeting, Annual Report, Corporate Responsibility Report, quarterly reports, press releases, Environmental Social Governance (ESG) roadshows and conferences.

Key issues: Responsible advertising, content quality and accessibility.

Employees

Our team members.

Day-to-day engagement methods: Annual employee survey, intranet, newsletters, policies and guidelines, meetings and daily dialogues.

Key issues: Content quality and accessibility, transparent and credible dialogue, data protection and privacy, valuing creativity, work-life balance, skills management, diversity and equality.

NGOs

The non-governmental organizations with which we work.

Day-to-day engagement methods: Continuous dialogue (locally and centrally).

Key issues: Equality and diversity, health, safety and security, community engagement.

Industry

Our peers and colleagues.

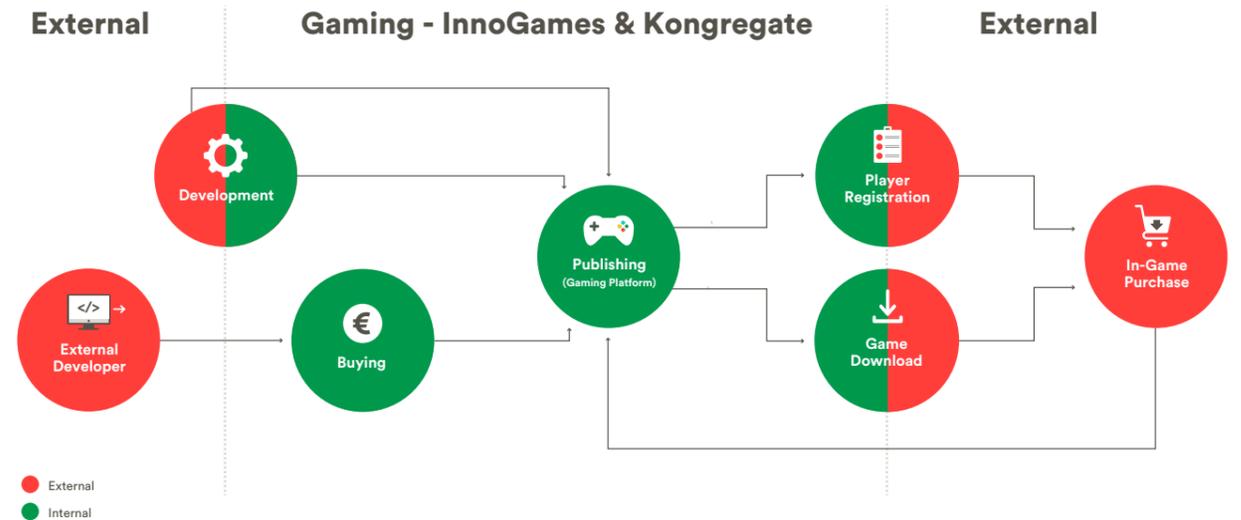
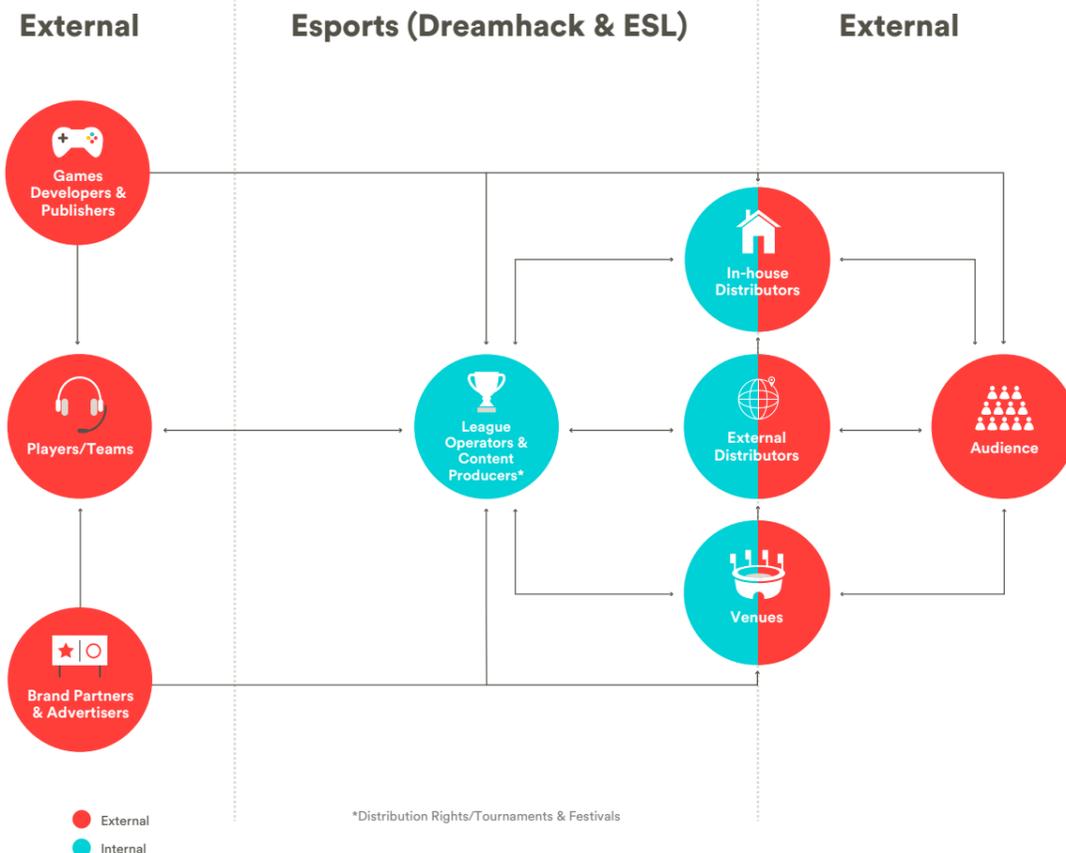
Day-to-day engagement methods: Quarterly industry forums, the Responsible Media Forum and continuous dialogue with colleagues and other professionals.

Key issues: Data protection and privacy, human rights and environmental impacts, United Nations Sustainable Development Goals (SDGs).

Value Chains

As a global digital entertainer, we offer a wide range of products and services for multiple markets across a broad range of distribution channels. But even though we are many brands, we are one organization. That means we follow the same processes and work towards the same goal: to create value for our customers, partners, employees and shareholders, as well as for society as a whole. To illustrate and explain the development of our transformation we have divided our business into three value chains, digital entertainment (Free-TV, Pay-TV and Digital Video Content), esports (DreamHack and ESL) and online gaming (InnoGames and Kongregate).

Digital Entertainment (Free-TV, Pay-TV & Video Networks)



Buying

We work with many types of suppliers to ensure we have what we need to run our business. Core suppliers include Hollywood film studios and major sports rights providers, as well as local studios and channels. Set-top-box hardware producers are also included in this category. Our online gaming company InnoGames buys games from a variety of global games developers. Non-core suppliers, meanwhile, include office equipment and IT vendors.

Creating

Before content or games can be published or distributed, many departments and teams need to be involved. Some play a direct role, while others facilitate. In the process of digital entertainment this covers everything from development, production, acquisition and scheduling to compliance, marketing and broadcasting. In gaming, the process is similar: development, production, soft launch & testing, marketing and launch. However, the lifecycle of a game is prolonged through new updates in-game features and events. Our esports companies produce the content at our ESL and DreamHack tournaments and events.

Selling and supplying

We make our content available to customers on our free-TV and pay-TV platforms, on our streaming services as well as on radio stations. We supply advertising space to media buyers, other businesses and charities. We also produce programmes for other broadcasters. Online games are available for free on our gaming platforms, purchases are made in the games if the player wishes. Our esports companies are the owners of the distribution rights of our tournaments and festivals and sell these to external distributors (networks & platforms). At the events and festivals, we supply advertising space and opportunities to brand partners and advertisers. There are a variety of possibilities to promote products at different stages of the value chain.

Broadcasting and streaming

We make our content available via multiple broadcast and streaming platforms. MTG operates free-TV and pay-TV platforms in the Nordic region and in markets in Central and Eastern Europe. Our streaming services Viaplay (subscription) and Viafree (free) offer content on-demand through

smart TVs, mobile apps and additional access points. Esports enthusiasts can watch our own esports channel, available on our platforms, but the events and festivals can also be watched on third party platforms and streaming services.

Events

Our esports companies, ESL and DreamHack, both arrange and host events, tournaments and festivals which attract both professional players competitors and esports enthusiasts.

Dialogue

We have an ongoing dialogue with all our stakeholders to improve our products and services. This dialogue includes focus groups, surveys and interviews, and ensures we give our audiences exactly what they want, while offering our business customers opportunities to strengthen their brands. This input is channeled back to our content creation, (development and production), marketing, purchasing and events teams to ensure we continue to offer inclusive, accessible and responsible content, games, events and festivals.

