

Corporate Responsibility

Report 2017





INNOVATION
COMPLIANCE
SOCIETAL SUPPORT
TRANSPARENCY
RESPONSIBLE GAMING
GOVERNANCE
ECONOMIC SUSTAINABILITY
INTELLIGENCE
EMPLOYEE WELLBEING



1.0 INTRO Messages

Message from the Chairman
Message from the CEO



2.0 INTRALOT Group..... 07

2.1 Strategy and Worldwide Presence.....	09
2.2 Products and Services Portfolio.....	17
2.3 Organizational and Shareholder Structure.....	22
2.4 Risks and Opportunities.....	23
2.5 Memberships and Distinctions.....	25



3.0 Corporate Responsibility..... 29

3.1 Managing Corporate Responsibility.....	31
3.2 Material Issues.....	32
3.3 Stakeholder Engagement.....	34



4.0 Corporate Governance and Compliance..... 39

4.1 Overview.....	41
4.2 Board of Directors.....	43
4.3 Risk Management.....	47
4.4 Management Systems Standards and Certifications.....	54



5.0 Responsible Gaming..... 59

5.1 Overview.....	61
5.2 Research.....	67
5.3 Employee Training.....	68
5.4 Product and Service Features.....	71
5.5 Remote Gaming.....	73
5.6 Responsible Communication.....	76
5.7 Players Awareness and Training.....	78



6.0 Employee Wellbeing.....83

6.1 Overview.....	85
6.2 Positions and Benefits.....	85
6.3 Development and Training.....	91
6.4 Health and Safety.....	97
6.5 Equality and Diversity.....	99
6.6 Human Rights and Bargaining.....	101



7.0 Economic Sustainability.....105

7.1 Overview.....	107
7.2 Financial Performance and Shared Value.....	107
7.3 Innovation and Research.....	111
7.4 Responsible Procurement.....	113



8.0 Societal Support.....117

8.1 Overview.....	119
8.2 Society Support.....	121
8.3 Materials and Waste.....	126
8.4 Energy and Emissions.....	130



9.0 About the Report.....135

9.1 Scope and Development.....	137
9.2 Global Compact Table.....	139
9.3 GRI Tables.....	140
9.4 Glossary.....	149
9.5 Feedback Form.....	151



Message from the Chairman

I am pleased to present our 2017 Corporate Responsibility Report, which outlines our commitment to operate responsibly and our efforts to continuously improve our performance.

The Group is a leading provider of gaming technologies and services in regulated markets and has been a pioneer of gaming solutions and systems. Being a successful company in the gaming sector, one of the most dynamic industries of the world economy, INTRALOT's core purpose is to ensure that gaming is conducted in a responsible and safe manner.

As a long-standing and active member of the World Lottery Association and European Lotteries, INTRALOT has adopted and applies the highest standards of Responsible Gaming throughout its business functions and global operations, with an emphasis on player protection, integrity and security. Operating worldwide for more than 20 years, the Group has developed a state-of-the-art technological expertise and an operational know-how that ensure a safe, secure and entertaining environment for its players.

From this stand point, I would like to congratulate all colleagues within INTRALOT Group, not only for achieving our business objectives, but for remaining loyal to our principles related to responsible operations. To continue to be an industry leader in innovation and performance excellence requires a solid corporate culture driven by an ethical commitment to society along with customer centric focus. We remain focused on building deeper and more meaningful relationships with our Stakeholders and support the development of a more sustainable business environment and society.

Sokratis P. Kokkalis
Chairman, INTRALOT Group



Message from the CEO

In 2017, we made progress with our ambitious strategy towards building long-term value in our Company, while addressing global economic and industry challenges. The fight against illegal gaming, integration of online and mobile channels, big data analytics, digital transformation, increased focus on opening new paths for growth in retail operations, are indicative areas in which we strive to strengthen our competitive offerings and benefit from the new market opportunities.

Therefore, we have developed a robust business strategy to enable INTRALOT to drive developments in the global gaming industry, whilst continuing to expand internationally. As a result, I am encouraged of our disciplined approach in maintaining strong revenues and improved financial results, with a solid balance sheet and improved capital structure. To this end, it is important to maintain a motivating working environment that fosters innovation and out-of-the box thinking.

