



Corporate Responsibility Report 2018

**Responsible
Entertainment is
Better Entertainment**

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Letter from the CR Team

Welcome to our 2018 Corporate Responsibility Report.

2018 presented us with a history-defining challenge and opportunity – to streamline our activities based on a business area and pave the path for two distinct corporate responsibility strategies for 2019 and beyond. As MTG’s Nordic Entertainment and Studios businesses formed the new company, Nordic Entertainment Group, Modern Times Group set its sight to esports and gaming and now operates what we call Digital Ventures and International Entertainment.

We’ve worked together to give you a comprehensive picture of what MTG, as a group of companies, achieved in 2018, and what you see in front of you concludes our work as a single team. This is an exciting time as we focus on media and entertainment segments that we feel truly passionate about. One thing won’t change – we all believe that responsible entertainment is better entertainment!

The most significant project of 2018 was conducting separate corporate responsibility materiality analyses for MTG and NENT Group, and each of the companies will communicate their sustainability strategy soon. We saw it as an opportunity to reflect on the future of broadcasting, streaming, content production, gaming and esports and define important topics that each of the Groups will explore in-depth going forward.

This report also indicates that gender diversity, equality and inclusion, as well as GDPR, will play an important role in the future corporate responsibility initiatives at MTG and NENT Group. As we are embracing the future, we invite you to turn the page with us and enjoy the report.

Stay tuned for the new exciting stories to come!

Letter from the CEO

2018 has been a milestone year in the history of MTG as we announced the spin-off of our Nordic Entertainment and Studios businesses into what now forms Nordic Entertainment Group. This allowed MTG to focus on developing esports and online gaming products and services and to continue our work towards benefitting gaming communities.



On the day this report is published we are structurally different from what we were a year ago. But one thing remains unchanged – it is our dedication to providing high quality content experiences, telling relevant stories and having an ongoing dialogue with a broad range of stakeholders that form the esports and gaming ecosystem.

In 2018, MTG delivered record sales and increased profits. This success is an important foundation for MTG and NENT Group as both companies start an exciting journey of their own. Both Groups have completed their respective corporate responsibility materiality analyses – that reflect their unique positioning – and will communicate their updated targets and objectives in due course. For MTG, the key focus is to maintain consistent values and business culture across the Group, despite the geographical dispersion of our portfolio companies and differences in local legislation that directly or indirectly influence the way we work and do business.

A value-driven company with the brand identity and business strategy rooted in corporate responsibility, MTG has a clear vision of our sustainability work. This work is divided into four focus areas – social impact, media responsibility, business ethics and environmental care.

Diversity and equality have been and will be MTG's and NENT Group's priority as both companies recognise the instrumental role that inclusivity and empowerment play in companies' success and development. We also stay committed to bringing positive difference to people's lives, from our employees to our multi-million audiences.

As a leading international digital entertainment group, we recognise that our content is what we are known for and what we are measured by. I am proud of the achievements we've made in this area in 2018, from ensuring a safe environment for viewers and players of all ages, to creating content and characters that have become an inspiration and role models for our audiences on air and online, on smartphones and big screens.



We live and work in a fast-moving digital world, and the importance of child and minors protection remains high on our list of priorities.

At MTG, we promote a culture of responsibility and accountability, and so in 2018 we have updated our Policies and Guidelines framework to reflect the modern media company that we are. We have rolled out four e-learning courses covering our Code of Conduct, Anti-Bribery and Corruption, Data & Asset Protection and Competition, and are proud to report an overall 89% completion rate by year end.

In May 2018, General Data Protection Regulation (GDPR) came into force across the European Union, and MTG was well prepared for this important initiative that's designed to safeguard the rights of our audiences. We saw this as an opportunity to review our practices in handling personal information and keeping our customers and users updated on how we store and process their data. During 2018, we have continued to follow our GDPR roadmap and in 2019, we will keep incorporating data protection principles into our daily work.

MTG's long-term vision is to be a bellwether in esports and gaming entertainment. This means recognising what our audiences and stakeholders care about the most and making sure that our products, as much as our internal and external business practices, live up to our values.

I would like to extend my gratitude to all of the MTG and NENT Group teams and partners, who have contributed to making MTG a better place to be and a responsible company proud of its brands and products.

Jørgen Madsen Lindemann
President & CEO, MTG

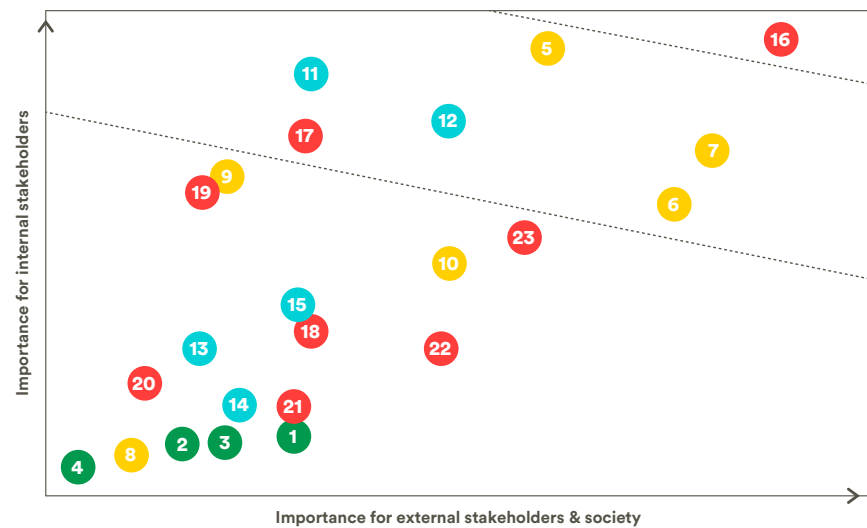
A value-driven company with the brand identity and business strategy rooted in corporate responsibility

Jørgen Madsen Lindemann
#wearemtg

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. This 2018 report is based on the current materiality analysis and its focus areas are illustrated below. However, as MTG is preparing for the split into two separate companies, two new separate materiality analyses were conducted during the second half of 2018. The findings of the analyses and the connected new CR strategies will be presented after the split. We have identified the material issues for the respective businesses and aim to align them with the goals, targets and overall strategy going forward.



*Top (above the dotted line), this is the topic that is our biggest differentiator and we can create the most impact (16 content quality). Middle (between the dotted lines), these are the focus topics, areas that we prioritise and continuously work on. Bottom (under the dotted line), these are the base topics, areas that we constantly work on in our daily operations.

**Numbering for reference in the graph is not in order of importance

MTG’s four focus areas:

Environmental Care

- 1 Reduce energy consumption
- 2 Reduce carbon emissions
- 3 Environmental management
- 4 Care for responsible management of e-waste

Social Impact

- 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

Business Ethics

- 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

Media Responsibility

- 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

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 2018:

1

Number of companies sold

2

Number of companies acquired

775

Total employee turnover

716

Total employee hires

27*

Number of countries MTG operates in

83

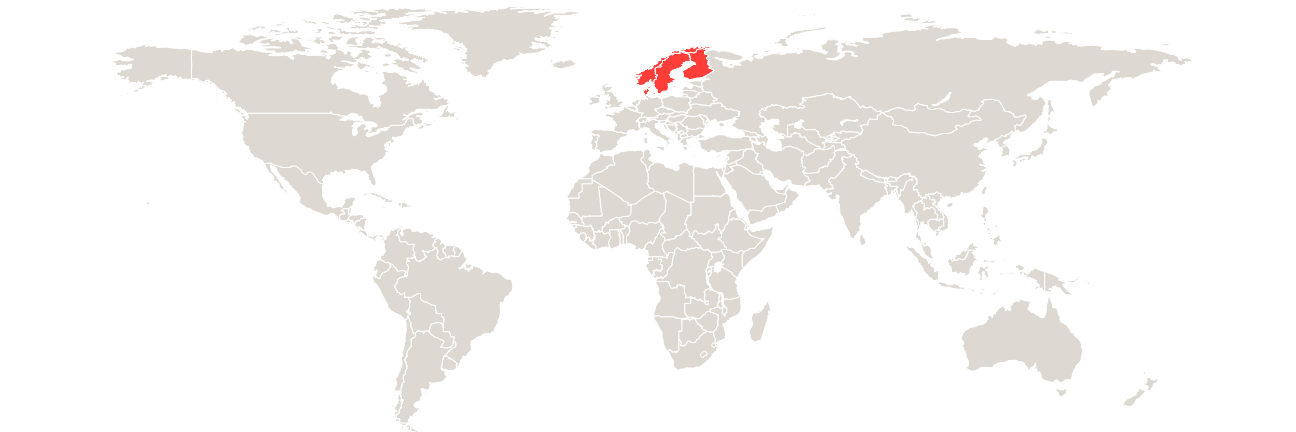
Number of MTG registered offices worldwide

* A country where MTG operates is a country where MTG’s legal entities are based/registered.

Net sales and financial position	2016	2017	2018
Net sales (MSEK)	14.999	17.537	19.742
Operating income before items affecting comparability (MSEK)	1.06	1.263	1.571
Basic earnings per share	-3.19	18.73	15.52
Average number of employees	3.147	3.28	3.305
Financial position			
Shareholders’ equity	5.016	6.572	6.997
Long-term liabilities	3.707	2.648	1.969
Short-term liabilities	8.976	10.066	11.357
Total shareholders’ equity and liabilities	17.699	19.285	20.324

MTG Overview

Nordic Entertainment



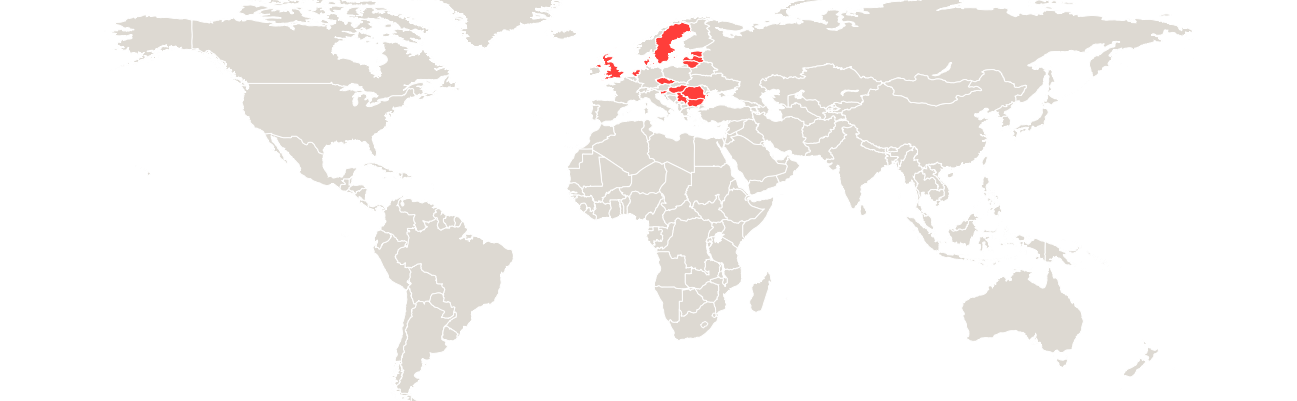
Free-TV		Subscription-TV				Radio
Sweden TV3 TV3 Sport HQ TV6 TV8 TV10 Viafree	Denmark TV3 TV3+ TV3 PULS TV3MAX TV3 Sport Viafree	Sweden Viaplay Viasat Viasat Film Viasat Film Family Viasat Film Action Viasat Film Premiere Viasat Film Hits Viasat Series Viasat Sport Viasat Sport Premium Viasat Fotboll Viasat Hockey Viasat Motor Viasat Golf Viasat Ultra E-sports TV	Norway Viaplay Viasat Viasat Film Viasat Film Family Viasat Film Action Viasat Film Premiere Viasat Film Hits Viasat Series Viasport Viasport + Viasport 1 Viasport 2 Viasport 3 Viasat Golf Viasat Ultra HD E-sports TV	Denmark Viaplay Viasat Viasat Film Viasat Film Family Viasat Film Action Viasat Film Premiere Viasat Film Hits Viasat Series Viasat Sport Viasat Golf Viasat Ultra HD E-sports TV	Finland Viaplay Viasat Viasat Film Viasat Film Family Viasat Film Action Viasat Film Premiere Viasat Film Hits Viasat Sport Viasat Sport Premium Viasat Fotboll Viasat Hockey Viasat Golf Viasat URHEILU Viasat JALKAPALLO Viasat JÄÄK-IEKKO Viasat Ultra HD Viasat Xtra E-sports TV	Sweden RIX FM Bandit Rock Lugna Favoriter Power Hit Radio Star FM I LIKE RADIO Norway P4 Radio Hele Norge P4 Lyden av Norge P5 Hits P6 Rock P7 Klem P8 Pop P9 Retro P10 Country NRJ Norge P5 Bergen Bandit Rock Non-Stop