Environmental Care

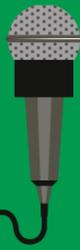


Overview

We want to heighten environmental awareness and responsibility amongst our colleagues, audiences and societies. We aim to do this through our platforms, collaborations and partnerships. When it comes to our own business, we apply the precautionary principle when assessing the environmental and health impacts of our operations. We do not operate any businesses in Sweden that require separate environmental reporting or licensing. However, we report on and monitor our carbon footprint and energy consumption to help us minimise our impact. As most of our emissions come from air travel, we encourage our staff to travel smarter while offering tools that enable them to travel less. It is also important to us that we work with responsible suppliers. This is why our pay-TV business Viasat, for example, ensures that its set-top-boxes are free of conflict minerals. The integration of our MTGx businesses adds a new dimension to our environmental work. Several of these companies produce live events and festivals on a global scale, and we will work to integrate these activities into our future environmental strategy and reporting.

Sustainable Development Goals





Björn Mosell
Global Real Estate and
Facilities Manager

Sabina Lindqvist
Travel Manager



Environmental Team Work

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We need to think out of the box and challenge the way we have done things up to now

- Björn Mosell

”

What were MTG’s biggest achievements in 2017 from an environmental point of view?

Björn: MTG’s offices are fun places to work – but it is very important that we keep them to be sustainable too. That’s why we mapped the energy usage in our facilities in Sweden during 2017, which will help us identify ways to power, heat and cool them more efficiently. It’s also a big step towards meeting the 20% energy efficiency target set out in the European Union’s Energy Efficiency Directive. To reach the target we need to think out of the box and challenge the way we have done things up to now, it’s a challenge but we are happy to accept it! It helps to know that we’re already doing well – in 2017, we once again received a solid ‘B’ rating from the CDP global environmental disclosure system.

Sabina: I joined the company as a Travel Manager six months ago, and it feels like our approach to travel is moving forwards. Business travel is the biggest contributor to MTG’s carbon footprint, and we took actions to address this in 2017. For example, we updated our global travel directive, highlighting that we should choose video conferencing over travel, something that both saves time, money and especially the environment. When travelling we encourage our staff to choose train over air travel particularly for domestic destinations and of course if flying to travel smart using direct flights as well as planning their trips to minimise unnecessary flying.

How big was our carbon footprint in 2017?

Sabina: MTG’s climate impact during 2017 totalled 23,500 tonnes of CO2 equivalent. About 84% of MTG’s emissions in 2017 arose from business travel, with air travel

representing 70% of total emissions. Almost all the remaining emissions came from energy use in facilities (14%). This means that our overall impact increased by 49.7% from 2016. However, it’s important to bear in mind that 2017 was the first year that our digital ventures companies were included in MTG’s measurement. Our global esports businesses ESL and DreamHack operate events around the world, which led to higher emissions from travel for MTG as a whole than in previous years. I think it is fair to highlight that if we exclude our digital ventures companies from the data we decreased our total emissions by 12% from 2016. This shows that we do need to work on the integration of these companies into our environmental processes and work.

How can we minimise our impact in 2018?

Björn: As MTG’s Global Category Real Estate & Facilities Manager, everywhere I look in our buildings I see possibilities! We already have recycling sorting containers in Stockholm, and we’ve just invested in two compressing machines that reduce the number of vehicles needed to pick up our recycling from 4 to 1. The ROI is under a year

and we use less space for garbage, which frees space for business related things. We’re also encouraging everyone to use only plastic bottles at MTG events – it’s much more efficient to transport than glass and we get money back via the Swedish deposit refund system. In 2018, we’ll donate this to an organization working with vulnerable girls in Dominican Republic. This is a project that Office Recycling is driving, and they are the ones who collect and deposit our PET. I shall have to add that they transport everything fossil fuel free.

Sabina: Everybody at MTG can drive a larger change by doing small things differently – using the right recycling bin in the kitchen, turning the lights off when leaving a room, choosing a hybrid rental car, taking a Skype call instead of meeting in person and so on. Directives and policies make a statement, but people make the difference.

“

Everybody at MTG can drive a larger change by doing small things differently

- Sabina Lindqvist

”



About the Report

Objectives and Achievements

Anti-bribery and Anti-corruption

Objective: Zero tolerance of any form of bribery and corruption, or unethical or unlawful behaviour in the company and in our business relations.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • Continue with targeted training for senior management. 	<ul style="list-style-type: none"> • The focus during 2017 has been to update the Code of Conduct and Group Policies, including an Anti-Bribery & Corruption (ABC) Policy. 	<ul style="list-style-type: none"> • Code of Conduct E-learning training will be launched to all employees in Q1 2018, including a section around anti-bribery & corruption. • An Anti-Bribery & Corruption E-Learning training is planned for Q3 2018. • Provide Compliance face-to-face training, incl. Anti-Bribery & Corruption, to selected managers within the MTG Group.
<ul style="list-style-type: none"> • Review of our policies and procedures for increased employee engagement, as well as our e-learning offering, to make sure that they stay relevant, effective and educational. 	<ul style="list-style-type: none"> • New Code of Conduct was launched and 79% of all MTG staff signed. The Code emphasizes the objective of zero tolerance in reference to bribery and corruption. • A new ABC policy has been written. 	<ul style="list-style-type: none"> • Reach 100% signing of the Code of Conduct. • Board approval of the ABC policy. • Launch of e-learning Code of Conduct in Q1 and ABC in Q3.

Data protection, Customer Data Integrity & Privacy

Objective: Strengthen our data protection procedure, implement a compliance roadmap to achieve compliance with the General Data Protection Regulation (GDPR) 2018.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • Establish a roadmap for GDPR compliance and appoint data protection champions who will act as points of contact within the group's businesses and assist with setting the groundwork for the GDPR implementation. We will appoint a Data Protection Officer who will be responsible for the daily management of the group's data protection program. 	<ul style="list-style-type: none"> • A central GDPR team was formed in February 2017 and a roadmap for the GDPR project was established with external consultants. Local GDPR implementation plans were established for all MTG Group companies. A Group Data Protection Officer (DPO) who coordinates the activities of the Core GDPR group, the Data Protection Managers and the management of the entities, was appointed in August 2017. The local data protection managers coordinate the execution of the local implementation plans. HR representatives support the project by driving GDPR compliance of employee data. 	<ul style="list-style-type: none"> • Continue the execution of the identified workstreams in the GDPR project plan to ensure compliance by May 25, 2018. Continue monitoring GDPR compliance throughout 2018.
<ul style="list-style-type: none"> • Continue to conduct data protection training for relevant staff. 	<ul style="list-style-type: none"> • During 2017, several data protection training sessions were organized for relevant MTG Group employees, e.g. management teams, local Data Protection Managers and HR personnel. In addition, several GDPR related guidelines/template documents were published on our intranet. 	<ul style="list-style-type: none"> • Continue to raise awareness of data protection issues within the Group through e-learning courses and trainings such as Data Protection Awareness, Data Protection and Asset Protection, to make sure personal data is handled in a fair, secure and legally compliant manner.

Security

Objective: Improve MTG's cyber-resilience.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • Increase ability to identify cyber-attacks through continuous awareness training. 	<ul style="list-style-type: none"> • The security awareness program was expanded by additional trainings that cover information security issues (e.g. phishing), notifications of breached accounts on 3rd parties and Internal blogs that highlight security news and incidents and how these can impact the MTG Group. 	<ul style="list-style-type: none"> • Expand the security awareness program with additional trainings applicable to all employees, create and launch specialised trainings that address specific needs (e.g. travel security) as well as instructor-led classes that cover specific topics (e.g. secure application development).
<ul style="list-style-type: none"> • Measure MTG's cyber maturity against industry standards. 	<ul style="list-style-type: none"> • During 2017 MTG developed and deployed a framework to measure the cyber capabilities of the MTG Group entities. The results have been analysed and submitted to management team in December 2017. 	<ul style="list-style-type: none"> • Create individual improvement plans per entity allowing for improved cyber capabilities where deemed necessary.
<ul style="list-style-type: none"> • Develop and implement standardised business continuity and disaster recovery plans to minimize adverse impact from cyber incidents 	<ul style="list-style-type: none"> • Business continuity and disaster recovery plans (for IT systems) have been developed for all entities of the MTG Group. The majority of these plans have been tested either as part of crisis management exercises or as part of tabletop exercises. 	<ul style="list-style-type: none"> • Review current plans and amend and update if necessary to keep the plans current and relevant. Continue crisis management or tabletop exercises of remaining MTG group entities that were not tested in 2017.

Child and Minor Protection

Objective: Sustain and improve current child and minors protection initiatives. Research and monitor child and minors protection development in digital ventures.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • No target defined 	<ul style="list-style-type: none"> • Production of MTG content and advertising standards guidelines for producers and influencers. 	<ul style="list-style-type: none"> • Continue research into child and minor protection against harmful or offensive content and surreptitious advertising in broadcast and online.
	<ul style="list-style-type: none"> • Research into child and minors protection through summarising the 'Community Guidelines' of the biggest social media networks. 	<ul style="list-style-type: none"> • Actively follow and produce an annual summary of the market of social media networks and their adjustments to child and minors protection.