Our Corporate Responsibility Report for 2017 presents our practices and achievements, while outlines our respective priorities. Our aim is to further create value through greater engagement with our Stakeholders and therefore strive to:

- > Integrate responsibility in our everyday operations.
- > Ensure a fair and safe gaming experience for players and offer customers the highest standards of responsible gaming operation.
- > Ensure the wellbeing and development of our employees.
- > Ensure value for our shareholders, customers, business partners, retailers and States.
- > Support local communities we operate in and protect the environment we influence.

I would like to express our commitment to continuously align our operations with internationally recognized standards of responsible operation, such as the World Lottery Association's (WLA) Responsible Gaming Framework, UN Global Compact and the Global Reporting Initiative and we will continue to systematically engage with our Stakeholders to identify their needs and expectations.

Antonios I. Kerastaris
CEO, INTRALOT Group



2.0 INTRALOT Group

Shaping the future of gaming

Transforming field experience from gaming operations into intelligent solutions that meet customer needs in the digital era and create value for all stakeholders in sustainable way.

2.1

Strategy and Worldwide Presence

About INTRALOT

INTRALOT is a public listed company established in 1992, with €1.1 billion turnover and a global workforce of over 5,100 employees in 2017. The Company is a leading gaming solutions supplier and operator active in 52 regulated jurisdictions around the globe and offers flexible, stable and secure gaming products and services to lottery and gaming organizations worldwide. In 2017, INTRALOT handled €24 billion of wagers and installed approximately 300,000 of its proprietary terminals around the world.

INTRALOT has recently invested in a next-generation portfolio of intelligent products and services to support Lotteries' modernization and digital transformation with solutions that focus on the players' modern needs and offers entertainment experiences through all distribution channels, across all verticals (Lottery, Betting, Interactive, VLTs). The Company's "All about the Player" product design strategy addresses modern consumer trends and harnesses IT potential for big data analytics and a personalized playing experience. INTRALOT has adopted a global growth strategy designed around synergies with local partners, which aims to expand its market penetration capacity and diversify its product portfolio in local markets.

As a member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and is an active proponent of the principles of Responsible Gaming, being awarded with the WLA Responsible Gaming Certificate for Associate Members.

The Company maintains the highest security certifications, as INTRALOT has been the first certified international vendor in the gaming sector according to the World Lottery Association (WLA) Security Control Standard in 2008, being consistently recertified with every Control Standard update, and has been certified with the ISO 27001 for its Information Security Management System (ISMS). The Company's current WLA SCS:2016 and ISO 27001:2013 certifications cover INTRALOT Headquarters and 19 additional subsidiaries' operations around the world. Furthermore, INTRALOT applies certified management systems according to ISO 9001 (Quality Management System), ISO 14000 (Environmental Management System), ISO 20000 (IT Service Management System), ISO 29990 (Learning Services) and ISO 37001 (Anti-Bribery Management System).

INTRALOT contributes decisively to the industry's future developments, being a member of major Lottery and Gaming Associations around the globe, such as Platinum Contributor of World Lotteries Association, Premium Partner of European Lotteries, Top Sponsor of North American Association of State & Provincial Lotteries, Star Contributor of CIBELAE (Lottery Association for South America and the Iberian Peninsula), Gold Sponsor of Asia Pacific Lottery Association, Member of Gaming Standards Association and Gold Member of the Association of Gaming Equipment Manufacturers.

The gaming industry

The gaming industry consists of lottery games, casinos, sports betting, bingo, horse racing, gaming machines and online gaming. The total Gross Gaming Revenues (Gross Turnover minus the amount paid to players' winnings) is estimated to have grown to €382.1 billion in 2017 from €222.6 billion in 2003, representing a Compound Annual Growth Rate (CAGR) of 3.9%, with a 2.3% CAGR from 2017 to 2022, according to H2GC, the leading source of data regarding the global gambling industry. This growth is primarily fueled by the continued liberalization of markets, further privatizations of state-owned lotteries and the continued and accelerating convergence of physical and online or interactive gaming.