International Entertainment



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

MTG Studios

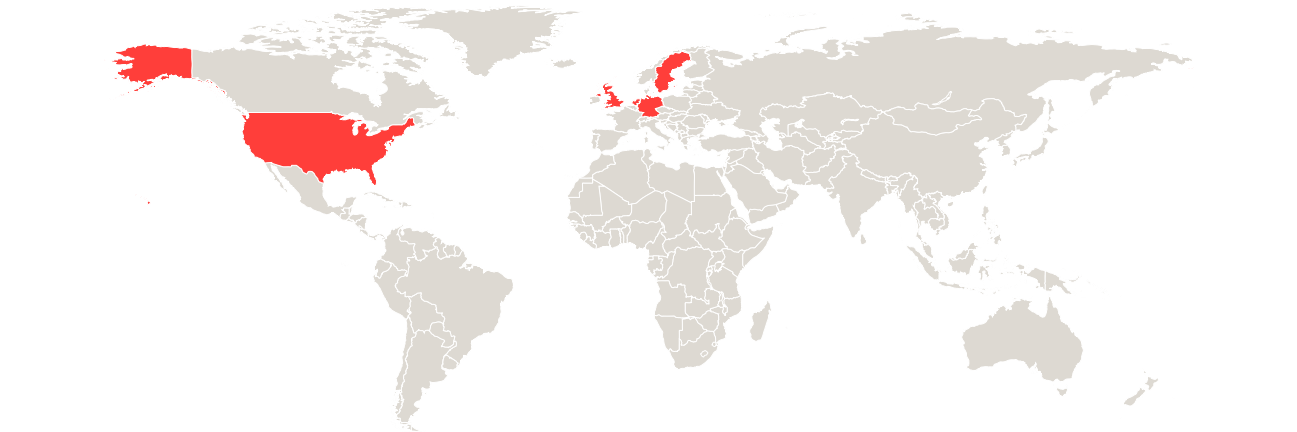


NENT Studios

SplayOne (HQ in Sweden)*

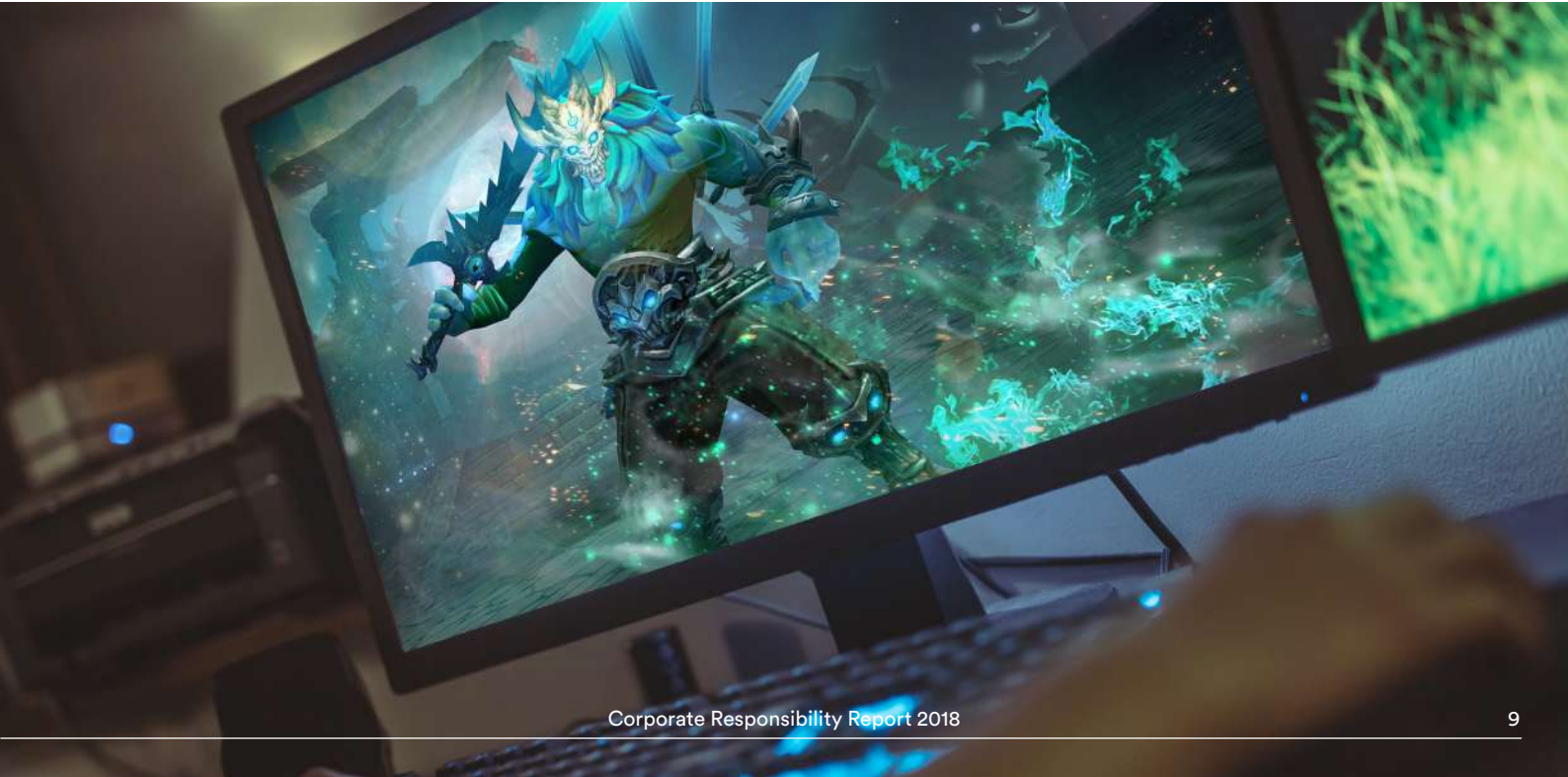
* Splay Networks merged with NiceOne and formed SplayOne to be part of NENT Studios

MTGx Digital Ventures



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

*These businesses have products that are globally accessible to everyone with internet access





Media Responsibility

Overview

At MTG we strive to use the power of entertainment to make a difference. We want to provide content that is both entertaining and educational, and which reflects the complex and diverse world in which we all live. We aim to represent society through all our entertainment experiences and give a voice to diverse audiences. We make sure that we live up to our values and principles throughout the production, be it storytelling, online games or esports events. We have a broad and diverse product portfolio to attract a global audience.

We believe creativity, cultural diversity, editorial independence and freedom of expression are essential for producing engaging entertainment and for a free, open and pluralistic society.

We go the extra mile to increase accessibility and offer differently-abled viewers the opportunity to enjoy our content. We're committed to offering people of all ages a safe, trusted and fun experience. We follow all applicable broadcasting rules and regulations while providing parents with flexible, effective tools.

We work hard to ensure integrity in esports. It's important to us that children and minors who play our games, play on our platforms or attend our tournaments and festivals, are protected.

Media Responsibility

Esports as a profession

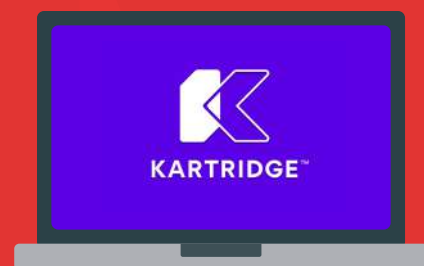
ESL and York University work together to professionalise esports as a growing media and entertainment segment and increase educational level in this area

Safe gaming environment

Kartridge develops anti-bullying tools and monitoring processes to ensure a friendly and inclusive environment for online players

NICE MOVE!

KEEP IT UP!



Responsible digital content

Zoomin.TV engages Gen Z viewers through purposeful video content on important subjects such as equality, environment and personal health



InnoGames



Diverse characters

InnoGames works on fair representation of female characters in games and inclusive game design



Minors protection and compliance

We provide a safe, trusted and enjoyable experience for all ages

Viaplay is the home for everyone in the family. In late 2017, we performed extensive research in the Nordic countries (Viaplay customers and non-customers) to understand kids and parents' respective needs and expectations and to further enhance the usability and relevance for all ages. We were pleased to find out that parents feel safer when their children use Viaplay as opposed to other streaming services. We have established kids' principles which guides us in everything we do to make sure that products and features are fun, helpful and always considerate of kids. For example, we provide parental settings, so that parents make the kids section

the default and control which content requires a pin code to access (which helps the parent rather than locking out the kids).

In 2018, we made Viaplay even more accessible with the new portability regulation allowing subscription services to operate across national borders within the European Union (EU). This means, our customers get the same experience when they are travelling within the EU as they do at home. Protecting our customers' privacy is essential. During 2018 we implemented GDPR and strengthened our customers' privacy even more. Read more about GDPR at MTG in our Business Ethics section.

“Kartridge is minimising cyber bullying through complex algorithms”

We follow up on complaints and follow regulations

The majority of MTG's broadcast licenses are held in the UK, where Ofcom sets out clear rules about important issues, such as program content, sponsorship, product placement, fairness and privacy. Viewers can choose to contact MTG's broadcast compliance team or the relevant regulator at any time. Our broadcasting team are always on top of adjustments and developments to child and minors' protection. In 2018, MTG received a total of 32 broadcast complaints, far fewer than in 2017 (49). Of these, two related to minors. For our Ofcom licensed services we had 19 program content complaints in 2018, the same number as in 2017.

No complaints about MTG were upheld by Ofcom, with 12 decisions still pending at the end of 2018.

Age restrictions at esports events vary depending on local laws and regulations, this may also include age recommendations of the game played. ESL restricts attendance of children at their events to the age of 12 if they are not accompanied by an adult.

In our gaming company, InnoGames, customers must be 16 years of age according to their terms and conditions. In addition, their games are classified by both USK and PEGI in Google's Play Store and Apple's iOS. To create an account at Kongregate.com players are required to provide their year of birth. If they are younger than 13 years, the registration is rejected.

This also serves as the age regulation for Kartridge, our direct sales platform, as a Kongregate.com account is a prerequisite.

Additionally, Kartridge as a platform works towards minimising cyber bullying. They do this through a complex context software chat filter, that uses an algorithm to identify and filter out objectionable content such as racist or hateful language, harassment, insults etc. The filter decides

who is trusted or not. If a person is identified as untrusted, he or she will become more and more restricted in their ability to use the chat. Players who have negative experiences can also reach out to Kartridge directly and the matter will be looked into and handled accordingly.

We want to help our viewers make informed decisions of what to watch so we always carry on-screen warnings beforehand if a program or film contains potentially offensive material. We also want to highlight that no adult content has been shown on our pay-TV channels since April 2017, and no third-party adult channels have been broadcasted since May 2018.

We go the extra mile to make our content more accessible and inclusive

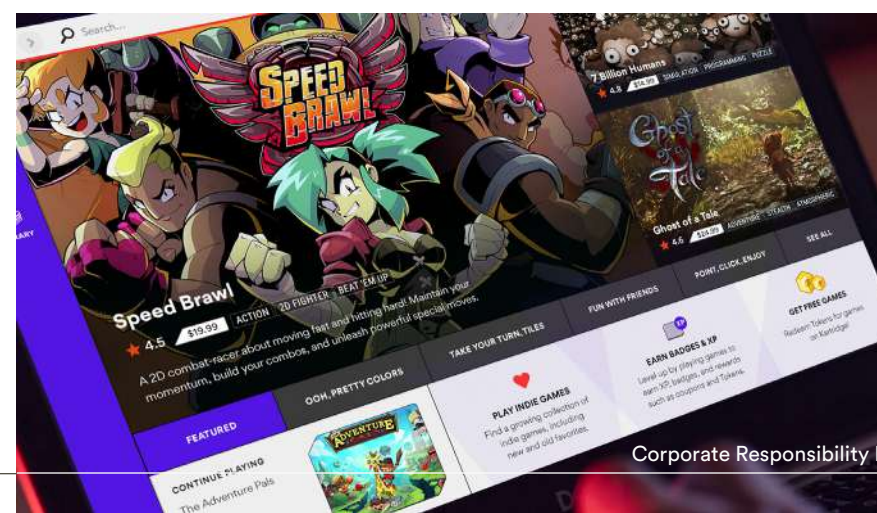
We follow Ofcom regulations which require us to broadcast a certain amount of content with audio descriptions (10%) and subtitles (60 %). But we want to take greater responsibility and go even further to make our content more accessible and inclusive. In 2018 we exceeded these targets in both areas for all free TV channels in Sweden and Denmark. We also introduced sign language captioning to our free channel TV3 in Sweden for the first time.

English is the main language in esports, but both ESL and DreamHack often end up with several language streams across the world to accommodate the viewers. Sometimes there are local language hosts or even direct translation on stage. Partner broadcasters may subtitle content if they have the media rights.

Integrity in Esports

Both ESL and DreamHack are proud members of ESIC, and ESL is even a founding partner. The organisation is to be the recognised guardian of the integrity of esports and to take responsibility for disruption, prevention, investigation and prosecution of all forms of cheating, including match manipulation and doping. The purpose is to set out the shared values and visions essential to a united front against corruption and form the basis of the ESIC program of integrity measures. ESIC acts as a neutral 3rd party to help mediate and monitor situations in which integrity can be questioned.

“ESL and DreamHack are proud members of ESIC. ESL is a founding partner”



Responsible content

We want our talents and storytelling to reflect a diverse society

MTG strives to represent society and give voices to diverse audiences. When producing content, games and esports productions, we always think about who is behind and in front of the camera or screen, including how people and characters are being portrayed. In 2018, we launched a steering group for the Nordic markets and the UK, to improve equality, diversity and inclusion in all areas, from employee recruitment to content production. We also appointed a specific working group focusing on equality, diversity and inclusion in the product portfolio and content value chain.

In game development, it's clear to see that diverse teams create better content and game design. InnoGames

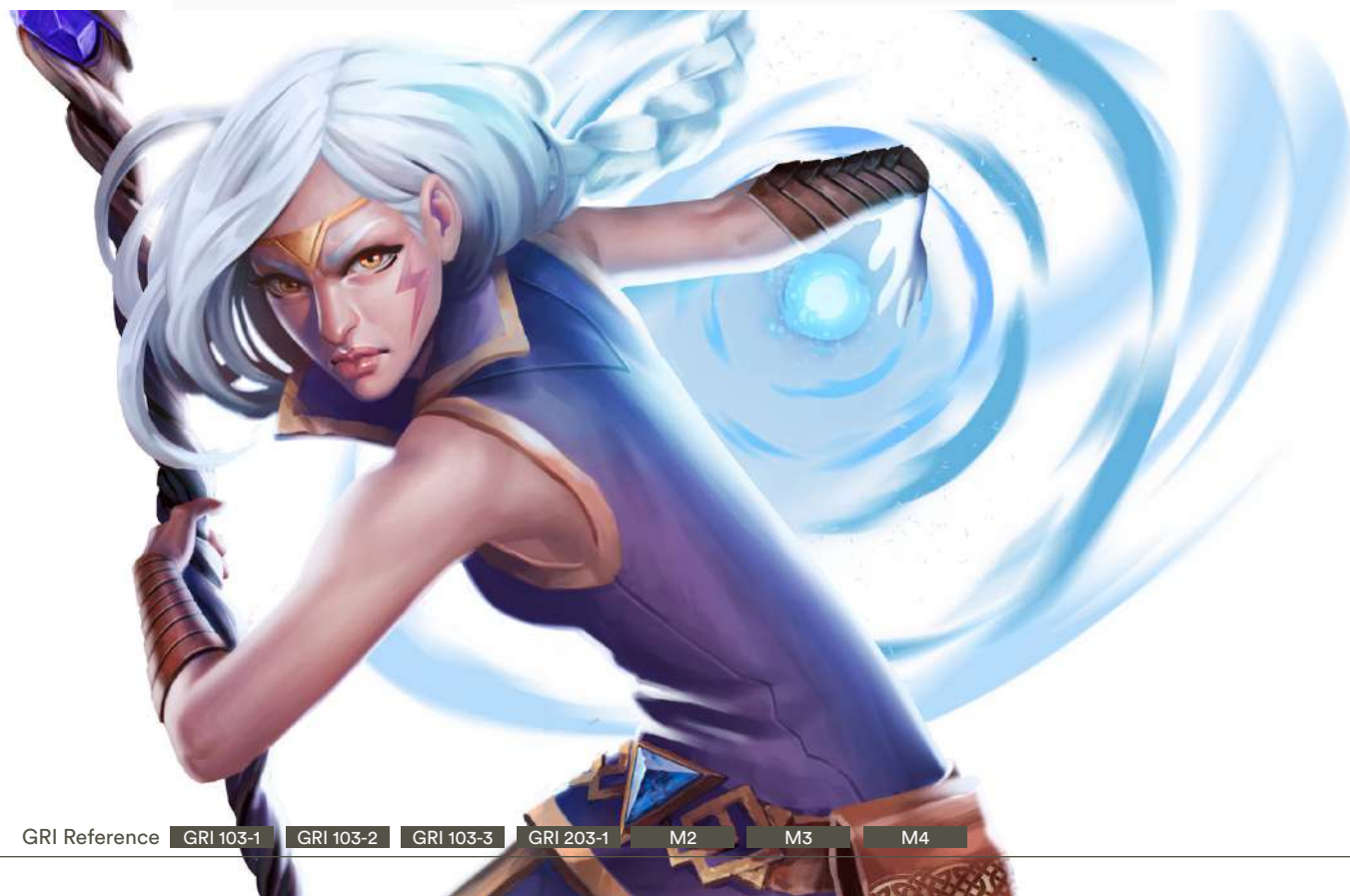
recognises the importance of different female characters. They believe the focus should not be on appearances, but on character traits like intelligent and powerful. The company are using this thinking to broaden their characters, for example in their game, Warlords of Aeternum.