Diversity & Equality

Objective: A 50/50 gender split in management by 2020.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • Identify glass ceilings, barriers, challenges and enablers for each business area/country. 	<ul style="list-style-type: none"> • The scope was broadened during 2017 to cover not only gender equality but diversity and inclusivity. 	<ul style="list-style-type: none"> • Continue work on identifying and defining aspects of diversity.
<ul style="list-style-type: none"> • Perform market intelligence and benchmark analysis. 	<ul style="list-style-type: none"> • McKinsey presented a benchmark at a workshop for the MTG Sweden Management Team. 	<ul style="list-style-type: none"> • Continue to improve gender bias workshop and training on gender bias to enhance diversity and inclusion.
<ul style="list-style-type: none"> • Establish activities, targets and KPIs at a country/company level. 	<ul style="list-style-type: none"> • Creation and roll-out of workshop on gender bias, diversity, equality and inclusion for the MTG Nordic Management teams based on the benchmark. 	<ul style="list-style-type: none"> • Roll-out of follow-up workshop for the MTG Nordic Management Team.

Content accessibility (new 2018)

Objective: Increase the amount of accessible content for viewers with hearing and sight impairment.

Targets 2017	Achievements 2017	Targets 2018
		<ul style="list-style-type: none"> • Minimum 60% of content to be subtitled and 10% of content to be audio described on Free-TV in Sweden and Denmark. Minimum of 3% of content to be signed for TV3 Sweden.

Environment

Objective: Reduce our energy consumption by 20% by 2022.

Targets 2017	Achievements 2017	Targets 2018
<ul style="list-style-type: none"> • Map our energy consumption, starting with our largest markets. 	<ul style="list-style-type: none"> • Energy consumption mapped for MTG Nordics and MTG Studios. Not mapped is MTGx (Digital Ventures). 	<ul style="list-style-type: none"> • Complete energy consumption mapping of all MTG businesses.
<ul style="list-style-type: none"> • Establish a roadmap for reduced energy consumption. 	<ul style="list-style-type: none"> • Roadmap drawn-up but not started implementation. 	<ul style="list-style-type: none"> • Review target and roadmap pending analysis, mapping and integration of MTGx (Digital Ventures) companies.

Workforce Data

Workforce by Region	2015	2016	2017
Total	3,582	3,805	3,619
Male	2,059	2,240	2,277
Female	1,523	1,565	1,342
Nordics	1,726	1,613	1,757
Male	1,063	978	1,053
Female	663	635	704
Europe	1,229	1,256	1,640
Male	613	591	1,052
Female	616	665	588
North America & Australia	N/A	N/A	222
Male	N/A	N/A	172
Female	N/A	N/A	50

The reported data relates to the period 1st January – 31st December 2017 and all data figures are effective 31st December 2017 for all companies included in the report. All data relates to employees only, except where stated explicitly that the data relates to, and/or includes workers who are not employees.

All employee numbers are consistently expressed as headcount throughout the whole report. All employee data figures are based on both permanent and temporary employees, except for the full-time and part-time employees who are based on permanent employees only.

A predominant part of the data has been extracted from internal HR systems, salary systems, payroll systems and a business intelligent system. Other parts of the data have been collected from net surveys, excel files, written notes, or have been extracted from monthly excel HR cost control reports and metrics reports. For some data points employees' input has been requested.

'Nordics' includes Sweden, Denmark, Norway and Finland. 'Europe' includes France, Poland, Bulgaria, The Netherlands, Germany, Spain, Hungary, Malta and UK. 'North America and Australia' includes United States and Australia.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Workforce by Employment Contract	2015	2016	2017
Temporary	624	507	406
Female	212	194	120
Male	412	313	286
Nordics	N/A	N/A	221
Female	N/A	N/A	62
Male	N/A	N/A	159
Europe	N/A	N/A	170
Female	N/A	N/A	52
Male	N/A	N/A	118
North America & Australia	N/A	N/A	15
Female	N/A	N/A	6
Male	N/A	N/A	9
Permanent	2,958	3,298	3,213
Female	1,311	1,371	1,222
Male	1,647	1,927	1,991
Nordics	N/A	N/A	1,536
Female	N/A	N/A	642
Male	N/A	N/A	894
Europe	N/A	N/A	1,470
Female	N/A	N/A	536
Male	N/A	N/A	934
North America & Australia	N/A	N/A	207
Female	N/A	N/A	44
Male	N/A	N/A	163

* Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Workforce by Employment Type	2015	2016	2017
Full-time	3,364	3,645	3,062
Male	1,945	2,144	1,908
Female	1,419	1,501	1,154
Part-time	218	160	151
Male	114	95	83
Female	104	65	68

With the exception of our operations in North America & Australia, a significant part of our work in 2017 has been performed by workers who are not employees. These workers have performed work in the field of production, sports production, broadcast and event production, project leadership, script writing, editing, PHP development and legal matters.

Workers should be understood as people who are working for our organization but are not considered employees. This group can include consultants, freelancers and self-employed people for example.

For the purposes of this report, a significant portion of work has been performed by workers when i) the workers performed activities that are core or much significant to our business; ii) because the work they performed was crucial to our business, we

could not operate smoothly without their input or, iii) more than 50% of the total workforce contained of these workers who are not employees. These three requirements are alternative in nature, meaning that only one or two out of three sufficed to consider that a significant part of our work in 2017 has been performed by workers who are not employees.

Employees Covered by Collective Bargaining Agreements	2015	2016	2017
Total	33%	7%	7.18%

The total number of employees has been used as a basis for calculating the percentage of employees covered by collective bargaining agreements.

New Employee Hires	2015	2016	2017
Total	(19%) 541	(22%) 712	(25.78%) 933
By gender			
Female	(19%) 236	(22%) 267	(8.37%) 303
Male	(19%) 305	(23%) 444	(17.41%) 630
By age			
<30	(40%) 242	(37%) 347	(14.95%) 541
30-50	(14%) 285	(17%) 358	(10.44%) 378
>50	(6%) 14	(3%) 6	(0.39%) 14
By region			
Nordics	(20%) 248	(18%) 253	(29.99%) 527
Female	N/A	N/A	(10.81%) 190
Male	N/A	N/A	(19.18%) 337
<30	N/A	N/A	(19.46%) 342
30-50	N/A	N/A	(10.24%) 180
>50	N/A	N/A	(0.28%) 5
Europe	(18%) 197	(13%) 157	(21.77%) 357
Female	N/A	N/A	(6.22%) 102
Male	N/A	N/A	(15.55%) 255
<30	N/A	N/A	(10.85%) 178
30-50	N/A	N/A	(10.43%) 171
>50	N/A	N/A	(0.49%) 8
North America & Australia	(18%) 96	(42%) 302	(22.07%) 49
Female	N/A	N/A	(4.95%) 11
Male	N/A	N/A	(17.12%) 38
<30	N/A	N/A	(9.46%) 21
30-50	N/A	N/A	(12.16%) 27
>50	N/A	N/A	(0.45%) 1

The rates of new hires comprise all new employees joining the company for the first time, including workers who have become employees. This excludes job promotions and internal recruitments of existing employees, which are reported separately in this report. Employee numbers as of 31st December 2017 (the end of the reporting period) have been used to calculate the rate of new employee hires.

The rates of new hires in each category are the amount of new hires out of the total number of employees in each of the respective categories. As there is no data available on the age of employees in some ESL/Turtle companies, the rates of new hires by age group could only be calculated against the number of active employees whose age is known and reported.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Internal Recruitment	2015	2016	2017
Total	37%	28%	(4.01%) 145
Female	N/A	N/A	(4.32%) 58
Male	N/A	N/A	(3.82%) 87

The internal recruitment rates are the amount of employees recruited internally out of the total number of employees in each of the respective categories.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Employee Turnover	2015	2016	2017
Total	24% (828)	19% (618)	(16.47%) 596
By gender			
Female	12% (406)	25% (268)	(5.42%) 196
Male	12% (422)	18% (350)	(11.05%) 400
By age			
<30s	7% (248)	18% (167)	(7.18%) 260
30-50	15% (521)	19% (410)	(8.76%) 317
>50s	2% (59)	22% (41)	(0.53%) 19
By Region			
Nordics	14% (464)	21% (289)	(18.38%) 323
Female	N/A	N/A	(7.51%) 132
Male	N/A	N/A	(10.87%) 191
<30s	N/A	N/A	(8.59%) 151
30-50	N/A	N/A	(9.11%) 160
>50s	N/A	N/A	(0.68%) 12
Europe	6% (195)	11% (123)	(15.55%) 255
Female	N/A	N/A	(3.54%) 58
Male	N/A	N/A	(12.01%) 197
<30s	N/A	N/A	(6.22%) 102
30-50	N/A	N/A	(8.90%) 146
>50s	N/A	N/A	(0.43%) 7
North America & Australia	N/A	N/A	(8.11%) 18
Female	N/A	N/A	(2.70%) 6
Male	N/A	N/A	(5.41%) 12
<30s	N/A	N/A	(3.15%) 7
30-50	N/A	N/A	(4.95%) 11
>50s	N/A	N/A	0

Employee numbers as of 31st December 2017 (the end of the reporting period) have been used to calculate the rate of employee turnover.