Total Global Gross Gaming Revenues

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 2017-2022
Africa	3	3.1	3.3	3.6	4	4.1	4.2	4.3	4.4	4.5	2.7%
Asia/ Middle East	137.6	140.7	126.5	125.6	133.9	137.4	140.9	144.5	147.9	151.5	2.5%
Europe	87.8	89.4	93.7	98.6	100.8	102.6	104.8	107.5	109.2	111.3	2%
Latin America and the Caribbean	6.5	7.2	7.8	8	8.8	9.1	9.3	9.5	9.7	9.9	2.3%
North America	105	107.8	110.1	113.5	115.7	118.8	121	123.6	125.7	127.5	2%
Oceania	15.6	16.1	17.2	18.1	18.9	19.7	20.4	21.1	21.8	22.5	2.3%
GLOBAL TOTAL	355.5	364.3	358.7	367.4	382.1	391.6	400.6	410.5	418.6	427.2	2.3%

Source: H2GC, Global Summary January 2018 Figures for 2017-2022 are estimates. Amounts in billion euros.

With a combined gaming market share of 65.3% in 2017, North America, Asia and Middle East represent the largest regions, with casinos generating the majority of GGR in North America (55.6% of GGR). The Group considers 66% (as per the estimated 2017 figures) of total GGR as its addressable market, which includes lottery games, sports betting, horse racing, gaming machines, interactive gaming and other activities (e.g. bingo), without including casinos and Native American (i.e. Indian) gaming.

Gross Gaming Revenues per product

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 2017-2022
Betting	41.2	42.7	46.7	48.5	51.8	54.8	57.4	59.4	61.9	63.6	66.2	3.9%
Casinos	119.9	126.3	128.5	119.2	121.1	129.9	134.5	138.3	141.9	145.1	148	2.7%
Gaming machines	82.2	81.6	81.1	81.6	81	80.8	80.3	81	82.1	83	83.7	0.7%
Bingo / Other	11.2	11.2	11.4	11.8	12.1	12.7	12.9	13	13.2	13.4	13.5	1.3%
Lotteries	91	93.7	96.7	97.6	101.4	104.1	106.5	108.9	111.2	113.5	115.7	2.1%
GLOBAL TOTAL	345.5	355.5	364.3	358.7	367.4	382.1	391.6	400.6	410.5	418.6	427.2	2.3%

Source: H2GC, Global Summary January 2018 Figures for 2017-2022 are estimates. Amounts in billion euros.

However, not all jurisdictions are on the same stage of their development cycle and they have their own distinct dynamic. The main drivers of their development cycle include:

- > The introduction of stable and clear regulatory regimes, which aim to improve the gaming perception as an entertainment activity and provide additional security to players. The product innovation, which focuses to deliver unified customer experiences with a convergence toward land-based and interactive channels. This is evident in the increase of user base in mobile gambling each year since 2007, which currently accounts for 36% of the global interactive gambling and is expected to reach 48.3% in 2022.
- > The market's liberalization, which forces companies to comply with different requirements in each country, such as tax rates, license fees and technical solutions against unlicensed operators.
- > The privatization of activities, which follows the increasing trend from governments to outsource their lotteries' operation or management.

Within the last few years, the industry has witnessed a significant increase in interactive gaming, which includes desktop, mobile and iTV (mainly due to the continuously increasing penetration of smartphones worldwide) and the total interactive gaming GGR is expected to reach €56.4 billion in 2022 (approximately 13.2% of the total global GGR). Currently, betting generates 68.2% of the global mobile gaming GGR with €10 billion, while mobile gaming will account for 36% of the total interactive gaming by 2022, with a 13.2% estimated CAGR 2017-2022.

Interactive Global Gross Gaming Revenues

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 2017-2022
Africa	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	7.6%
Asia / Middle East	8	8.7	9.4	10.2	11.1	12	12.8	13.6	14.4	15.3	6.7%
Europe	13.2	15.4	17.4	19.3	21.3	23.5	25.3	27.2	28.7	30.5	7.5%
Latin America and the Caribbean	0.4	0.4	0.5	0.6	0.6	0.7	0.8	0.9	0.9	1	9.5%
North America	4	4.2	4.3	4.5	4.7	5.1	5.4	5.6	5.8	6	5.1%
Oceania	1.7	2	2.2	2.6	2.7	2.6	2.7	2.8	2.9	3.1	3.2%
GLOBAL TOTAL	27.5	31	34.1	37.4	40.7	44.3	47.4	50.5	53.2	56.4	6.8%

Source: H2GC, Global Summary January 2018 Figures for 2017-2022 are estimates. Amounts in billion euros.