We strive to invest in and encourage more gender balance and diversity in filmmaking talent. That's why we're proud of our latest cooperation with female producers, and our Viaplay original productions across the Nordic region. For example, the original drama series 'Conspiracy of Silence', directed by Charlotte Brändström. In 2018, we also launched the comedy-drama 'Love Me', written and directed by Josephine Bornebusch, and the crime thriller 'Honour', created by and starring a stellar line-up of top female talent.

How we protect our values in production

We work hard to make sure we live up to our values and principles in the content production process, and the same goes for our gaming and esports productions. Therefore, we include the Ofcom broadcasting code (in content productions) and MTG's Code of Conduct for suppliers in all agreements. To make sure our values and principles are followed, the Code of Conduct is discussed at each production kick-off meeting. This procedure was implemented in Sweden in 2018, with the plan to roll it out in the rest of the Nordic countries in 2019.

InnoGames recognises the importance of female characters



We want to entertain and inform our audience

We want to entertain while challenging stereotypical norms and promoting an equal, diverse, healthy and inclusive society. That's why we're proud of our production, Luxury Trap, (which is broadcast in Sweden, Denmark, Norway, Finland). With increased marginalisation and urbanisation, we see an increase in private debt. The proportion of people in debt in Sweden alone is about 4%. In the program, we help people solve their financial problems to achieve healthy and sustainable spending behaviour. The program reaches over 52% of the Nordic population (Finland excluded). The Luxury Trap's financial advisors not only educate and support the participants but through its incredible reach into Nordic households, they create awareness and guide the Nordic audiences of how to deal with a societal problem that has long been considered shameful. We are proud to be taking the fight against debt, for being an active part of people's daily life, and ultimately having an impact on the Nordic society.

Promoting local storytelling and cultural diversity

Creativity contributes to building an open, vibrant, inclusive and pluralistic society. We want to have a broad and diverse product portfolio with international content accessible through subtitling and dubbing. We want to promote local storytelling, languages and expressions while giving a platform to local creative talents and promoting the creative industry. When producing esports events, English is the main language. However, we provide direct translations of local languages on stage to increase accessibility. Often, we end up having more than 15 language streams all over the world.

In 2018, MTG continued to invest in original productions across the Nordic region. 10 productions were premiered, with the ambition to double original productions for the coming year. The productions were recorded in the Nordic countries Sweden, Finland, Norway, Denmark, and Iceland, with local creative production teams. They were distributed and promoted in the Nordics and internationally. The originals are broadcast

in local languages which increases accessibility for the younger and older local populations. 'Saga's Stories' is the latest original kids' series that both entertains, and informs, after the award-winning 'The Great Escape' which was named Children's Program of the Year at Sweden's Kristallen awards in 2017. 'Saga's Stories' aims to portray some of the challenges of growing up in an engaging and thoughtful way. We are also proud of the second season of 'The Great Escape' (launched in Danish, Swedish and Norwegian) which inspires kids to engage in complex subjects like chemistry and mathematics, in an entertaining and informative way.

Our esports events are streamed in up to 15 languages

Social Impact



Overview

We are proud of our people - the core and strength of our business. Equality and diversity are part of our key priorities. We aim to diversify our workforce and audience while promoting 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 and our audience to speak up. We are committed to creating a fun and inclusive culture while providing a safe and healthy working environment that helps people thrive and develop at MTG.

Social Impact

Diversity in gaming

ESL partnered with Vodafone to promote diversity in gaming by supporting a female esports challenge held during the IEM Sydney event in May 2018



Gender bias training

We ran a gender bias training at DreamHack, one of our esports companies committed to making a change in male-dominated esports activities



Development and wellbeing of employees

InnoGames takes care of employees' development and wellbeing by offering apprenticeship programmes, learning courses and sports classes in their facilities



Promoting diversity

We promote diversity of backgrounds and are proud to be represented by 70 nationalities



Equality, Diversity & Inclusion

We take a holistic approach to Equality, Diversity, and Inclusion

We know that companies who treat their employees equally, have a diverse workforce, and include everyone, are more creative, innovative and competitive than those who don't. Today, 70 nationalities are represented at MTG. 61% of our employees are male and 39% are female. We're less diverse at the management and executive levels with a gender split of 35% females and 65% males, so we're working hard to create an inclusive and open culture free from any form of discrimination or unconscious bias. In 2018, we continued to roll out our gender bias training for local management in Sweden, Finland, Norway, and the UK to ensure everyone has equal opportunities.

We decided to make equality and diversity our key priority and took a holistic approach on our gender equality work to include diversity and inclusion, and appointed an Equality, Diversity and Inclusion (EDI) steering group with employees in the Nordic markets and the UK. The steering group has started identifying challenges and solutions across the markets to set a long-term strategy for improving EDI in the years to come.

Female employees are under-represented in the technology and gaming industries. We want to be an active part changing this, including changing the perception that technology and gaming industries have working conditions that aren't family-friendly. We need a diverse workforce to understand and develop products that attract global

consumers. So, we've put an extra focus on attracting diverse talent and highlighting female role models in our employee branding across all our companies. For example, we've proudly sponsored Women in Tech (WIT) for the fifth consecutive year. WIT is an important initiative in the Nordics, inspiring women to choose a career within the media and tech industry, and this year we streamed it live on Viafree. To encourage young females to get interested in the digital world at an early age, we work closely with 'Hello World' arranging Hack Days at our local offices.

During EuroPride, our own multi-platform network, Splayone, produced a campaign 'Why I walk now' with influencers who talked about the importance of showing support for diversity and participating in the parade.

Our people are the core and strength of our business

We believe that our people are the core and strength of our business. We want them to develop and thrive in their career, so we invest in them with continuous training, talent and leadership programs. Every year we perform an engagement survey (in the Nordic markets and the UK) and this year we had a higher response rate than ever before (86% compared to last year 76%).

Inspiring leadership and a well-managed team are essential factors for success. Key contributing factors to high team efficiency are: feeling respected by colleagues and managers, functioning cooperation and an open environment. We outperformed the benchmark in all these areas. The survey showed that most employees are happy with their leadership, and they believe their team is well

managed. Overall, 94% reported feeling respected by their colleagues, and 89% said they cooperate well within their team.

We are proud of the commitment and energy that lies within MTG. 83% of employees enjoy going to work, 86% are proud to work for MTG, and 91% are willing to make an extra effort to make us more successful. Like any company, we have areas that need extra attention to make us even better, such as more information sharing, greater clarity when it comes to overall goals and more follow-up.

In our recruitment processes, we've taken extra measures to protect equal opportunities and ensure that we attract a diverse workforce, for example by posting our job ads in English and adjusting the language to attract diverse talent. Of all our employees

19% were new hires at MTG in 2018, with 7% women and 12% men. When it comes to internal recruitment and job promotions, our gender split is 39% women and 61% men. We support work-life balance and continuously try to challenge ourselves and improve conditions, including offering flexible working hours and the possibility to work from home. In most markets, we use English as the official language for increased inclusion and mobility across markets and businesses. We encourage all genders to take parental leave. Looking at the gender split amongst our employees going on parental leave a total of 47% men and 53% women took parental leave in 2018. We have also started a pre-parental training in Sweden for employees going on parental leave to make sure they have information and feel supported by the company.

“

Female employees are under-represented in tech & gaming. We want to change this.



Safety and Security

At MTG, we recognise the importance of safety and security; it’s everyone’s responsibility. Our Risk & Security team develop the strategy which we all implement locally, creating a secure working environment. This strategy is designed to protect our business and company strategy, enable the business and ensure that, in case of interruption we can recover quickly with as little harm done as possible.

The Risk & Security team is responsible for the following areas:

1. Business resilience;
2. Crisis management and escalation;
3. Personnel security, which includes travel security, security while working remotely and executive protection;
4. Security incident recording, analysis, investigation and resolution;
5. Content protection and anti-piracy initiatives – we continue to be members of the Audiovisual Anti-Piracy Alliance as well as the Nordic Content Protection organisation;
6. Physical security and compliance with the physical security baselines;
7. Management and application of insurance policies.



The IT Department takes care of information security in close collaboration with the Risk & Security team.

The Risk & Security team develop and deliver the Integrated Risk Management Framework, which is governed by the risk management policy, as well as group-wide trainings on relevant topics. The risk workstreams dictate the governance structure which is made up of information security, security operations, resilience, IT security, content protection, people, regulatory and business risks.

The governance committee monitors the group-level risks and risk-related activities and oversees the implementation of controls. It also supports and controls the risk framework as well as providing guidance, and escalating issues to the MTG Board of Directors and the executive management.

The role of the audit committee is to evaluate and challenge the risk framework. They measure and evaluate the impacts of the workstreams against set KPIs.

Throughout 2018, we’ve continued to improve event security, particularly at esports events. The Risk & Security team published event security guidance, and our Head of Security Operations provided security advice for 8 out of 21 esports events during 2018. The guide gives structured advice and a clear approach to all the different steps when planning and during the event. It includes detailed appendices about threat analysis and risk assessment among others

The Co-CEO and Founder of ESL, Ralf Reichert, and Co-CEO of DreamHack, Marcus Lindmark, both agree that: “The safety and security of attendees, partners, and staff at our events is paramount.

Therefore, we work very closely with venue security and local authorities to ensure we implement best practices in line with other sports and entertainment events.” Marcus adds, “We want everyone to be able to focus on the great experience they came for.”

The safety and security of attendees, partners, and staff at our events is paramount

We continue improving events security



Doing more

External Social Engagement – Doing more

Our businesses influence millions of people every day, through our broadcasting channels, streaming platforms, radio networks, esports tournaments and LAN festivals, and games that we develop and publish. Through the variety of platforms and interactive spaces, we engage with audiences of different ages. We want to use our reach and competence to give back to the communities we interact with and contribute

to the societies that are directly and indirectly affected by our products and services. During 2018, we donated and helped raise over 43 million SEK.

InnoGames supports ‘Hour of Code’

Computer science education is fundamentally important in the ever-developing digital world that surrounds us at home and at work. Every industry – and with it, every

aspect of our modern lives – is increasingly impacted by technology, from education to wellbeing to the arts. Despite this trend, computer science is not taught in the majority of schools around the world. To fill this gap, InnoGames supports the ‘Hour of Code’ project, which teaches these vital skills to millions of students from diverse backgrounds worldwide.

Kongregate games in support of ‘Extra life’

Kongregate helps raise funds for a local children’s hospital every year through ‘Extra Life’ - an organisation that unites thousands of gamers around the world to play games in

support of their local Children’s Miracle Network Hospital. In 2018, Kongregate raised over 18,000 USD for UCSF Benioff Children’s Hospital.

ESL collaborates with the University of York

ESL UK and the University of York launched the world’s first industry-backed module on esports content production. This milestone collaboration proves that esports is widely recognised as a rapidly growing industry and that more and more young people see esports as a career path they want to pursue. It also shows the high demand for a dedicated esports education in the industry that’s undergoing professionalisation with the ultimate goal of being on par with traditional sports.

DreamHack partners with Save the Children

DreamHack started a partnership with Save the Children as

a Global Charity Beneficiary in May 2018. The ambition is to help Save the Children amplify their reach and provide support from within the esports community. The partnership had three main goals. Firstly, raise awareness of the brand to an audience that most likely isn’t aware of Save the Children’s work. Secondly, get players to join their stream team so that when streamers have events where all donations will go to charity, Save the Children can be a beneficiary. Last but not least, to spread the message across several continents through giving Save the Children space at esports events and LAN festivals as well as raising funds through a variety of activations, such as merchandise sales.

TV3, Viasat & Viaplay host Diabetes Gala 2018

The success of the Diabetes Gala continued in 2018 as TV3, Viasat and Viaplay

live-broadcast the event on the World Diabetes Day for the second year in a row. The campaign raised over 7 million SEK that went directly to the Diabetes Foundation, but most importantly the campaign helped to spread information about diabetes and educate about the disease. 250,000 Swedes saw the gala concert in 2018.

MTG & Reach for Change

During 2018, MTG continued its support for Reach for Change and their quest to help social entrepreneurs develop solutions to pressing issues for children and youth. Throughout the year, Reach for Change supported 156 Change Leaders and had an impact on more than 350,000 children and youths. MTG ran its Game Changers campaign with Reach for Change for the 5th year with local collaborations and co-worker engagements in the Nordics.

We want to use our reach and competence to give back to the communities





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 also take the extra step of enhancing the understanding and knowledge of our employees by training them on core policies such as the Code of Conduct, Anti-Bribery and Corruption, Data and Asset Protection and Competition.

We have appropriate mechanisms to address any instance when we fall short, which strengthens our governance and encourages a culture of transparency and accountability. We respect the rights of every individual to data privacy, and by 25th of May 2018, we were GDPR ready on a high level. Throughout 2018 we have continued with the implementation of workstreams to continuously improve. We also partner with associations that aim to make a positive difference in the areas of professional integrity, anti-piracy and fraud.

Business Ethics

Universal rules for everyone

By the end of 2018, 89% of our staff had completed our e-learning courses in Code of Conduct, Data & Asset Protection, Competition and Anti-Bribery & Corruption



No confirmed corruption cases

During 2018, we had zero confirmed incidents of corruption and no incidents that led to employee dismissal or disciplinary action



GDPR ready

We were prepared and ready for the General Data Protection Regulation (GDPR) that came into force across the European Union



Compliant Business

At MTG, we promote a culture of openness, responsibility and accountability. We want to conduct business in full compliance with laws, regulations, international initiatives and standards.