The rates of employee turnover in each category are the amount of employees who left our organisation, out of the total number of employees in each of the respective categories. As there is no data available on the age of employees in some ESL/Turtle companies, the rates of employee turnover by age group could only be calculated against the number of active employees whose age is known and reported.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Parental Leave	2015	2016	2017
Number of employees entitled to parental leave			
Total	N/A	N/A	1,891
Female	N/A	N/A	790
Male	N/A	N/A	1,101
Number of employees who took parental leave			
Total	147	141	191
Female	109	91	83
Male	38	50	108
Number of employees who returned to work from parental leave			
Total	108	120	152
Female	81	92	52
Male	27	28	100
Number of employees who stayed for 12 months after their return			
Total	N/A	58	71
Female	N/A	43	19
Male	N/A	15	52

The number of employees who took parental leave does not include employees based in Sweden who may have taken a parental leave for less than 30 days. Note that for some employees it is impossible to determine if they stayed at work 12 months after their return from parental leave, because that time period for them has not fully occurred yet.

Due to the organizational changes that occurred in 2017 with the acquisition of Kongregate into the MTGx Digital Ventures portfolio, the calculation of the return to work rate and retention rate has become practically impossible. As we do not own any data on parental leave from Kongregate for the year of 2016, we do not have all-encompassing MTG numbers on parental leave dated 2016 to which we would calculate the current numbers against.

*Note that organizational changes have also caused the imbalance between the number of employees that took parental leave in 2016 and the number of employees that returned from parental leave in 2017.

Work-related Injuries	2015	2016	2017
Work-related accidents			
Total	5	8	N/A
Female	2	1	N/A
Male	3	7	N/A
Injury rate	N/A	N/A	2.18
<small>(The rate shows the number of injuries per 1,000,000 working hours.)</small>			
By Gender			
Female	N/A	N/A	2.58
Male	N/A	N/A	1.3
By Region			
Nordics	N/A	N/A	2.25
Female	N/A	N/A	3.51
Male	N/A	N/A	1.41
Europe	N/A	N/A	0.9
Female	N/A	N/A	1.68
Male	N/A	N/A	0.47
North America & Australia	N/A	N/A	4.45
Female	N/A	N/A	0
Male	N/A	N/A	5.75

Occupational disease rate (The rate shows the number of occupational diseases per 1,000,000 working hours.)	N/A	N/A	0.68
By Gender			
Female	N/A	N/A	0.37
Male	N/A	N/A	0.87
Lost days due to work-related accidents			
Total	3	61	N/A
Lost days rate (The rate shows the number of lost working days per 1,000,000 working hours.)	N/A	N/A	67.03
By Gender			
Female	N/A	N/A	124.44
Male	N/A	N/A	33.2
By Region			
Nordics	N/A	N/A	114.17
Female	N/A	N/A	177.56
Male	N/A	N/A	71.79
Europe	N/A	N/A	25.61
Female	N/A	N/A	71.42
Male	N/A	N/A	0
North America & Australia	N/A	N/A	0
Work-related fatalities	0	0	0

The injury rate comprises injuries to both employees and workers who are not employees. Separately calculating the injury rate for workers who are not employees would require the number of workers at MTG, which data we do not collect. The number of injuries for both employees and workers has been calculated only against the number of employees at MTG. The injury rate per gender does not include the number of injuries occurred at the traditional businesses at MTG Sweden, because they do not own gender specific data on injuries.

Minor (first-aid) injuries are included in the injury rate. Due to the small number of injuries, we do not provide a regional breakdown of the types of injuries to protect the privacy of our employees and workers. The work related injuries include injuries due to illness, surgery and back problems; a wrist pain; an inconsequential electrical shock at a work site; a broken leg on the way to work; a broken finger; an attack with a knife; a hand cut after falling from a basin; an injured back after falling from a rope, as well as minor injuries occurred after falling off a chair at the workplace and after snow sliding off the roof.

The rules for reporting and recording injuries varies amongst different companies. In some instances, there is no internal system or rules in place, while in other instances, the injuries are reported and recorded in an internal incident reporting system, in online software systems or are reported directly and externally to the state authorities by e.g. using state official systems for reporting injuries. There are instances where the injuries are reported directly and internally to a person responsible for handling those matters, or are recorded manually in excel or in special accident reporting books.

There have been no fatalities at MTG in 2017. Lost days have been understood as scheduled working days, beginning to count the day after the accident. Due to the small number of occupational diseases, we do not provide regional breakdown of the figures to protect the privacy of our employees.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Absence Rate	2015	2016	2017
Total	2.3%	2.7%	0.13%
Female	3.0%	4.2%	0.32%
Male	1.8%	2.0%	0.02%
Nordics	2.9%	4.2%	0.24%
Female	3.7%	7.2%	0.53%
Male	2.5%	2.3%	0.05%

Europe	1.9%	1.5%	0.03%
Female	2.6%	1.8%	0.09%
Male	1.2%	1.2%	0.00%
North America & Australia	N/A	N/A	0.00%
Others	1.1%	2.5%	N/A
Female	1.9%	2.8%	N/A
Male	0.6%	2.3%	N/A

Absence rate for employees is calculated by inputting the total number of days absent from work, the total number of employees in each category and 253 working days per year per employee, in an annual absence calculator. All companies used 253 as an average number of working days per year when reporting absenteeism.

Average Yearly Employee Training Hours	2017
Average training hours per employee	4.03
By Gender	
Female	1.56
Male	1.48
By employee category	
EVPs	0
Female	0
Male	0
CEOs, CFOs, COOs	4.11
Female	1.39
Male	5.08
SVPs, VPs, Heads of	3.29
Female	4.22
Male	2.89
Managers	2.65
Female	4.54
Male	1.87
Non-managers	1.18
Female	1.11
Male	1.24

The number of training hours at the traditional businesses at MTG Sweden are excluded from the average training hours rate per gender and employee category, because MTG Sweden does not own gender and employee category specific data on training. Some companies do not monitor the number of training hours given to their employees or the only information recorded is the training costs and/or the number of employees that have received training. The total training hours given to employees in 2015 were 21,559 and 27,133.5 in 2016.

Performance and Development Reviews	2015	2016	2017
% of all employees	81%	77%	61.79%
By Gender			
Female	N/A	N/A	42.47%
Male	N/A	N/A	47.47%
By employee category			
EVPs	N/A	N/A	80.00%
Female	N/A	N/A	100.00%
Male	N/A	N/A	75.00%

CEOs, CFOs, COOs	N/A	N/A	60.23%
Female	N/A	N/A	69.57%
Male	N/A	N/A	56.92%
SVPs, VPs, Heads of	N/A	N/A	45.35%
Female	N/A	N/A	41.56%
Male	N/A	N/A	46.96%
Managers	N/A	N/A	58.44%
Female	N/A	N/A	53.98%
Male	N/A	N/A	60.29%
Non-managers	N/A	N/A	45.79%
Female	N/A	N/A	41.70%
Male	N/A	N/A	48.56%

The percentage of employees who received PDA is the amount of employees out of the total number of employees in each category. PDAs at the traditional businesses at MTG Sweden are not counted in the % per gender and employee category, as it is not possible to detect how many of those that received PDAs are females, males or belong to one or another employee category.

In some companies, the PDA processes activate after the employee's probation period has ended, while in other companies there is a cut off period for participation, hence the employees hired after the cut-off date will automatically be excluded from a performance review for the year they have entered the company. At the time of collecting the data, some have been in the process of completing their PDAs or have not managed to have their PDA yet. Sometimes monitoring the PDAs processes is rendered difficult by the lack of an HR function which would supervise and record those processes.

Diversity	2014	2015	2016	2017
Workforce by gender				
Female	44%	43%	41%	37.08%
Male	56%	57%	59%	62.92%
Workforce by age				
<30	29%	24%	29%	24.70%
30-50	64%	68%	66%	69.89%
>50	7%	8%	6%	5.41%
Board of directors				
Female	29%	17%	17%	33%
Male	71%	83%	29%	67%
<30	0%	0%	0%	0%
30-50	57%	17%	50%	67%
>50	43%	83%	50%	33%
EVPs				
Female	N/A	N/A	N/A	20%
Male	N/A	N/A	N/A	80%
<30	N/A	N/A	N/A	0%
30-50	N/A	N/A	N/A	100%
>50	N/A	N/A	N/A	0%
CEOs, CFOs and COOs				
Female	N/A	N/A	N/A	26.14%
Male	N/A	N/A	N/A	73.86%
<30	N/A	N/A	N/A	0%

30-50	N/A	N/A	N/A	71.59%
>50	N/A	N/A	N/A	18.18%
SVPs, VPs and Heads of				
Female	N/A	N/A	N/A	29.84%
Male	N/A	N/A	N/A	70.16%
<30	N/A	N/A	N/A	6.59%
30-50	N/A	N/A	N/A	84.88%
>50	N/A	N/A	N/A	5.43%
Managers				
Female	38%	38%	35%	29.35%
Male	62%	62%	65%	70.65%
<30	N/A	N/A	N/A	10.65%
30-50	N/A	N/A	N/A	75.06%
>50	N/A	N/A	N/A	5.71%
Non-managers				
Female	N/A	N/A	N/A	40.34%
Male	N/A	N/A	N/A	59.66%
<30	N/A	N/A	N/A	27.29%
30-50	N/A	N/A	N/A	62.14%
>50	N/A	N/A	N/A	4.54%
Number of nationalities				
Total	44	38	38	59

Viasat Sales AB is excluded from the diversity data per employee category, age group and nationality due to lack of diversity indicators for the employees at that company. The percentage of employees per age group and the nationalities figures by employee category excludes some of the ESL/Turtle companies due to lack of such data available.