In terms of products, betting accounts for 49.3% of total interactive gaming, followed by casinos (26%), state lotteries (9.7%), poker (5.9%), skill/other gaming (4.7%) and bingo (4.4%), with lotteries having the highest estimated CAGR 2017-2022 (12.6%). According to H2GC, Europe is the leading market in global interactive GGR with a share of 52.3% and a forecasted 'interactive GGR over total GGR' ratio of 27.4% in 2022, compared to the estimated global average of 13.2%.

25 YEARS OF GROWTH



INTRALOT's headquarters are located in Athens, Greece (64 Kifissias Ave. & 3 Premetis Str., 151 25, Maroussi, Greece). Since 1999, the Company has been publicly listed on the Athens Stock Exchange.

Strategy and Strengths

The Group's strategy provides a 'roadmap' for its operations and future actions, in order to respond to long-term challenges.

Strategy



1. Through investment in a geographic refocus we shift our attention to markets with greater EBIDTA margins and as a result we end up with a higher percentage of revenues from developed markets such as the USA and Australia. By improving the quality and predictability of our revenue mix we increase the reputation of the company and its prospects in order to appeal to senior global investment houses.
2. By investing in a next generation of products for the digital transformation of lotteries we aim to boost our international competitiveness in the global arena. The integration of the mobile and online channel across content verticals and across platforms and the use of big data analytics for the benefit of a personalized player experience have been key product development drivers. The intelligent system design with flexible and fully parametrical new solutions for betting and lottery is key for a generation of products and services that minimize time-to-market and reduce the total cost of ownership for operators.
3. Investment in new debt issues with reduced costs and longer bond maturity periods has been a key dimension of our strategy towards a more robust financial structure and a predictable horizon in our finance for the next 5-years.

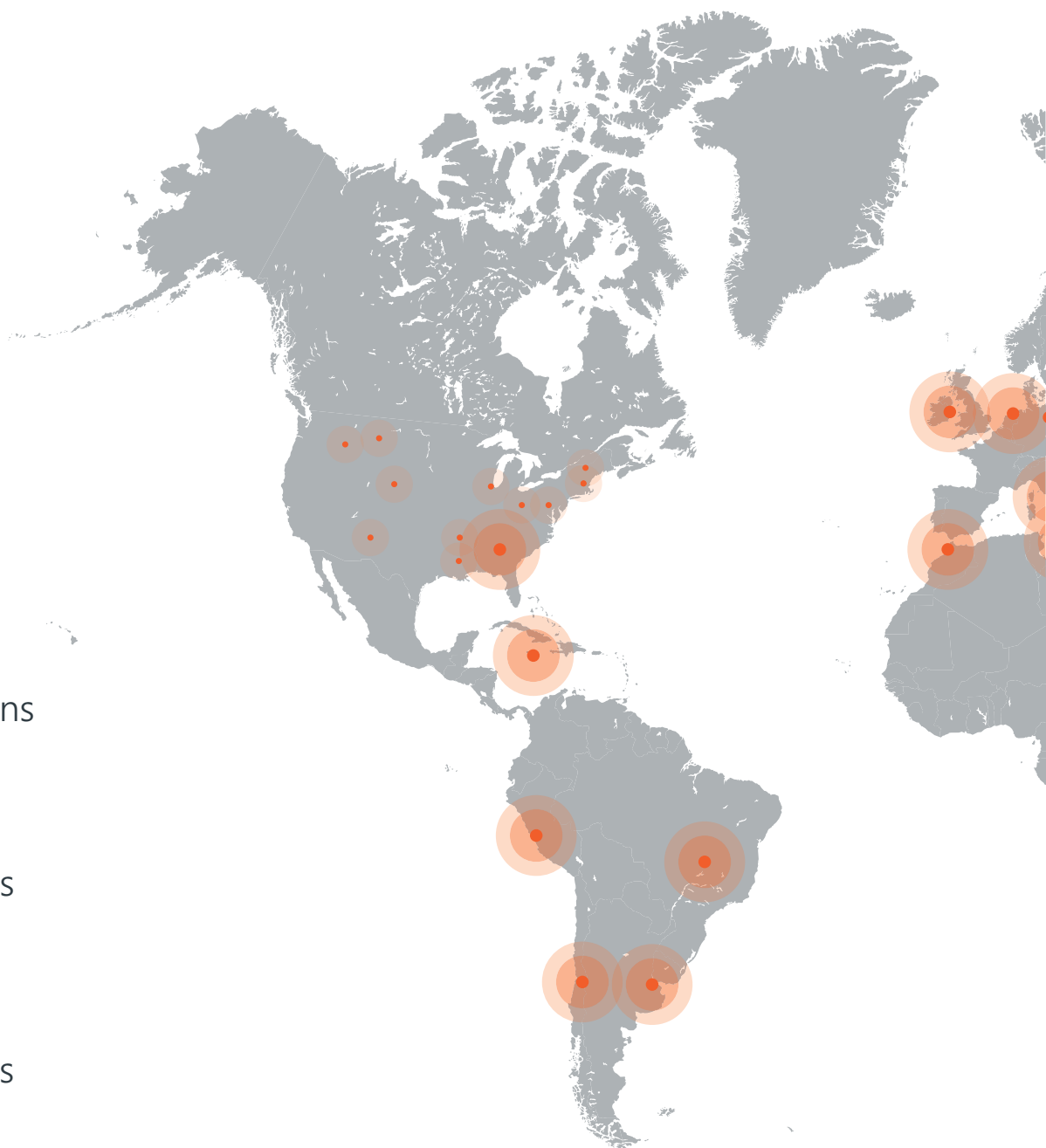
Within over 20 years of operation, INTRALOT has become a gaming sector leader, as a 'one-stop-shop' for integrated, secure and efficient solutions, with presence in 52 jurisdictions of 29 countries. In 2017, INTRALOT Group operated a portfolio of 87 contracts for a wide range of products (such as gaming systems, terminals, alternative distribution channels and VLTs) and gaming applications (such as lotteries, instant lotteries and fixed odds betting).