Code of Conduct

Our Code of Conduct is built on our values; striving to inspire and ignite, exploring opportunities, enhancing lives and shaping the future. More importantly, the Code is a guide for all our employees on how we do (and don't do) business. It helps us navigate the ethical and legal situations we face daily. Our Code describes our responsibilities towards customers, business partners, shareholders and each other. It also sets out our position on topics such as fair working conditions, asset protection, anti-corruption practices, conflicts of interest, competition, data privacy and much more.

As a responsible global business, we are committed to international initiatives and standards such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the Fundamental

Conventions of the International Labour Organisation, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. We review our policy framework annually and if significant changes are made we need approval from the Board.

Training and courses

To ensure that all our employees understand and adhere to our values and commitment, we ask them to sign our Code of Conduct when starting their employment with MTG. During 2018, 82% of new employees signed. In 2018, we launched and rolled out four e-learning courses for all fixed employees covering our Code of Conduct, Data & Asset Protection, Competition and Anti-Bribery & Corruption.

Our overall completion rate for all four courses by the end of 2018 was 89%. The aim of the courses is to familiarise our employees with the content of our steering document framework by providing practical examples and questions. Both the e-learning courses and the steering documents clearly state whom to reach

out to with questions and concerns.

During autumn 2018, the Legal and Compliance team initiated face-to-face compliance training with our local management teams, deep diving into topics such as anti-bribery and corruption, conflicts of interest, competition and data protection amongst others. The next step in 2019 is to provide the same training to middle management and do more targeted and tailored face-to-face training.

Whistleblower process

As we promote a culture of openness, responsibility and accountability, we want everyone to feel comfortable about raising concerns, including possible violations of our Code of Conduct, policies, applicable laws and regulations. It is important for all our employees to know that their concerns will be taken seriously and investigated properly without fear of retaliation and that their confidentiality will be respected. Therefore, we have established a Whistleblower process and encourage our employees to raise

their concerns directly. Should an employee not feel comfortable to raise a concern with their line manager or manager's manager, they can contact our Whistleblower officers or use our anonymous external option via Speak-Up Line.

Anti-bribery and corruption

At MTG we take anti-bribery and corruption seriously, which is why we have the Anti-Bribery & Corruption policy as well as the e-learning course. 88% of our employees completed this course. During 2018 we had no confirmed incidents of corruption and no incidents that lead to employee dismissal or disciplinary action. No contracts with business partners had to be terminated or not renewed due to violations related to corruption, and no legal cases were brought against us or our employees.

Supplier Code of Conduct

We also want to develop and maintain strong business relationships with suppliers who are committed to ethical standards equivalent to our own. Our new Supplier Code

of Conduct sets out the standards with which all companies providing products or services to MTG are expected to comply. It is important to note that failure to comply with the standards and provisions in the Supplier Code may result in MTG reviewing and potentially ending a co-operation with a supplier.

GDPR

On the 25 May 2018, the General Data Protection Regulation (GDPR) came into force across the European Union. We were prepared and ready after having started the GDPR project in early 2017 to ensure compliance with the regulation. A core central team consisting of the Group Compliance Officer, Central Data Protection Officer, the Chief Security Information Officer (later replaced by the head of IT) and two GDPR Project Managers have worked closely with our appointed local Data Protection Managers and Human Resources to make sure data protection matters are handled correctly.

We have continued to follow our roadmap which includes activities such as updating

privacy notices and data processing agreements, reviewing retention periods, handling data subject requests, establish data breach procedures, as well as producing policies/guidelines and different types of training and awareness activities. A data protection awareness video was launched for all employees as well as the Data & Asset Protection e-learning which has a 89% completion rate. During 2018 we have continued to use OneTrust to map personal data processed within the organisation and identify data flows and where data is stored.

We have established a clear framework that manages data incidents and breaches which will ensure that we report possible personal data breaches within 72 hours. All personal data breaches are documented centrally. Complying and working with GDPR has become part of our daily work as we have moved into a governance phase and processes are starting to fall into place. In 2019 we will continue to define our strategy to include GDPR into daily work, to keep GDPR relevant and prioritised.





How We Govern

Modern Times Group 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.

The AGM

The AGM is the highest decision-making body, at which the MTG shareholders vote on various resolutions, sign off the accounts, appoint MTG's Board of Directors (the Board) and its Chairman, appoint MTG's Auditors and may also

make other proposals. Shareholders should submit proposals in writing at least seven weeks before the AGM.

Nomination Committee

The Nomination Committee evaluates the Board of Director's work and composition, submits proposals to the AGM regarding the election of the Board, the Chairman of the Board and the 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.

External Auditors

The External Auditors examine the Annual Report and financial accounting, and the

Board's and CEO's administration. They report their findings to the shareholders in an Auditor's Report which is presented to the AGM. They also address detailed findings at each of the Audit Committee's meetings and to the full Board as necessary.

Board of Directors

The Board comprises of six non-executive directors, all of which are independent of the Company and its management and are independent of the major shareholders. The Board has the overall responsibility for MTG's organisation and administration and governs MTG's Corporate Responsibility. The Remuneration Committee appointed by the Board is responsible for issues related to salaries, pension plans, bonus and remuneration programmes, the structure and levels of remuneration at MTG as well as providing advice on long-term incentive

schemes and the Guidelines for remuneration applicable to the Chief Executive Officer and Executive Management.

Audit Committee

The Audit Committee appointed by the Board monitors MTG's financial reporting, efficiency relating to internal control, internal audit and risk management, impartiality and independence of the auditor, assists the Nomination Committee in preparing for auditors' election at the AGM and when applicable, monitors and secures the quality and fairness of transactions with related parties.

CRAG

The Corporate Responsibility Advisory Group (CRAG) was established in 2013 to support the Board on corporate responsibility topics. The Group was formed to meet three times a year and consisted of two members of the Board. MTG's President and CEO, one member of the Executive Management team, the Group General Counsel and the Head of Corporate Responsibility

reported to, and were part of CRAG. The CRAG had 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 reported its findings to the Board. However, due to the recent structural changes at MTG and increased importance of corporate responsibility matters, it was decided in September 2018 that the CRAG be dissolved and corporate responsibility issues to be now considered by the full Board.

Executive Management

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

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.

Local Business

Local CEOs ensure that MTG's corporate responsibility strategy is implemented and forms an integral part of our various businesses. We also collaborate with team members across the organisation to drive and execute corporate responsibility initiatives on a group and local level.



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. The 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 multichannel 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 audiovisual content through advertising solutions, regardless of device or platform.

ESBD

MTG's ESL is one of the founding members of the German esports federation called Esport Bund Deutschland (ESBD). ESBD is the central contact point for the sporty design of eSport and the interests of the athletes in the field, both for politics and administration as well as sports and umbrella organisations.

ESIC

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

FWC

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

GAME

The German Games Industry Association (game) has a mission to make Germany the best games location. game is an expert partner for media, social and political institutions and addresses questions regarding market development, games culture and media literacy.

IAB

The Interactive Advertising Bureau (IAB) aims to ensure that Sweden becomes the leading country in online marketing in Europe. IAB works through specialised task forces that define various standards and guidelines.

IGDA

The International Game Developers Association (IGDA) is a U.S. based non-profit professional association and a global network of collaborative projects and communities of individuals from all fields of game development. IGDA brings together developers to improve their lives and their craft.

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.

MMS

Nordic Entertainment Group is one of the owners of MMS. MMS measures, but also develops new methods for measuring consumption of moving images in Sweden. They monitor trends and publish reports and surveys.

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 Norwegian mass media that aims to promote ethical standards and professional integrity and

to strengthen and protect freedom 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.

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 digital radio based on DAB/DAB+ standards.



Our Stakeholder Engagement

MTG's stakeholders are selected through stakeholder mapping. We identify them through looking at MTG's business and corporate responsibility strategy and evaluate their impact. The stakeholders include all the people and organisations that may be affected by our business and those that affect us as a company. Their input guides us in the right direction and they are vital to our success.

We engage with stakeholders as part of our everyday business and involve them in our corporate responsibility activities as well as goal-setting processes as part of our materiality assessment. This engagement aims to achieve shared goals of common interest.

During the split of MTG, Nordic Entertainment Group and MTG carried out new materiality assessments to set our priorities moving forward and maximise our positive impact across each of our markets. We will share the outcome of those in 2019.

Our stakeholders' input in the materiality assessment of 2016 is the basis of our current corporate responsibility strategy and focus. 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, game players and game developers; and **B2B: media agencies and corporations.**

Day-to-day engagement methods:

Free-TV: Focus group research, ad hoc content research, surveys, social media, viewing figures and audience appreciation index.

Pay-TV: Focus group research, customer support channels, surveys, dialogue programs, social media, newsletters and brochures.

Viaplay & Viafree: Focus group research, surveys, cam-

paings, viewing panels, customer support channels and social media.

Radio: Listener hotlines, competitions, website, audience measurements, surveys, interviews, auditory tests, blogs and social media.

Esports participants, enthusiasts, game players and game developers: Events, interviews during events, surveys including post-event customer satisfaction surveys, blogs, forums, websites, social media, newsletters, customer support channels and meetings.

B2B: Direct dialogue.

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

Shareholders

Our investors.

Day-to-day engagement

methods: Annual General Meeting, Annual Report, Corporate Responsibility Report, quarterly reports, press releases, general and Environmental Social Governance (ESG) roadshows and conferences, Capital Markets Day.

Key issues: Responsible advertising, content quality and accessibility.

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.

Employees

Our team members.

Day-to-day engagement

methods: Annual employee survey, intranet, posters, newsletters, policies and guidelines, e-learning, whistle-blower procedures, per

sonal development reviews, training, programs, workshops, one-on-one meetings, daily dialogues, statistic engagement tools and onboarding and offboarding processes.

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

Suppliers

The companies whose products and services we buy.

Day-to-day engagement

methods: Daily or weekly phone calls, Skype and face-to-face meetings, including continuous dialogue on diversity, Supplier Code of Conduct, site visits, communication regarding set-up routines on GDPR and Supplier Code of Conduct compliance as well as consumer regulatory standards.

Key issues: Compliance with our requirements.

NGOs

The non-governmental organisations 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.

Regulators

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

Day-to-day engagement

methods: Continuous dialogue with the broadcast compliance and legal teams.

Key issues: Product safety and compliance (regulatory protection, responsible adver-

tising, content accessibility and impact awareness.

Trade Associations

Memberships in associations through which we discuss issues relevant to the media and audiovisual sectors, including legislative proposals at EU and national level, as well as issues relevant to the esports sector such as professionalism and integrity.

Day-to-day engagement

methods: Face-to-face meetings, Task Force calls, association events with key stakeholders including political institutions and regulators, conferences, webinars, monthly board meetings, weekly email discussions, long-term projects, joining advocacy efforts through conducting interviews, quarterly meetings and commission work at the esports division of game.

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.

Industry

Our peers and colleagues.

Day-to-day engagement

methods: Quarterly industry peer meetings through 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

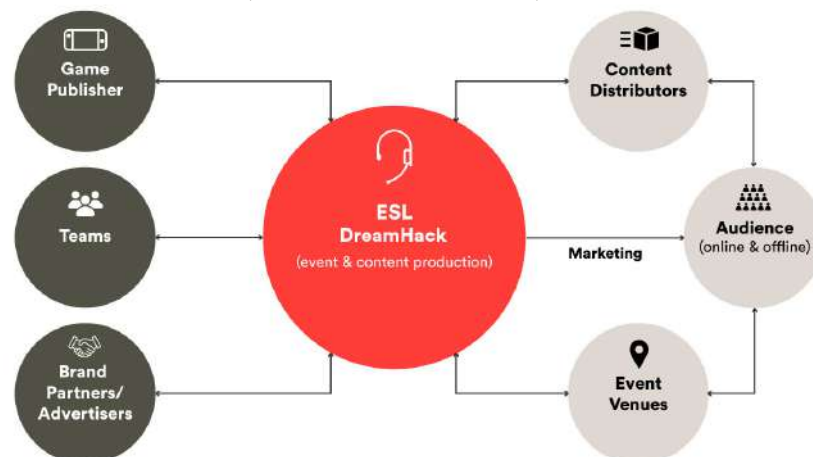
As a global digital entertainer, we offer a wide range of products and services for multiple markets across a broad range of distribution channels. Even though we are many brands, we are one organisation. That means we follow the same processes and work towards the same goal: to create value for our customers, partners, employees and shareholders, as well as for society.

To illustrate and explain our business better, we have divided it into three value chains: digital entertainment (that includes free-TV, pay-TV and digital video content), esports (DreamHack and ESL) and online gaming (InnoGames and Kongregate).

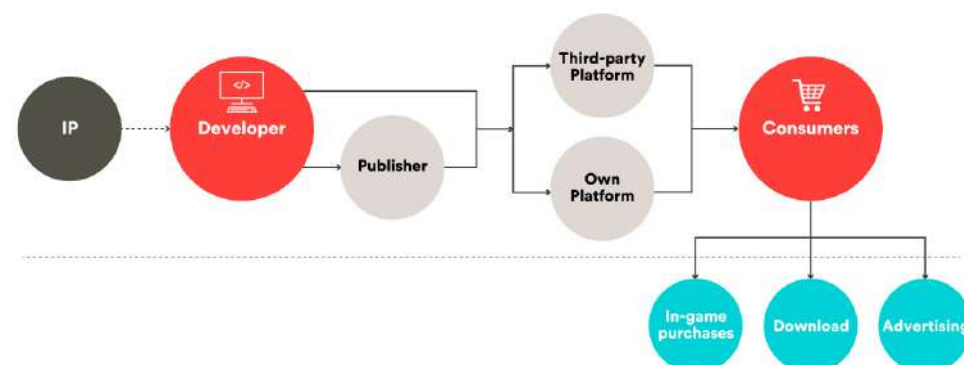
Digital Entertainment (Free-TV, Pay-TV & Video Networks)



Esports (ESL & DreamHack)



Gaming (InnoGames & Kongregate)



Buying, licensing and acquisition

We work with many types of suppliers to ensure we have what we need to run our business. Core suppliers include major Hollywood studios (media rights acquisitions and content licensing) and sports rights providers (sports rights licensing), as well as local studios and channels we acquire content from. Set-top-box hardware producers are also included in this category. Our online gaming companies, Kongregate and InnoGames, acquire game IPs from game developers. Non-core suppliers include office equipment and IT vendors.

Creating and developing

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 content and software development, production and scheduling to compliance, marketing and broadcasting. We also produce content for other broadcasters. In online gaming, the process follows the steps of development, production, soft launch and testing, launch, marketing and further development and production. The life cycle of a game is prolonged through features updates and in-game events (known as live-ops). Our esports companies produce the content at our ESL and DreamHack tournaments and events.