The employee categories refer to the job title one has, which is also indicated in one's employment agreement. The managers are employees with staff responsibility, while non-managers are employees with no staff responsibility.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Salary and Remuneration Rates	2015	2016	2017
Ratio of basic salary of women to men			
Total, all employees	77%	74%	60.67%
Total, managers	75%	84%	N/A
CEOs, CFOs, COOs	N/A	N/A	66.78%
SVPs, VPs, Heads of	N/A	N/A	64.42%
Managers	N/A	N/A	55.87%
Non-managers	N/A	N/A	57.90%
By significant locations of operations			
Nordics, all employees	81%	87%	60.71%
Nordics, managers	78%	91%	N/A
CEOs, CFOs, COOs	N/A	N/A	65.74%
SVPs, VPs, Heads of	N/A	N/A	67.15%
Managers	N/A	N/A	55.21%

Non-managers	N/A	N/A	58.31%
Europe, all employees	89%	82%	66.17%
Baltics, managers	97%	96%	N/A
CEOs, CFOs, COOs	N/A	N/A	82.18%
SVPs, VPs, Heads of	N/A	N/A	55.74%
Managers	N/A	N/A	59.16%
Non-managers	N/A	N/A	49.69%
North America & Australia	N/A	N/A	51.05%
CEOs, CFOs, COOs	N/A	N/A	45.96%
SVPs, VPs, Heads of	N/A	N/A	49.21%
Managers	N/A	N/A	57.76%
Non-managers	N/A	N/A	57.57%
Others, all employees	86%	74%	N/A
Others, managers	85%	67%	N/A
Ratio of remuneration women to men			
Total, all employees	74%	72%	66.63%
Total, managers	71%	82%	N/A
CEOs, CFOs, COOs	N/A	N/A	79.88%
SVPs, VPs, Heads of	N/A	N/A	66.39%
Managers	N/A	N/A	56.44%
Non-managers	N/A	N/A	57.97%
By significant locations of operations			
Nordics, all employees	77%	83%	67.50%
Nordics, managers	74%	87%	N/A
CEOs, CFOs, COOs	N/A	N/A	82.05%
SVPs, VPs, Heads of	N/A	N/A	68.98%
Managers	N/A	N/A	56.13%
Non-managers	N/A	N/A	58.37%
Europe, all employees	92%	84%	66.14%
Baltics, managers	98%	102%	N/A
CEOs, CFOs, COOs	N/A	N/A	79.51%
SVPs, VPs, Heads of	N/A	N/A	57.22%
Managers	N/A	N/A	58.00%
Non-managers	N/A	N/A	50.23%
North America & Australia	N/A	N/A	51.93%
CEOs, CFOs, COOs	N/A	N/A	48.93%
SVPs, VPs, Heads of	N/A	N/A	48.83%
Managers	N/A	N/A	57.29%
Non-managers	N/A	N/A	57.54%
Others, all employees	81%	71%	N/A
Others, managers	68%	65%	N/A

The salary figures reflect annual average salary by gender in each employee category. All figures show the difference between female and male earnings as a percentage of male earnings out of the total earnings in each employee category/for each location of operation.

Viasat Sales AB is excluded from the salary and remuneration data as their employees work on commission. There was no remuneration data available for the ESL/Turtle offices in the United States. There is only one female EVP at MTG; thus, to protect the confidentiality of the female EVP earnings, the gender pay gap between female and male EVPs is excluded from the report.

The MTG operations in the Nordics, Europe, North America and Australia have been defined as significant locations of MTG operation, which has too enabled us to maintain consistency and readability throughout the report.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from previous years cannot be compared to the data figures provided this year. N/A therefore indicates that for that particular section, no such data has been provided previous years.

Workforce Data by Business Segments

Workforce by Business Segment		2017
Total		3,551
Female		1,296
Male		2,255
Nordic Entertainment		1,474
Female		562
Male		912
International Entertainment		616
Female		323
Male		293
MTG Studios		254
Female		150
Male		104
MTGx Digital Ventures		1,207
Female		261
Male		946

The reported data relates to the period 1st January – 31st December 2017 and all data figures are effective 31st December 2017 for all companies included in the report. All data relates to employees only, except where stated explicitly that the data relates to workers who are not employees. All employee numbers are consistently expressed as headcount throughout the whole report. All employee data figures are based on both permanent and temporary employees, except for the full-time and part-time employees who are based on permanent employees only.

A predominant part of the data has been extracted from internal HR systems, salary systems, payroll systems and a business intelligent system. Other parts of the data have been collected from net surveys, excel files, written notes, or have been extracted from monthly excel HR cost control reports and metrics reports. For some data points employees' input has been requested.

'Nordic Entertainment' comprises all traditional businesses in Sweden, Denmark, Norway and Finland, including MTG in the UK. 'International Entertainment' comprises Bulgaria. 'MTG Studios' comprises Nice Entertainment Group. MTG's 'Digital Ventures' include ESL/Turtle and DreamHack; Kongregate and InnoGames; and Splay Networks. The central functions based in Sweden and Malta are excluded from the workforce data per business segments.

Workforce by Employment Contract	2017
Permanent	3,146
Female	1,177
Male	1,969
Nordic Entertainment	1,254
Female	502
Male	752
International Entertainment	579
Female	306
Male	273
Studios	253
Female	149
Male	104
MTGx Digital Ventures	1,060
Female	220
Male	840
Temporary	405
Female	119
Male	286
Nordic Entertainment	220
Female	60
Male	160
International Entertainment	37
Female	17
Male	20
MTG Studios	1
Female	1
Male	0
MTGx Digital Ventures	147
Female	41
Male	106

Workforce by Employment Type	2017
Full-time	3,009
Female	1,122
Male	1,887
Nordic Entertainment	1,222
Female	482
Male	740

International Entertainment	578
Female	306
Male	272
MTG Studios	252
Female	148
Male	104
MTGx Digital Ventures	957
Female	186
Male	771
Part-time	137
Female	55
Male	82
Nordic Entertainment	32
Female	20
Male	12
International Entertainment	1
Female	0
Male	1
MTG Studios	1
Female	1
Male	0
MTGx Digital Ventures	103
Female	34
Male	69

Workers who are not employees

Looking at our companies from a 'business segment' perspective, there has been in each one of them, a significant part of work performed by workers who are not employees. These workers have performed work in the field of production, sports production, broadcast and event production, project leadership, script writing, editing, PHP development and legal matters.

Workers should be understood as people who are working for our organization but are not considered employees. This group can include consultants, freelancers and self-employed people for example. For the purposes of this report, a significant portion of work has been performed by workers when i) the workers performed activities that are core or much significant to our business; ii) because the work they performed was crucial to our business, we could not operate smoothly without their input or, iii) more than 50% of the total workforce contained of these workers who are not employees. These three requirements are alternative in nature, meaning that only one or two out of three sufficed to consider that a significant part of our work in 2017 has been performed by workers who are not employees.

New Employee Hires	2017
Total	917 (25.82%)
By gender	
Female	291 (8.19%)
Male	626 (17.63%)
By age	
<30	536 (15.09%)
30-50	367 (10.34%)
>50	14 (0.39%)

By business segment	
Nordic Entertainment	471 (31.95%)
Female	153 (10.38%)
Male	318 (21.57%)
<30	308 (20.90%)
30-50	158 (10.72%)
>50	5 (0.34%)
International Entertainment	111 (18.02%)
Female	51 (8.28%)
Male	60 (9.74%)
<30	42 (6.82%)
30-50	67 (10.88%)
>50	2 (0.32%)
MTG Studios	5 (1.97%)
Female	3 (1.18%)
Male	2 (0.79%)
<30	1 (0.39%)
30-50	4 (1.57%)
>50	0
MTGx Digital Ventures	330 (27.34%)
Female	84 (6.96%)
Male	246 (20.38%)
<30	185 (15.33%)
30-50	138 (11.43%)
>50	7 (0.58%)

The rates of new hires comprise all new employees joining the company for the first time, including workers who have become employees. This excludes job promotions and internal recruitments of existing employees. Employee numbers as of 31st December 2017 (the end of the reporting period) have been used to calculate the rate of new employee hires.

The rates of new hires in each category are the amount of new hires out of the total number of employees in each of the respective categories. As there is no data available on the age of employees in some ESL/Turtle companies, the rates of new hires by age group could only be calculated against the number of active employees whose age is known and reported.

Employee Turnover	2017
Total	584 (16.45%)
By gender	
Female	189 (5.32%)
Male	395 (11.12%)
By age	
<30	258 (7.27%)
30-50	308 (8.67%)
>50	18 (0.51%)
By business segment	
Nordic Entertainment	284 (19.27%)
Female	113 (7.67%)
Male	171 (11.60%)

<30	128 (8.68%)
30-50	145 (9.84%)
>50	11 (0.75%)
International Entertainment	53 (8.60%)
Female	21 (3.41%)
Male	32 (5.19%)
<30	17 (2.76%)
30-50	32 (5.19%)
>50	4 (0.65%)
MTG Studios	1 (0.39%)
Female	1 (0.39%)
Male	0
<30	0
30-50	1 (0.39%)
>50	0
MTGx Digital Ventures	246 (20.38%)
Female	54 (4.47%)
Male	192 (15.91%)
<30	113 (9.36%)
30-50	130 (10.77%)
>50	3 (0.25%)

Employee numbers as of 31st December 2017 (the end of the reporting period) have been used to calculate the rate of employee turnover.