WORLDWIDE PRESENCE

52
Jurisdictions

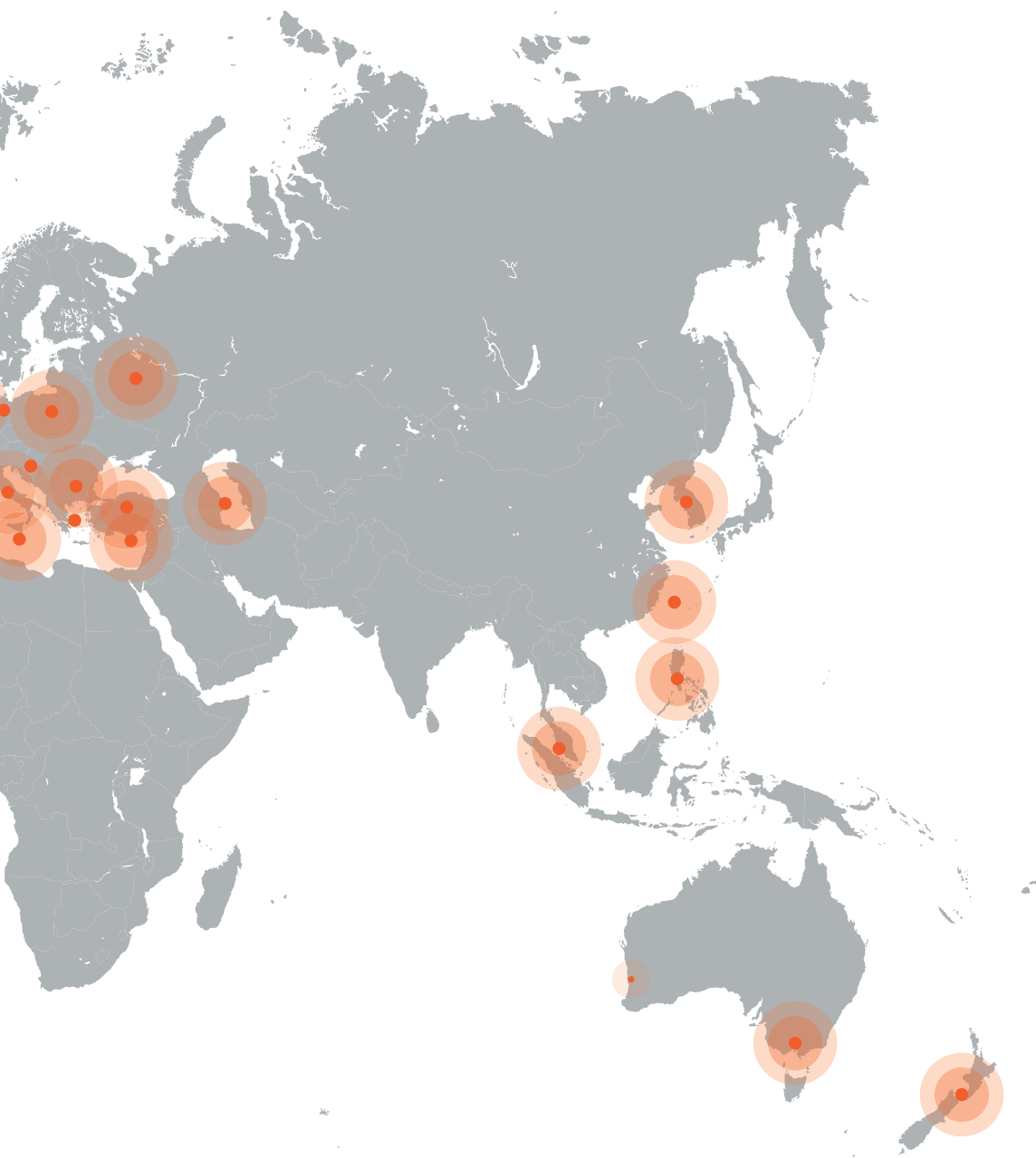
29
Countries

87
Contracts



The Group's various B2B, B2G and B2C engagements are carried out under the following three types of contractual arrangements:

- > **Technology and Support Services Contracts**, which include:
 - Provision of equipment and software, as well as maintenance and support services.
 - Design, development and implementation of tailor-made software.
- > **Management Contracts**, which include:
 - Provision of technology and support services.
 - Management of day-to-day operations marketing services, sales network and risk management/odds setting for sports betting.



> **Licensed Operations**, which include:

- Management of all gaming operation's aspects, such as selection and provision of technology and ongoing support.
- Maintain relationships with local regulators.

Contracts breakdown and key markets by contract role

Technology & Support Services



Management Contracts



Licensed Operations



Contribution

21.1% of Revenues
40.5% of GGR
35.9% of EBITDA

10.6% of Revenues
21.9% of GGR
27.3% of EBITDA

68.3% of Revenues
37.6% of GGR
36.8% of EBITDA

Operations

62 individual technology and support services contracts across **43** jurisdictions through **17** subsidiaries

5 management contracts in **3** jurisdictions through **4** subsidiaries

23 individual licenses across **11** jurisdictions through a combination of wholly and partially owned subsidiaries and joint ventures