Distribution

We make our content available to customers via multiple linear and subscription channels and streaming services in the Nordic region and Bulgaria, as well as on radio networks in some of the Nordic countries and Bulgaria. Our subscription streaming service Viaplay and a free on-demand platform Viafree (both available via browser or app) offer original and licensed content through smart TVs, mobile apps and additional access points. Esports enthusiasts can watch our own esports channel, available upon subscription in multiple territories. Our events and LAN festivals are streamed on third-party platforms, as our esports companies own the distribution rights to the original esports content that they license to networks and digital services in multiple languages. Our games are free-to-play, which means that they are available to play free of charge in the browser and via mobile apps with optional in-game purchases. In-game purchases are not vital to advance and succeed in a game.

Brand partnership and advertising

We supply advertising space to media buyers, businesses and charities. We sell advertising space on our owned and operated channels and platforms to media buyers and businesses as well as supplying charities when possible. At esports 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.

Event production

Our esports companies, ESL and DreamHack, produce and host leagues, tournaments and LAN festivals that attract pro gamers 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 deliver our audiences the best possible quality while offering our business customers opportunities to strengthen their brands. This input is channelled back to our content creation (development and production), marketing, purchasing and events teams to make sure we continue to offer inclusive, accessible and responsible content, online games and live experiences.

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 business, we apply the precautionary principle when assessing the environmental and health impacts of our operations. We don't 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 employees to travel smarter while offering tools that enable them to travel less. It's 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 companies is still a work in progress, as it adds a new dimension to our environmental work. Because our esports companies produce live events and festivals on a global scale, it is our ambition to integrate these activities into our future environmental strategy and reporting.



Environmental work

At MTG, we keep track of our carbon footprint and encourage everyone across all our businesses to think and act green. We want our offices to be as energy efficient as possible, while we aim to provide our people with tools that reduce unnecessary travel.

In 2018, our overall energy consumption decreased by 22%. The main factor here is the exclusion of energy-intensive entities, such as our divested Baltic operations from the data. In addition, meter readings in our Stockholm office have been improved (and in some cases corrected).

Our overall carbon footprint during 2018 was 25,215 tonnes CO₂e, which is a year on year increase of 7%. About 84% of MTG's emissions during 2018 arose from business travel, with air travel representing 76% of total emissions. Most of the remaining emissions came from energy use in our facilities. We are a very travel intensive company, especially our esports businesses that operate events across the world. These companies stood for 68% of our total travel emissions during 2018.

We currently do not measure the carbon footprint of our events and festivals but are looking into ways to do this efficiently. On a positive note, DreamHack asks its venues if they have environmental certification, although this is not a prerequisite for hosting their events. In addition, local Scouts and sports club members who volunteer at DreamHack festivals in Sweden can keep deposit money from collected PET bottles and cans.

In Sweden, we continue to work towards reducing MTG's energy consumption to meet the 20% reduction target set by the European Union's Energy Efficiency Directive. Many small activities add up to a bigger contribution, which is why we are optimizing the indoor climate in our main office in Stockholm. This creates a better work environment and saves energy too. During 2019, all lights in the building will be exchanged for LED lights, and we will continue to explore the possibility of recycling our office heat (especially from our server rooms) and feeding it back into local heating grids.

Our overall aim is to travel smarter as well as less, and to use tools that enable an equally efficient working experience. Travelling smarter means booking flights with fewer stops, combining destinations in a single trip, using the train rather than flying, and renting only hybrid or electric cars. Everyone needs to take responsibility for our footprint!



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 2018	Achievements 2018	Targets 2019
<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.	<ul style="list-style-type: none">• Both the Code of Conduct and Anti-Bribery & Corruption e-learning trainings were launched and have achieved completion rates of 90% and 88% by the end 2018	<ul style="list-style-type: none">• TBC after split.
<ul style="list-style-type: none">• Provide Compliance face-to-face training, incl. Anti-Bribery & Corruption, to selected managers within the MTG Group.	<ul style="list-style-type: none">• The Legal and Compliance team initiated face-to-face compliance training with local management teams about anti-bribery and corruption, conflicts of interest, competition and data protection amongst others.	<ul style="list-style-type: none">• TBC after split.
<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.	<ul style="list-style-type: none">• The signing rate of the Code of Conduct 2018 was 82%. The ABC policy was approved by the Board. The Code of Conduct and ABC e-learning courses were rolled-out.	<ul style="list-style-type: none">• TBC after split.

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 2018	Achievements 2018	Targets 2019
<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">• All identified high risk workstreams were completed by May 25, 2018. We have continued monitoring GDPR compliance throughout 2018 and to define a strategy to include GDPR into daily work, in order to keep GDPR relevant and prioritized.	<ul style="list-style-type: none">• TBC after split.
<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.	<ul style="list-style-type: none">• We launched a data protection awareness video as well as a Data & Asset Protection e-learning course with a completion rate of 89% by end 2018.	<ul style="list-style-type: none">• TBC after split.

Security

Objective: Improve MTG’s cyber-resilience.

Targets 2018	Achievements 2018	Targets 2019
<ul style="list-style-type: none">Expand the security awareness program with additional training applicable to all employees, create and launch specialised training that addresses 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">The security awareness program was expanded by additional training that covers information security issues (e.g. phishing). A suite of awareness materials was published and rolled out through the Security Champions network.	<ul style="list-style-type: none">TBC after split.
<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">Phase 1 and 2 of the Cyber Capability Maturity Programme was completed in Q1 and Q2. However, target improvement plans form part of Phase 3 and 4; and as the CCMM programme was placed on hold on 01 July 2018 (following a decision to transfer responsibility for Information Security to NENT Group IT), this target was revised and will be reconsidered in 2019.	<ul style="list-style-type: none">TBC after split.
<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.	<ul style="list-style-type: none">A review of the incident and crisis management process has been initiated, including revision of plans and escalation process. An exercise was carried out with Viaplay and plans developed for the finance functions as part of the IPO requirements.	<ul style="list-style-type: none">TBC after split.

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 2018	Achievements 2018	Targets 2019
<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">We reviewed the Ofcom and the Advertising Standards Authority bulletins where they publish detailed findings of all programme and advertising content that does not live up to regulations concerning the protection of children. Their reasoning why and relevant guidance on how to avoid similar issues has been useful.	<ul style="list-style-type: none">TBC after split.
<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.	<ul style="list-style-type: none">We have produced an annual summary for 2018 to keep track of the market and adjustments to child and minors protection.	<ul style="list-style-type: none">TBC after split.

Diversity & Equality

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

Targets 2018	Achievements 2018	Targets 2019
<ul style="list-style-type: none">Continue work on identifying and defining aspects of diversity.	<ul style="list-style-type: none">We have continued to improve our work with diversity through defining what equality, diversity and inclusion means to us. In our Nordic business, we established an Equality, Diversity and Inclusion (EDI) steering committee.	<ul style="list-style-type: none">TBC after split.
<ul style="list-style-type: none">Continue to improve gender bias workshop and training on gender bias to enhance diversity and inclusion. Roll-out of follow-up workshop for the MTG Nordic Management Team.	<ul style="list-style-type: none">Gender bias training was given to local management teams in Sweden, Norway, Finland and the UK.	<ul style="list-style-type: none">TBC after split.

Content accessibility (new 2018)

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

Targets 2018	Achievements 2018	Targets 2019
<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.	<ul style="list-style-type: none">All targets were reached and exceeded on all required channels.	<ul style="list-style-type: none">TBC after split.

Environment

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

Targets 2018	Achievements 2018	Targets 2019
<ul style="list-style-type: none">Complete energy consumption mapping of all MTG businesses.	<ul style="list-style-type: none">We have not been able to map the energy consumption of the MTGx businesses as the integration of the businesses into our environmental reporting framework has been slower and more difficult than anticipated.	<ul style="list-style-type: none">TBC after split.
<ul style="list-style-type: none">Review target and roadmap pending analysis, mapping and integration of MTGx (Digital Ventures) companies.	<ul style="list-style-type: none">We have not reviewed the targets and roadmap as the integration of the MTGx companies has been slower and more difficult, but also because of the pending split of MTG.	<ul style="list-style-type: none">TBC after split.

Workforce Data

Workforce by Region	2016	2017	2018
Total	3,805	3,619	3,709
Male	2,240	2,277	2,271
Female	1,565	1,342	1,438
Nordics	1,613	1,757	1,779
Male	978	1,053	1,032
Female	635	704	747
Europe	1,256	1,640	1,673
Male	591	1,052	1,048
Female	665	588	625
America & Australia	N/A	222	248
Male	N/A	172	185
Female	N/A	50	63
Asia	N/A	N/A	9
Male	N/A	N/A	6
Female	N/A	N/A	3

The reported data relates to the period 1st January - 31st December 2018 and all data figures are effective 31st December 2018 for all companies included in the report. There were three assumptions made. First, for one company, due to lack of system in place, numbers for some disclosures were assumed. Second, for another company, due to lack of overview over how much, and what type of work is performed by workers who are not employees, it was assumed that no significant work is performed by workers who are not employees. Third, a company assumed average FTE 2018 instead of full headcount numbers as of year end.

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 entire 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 was extracted from internal HR systems, payroll systems, or excel files populated through a salary system or manually. Other parts of the data was derived from net survey, extracted from payroll excel and budget actual sheets, written contracts, HR cost reports, HR cost file populated using payroll software, company bookkeeping and word of mouth, especially for companies where there is only one or a few employees.

‘Nordics’ includes Sweden, Denmark, Norway and Finland. ‘Europé’ includes The Netherlands, Lithuania, UK, Bulgaria, Malta, Slovakia, Romania, Hungary, Latvia, Germany, France, Poland, Spain, Russia, Ireland and Italy. ‘America and Australia’ includes USA, Canada, Mexico, Brazil and Australia. ‘Asia’ includes China and Singapore.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Workforce by Employment Contract	2016	2017	2018
Permanent	3,298	3,213	3,305
Female	1,371	1,222	1,276
Male	1,927	1,991	2,029
Nordics	N/A	1,536	1,616
Female	N/A	642	674
Male	N/A	894	942
Europe	N/A	1,470	1,444
Female	N/A	536	541
Male	N/A	934	903
America & Australia	N/A	207	241
Female	N/A	44	60
Male	N/A	163	181
Asia	N/A	N/A	4
Female	N/A	N/A	1
Male	N/A	N/A	3
Temporary	507	406	404
Female	194	120	162
Male	313	286	242
Nordics	N/A	221	163
Female	N/A	62	73
Male	N/A	159	90
Europe	N/A	170	229
Female	N/A	52	84
Male	N/A	118	145
America & Australia	N/A	15	7
Female	N/A	6	3
Male	N/A	9	4
Asia	N/A	N/A	5
Female	N/A	N/A	2
Male	N/A	N/A	3

In all regions where MTG operates, there was a significant part of the work in 2018 performed by workers who are not employees. These workers performed work in the field of production, casting and talent services, project management, telemarketing, customer service, payroll support, sales, script writing, editing, community management, support in organizing and running esports events and tournaments, social media, creating video content, warehouse management, online broadcasts, graphic design, logistics, finance and accountability, business adminstration, research, sales and business development and legal matters.

Workers should be understood as people who are working for our organisation, 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 without their input or, iii) more than 50% of the total workforce contained these workers who are not employees. The three requirements are alternative in nature, meaning that only one out of three sufficed to consider that a significant part of our work in 2018 was performed by workers who are not employees.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Workforce by Employment Type	2016	2017	2018
Full-time	3,645	3,062	3,231
Female	2,144	1,908	1,233
Male	1,501	1,154	1,998
Part-time	160	151	74
Female	95	83	43
Male	65	68	31

Employees Covered by Collective Bargaining Agreements	2016	2017	2018
Total	7%	7.18%	7.74%

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

New Employee Hires	2016	2017	2018
Total	(22%) 712	(25.78%) 933	716 (19.30%)
By gender			
Female	(22%) 267	(8.37%) 303	275 (7.41%)
Male	(23%) 444	(17.41%) 630	441 (11.88%)
By age			
<30	(37%) 347	(14.95%) 541	365 (9.84%)
30-50	(17%) 358	(10.44%) 378	333 (8.98%)
>50	(3%) 6	(0.39%) 14	18 (0.49%)
By region			
Nordics	(18%) 253	(29.99%) 527	361 (20.29%)
Female	N/A	(10.81%) 190	145 (8.15%)
Male	N/A	(19.18%) 337	216 (12.14%)
<30	N/A	(19.46%) 342	162 (9.11%)
30-50	N/A	(10.24%) 180	191 (10.74%)
>50	N/A	(0.28%) 5	8 (0.45%)

Continue to next page.

Europe	(13%) 157	(21.77%) 357	298 (17.81%)
Female	N/A	(6.22%) 102	111 (6.63%)
Male	N/A	(15.55%) 255	187 (11.18%)
<30	N/A	(10.85%) 178	172 (10.28%)
30-50	N/A	(10.43%) 171	118 (7.05%)
>50	N/A	(0.49%) 8	8 (0.48%)
America & Australia	(42%) 302	(22.07%) 49	54 (21.77%)
Female	N/A	(4.95%) 11	17 (6.85%)
Male	N/A	(17.12%) 38	37 (14.92%)
<30	N/A	(9.46%) 21	29 (11.69%)
30-50	N/A	(12.16%) 27	23 (9.27%)
>50	N/A	(0.45%) 1	2 (0.81%)
Asia	N/A	N/A	3 (33.33%)
Female	N/A	N/A	2 (22.22%)
Male	N/A	N/A	1 (11.11%)
<30	N/A	N/A	2 (22.22%)
30-50	N/A	N/A	1 (11.11%)
>50	N/A	N/A	0 (0.00%)

The rates of new hires comprises all new employees joining the company for the first time. This excludes job promotions and internal recruitments of existing employees, which are reported separately in this report. Employee numbers as of 31st December 2018 (the end of the reporting period) were 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 the age group of 60 employees in two of our digital ventures is unknown, the rates of total new hires by age group, and the rate of new hires by age group for Europe and Asia were calculated only against the number of 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 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Internal Recruitment	2016	2017	2018
Total	28%	(4.01%) 145	148 (3.99%)
Female	N/A	(4.32%) 58	57 (3.96%)
Male	N/A	(3.82%) 87	91 (4.01%)

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

Employee Turnover	2016	2017	2018
Total	19% (618)	(16.47%) 596	775 (20.90%)
By gender			
Female	25% (268)	(5.42%) 196	287 (7.74%)
Male	18% (350)	(11.05%) 400	488 (13.16%)
By age			
<30s	18% (167)	(7.18%) 260	296 (7.98%)
30-50	19% (410)	(8.76%) 317	437 (11.78%)
>50s	22% (41)	(0.53%) 19	42 (1.13%)