The rates of employee turnover in each category are the amount of employees who left our organization, out of the total number of employees in each of the respective categories. As there is no data available on the age of employees in some ESL/Turtle companies, the rates of employee turnover by age group could only be calculated against the number of active employees whose age is known and reported.

Salary and Remuneration Ratios	2017
Ratio of basic salary of women to men	
Total, all employees	61.26%
CEOs, CFOs, COOs	66.78%
SVPs, VPs, Heads of	65.61%
Managers	57.23%
Non-managers	58.18%
By business segment	
Nordic Entertainment total	64.16%
CEOs, CFOs, COOs	80.87%
SVPs, VPs, Heads of	68.28%
Managers	56.49%
Non-managers	60.85%
International Entertainment total	58.49%
CEOs, CFOs, COOs	65.41%
SVPs, VPs, Heads of	54.11%
Managers	58.43%
Non-managers	53.69%

MTG Studios	52.39%
CEOs, CFOs, COOs	52.69%
SVPs, VPs, Heads of	0.00%
Managers	60.44%
Non-managers	48.18%
MTGx Digital Ventures total	60.69%
CEOs, CFOs, COOs	68.92%
SVPs, VPs, Heads of	58.88%
Managers	55.52%
Non-managers	55.52%
Ratio of remuneration women to men	
Total	67.21%
CEOs, CFOs, COOs	79.88%
SVPs, VPs, Heads of	67.54%
Managers	57.76%
Non-managers	58.23%
By business segment	
Nordic Entertainment total	71.78%
CEOs, CFOs, COOs	92.99%
SVPs, VPs, Heads of	69.97%
Managers	57.59%
Non-managers	60.86%
International Entertainment total	56.32%
CEOs, CFOs, COOs	60.31%
SVPs, VPs, Heads of	53.10%
Managers	56.41%
Non-managers	53.06%
MTG Studios total	53.94%
CEOs, CFOs, COOs	55.73%
SVPs, VPs, Heads of	0.00%
Managers	60.53%
Non-managers	47.95%
MTGx Digital Ventures total	63.23%
CEOs, CFOs, COOs	73.17%
SVPs, VPs, Heads of	61.51%
Managers	54.82%
Non-managers	56.52%

The salary figures reflect annual average salary by gender in each employee category. All figures show the difference between female and male earnings as a percentage of male earnings out of the total earnings in each employee category/for each business segment.

Viasat Sales AB is excluded from the salary and remuneration data as their employees work on commission. There was no remuneration data available for the ESL/Turtle offices in the United States. There is only one female EVP at MTG; thus, to protect the confidentiality of the female EVP earnings, the gender pay gap between female and male EVPs is excluded from the report. The salary and remuneration data for SVPs, VPs and/Heads of in MTG Studios equals zero, because there are no such employees.

Diversity	2017
EVPs	0.14%
Nordic Entertainment	0.14%
Female	20%
Male	80%
<30	0%
30-50	100%
>50	0%
CEOs, CFOs, COOs	2.48%
Nordic Entertainment	14.77%
Female	23.08%
Male	76.92%
<30	0%
30-50	76.92%
>50	23.08%
International Entertainment	9.09%
Female	25.00%
Male	75.00%
<30	0%
30-50	87.50%
>50	12.50%
MTG Studios	34.09%
Female	50.00%
Male	50.00%
<30	0%
30-50	63.33%
>50	36.67%
MTGx Digital Ventures	42.05%
Female	8.11%
Male	91.89%
<30	0%
30-50	72.97%
>50	2.70%
SVPs, VPs, Heads of	7.18%
Nordic Entertainment	49.80%
Female	36.22%
Male	63.78%
<30	2.36%
30-50	89.76%
>50	7.87%

International Entertainment	7.45%
Female	47.37%
Male	52.63%
<30	0%
30-50	94.74%
>50	5.26%
MTG Studios	0%
Female	0%
Male	0%
<30	0%
30-50	0%
>50	0%
MTGx Digital Ventures	42.75%
Female	18.35%
Male	81.65%
<30	12.84%
30-50	77.06%
>50	2.75%
Managers	10.70%
Nordic Entertainment	37.11%
Female	36.88%
Male	63.12%
<30	2.84%
30-50	86.52%
>50	10.64%
International Entertainment	11.58%
Female	43.18%
Male	56.82%
<30	9.09%
30-50	86.36%
>50	4.55%
MTG Studios	8.16%
Female	48.39%
Male	51.61%
<30	6.45%
30-50	83.87%
>50	9.68%
MTGx Digital Ventures	43.16%
Female	14.02%
Male	85.98%
<30	18.90%
30-50	59.76%
>50	1.22%

Non-managers	75.30%
Nordic Entertainment	38.86%
Female	42.16%
Male	57.84%
<30	26.56%
30-50	66.03%
>50	7.41%
International Entertainment	20.38%
Female	53.76%
Male	46.24%
<30	18.53%
30-50	76.33%
>50	5.14%
MTG Studios	7.22%
Female	60.62%
Male	39.38%
<30	5.18%
30-50	93.26%
>50	1.55%
MTGx Digital Ventures	33.55%
Female	23.97%
Male	76.03%
<30	39.35%
30-50	41.36%
>50	0.89%
Nationalities MTG Total	59

Viasat Sales AB is excluded from the diversity data due to lack of diversity indicators for the employees at that company. The percentage of employees per age group and the nationalities figures for Digital Ventures excludes some of the ESL/Turtle companies due to lack of such data available.

The employee categories refer to the job title one has, which is also indicated in one's employment agreement. The managers are employees with staff responsibility, while non-managers are employees with no staff responsibility.

Corporate Giving Data

Corporate Giving	2015	2016	2017
Donated media time, KSEK	84,56	39,08	34,40
Volunteer hours	1,504	374	878
Products and services, KSEK	271	24	6,014
Cash donations, KSEK	3,638	1,217	0,074
Funds raised for charity, KSEK	10,913	3,012	5,600

The donated media time value is based on the estimated market value of the commercial media time that MTG has donated to charity organisations. Raised funds include MTG's own fundraising campaigns and funds raised together with NGOs.

As we focus our community support on the environment and children, most of our corporate giving in 2017 went to organisations that work in those fields. The local MTG companies can also choose to support additional causes based on local needs. During 2017 two big campaigns were supported in Sweden, the Pink Ribbon awareness month with the Cancer Foundation and the Diabetes Gala with the Diabetes Foundation.

Environmental Data

Carbon Footprint, tonnes CO2e	2015	2016	2017
Scope 1 – direct emissions	1,279	1,138	595
Scope 2 – indirect emissions	6,015	5,401	3,312
Total Scope 1 & 2	7,294	6,539	3,907
Scope 3 – other indirect emissions	9,550	9,157	19,594
Total carbon emissions, tonnes CO2e	16,844	15,695	23,500
Emissions per employee (excl. Nice Entertainment Group)	4.05	4.49	6.85

These figures cover the main emission sources from MTG's operations:

Facilities – Energy use in offices and other facilities, including broadcasting and TV production when performed directly by us.

Material – Consumption of office supplies, fruit and coffee.

Travel – Business travel, including air, rail and road travel plus hotel stays.

We use calculation methodologies that are based on the GHG Protocol and supplemented where necessary by additional data and assumptions by external environmental expert Tricorona Climate Partner.

The GHG protocol requires reporting based on the concept of “scope”, as in the table above. At MTG, the following emissions fall within the 3 scopes:

- **Scope 1** direct emissions – diesel, car leasing and owned.
- **Scope 2** indirect emissions – cooling, electricity and heating.
- **Scope 3** other indirect emissions – heating, material and travel such as private and rental cars, hotel nights, taxi and air travel.

Emission figures are collected and calculated via quarterly data gathering processes across group facilities, as well as our external travel suppliers and all gases are included in the calculations. Our emissions intensity figure is based on all scopes and the base year is 2010.. The emissions figures are based on all scopes, i.e. scope 1, 2, and 3 and base year is 2010.

In 2016, we excluded reporting from our operations that were sold during 2017, including our Baltic and Czech operations, parts of our Bulgarian operations and Trace. Included in the environmental data for the first time are parts of the Digital Ventures but with inconsistent data as we did not have a formal reporting process during 2017. Included from MTGx are Travel Data from ESL, electricity data and partial travel data from DreamHack and electricity data from InnoGames and Splay Sweden. Excluded from the environmental reporting are Kongregate and Zoomin.TV.

Our total emissions have increased by 49,7% compared to 2016, the increase being driven by the inclusion of MTGx and particularly air travel by ESL, which stands for approx. 33% of the total emissions. Air Travel stands for approx. 70% of our total emissions. Excluding the emissions from air travel by MTGx, the total emission decreased by 12% compared to 2016.

Energy Consumption, GJ	2015	2016	2017
Direct energy consumption			
Diesel	686	302	0
Indirect energy consumption			
Cooling	1,241	1,263	328
Electricity	58,836	56,429	44,832
Heating	11,019	8,364	6,298
Total energy consumption	71,782	66,358	51,459
Energy consumption per employee	22	20	16

Energy per employee includes all fuel, electricity, heating and cooling inside the organisation. Consumption of diesel is zero, because our operations in Ghana were sold 2016.

Financial Data

Net Sales and Financial Position	2014	2015	2016	2017
Net sales (MSEK)	15,746	16,218	14,999	17,537
Operating income before items affecting comparability (MSEK)	1,290	1,268	1,060	1,263
Basic earnings per share	17,10	3,22	-3,19	18,73
Average number of employees	4,111	3,995	3,147	3,280
Financial position				
Shareholders' equity	5,831	4,768	5,016	6,572
Long-term liabilities	2,111	3,305	3,707	2,648
Short-term liabilities	6,190	8,425	8,976	10,066
Total shareholders' equity and liabilities	14,131	16,497	17,699	19,285

Compliance Data

Broadcast Complaints Breakdown - TV	2015	2016	2017
Advertising	24	2	10
Non-compliant	22	2	9
Relating to minors	1	0	1
Sponsorship	0	6	0
Non-compliant	0	6	0
Relating to minors	0	0	0
Programmes, promos & other	34	42	39
Non-compliant	7	25	16
Relating to minors	12	9	10
Total	58	50	49
Still pending	20	23	1
Fines/penalties	2	0	6

All of our Ofcom licensed channels, plus free-TV channels and radio networks regulated by other regulators, are included in these figures. Note that if a complaint is not deemed in breach of rules and regulations then it will not be mentioned as non-compliant. Also, note that the Bulgarian media regulator issues a fine at the start of an investigation and that when the appeals process is in motion and has advanced, a complaint no longer counts as pending.

Broadcast Complaints Breakdown - Radio	2015	2016	2017
Advertising	2	0	0
Non-compliant	2	0	0
Sponsorship	0	0	0
Non-compliant	0	0	0
Programmes, promos & other	0	1	0
Non-compliant	0	0	0
Total	0	1	0
Still pending	0	0	0
Fines	0	0	0

All our radio stations hold local licenses and are therefore also locally regulated. Note minor correction in total number of complaints 2016 from 2 to 1.

Broadcast Compliance Training	2015	2016	2017
Total	188	182	161
Internal people trained	176	158	161
External people trained	12	24	0

Our central compliance team provides continuous training for employees whose daily work involves MTG's compliance procedures, such as those working in acquisitions, programming, scheduling, sales, on-air planning and creative services. The compliance team also trains external production teams producing content for our channels when necessary. Note that the decrease in training given is due to continuing restructuring of MTG during 2017.

Anti-Corruption	2015	2016	2017
Confirmed incidents of corruption	0	0	0
Whistleblowers	2	2	0

GRI Index

GRI 101: Foundation 2016 - General Disclosures

Organizational Profile	Reference	Assurance	Comment
102-1 Name of the organization	MTG overview (page 9-11) How we govern (page 48-49)	✓	
102-2 Activities, brands, products, and services	MTG overview (page 9-11)	✓	
102-3 Location of headquarters	MTG overview (page 9-11)	✓	
102-4 Location of operations	MTG overview (page 9-11)	✓	
102-5 Ownership and legal form	How we govern (page 48-49)	✓	
102-6 Markets served	MTG overview (page 9-11) Our Stakeholder Engagement (page 52-53)	✓	
102-7 Scale of the organization	MTG overview (page 9-11) Workforce data (page 63-73) Financial data (page 83)	✓	
102-8 Information on employees and other workers	Workforce data (page 63-73)	✓	
102-9 Supply chain	Value Chain (page 54-55)	✓	
102-10 Significant changes to the organization and its supply chain	Report boundaries and scope (page 88)	✓	
102-11 Precautionary Principle or approach	Environmental Care Overview (page 56-57)	✓	
102-12 External initiatives	Sustainable Development Goals (page 6) Environmental Team Work (page 58-59)	✓	
102-13 Membership of associations	Membership in associations (page 50-51) Safety and Security (page 37)	✓	

Strategy	Reference	Assurance	Comment
102-14 Statement from senior decision-maker	Letter from the CEO (page 4-5)	✓	
102-15 Key impacts, risks, and opportunities	Letter from the CEO (page 4-5) Safety and Security (page 37)	✓	

Governance	Reference	Assurance	Comment
102-18 Governance structure	How we govern (page 48-49)	✓	
102-23 Chair of the highest governance body	How we govern (page 48-49)	✓	

Stakeholder Engagement	Reference	Assurance	Comment
102-40 List of stakeholder groups	Our Stakeholder Engagement (page 52-53)	✓	
102-41 Collective bargaining agreements	Workforce data (page 63-73)	✓	
102-42 Identifying and selecting stakeholders	Stakeholder engagement (page 52-53)	✓	
102-43 Approach to stakeholder engagement	Stakeholder engagement (page 52-53)	✓	
102-44 Key topics and concerns raised	Stakeholder engagement (page 52-53)	✓	

Reporting Practice	Reference	Assurance	Comment
102-45 Entities included in the consolidated financial statements	Report boundaries and scope (page 88)	✓	
102-46 Defining report content and topic Boundaries	CR strategy and materiality (page 8)	✓	
102-47 List of material topics	CR strategy and materiality (page 8)	✓	
102-48 Restatements of information	Report boundaries and scope (page 88) Workforce data (page 63-73)	✓	
102-49 Changes in reporting	Report boundaries and scope (page 88)	✓	
102-50 Reporting period	Report boundaries and scope (page 88)	✓	
102-51 Date of most recent report	Report boundaries and scope (page 88)	✓	
102-52 Reporting cycle	Report boundaries and scope (page 88)	✓	
102-53 Contact point for questions regarding the report	Report boundaries and scope (page 88)	✓	
102-54 Claims of reporting in accordance with the GRI Standards	Report boundaries and scope (page 88)	✓	
102-55 GRI content index	GRI Index (page 84-87)	✓	
102-56 External assurance	Independent assurance statement (p.89-90)	✓	

GRI 200: Economic Standard Series - Material Topics

GRI 201: Economic Performance 2016	Reference	Assurance	Comment
201-1 Direct economic value generated and distributed	MTG overview (page 9-11) Financial data (page 83)	✓	Partially reported

GRI 203: Indirect Economic Impacts 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible content production (p.16-17) Environmental team work (p.58-59)	✓	
203-1 Infrastructure investments and services supported	Responsible content production (p.16-17) Environmental team work (page 58-59) Corporate giving data (page 81-82)	✓	

GRI 205: Anticorruption 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Guidelines and policies (page 44-45)	✓	
205-2 Communication and training about anti-corruption policies and procedures	Guidelines and policies (page 44-45)	✓	Partially reported
205-3 Confirmed incidents of corruption and actions taken	Guidelines and policies (page 44-45) Compliance data (page 83-84)	✓	

GRI 300: Environmental Standards Series - Material Topics

GRI 302: Energy 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Environmental team work (page 58-59) Environmental data (page 82)	✓	
302-1 Energy consumption within the organization	Environmental team work (page 58-59) Environmental data (page 82)	✓	
302-3 Energy intensity	Environmental team work (page 58-59) Environmental data (page 82)	✓	

GRI 305: Emissions 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Environmental team work (page 58-59) Environmental data (page 82)	✓	
305-1 Direct (Scope 1) GHG emissions	Environmental data (page 82)	✓	
305-2 Energy indirect (Scope 2) GHG emissions	Environmental data (page 82)	✓	
305-3 Other indirect (Scope 3) GHG emissions	Environmental data (page 82)	✓	
305-4 GHG emissions intensity	Environmental team work (page 58-59) Environmental data (page 82)	✓	

GRI 400: Social Standards Series - Material Topics

GRI 401: Employment 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	#weareMTG (page 28-29)	✓	
401-1 New employee hires and employee turnover	Workforce data (page 63-73)	✓	
401-3 Parental leave	Workforce data (page 63-73)	✓	

GRI 403: Health and Safety	Reference	Assurance	Comment
103-1 to 103-3 Management approach	#metoo (page 32-33) Safety and security (page 37)	✓	
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workforce data (page 63-73)	✓	

GRI 404: Training and Education 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	#metoo (page 32-33) Diversity and equality (page 30-31) Guidelines and policies (page 44-45)	✓	
404-1 Average hours of training per year per employee	Workforce data (page 63-73)	✓	
404-3 Percentage of employees receiving regular performance and career development reviews	Workforce data (page 63-73)	✓	

GRI 405: Diversity and Equal Opportunity 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	#weareMTG (page 28-29) Diversity and equality (page 30-31)	✓	
405-1 Diversity of governance bodies and employees	Workforce data (page 63-73)	✓	
405-2 Ratio of basic salary and remuneration of women to men	Workforce data (page 63-73)	✓	

GRI 406: Non-discrimination 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	#metoo (page 32-33)	✓	
406-1 Incidents of discrimination and corrective actions taken	#metoo (page 32-33)	✓	