By Region			
Nordics	21% (289)	(18.38%) 323	328 (18.44%)
Female	N/A	(7.51%) 132	119 (6.69%)
Male	N/A	(10.87%) 191	209 (11.75%)
<30s	N/A	(8.59%) 151	126 (7.08%)
30-50	N/A	(9.11%) 160	182 (10.23%)
>50s	N/A	(0.68%) 12	20 (1.12%)
Europe	11% (123)	(15.55%) 255	372 (22.24%)
Female	N/A	(3.54%) 58	150 (8.97%)
Male	N/A	(12.01%) 197	222 (13.27%)
<30s	N/A	(6.22%) 102	144 (8.61%)
30-50	N/A	(8.90%) 146	211 (12.61%)
>50s	N/A	(0.43%) 7	17 (1.02%)
America & Australia	N/A	(8.11%) 18	74 (29.84%)
Female	N/A	(2.70%) 6	18 (7.26%)
Male	N/A	(5.41%) 12	56 (22.58%)
<30s	N/A	(3.15%) 7	26 (10.48%)
30-50	N/A	(4.95%) 11	43 (17.34%)
>50s	N/A	0	5 (2.00%)
Asia	N/A	N/A	1 (11.00%)
Female	N/A	N/A	0 (0.00%)
Male	N/A	N/A	1 (11.00%)
<30s	N/A	N/A	0 (0.00%)
30-50	N/A	N/A	1 (11.00%)
>50s	N/A	N/A	0 (0.00%)

Employee numbers as of 31st December 2018 (the end of the reporting period) were 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 the age group of 60 employees in two of our digital ventures is unknown, the rates of total employee turnover by age group, and the rate of employee turnover by age group for Europe and Asia were calculated only against the number of 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 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Parental Leave	2016	2017	2018
Number of employees entitled to parental leave			
Total	N/A	1,891	3,132
Female	N/A	790	1,200
Male	N/A	1,101	1,932
Number of employees who took parental leave			
Total	141	191	195
Female	91	83	103
Male	50	108	92

Number of employees who returned to work from parental leave			
Total	120	152	128
Female	92	52	48
Male	28	100	80
Number of employees who stayed for 12 months after their return			
Total	58	71	124
Female	43	19	45
Male	15	52	79
Return to work rate			
Total	N/A	N/A	67.02%
Female	N/A	N/A	57.83%
Male	N/A	N/A	74.07%
Retention rate			
Total	N/A	N/A	81.58%
Female	N/A	N/A	86.54%
Male	N/A	N/A	79.00%

One company reported number of employees who took parental leave in 2018 in a different way, hence excluded the employees who may have taken parental leave for less than 30 days. Please 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 ocured yet.

In some instances, the entitlement to parental leave is recognized and followed as precribed by law, without internally reinforcing and/or restating the legal right to parental leave in a written form. In one company, there is no paid parental leave provided to the employees, but unpaid only as prescribed by law. In other instances, the entitlement to parental leave activates once the em- ployee has been working in the company for a certain period of time, e.g. 12 months period (1 year) or 180 days. In one company, length of service impacts entitlement to enhanced paternity/maternity pay.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. N/A therefore indicates that for that particular section no such data was provided in 2016.

Work-related Injuries	2016	2017	2018
Work-related accidents			
Total	8	N/A	N/A
Female	1	N/A	N/A
Male	7	N/A	N/A
Injury rate (The rate shows the number of injuries per 1,000,000 working hours.)	N/A	N/A	N/A
By Gender			
Female	N/A	2.58	24.74
Male	N/A	1.3	33.07
By Region			
Nordics	N/A	2.25	17.77
Female	N/A	3.51	15.87
Male	N/A	1.41	11.49
Europe	N/A	0.9	49.61
Female	N/A	1.68	37.94
Male	N/A	0.47	56.57
America & Australia	N/A	4.45	15.94
Female	N/A	0	0
Male	N/A	5.75	21.37

Asia	N/A	N/A	0
Occupational disease rate (The rate shows the number of occupational diseases per 1,000,000 working hours.)	N/A	0.68	14.92
By Gender			
Female	N/A	0.37	5.5
Male	N/A	0.87	20.89
Lost days due to work-related accidents			
Total	61	N/A	N/A
Lost days rate (The rate shows the number of lost working days per 1,000,000 working hours.)	N/A	67.03	668.17
By Gender			
Female	N/A	124.44	442.53
Male	N/A	33.2	811.05
By Region			
Nordics	N/A	114.17	233.29
Female	N/A	177.56	238.11
Male	N/A	71.79	229.8
Europe	N/A	25.61	1,091.5
Female	N/A	71.42	733.6
Male	N/A	0	1304.95
America & Australia	N/A	0	956.27
Female	N/A	0	0
Male	N/A	0	1281.91
Asia	N/A	N/A	0
Work-related fatalities	0	0	0

The injury rate comprises injuries to employees only. There were two injuries amongst workers who are not employees, a car acci- dent and twisted ankle. We cannot calculate the injury rate specifically for workers since we do not collect data on the number of workers at MTG. The injury rate per gender does not include the number of injuries ocurred at the traditional businesses within MTG Sweden/Nordic Entertainment 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 break- down of the types of injuries to protect the privacy of our employees. The work related injuries include minor injuries due to cut with a knife, paper cuts, finger cut and nose bleed; injury on the way to work whereby a car ran over employee’s foot; broken leg; sprained ankle; twisted ankle; twisted knee; head injury; fall injury; fall accident at office entrance and at a conference; automatic door incident; falling from height in a studio; skiing accident and golf accident.

The rules for reporting and recording injuries varies amongst different companies. In some instances, there is no internal system or rules in place for reporting and recording injuries. In other instances, the injuries are reported and recorded in an internal HR, payroll and servicedesk system, or are reported directly to the office, HR department, an executive or event manager via email or by word of mouth. There are instances where the recording of injuries is managed externally by insurance funds and companies, through employee’s input or information communicated by the company itself. In some companies, there are safety represent- atives or delegates who follow up on safety, or accidents and injuries are managed by the team at location. In other instances, injuries are recorded manually in excel, google sheets, emails, claim forms and in special accident reporting book managed by employees and facilities managers. Sometimes injuries are not reported in any system due to privacy. For some companies, we have no information available as to how injuries are being reported and recorded.

There were no fatalities at MTG in 2018. Lost days were understood and reported as scheduled working days, beginning to count the day after the accident. The lost days rate and occupational diseases rate relate to employees only, excluding workers who are not employees. Due to the small number of occupational diseases, we do not provide regional breakdown of the figures to protect the privacy of our employees. The lost days rate increased due to data improvements.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Absence Rate	2016	2017	2018
Total	2.7%	0.13%	0.11%
Female	4.2%	0.32%	0.17%
Male	2.0%	0.02%	0.07%
Nordics	4.2%	0.24%	0.10%
Female	7.2%	0.53%	0.16%
Male	2.3%	0.05%	0.06%
Europe	1.5%	0.03%	0.12%
Female	1.8%	0.09%	0.20%
Male	1.2%	0.00%	0.08%
America & Australia	N/A	0.00%	0.12%
Female	N/A	N/A	0.09%
Male	N/A	N/A	0.13%
Asia	N/A	N/A	0.00%
Others	2.5%	N/A	N/A
Female	2.8%	N/A	N/A
Male	2.3%	N/A	N/A

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

The absence rate relates to employees only, excluding workers who are not employees.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. The data figures in 2016 and 2017 did not include Asia, as they do this year. N/A therefore indicates that for that particular section, or region, no such data was provided previous years.

Average Yearly Employee Training Hours	2017	2018
Average training hours per employee	4.03	5.09
By Gender		
Female	1.56	3.14
Male	1.48	2.30
By employee category		
EVPs	0	2.67
Female	0	0.00
Male	0	3.43
CEOs, CFOs, COOs	4.11	2.76
Female	1.39	0.77
Male	5.08	3.81
SVPs, VPs, Heads of	3.29	2.05
Female	4.22	2.53
Male	2.89	1.79
Managers	2.65	16.50
Female	4.54	12.09
Male	1.87	6.67
Non-managers	1.18	4.04
Female	1.11	2.25
Male	1.24	1.70

The number of training hours at the traditional businesses at MTG Sweden/Nordic Entertainment Sweden are excluded from the average training hours rate per gender because MTG/Nordic Entertainment Sweden does not own gender specific data on training. The total number of training hours given to employees in 2016 is 27,133.5.

Performance and Development Reviews	2016	2017	2018
% of all employees	77%	61.79%	57.02%
By Gender			
Female	N/A	42.47%	33.10%
Male	N/A	47.47%	39.10%
By employee category			
EVPs	N/A	80.00%	56.00%
Female	N/A	100.00%	0.00%
Male	N/A	75.00%	71.00%
CEOs, CFOs, COOs	N/A	60.23%	69.61%
Female	N/A	69.57%	74.29%
Male	N/A	56.92%	67.16%
SVPs, VPs, Heads of	N/A	45.35%	37.97%
Female	N/A	41.56%	36.89%
Male	N/A	46.96%	38.54%
Managers	N/A	58.44%	48.39%
Female	N/A	53.98%	42.11%
Male	N/A	60.29%	51.88%
Non-managers	N/A	45.79%	33.98%
Female	N/A	41.70%	30.56%
Male	N/A	48.56%	36.24%

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

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. N/A therefore indicates that for that particular section no such data was provided in 2016.

Diversity	2016	2017	2018
Workforce by gender			
Female	41%	37.08%	41.99%
Male	59%	62.92%	58.01%
Workforce by age			
< 30	29%	24.70%	25.16%
30-50	66%	69.89%	67.75%
>50	6%	5.41%	5.47%
Board of directors			
Female	17%	33%	33%
Male	29%	67%	67%
<30	0%	0%	0%
30-50	50%	67%	50%
>50	50%	33%	50%
Nationalities represented:	N/A	N/A	4

EVPs	N/A	N/A	0.24%
Female	N/A	20%	22%
Male	N/A	80%	78%
<30	N/A	0%	11.11%
30-50	N/A	100%	89%
>50	N/A	0%	0.00%
Nationalities represented:	N/A	N/A	6
CEOs, CFOs and COOs	N/A	N/A	2.75%
Female	N/A	26.14%	34.31%
Male	N/A	73.86%	65.69%
<30	N/A	0%	4.90%
30-50	N/A	71.59%	79.41%
>50	N/A	18.18%	15.69%
Nationalities represented:	N/A	N/A	18
SVPs, VPs and Heads of	N/A	N/A	7.95%
Female	N/A	29.84%	34.92%
Male	N/A	70.16%	65.08%
<30	N/A	6.59%	7.12%
30-50	N/A	84.88%	86.44%
>50	N/A	5.43%	6.10%
Nationalities represented:	N/A	N/A	23
Managers	N/A	N/A	10.03%
Female	35%	29.35%	35.75%
Male	65%	70.65%	64.25%
<30	N/A	10.65%	10.22%
30-50	N/A	75.06%	83.60%
>50	N/A	5.71%	5.38%
Nationalities represented:	N/A	N/A	24
Non-managers	N/A	N/A	79.02%
Female	N/A	40.34%	39.75%
Male	N/A	59.66%	60.25%
<30	N/A	27.29%	29.61%
30-50	N/A	62.14%	63.39%
>50	N/A	4.54%	5.08%
Nationalities represented:	N/A	N/A	66
MTG nationalities total	38	59	70

The employee categories refer to the job title one has. The managers are employees with staff responsibility, while non-managers are employees with no staff responsibility, hence no one is reporting to them.

The data on nationality excludes two of the ESL/Turtle offices. The number of employees by age group excludes one ESL/Turtle office and one ZoomIn office due to lack of such data available.

*Note that as a result of applying the GRI Standards to this report, some of the data figures from 2016 cannot be compared to the data figures provided in 2017 and 2018. N/A therefore indicates that for that particular section no such data was provided in 2016.

Salary and Remuneration Rates	2016	2017	2018
Ratio of basic salary of women to men			
Total, all employees	74%	60.67%	59.03%
Total, managers	84%	N/A	59.03%
CEOs, CFOs, COOs	N/A	66.78%	64.17%
SVPs, VPs, Heads of	N/A	64.42%	66.08%
Managers	N/A	55.87%	54.62%
Non-managers	N/A	57.90%	49.13%
By significant locations of operations			
Nordics, all employees	87%	60.71%	56.73%
Nordics, managers	91%	N/A	N/A
CEOs, CFOs, COOs	N/A	65.74%	61.74%
SVPs, VPs, Heads of	N/A	67.15%	59.18%
Managers	N/A	55.21%	55.09%
Non-Managers	N/A	58.31%	50.31%
Europe, all employees	82%	66.17%	69.26%
Baltics, managers	96%	N/A	N/A
CEOs, CFOs, COOs	N/A	82.18%	75.64%
SVPs, VPs, Heads of	N/A	55.74%	86.29%
Managers	N/A	59.16%	51.39%
Non-managers	N/A	49.69%	41.24%
America & Australia, all employees	N/A	51.05%	63.46%
CEOs, CFOs, COOs	N/A	45.96%	54.69%
SVPs, VPs, Heads of	N/A	49.21%	71.70%
Managers	N/A	57.76%	49.67%
Non-managers	N/A	57.57%	69.85%
Others, all employees	74%	N/A	N/A
Others, managers	67%	N/A	N/A
Ratio of remuneration women to men			
Total, all employees	72%	66.63%	62.61%
Total, managers	82%	N/A	N/A
CEOs, CFOs, COOs	N/A	79.88%	73.00%
SVPs, VPs, Heads of	N/A	66.39%	60.40%
Managers	N/A	56.44%	57.87%
Non-managers	N/A	57.97%	52.97%
By significant locations of operations			
Nordics, all employees	83%	67.50%	61.57%
Nordics, managers	87%	N/A	N/A
CEOs, CFOs, COOs	N/A	82.05%	70.94%
SVPs, VPs, Heads of	N/A	68.98%	60.64%
Managers	N/A	56.13%	58.45%
Non-managers	N/A	58.37%	52.19%
Europe, all employees	84%	66.14%	70.59%
Baltics, managers	102%	N/A	N/A

CEOs, CFOs, COOs	N/A	79.51%	83.16%
SVPs, VPs, Heads of	N/A	57.22%	54.37%
Managers	N/A	58.00%	53.21%
Non-managers	N/A	50.23%	54.76%
America & Australia, all employees	N/A	51.93%	67.00%
CEOs, CFOs, COOs	N/A	48.93%	46.77%
SVPs, VPs, Heads of	N/A	48.83%	78.18%
Managers	N/A	57.29%	60.64%
Non-managers	N/A	57.54%	78.29%
Others, all employees	71%	N/A	N/A
Others, managers	65%	N/A	N/A

Viasat Sales AB is almost entirely excluded from the salary data as their employees work on commission. Viasat Sales AB is entirely excluded from the remuneration data. As the number of EVPs is small, EVP salary and remuneration will not be disclosed to protect the confidentiality of the information. Due to the small number of employees in Asia, to protect the confidentiality of the information, the salary and remuneration data for Asia is not disclosed.

The 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. The salary figures reflect annual average salary by gender in each employee category. Remuneration should be understood as remuneration according to contract, including full bonus potential for 2018 (maximum entitlement).

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

Workforce Data by Business Segments

Workforce by Business Segment	2017	2018
Total	3,551	3,709
Female	1,296	1,438
Male	2,255	2,271
Nordic Entertainment	1,474	1,488
Female	562	611
Male	912	877
International Entertainment	616	619
Female	323	315
Male	293	304
MTG Studios	254	403
Female	150	229
Male	104	174
MTGx Digital Ventures	1,207	1,199
Female	261	283
Male	946	916

The reported data relates to the period 1st January - 31st December 2018 and all data figures are effective 31st December 2018 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 entire 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.

The data was collected in various ways, depending on the company in question. A predominant part of the data was extracted from internal HR systems, payroll systems, or excel files populated through a salary system or manually. Other parts of the data was derived from net survey, extracted from payroll excel and budget actual sheets, written contracts, HR cost reports, HR cost file populated using Payroll software, company bookkeeping and word of mouth, especially for companies where there is only one or a few employees.

There were three assumptions made. First, for one company, due to lack of system in place, numbers for some diclosures were assumed. Second, for another company, due to lack of overview over how much, and what type of work is performed by workers who are not employees, it was assumed that no significant work is performed by workers who are not employees. Third, a compa-ny assumed average FTE 2018 instead of full headcount numbers as of year end.

‘Nordic Entertainment’ includes the traditional businesses in Sweden, Denmark, Norway and Finland, the UK, as well as two cen-tral functions based in Sweden. ‘International Entertainment’ includes Bulgaria. ‘MTG Studios’ includes NENT Studios and Splay-One being part of NENT Studios. ‘MTGx Digital Ventures’ includes ESL/Turtle, Kongregate, InnoGames, Dreamhack, ZoomIn, one central function based in Sweden, and two other MTGx operations.

Workforce by Employment Contract	2017	2018
Permanent	3,146	3,305
Female	1,177	1,276
Male	1,969	2,029
Nordic Entertainment	1,254	1,387
Female	502	564
Male	752	823
International Entertainment	579	583
Female	306	299
Male	273	284
MTG Studios	253	337
Female	149	197
Male	104	140
MTGx Digital Ventures	1,060	998
Female	220	216
Male	840	782
Temporary	405	404
Female	119	162
Male	286	242
Nordic Entertainment	220	101
Female	60	47
Male	160	54
International Entertainment	37	36
Female	17	16
Male	20	20
MTG Studios	1	66
Female	1	32
Male	0	34
MTGx Digital Ventures	147	201
Female	41	67
Male	106	134

Workforce by Employment Type	2017	2018
Full-time	3,009	3,231
Female	1,122	1,233
Male	1,887	1,998
Nordic Entertainment	1,222	1,368
Female	482	548
Male	740	820
International Entertainment	578	583
Female	306	299
Male	272	284
MTG Studios	252	335
Female	148	196
Male	104	139
MTGx Digital Ventures	957	945
Female	186	190
Male	771	755
Part-time	137	74
Female	55	43
Male	82	31
Nordic Entertainment	32	19
Female	20	16
Male	12	3
International Entertainment	1	0
Female	0	0
Male	1	0
MTG Studios	1	2
Female	1	1
Male	0	1
MTGx Digital Ventures	103	53
Female	34	26
Male	69	27

Workers who are not employees

In each business segment in 2018, there was a significant part of work performed by workers who are not employees; however, to highest extent in MTG Studios, higher extent in MTGx Digital Ventures business segment, and lower extent in International Entertainment and Nordic Entertainment business segment. These workers performed work in the field of production, casting and talent services, project management, telemarketing, customer service, payroll support, sales, script writing, editing, community management, support in organizing and running esports events and tournaments, social media, creating video content, warehouse management, online broadcasts, graphic design, logistics, finance and accountability, business adminstration, research, sales and business development and legal matters.

Workers should be understood as people who are working for our organisation, 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 without their input or, iii) more than 50% of the total workforce contained 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 2018 has been performed by workers who are not employees.

New Employee Hires	2017	2018
Total	917 (25.82%)	716 (19.30%)
By gender		
Female	291 (8.19%)	275 (7.41%)
Male	626 (17.63%)	441 (11.89%)
By age		
<30	536 (15.09%)	365 (9.84%)
30-50	367 (10.34%)	333 (8.98%)
>50	14 (0.39%)	18 (0.49%)
By business segment		
Nordic Entertainment	471 (31.95%)	333 (22.38%)
Female	153 (10.38%)	137 (9.21%)
Male	318 (21.57%)	196 (13.17%)
<30	308 (20.90%)	156 (10.48%)
30-50	158 (10.72%)	172 (11.56%)
>50	5 (0.34%)	5 (0.34%)
International Entertainment	111 (18.02%)	76 (12.28%)
Female	51 (8.28%)	33 (5.33%)
Male	60 (9.74%)	43 (6.95%)
<30	42 (6.82%)	38 (6.14%)
30-50	67 (10.88%)	35 (5.65%)
>50	2 (0.32%)	3 (0.48%)
MTG Studios	5 (1.97%)	46 (11.41%)
Female	3 (1.18%)	24 (5.96%)
Male	2 (0.79%)	22 (5.46%)
<30	1 (0.39%)	17 (4.22%)
30-50	4 (1.57%)	28 (6.95%)
>50	0	1 (0.25%)
MTGx Digital Ventures	330 (27.34%)	261 (21.77%)
Female	84 (6.96%)	81 (6.76%)
Male	246 (20.38%)	180 (15.01%)
<30	185 (15.33%)	154 (12.84%)
30-50	138 (11.43%)	98 (8.17%)
>50	7 (0.58%)	9 (0.75%)

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 the age group of 60 employees in two of our digital ventures is unknown, the rates of total new hires by age group, and the rate of new hires by age group for MTGx Digital Ventures were calculated only against the number of employees whose age is known and reported.

The rates of new hires comprises all new employees joining the company for the first time. This excludes job promotions and internal recruitments of existing employees. Employee numbers as of 31st December 2018 (the end of the reporting period) were used to calculate the rate of new employee hires.

Employee Turnover	2017	2018
Total	584 (16.45%)	775 (20.90%)
By gender		
Female	189 (5.32%)	287 (7.74%)
Male	395 (11.12%)	488 (13.16%)
By age		
<30	258 (7.27%)	296 (7.98%)
30-50	308 (8.67%)	437 (11.78%)
>50	18 (0.51%)	42 (1.13%)
By business segment		
Nordic Entertainment	284 (19.27%)	297 (19.96%)
Female	113 (7.67%)	111 (7.46%)
Male	171 (11.60%)	186 (12.50%)
<30	128 (8.68%)	122 (8.20%)
30-50	145 (9.84%)	163 (10.95%)
>50	11 (0.75%)	12 (0.81%)
International Entertainment	53 (8.60%)	75 (12.12%)
Female	21 (3.41%)	46 (7.43%)
Male	32 (5.19%)	29 (4.68%)
<30	17 (2.76%)	17 (2.75%)
30-50	32 (5.19%)	55 (8.89%)
>50	4 (0.65%)	3 (0.48%)
MTG Studios	1 (0.39%)	58 (14.39%)
Female	1 (0.39%)	25 (6.20%)
Male	0	33 (8.19%)
<30	0	14 (3.47%)
30-50	1 (0.39%)	38 (9.43%)
>50	0	6 (1.49%)
MTGx Digital Ventures	246 (20.38%)	345 (28.77%)
Female	54 (4.47%)	105 (8.76%)
Male	192 (15.91%)	240 (20.02%)
<30	113 (9.36%)	143 (11.93%)
30-50	130 (10.77%)	181 (15.10%)
>50	3 (0.25%)	21 (1.75%)

Employee numbers as of 31st December 2018 (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 the age group of 60 employees in two of our digital ventures is unknown, the rates of total employee turnover by age group, and the rate of employee turnover by age group for MTGx Digital Ventures business segment were calculated only against the number of employees whose age is known and reported.

Diversity	2017	2018
EVPs	0.14%	0.24%
Nordic Entertainment	0.14%	0.16%
Female	20%	33%
Male	80%	67%
<30	0%	0%
30-50	100%	100%
>50	0.00%	0.00%
Nationalities represented:	4	4
MTGx Digital Ventures	N/A	0.08%
Female	N/A	0.00%
Male	N/A	100.00%
<30	N/A	33.00%
30-50	N/A	67.00%
>50	N/A	0.00%
Nationalities represented:	N/A	3
CEOs, CFOs, COOs	2.48%	2.75%
Nordic Entertainment	14.77%	21.57%
Female	23.08%	13.64%
Male	76.92%	36.36%
<30	0%	0%
30-50	76.92%	36.36%
>50	23.08%	13.64%
Nationalities represented:	N/A	4
International Entertainment	9.09%	8.82%
Female	25.00%	22.00%
Male	75.00%	78.00%
<30	0%	0%
30-50	87.50%	88.89%
>50	12.50%	11.11%
Nationalities represented:	N/A	1
MTG Studios	34.09%	50.00%
Female	50.00%	53.00%
Male	50.00%	47.00%
<30	0%	7.84%
30-50	63.33%	72.55%
>50	36.67%	19.61%
Nationalities represented:	N/A	11
MTGx Digital Ventures	42.05%	30.39%
Female	8.11%	9.68%
Male	91.89%	90.32%
<30	0%	3.23%
30-50	72.97%	90.32%
>50	2.70%	6.45%
Nationalities represented:	N/A	8

SVPs, VPs, Heads of	7.18%	7.95%
Nordic Entertainment	49.80%	52.88%
Female	36.22%	37.82%
Male	63.78%	62.18%
<30	2.36%	4.49%
30-50	89.76%	87.18%
>50	7.87%	8.33%
Nationalities represented:	N/A	10
International Entertainment	7.45%	5.76%
Female	47.37%	47.06%
Male	52.63%	52.94%
< 30	0%	0.00%
30 - 50	94.74%	94.12%
> 50	5.26%	5.88%
Nationalities represented:	N/A	1
MTG Studios	0%	8.47%
Female	0%	76.00%
Male	0%	24.00%
< 30	0%	28.00%
30 - 50	0%	64.00%
> 50	0%	8.00%
Nationalities represented:	N/A	4
MTGx Digital Ventures	42.75%	32.88%
Female	18.35%	17.53%
Male	81.65%	82.47%
< 30	12.84%	7.22%
30 - 50	77.06%	89.69%
> 50	2.75%	2.06%
Nationalities represented:	N/A	14
Managers	10.70%	10.03%
Nordic Entertainment	37.11%	36.83%
Female	36.88%	48.18%
Male	63.12%	51.82%
< 30	2.84%	5.11%
30 - 50	86.52%	86.86%
> 50	10.64%	8.03%
Nationalities represented:	N/A	11
International Entertainment	11.58%	10.75%
Female	43.18%	47.50%
Male	56.82%	52.50%
< 30	9.09%	5.00%
30 - 50	86.36%	90.00%
> 50	4.55%	5.00%
Nationalities represented:	N/A	1

MTG Studios	8.16%	11.83%
Female	48.39%	45.45%
Male	51.61%	54.55%
< 30	6.45%	0.00%
30 - 50	83.87%	90.91%
> 50	9.68%	9.09%
Nationalities represented:	N/A	7
MTGx Digital Ventures	43.16%	40.59%
Female	14.02%	18.54%
Male	85.98%	81.46%
< 30	18.90%	19.21%
30 - 50	59.76%	76.82%
> 50	1.22%	1.99%
Nationalities represented:	N/A	16
Non-managers	75.30%	79.02%
Nordic Entertainment	38.86%	40.19%
Female	42.16%	40.83%
Male	57.84%	59.17%
< 30	26.56%	26.49%
30 - 50	66.03%	66.47%
> 50	7.41%	7.05%
Nationalities represented:	N/A	36
International Entertainment	20.38%	18.87%
Female	53.76%	51.72%
Male	46.24%	48.28%
< 30	18.53%	18.81%
30 - 50	76.33%	75.41%
> 50	5.14%	5.79%
Nationalities represented:	N/A	1
MTG Studios	7.22%	9.66%
Female	60.62%	57.60%
Male	39.38%	42.40%
< 30	5.18%	23.32%
30 - 50	93.26%	71.73%
> 50	1.55%	4.95%
Nationalities represented:	N/A	13
MTGx Digital Ventures	33.55%	31.29%
Female	23.97%	25.63%
Male	76.03%	74.37%
< 30	39.35%	42.09%
30 - 50	41.36%	49.62%
> 50	0.89%	2.18%
Nationalites represented	N/A	52
Nationalites MTG total	59	70

The data on nationality for MTGx Digital Ventures excludes two of the ESL/Turtle offices. The number of employees for MTGx Digital Ventures segment by age group excludes one ESL/Turtle office and one ZoomIn office due to lack of such data available.

The employee categories refer to the job title one has. The managers are employees with staff responsibility, while non-managers are employees with no staff responsibility.

Salary and Remuneration Ratios	2018
Ratio of basic salary of women to men	
Total, all employees	59.03%
CEOs, CFOs, COOs	64.17%
SVPs, VPs, Heads of	66.08%
Managers	54.62%
Non-managers	49.13%
By business segments	
Nordic Entertainment total	64.85%
CEOs, CFOs, COOs	84.95%
SVPs, VPs, Heads of	73.13%
Managers	53.34%
Non-managers	53.04%
International Entertainment total	55.35%
CEOs, CFOs, COOs	67.04%
SVPs, VPs, Heads of	48.64%
Managers	49.56%
Non-managers	54.66%
MTG Studios total	49.80%
CEOs, CFOs, COOs	52.06%
SVPs, VPs, Heads of	0.00%
Managers	56.07%
Non-managers	46.35%
MTGx Digital Ventures total	68.72%
CEOs, CFOs, COOs	90.91%
SVPs, VPs, Heads of	70.25%
Managers	56.65%
Non-managers	46.89%
Ratio of remuneration of women to men	
Total	62.61%
CEOs, CFOs, COOs	72.50%
SVPs, VPs, Heads of	60.40%
Managers	57.87%
Non-managers	52.97%
By business segments	
Nordic Entertainment total	64.98%
CEOs, CFOs, COOs	90.12%
SVPs, VPs, Heads of	66.46%
Managers	56.26%
Non-managers	52.72%

International Entertainment total	51.99%
CEOs, CFOs, COOs	61.25%
SVPs, VPs, Heads of	44.94%
Managers	44.52%
Non-managers	53.03%
MTG Studios total	52.60%
CEOs, CFOs, COOs	55.25%
SVPs, VPs, Heads of	0.00%
Managers	62.41%
Non-managers	50.90%
MTGx Digital Ventures total	80.87%
CEOs, CFOs, COOs	93.43%
SVPs, VPs, Heads of	75.15%
Managers	55.60%
Non-managers	61.60%

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.