GRI 417: Marketing and labelling	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Broadcast compliance (page 20-21)	✓	
417-2 Incidents of non-compliance concerning product and service information and labeling	Broadcast compliance (page 20-21) Compliance data (page 83-84)	✓	
417-3 Incidents of non-compliance concerning marketing communications	Broadcast compliance (page 20-21) Compliance data (page 83-84)	✓	

G4 Media Sector Disclosures

Content creation	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible content production (p.16-17) Responsible online content (page 18-19)	✓	
M2 Methodology for assessing and monitoring adherence to content creation values	Responsible content production (p.16-17) Responsible online content (page 18-19) Broadcast Compliance (page 20-21)	✓	
M3 Actions taken to improve adherence to content creation values, and results obtained	Responsible content production (p.16-17) Responsible online content (page 18-19) Broadcast Compliance (page 20-21) Future of broadcasting (page 22-23) Our stakeholder engagement (page 52-53)	✓	

Content dissemination	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible online content (page 18-19) Broadcast compliance (page 20-21) Future of broadcasting (page 22-23)	✓	
M4 Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained	Responsible online content (page 18-19) Broadcast compliance (page 20-21) Future of broadcasting (page 22-23)	✓	
M5 Number and nature of responses (feedback/complaints) related to content dissemination, including protection of vulnerable	Broadcast compliance (page 20-21) Compliance data (page 83-84)	✓	

Audience interaction	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible online content (page 18-19)	✓	
M6 Methods to interact with audiences and results	Responsible online content (page 18-19) Broadcast compliance (page 20-21) Our stakeholder engagement (page 52-53)	✓	

Report Boundaries and Scope

Report Boundaries

This annual report summarises our corporate responsibility work across our operations where we have identified a list of topics that are relevant to our business. This list is based on the new Global Reporting Initiative Standards Framework (GRI Standards) and its current G4 Media Sector Supplement, the EU Non-Financial Reporting Directive (Directive 2014/95/EU), which has been implemented into Swedish law, the collaboration with our peers in the Responsible Media Forum and the current materiality analysis. We considered the current materiality analysis to be applicable for 2017, although this analysis is due to be updated during the second half of 2018 to be better aligned with the material topics of our Digital Ventures.

Ethos International, who has verified our reports since 2012, has declared that this report has been prepared in accordance with the GRI Standards: Core option. We have also applied the GRI G4 Media Sector Supplement for indicators where possible. The report complements the MTG Annual Financial Report and is also legally bound to it due to the EU Non-Financial Reporting Directive.

Report Scope

The reporting scope includes operations over which we have full control (i.e. subsidiaries where MTG AB owns 51% or more), as well as leased facilities unless stated otherwise. Countries where we only operate pay-TV channels on other providers' platforms have been excluded from the report, because we do not have employees or facilities in these countries and therefore they do not have significant impact on MTG's sustainable development.

MTG decided to sell its 75% stake in Trace during 2017 and signed the agreement in January 2018. For this reason, Trace has been excluded from the report. Also sold during 2017 and excluded from the report are our businesses in the Baltic region (except Nice Entertainment Group) and the Czech Republic. Zoomin.TV is partially included in the report with the number of

employees split by gender. Zoomin.TV has 178 employees and the gender split is 54% male and 46% female. As they are a multi-channel network, like Splay Networks, they are also included in the value chain section. Remaining data and information about Zoomin.TV is missing because of limitations in the reporting system but will be remedied during 2018.

The continued organizational transformation of MTG during 2017, the ongoing integration of the digital ventures, as well as the implementation of GRI Standards and the EU Non-Financial Directive, have caused some changes in the reporting compared to previous years. Therefore, the data figures for 2017 are not fully comparable to previous data figures. Also, the quality and quantity of environmental data submitted from our Digital Ventures Splay Networks, DreamHack, Turtle Entertainment Group (ESL), InnoGames and latest acquisition Kongregate varies for 2017 (see specifications in environmental data section of this report).

We are committed to improve our reporting frameworks to meet the new GRI Standards requirements where possible. During 2017 we continued to improve our HR reporting system, started the integration of DreamHack and Splay Networks and we aim to integrate the remaining Digital Ventures and Nice Entertainment Group in 2018.

Report boundary

The report boundary has been defined by using the Global Reporting Initiative (GRI) Boundary Protocol and completeness principle to reflect MTG's significant economic, environmental and social impacts. We have updated our value chains to reflect the Digital Ventures businesses as a part of MTG.

Reporting period: 01/01/2017-31/12/2017

Reporting framework: GRI Standards & G4 Media Supplement

Previous report: 03/04/2017

Send feedback to: responsibility@mtg.com

Independent Assurance Statement

Scope and objectives

Ethos International AB has undertaken independent assurance of the MTG Corporate Responsibility Report 2017 (the Report). The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide moderate level Type 2 assurance, which covers:

- Evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles) and
- The reliability of specified Corporate Responsibility performance information and data.

The performance information included in the scope was all data and key claims in the Report with the exception of data that is subject to mandatory auditing included in the Annual Report 2017. We provide a third party check on the application of the GRI Standards and the legal requirements of sustainability reporting in the Annual Accounts Act (ÅRL). The Global Reporting Initiative's Principles for defining quality as criteria was applied to evaluate performance information.

Responsibilities of the Directors of MTG and of the Assurance providers

The Directors of MTG have sole responsibility for the preparation of the Report. The Board of Directors emits the report for MTG jointly with the President and CEO of MTG. This is the seventh year Ethos International has provided corporate responsibility assurance, with recommendable rotation of team members.

Our statement represents our independent opinion and is intended to inform all of MTG's stakeholders including management. We adopt a balanced approach towards all MTG stakeholders. Our assurance team comprised of Malin Lindfors Speace, Sandra Rumélius and Stina Ahnlid. Further information relating to the team is available at: www.ethosinternational.se.

Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance as defined in AA1000AS (2008). We undertook the following activities:

- Review of the current Corporate Responsibility issues that are material to MTG and are of interest to stakeholders.
- Interviews with Board of Director responsible for Corporate Responsibility, selected directors and senior managers responsible for the management of Corporate Responsibility issues and review of selected evidence to support issues discussed. These were freely selected by the assurers. Main focus of the interviews was the understanding of material aspects, stakeholder perspectives, risks and opportunities related to Corporate Responsibility, communication and changes during the year.
- Review of MTG approach to stakeholder engagement and recent outputs.
- Site visit, freely selected by the assurers, to InnoGames office in Hamburg, Germany.
- Review of the report texts, graphs and tables.
- Review of the processes for gathering and consolidating data and supporting evidence for all claims. For both data and claims checking, this included accessing all key internal reporting and performance management systems as well as reviewing electronic documents, e-mails, external reports alongside other sources of evidence.
- Verification of Scope 1, 2 and 3 CO2e statements, underlying carbon emission calculations and factors, with specific attention to CDP requirements.

Omissions

The Group company Trace Media Group has been excluded from the independent assurance of MTG's Corporate Responsibility report due to the planned and completed divestment from MTG Group. The Group company Zoomin.TV has partially reported on ÅRL required data, excluding environmental and human rights indicators, due to limitations in their local reporting sys-

tems. Amendments and improvements are to be implemented during forthcoming year to meet legislative demands.

Findings and Opinion

We reviewed and provided feedback on drafts of the Report and where necessary changes were needed these were made. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe MTG's adherence to the Principles or its performance on Corporate Responsibility.

In terms of data accuracy, nothing came to our attention to suggest that the data have not been properly collated from information reported on an operational level, or that the assumptions used were inappropriate. We are not aware of any errors that would materially affect the data or information.

We can confirm that we have made an independent assessment of the legal requirements in the Annual Accounts Act (ÅRL) and MTG's self-declared application of the GRI Standards. We can confirm the CR report to be a Core level "in Accordance" report.

Observations

Without affecting our assurance opinion we also provide the following observations:

Performance information

Overall we have confidence in the level of accuracy of the performance information presented in the Report. Data collection processes are described and supported through evidence seen during the assurance process.

Limited numbers of data errors in calculations were highlighted during the assurance process and have subsequently been corrected in later versions of the report. Implementation of the Human Resources data system Cezanne should be enforced Group wide to enable traceability, decrease manual errors and fully meet indicator-requirements in ÅRL.

Materiality

We believe the report describes the majority of MTG's material impacts in an adequate and good manner that enables all stakeholders to engage with MTG to co-create in moving Corporate Responsibility to a broader and more incorporated level both in MTG and as stake-

holder in an external context. Due to the changing nature of business through increased acquisition of digital ventures and other organisational changes, MTG Group should conduct a new Materiality analysis for next year.

Areas that should be highlighted and addressed in MTG's forthcoming Corporate Responsibility performance is equality and diversity in operations, specifically with focus on management approach. Further, MTG needs to strengthen the adherence to the Supplier Code of Conduct and ensure adequate follow-up on a responsible supply chain.

Inclusivity and responsiveness

During the year MTG conducted surveys, user testing and home studies to understand its stakeholders, specifically customers, perspective and expectations on them as a responsible media entertainer. This has strengthened the understanding of Corporate Responsibility connectivity to content and ensures the collection of customer feedback.

Ethos International
23rd March 2018



Malin Lindfors Speace,
Partner and Senior Advisor



Sandra Rumélius,
CFO and Senior Advisor



Stina Ahnlid,
Advisor

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