Remuneration should be understood as remuneration according to contract, including full bonus potential for 2018 (maximum entitlement).

Viasat Sales AB is almost entirely excluded from the salary data as their employees work on commission. Viasat Sales AB is entirely excluded from the remuneration data.

As the number of EVPs is small, EVP salary & remuneration will not be disclosed to protect the confidentiality of the information.

Corporate Giving Data

Corporate Giving	2016	2017	2018
Donated media time, KSEK	39.08	34.40	30.95
Volunteer hours	374	878	742
Products and services, KSEK	24	6.014	2.3
Cash donations, KSEK	1.217	0.074	1.8
Funds raised for charity, KSEK	3.012	5.6	8.439

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.

Environmental Data

Carbon Footprint, tonnes CO2e	2016	2017	2018
Scope 1 – direct emissions	1.138	595	258
Scope 2 – indirect emissions	5.401	3.312	3.693
Total Scope 1 & 2	6.539	3.907	3.951
Scope 3 – other indirect emissions	9.157	19.594	21.264
Total carbon emissions, tonnes CO2e	15.695	23.500	25.215
Emissions per employee (excl. Nice Entertainment Group)	4.49	6.85	7.63

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. Not included in our emission data is the carbon footprint of our esports events and festivals. All calculations are based on location based data and figures.

It is the first year that we split scope 2 into location and market based figures. The market based figure for scope 2 in 2018 is 4803 CO2e, which results in scope 1 & 2 being 5061 CO2e and the total being 26,325 ton CO2e.

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 – Leased and owned cars, diesel fuel.
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. The figures are based on all 3 scopes and our base year is 2010.

NENT Studios is a family of companies and due to ongoing changes and production cycles the carbon reporting does not always cover all entities or productions. Also excluded from the carbon data is travel data as well as leased and owned cars from our Bulgarian operations. Zoomin.TV is included in the data for the first time, but due to restructuring of the organization as well as moving offices the data included in the reporting only includes the head office. Kongregate is included in the data for the first time. We have continued to improve the data collection for DreamHack, InnoGames and ESL. We will investigate how to measure the carbon footprint of DreamHack and ESL events and festivals.

Energy Consumption, GJ	2016	2017	2018
Direct energy consumption			
Diesel	302	0	0
Indirect energy consumption			
Cooling	1.263	328	80
Electricity	56.429	44.832	31.695
Heating	8.364	6,298	8.41
Total energy consumption	66.358	51.459	40.185
Energy consumption per employee	20	16	12

Energy per employee includes all fuel, electricity, heating and cooling inside the organisation. Consumption of Diesel is 0 because our operations in Ghana were sold 2016.

Financial Data

Net Sales and Financial Position	2016	2017	2018
Net sales (MSEK)	14.999	17.537	19.742
Operating income before items affecting comparability (MSEK)	1.060	1.263	1.571
Basic earnings per share	-3.19	18.73	15.52
Average number of employees	3.147	3.280	3.305
Financial position			
Shareholders’ equity	5.016	6.572	6.997
Long-term liabilities	3.707	2.648	1.969
Short-term liabilities	8.976	10.066	11.357
Total shareholders’ equity and liabilities	17.699	19.285	20.324

Compliance Data

Broadcast Complaints Breakdown - TV	2016	2017	2018
Advertising	2	10	11
Non-compliant	2	9	6
Relating to minors	0	1	2
Sponsorship	6	0	1
Non-compliant	6	0	0
Relating to minors	0	0	0
Programmes, promos & other	42	39	20
Non-compliant	25	16	5
Relating to minors	9	10	1
Total	50	49	32
Still pending	23	1	12
Fines/penalties	0	6	0

All of our Ofcom licenced channels plus free-TV and radio channels 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	2016	2017	2018
Advertising	0	0	0
Non-compliant	0	0	0
Sponsorship	0	0	0
Non-compliant	0	0	0
Programmes, promos & other	1	0	0
Non-compliant	0	0	0
Total	1	0	0
Still pending	0	0	0
Fines	0	0	0

All our radio stations hold local licenses and are therefore also locally regulated.

Broadcast Compliance Training	2016	2017	2017
Total	182	161	131
Internal people trained	158	161	131
External people trained	24	0	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.

Anti-Corruption	2016	2017	2018
Confirmed incidents of corruption	0	0	0
Whistleblowers*	2	0	0

*Number of substantiated whistleblower cases where an in-depth investigation was initiated.

GRI Index

GRI 101: Foundation 2016 - General Disclosures

Organizational Profile	Reference	Assurance	Comment
102-1 Name of the organization	MTG overview (page 7-9) How we govern (page 34-35)	✓	
102-2 Activities, brands, products, and services	MTG overview (page 7-9)	✓	
102-3 Location of headquarters	MTG overview (page 7-9)	✓	
102-4 Location of operations	MTG overview (page 7-9)	✓	
102-5 Ownership and legal form	How we govern (page 34-35) MTG overview (page 7-9)	✓	
102-6 Markets served	MTG overview (page 7-9) Our Stakeholder Engagement (page 38-39)	✓	
102-7 Scale of the organization	MTG overview (page 7-9) Workforce data (page 49-60) Financial data (page 71)	✓	
102-8 Information on employees and other workers	Workforce data (page 49-60)	✓	
102-9 Supply chain	Value Chain (page 40-41)	✓	
102-10 Significant changes to the organization and its supply chain	Report boundaries and scope (page 76)	✓	
102-11 Precautionary Principle or approach	Environmental Care Overview (page 42-43)	✓	
102-12 External initiatives	Our Environmental Work (page 44-45)	✓	
102-13 Membership of associations	Safety and Security (page 24-25) Membership in associations (page 36-37)	✓	

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 24-25)	✓	

Ethics and integrity	Reference	Assurance	Comment
102-16 Values, principles, standards, and norms of behaviour	Compliance Business (page 32-33)	✓	
102-17 Mechanisms for advice and concerns about ethics	Compliance Business (page 32-33)	✓	

Governance	Reference	Assurance	Comment
102-18 Governance structure	How we govern (page 34-35)	✓	
102-23 Chair of the highest governance body	How we govern (page 34-35)	✓	

Stakeholder Engagement	Reference	Assurance	Comment
102-40 List of stakeholder groups	Our Stakeholder Engagement (page 38-39)	✓	
102-41 Collective bargaining agreements	Workforce data (page 49-60)	✓	
102-42 Identifying and selecting stakeholders	Stakeholder engagement (page 38-39)	✓	
102-43 Approach to stakeholder engagement	Stakeholder engagement (page 38-39)	✓	
102-44 Key topics and concerns raised	Stakeholder engagement (page 38-39)	✓	

Reporting Practice	Reference	Assurance	Comment
102-45 Entities included in the consolidated financial statements	Report boundaries and scope (page 76)	✓	
102-46 Defining report content and topic Boundaries	CR strategy and materiality (page 6)	✓	The current materiality is a carry-over from the 2017 report and follows GRI G4. The 2019 report materiality will follow GRI Standards.
102-47 List of material topics	CR strategy and materiality (page 6)	✓	
102-48 Restatements of information	Report boundaries and scope (page 76) Workforce data (page 49-60)	✓	
102-49 Changes in reporting	Report boundaries and scope (page 76)	✓	
102-50 Reporting period	Report boundaries and scope (page 76)	✓	
102-51 Date of most recent report	Report boundaries and scope (page 76)	✓	
102-52 Reporting cycle	Report boundaries and scope (page 76)	✓	
102-53 Contact point for questions regarding the report	Report boundaries and scope (page 76)	✓	
102-54 Claims of reporting in accordance with the GRI Standards	Report boundaries and scope (page 76)	✓	
102-55 GRI content index	GRI Index (page 72-75)	✓	
102-56 External assurance	Independent assurance statement (p.77-78)	✓	

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 7-9) Financial data (page 71)	✓	Partially reported

GRI 203: Indirect Economic Impacts 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible content (p.16-17) External Social Engagement (p.26-27) Our Environmental work (p.44-45)	✓	
203-1 Infrastructure investments and services supported	Responsible content (p.16-17) External Social Engagement (p.26-27) Our Environmental work (p.44-45) Corporate Giving Data (p.69)	✓	

GRI 205: Anti-corruption 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Compliance Business (page 32-33)	✓	
205-2 Communication and training about anti-corruption policies and procedures	Compliance Business (page 32-33)	✓	Partially reported
205-3 Confirmed incidents of corruption and actions taken	Compliance Business (page 32-33) Compliance data (page 71-72)	✓	

GRI 300: Environmental Standards Series

GRI 302: Energy 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Our Environmental Work (page 44-45) Environmental data (page 70)	✓	
302-1 Energy consumption within the organization	Our Environmental Work (page 44-45) Environmental data (page 70)	✓	
302-3 Energy intensity	Our Environmental Work (page 44-45) Environmental data (page 70)	✓	

GRI 305: Emissions 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Our Environmental Work (page 44-45) Environmental data (page 70)	✓	
305-1 Direct (Scope 1) GHG emissions	Environmental data (page 70)	✓	
305-2 Energy indirect (Scope 2) GHG emissions	Environmental data (page 70)	✓	
305-3 Other indirect (Scope 3) GHG emissions	Environmental data (page 70)	✓	
305-4 GHG emissions intensity	Our Environmental Work (page 44-45) Environmental data (page 70)	✓	

GRI 400: Social Standards Series - Material Topics

GRI 401: Employment 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Equality (page 22-23) Diversity & Inclusion (page 22-23)	✓	
401-1 New employee hires and employee turnover	Equality (page 22-23) Diversity & Inclusion (page 22-23) Workforce data (page 49-60)	✓	
401-3 Parental leave	Equality (page 22-23) Diversity & Inclusion (page 22-23) Workforce data (page 49-60)	✓	

GRI 403: Health and Safety	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Safety and Security (page 24-25)	✓	
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workforce data (page 49-60)	✓	

GRI 404: Training and Education 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Equality, Diversity & Inclusion (page 22-23) Compliant Business (page 32-33)	✓	
404-1 Average hours of training per year per employee	Workforce data (page 49-60)	✓	
404-3 Percentage of employees receiving regular performance and career development reviews	Equality, Diversity & Inclusion (page 22-23) Workforce data (page 49-60)	✓	

GRI 405: Diversity and Equal Opportunity 2016	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Equality, Diversity & Inclusion (page 22-23)	✓	
405-1 Diversity of governance bodies and employees	Workforce data (page 49-60)	✓	
405-2 Ratio of basic salary and remuneration of women to men	Workforce data (page 49-60)	✓	

GRI 417: Marketing and labelling	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Minors Protection & Compliance (p.14-15)	✓	
417-2 Incidents of non-compliance concerning product and service information and labelling	Minors Protection & Compliance (p.14-15) Compliance data (page 71-72)	✓	
417-3 Incidents of non-compliance concerning marketing communications	Minors Protection & Compliance (p.14-15) Compliance data (page 71-72)	✓	

G4 Media Sector Disclosures

Content creation	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible content (p.16-17) Minors Protection & Compliance (p.14-15)	✓	
M2 Methodology for assessing and monitoring adherence to content creation values	Responsible content (p.16-17)	✓	
M3 Actions taken to improve adherence to content creation values, and results obtained	Responsible content (p.16-17) Our Stakeholder Engagement (p.38-39)	✓	

Content dissemination	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Responsible content (p.16-17) Minors Protection & Compliance (p.14-15)	✓	
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 content (p.16-17) Minors Protection & Compliance (p.14-15)	✓	
M5 Number and nature of responses (feedback/complaints) related to content dissemination, including protection of vulnerable	Minors Protection & Compliance (p.14-15) Compliance data (page 71-72)	✓	

Audience interaction	Reference	Assurance	Comment
103-1 to 103-3 Management approach	Minors Protection & Compliance (p.14-15)	✓	
M6 Methods to interact with audiences and results	Minors Protection & Compliance (p.14-15) Our stakeholder engagement (p.38-39)	✓	

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 which we consider valid and applicable for 2018. We have conducted two new analyses during the second half of 2018, one for Nordic Entertainment Group and one for MTG. The new analyses and the connected new corporate responsibility strategies will be presented during 2019.

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).

During 2018 MTG has made significant steps towards splitting MTG into two separate companies, Nordic Entertainment Group and MTG. NENT is planned to be listed on NASDAQ Stockholm during Q1 2019. Our biggest shareholder Kinnevik distributed all its MTG shares to its own shareholders in August 2018. This strategic transformation of splitting the company into two has impacted the business, as both companies need to be prepared and ready to be two fully functional entities.

Excluded from the data are MTG Malta Ltd as its one employee has been on parental leave most of the year, MTGx International has been merged into MTG AB as part of the process of splitting MTG and Nordic Entertainment Group, as well as MTG Nordics A/S as it was not fully operational during 2018. We have continued to work with the implementation of reporting processes in our digital ventures during 2018. The quantity of environmental data of our digital ventures has improved compared to 2017, but we need to continue our efforts and revise our processes after the split. This also applies to the NENT Studios companies. See specifications in the environmental data section of this report.

We continue to be committed to improving our reporting frameworks to meet the GRI Standard requirements where possible. We have sought to maintain the standard established during 2018 as no further central integration of HR reporting has taken place due to the split. We will continue to find smart and reliable solutions for after the split so that our data remains reliable.

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: 01/01/2018-31/12/2018

Reporting framework: GRI Standards & G4 Media Supplement

Previous report: 28/03/2018

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 2018 (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 2018. 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 eighth 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 topics, 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 Dreamhack Masters event in Stockholm.
- 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.

Omissions

There are no omissions.

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 Corporate Responsibility 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. A deviation from the planned implementation of GDPR compliance at Zoomin.tv as an independent entity was noted subsequently leading to a delay in establishment of DPO and correct routines. This was acknowledged and has been corrected, therefore no final remarks remain.

Materiality

We believe the report describes the majority of MTG’s subsidiary NENT’s material aspects in an adequate and good manner that enables all stakeholders to engage. The two new entities to stand alone after the split of MTG have conducted separate materiality analysis that reflect each entity’s corporate responsibility impact and stakeholders expectations.


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
Stockholm
8th March 2018**



**Malin Lindfors Speace,
Partner and Senior Advisor**



**Sandra Rumélius,
CFO and Senior Advisor**



**Stina Ahnlid,
Advisor**

Ethos International AB is a Nordic Sustainability Advisory firm licensed by AccountAbility to provide AA1000 AS (2008) assurance.



Auditor’s opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Modern Times Group MTG AB, corporate identity number 556309-9158

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report (Corporate Responsibility Report) for the year 2018 on pages 1-76 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 3 April 2019
KPMG AB



**Joakim Thilstedt
Authorized Public Accountant**

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