Description

- > Central gaming system
- > Lottery terminals
- > Telecommunications system/solutions
- > Related peripheral equipment and software
- > Implementation services
- > Maintenance and support services
- > Monitoring systems for VLT operations

- > Provision of technology solutions described in 'Technology and Support Services Contracts'
- > Day-to-day operations
- > Marketing services
- > Sales network development and management
- > Risk management/odds setting for sports betting games

- > Management of services described in 'Management Contracts'
- > Provision of technology solutions described in 'Technology and Support Services Contracts'

Markets

Argentina | Australia | Bosnia and Herzegovina | Chile | Croatia | Czech Republic | Germany | Greece | Ireland | Italy | Jamaica | Malaysia | Malta | Netherlands | New Zealand | Nigeria | Peru | Philippines | South Korea | Taiwan | United States

Morocco | Russia | Turkey

Argentina | Azerbaijan | Brazil | Bulgaria | Cyprus | Greece | Italy | Malta | Peru | Poland | Taiwan

During 2017, INTRALOT systems handled €24 billion of wagers worldwide from continuing operations, increased by 2.4% compared to 2016. The Group handled increased volume of wagers in South America, Africa, Asia and West Europe (20.3%, 11.9%, 7.1% and 4.1% respectively), while wagers handled in East Europe and North America decreased by 9.6% and 1.1% respectively.

2.2

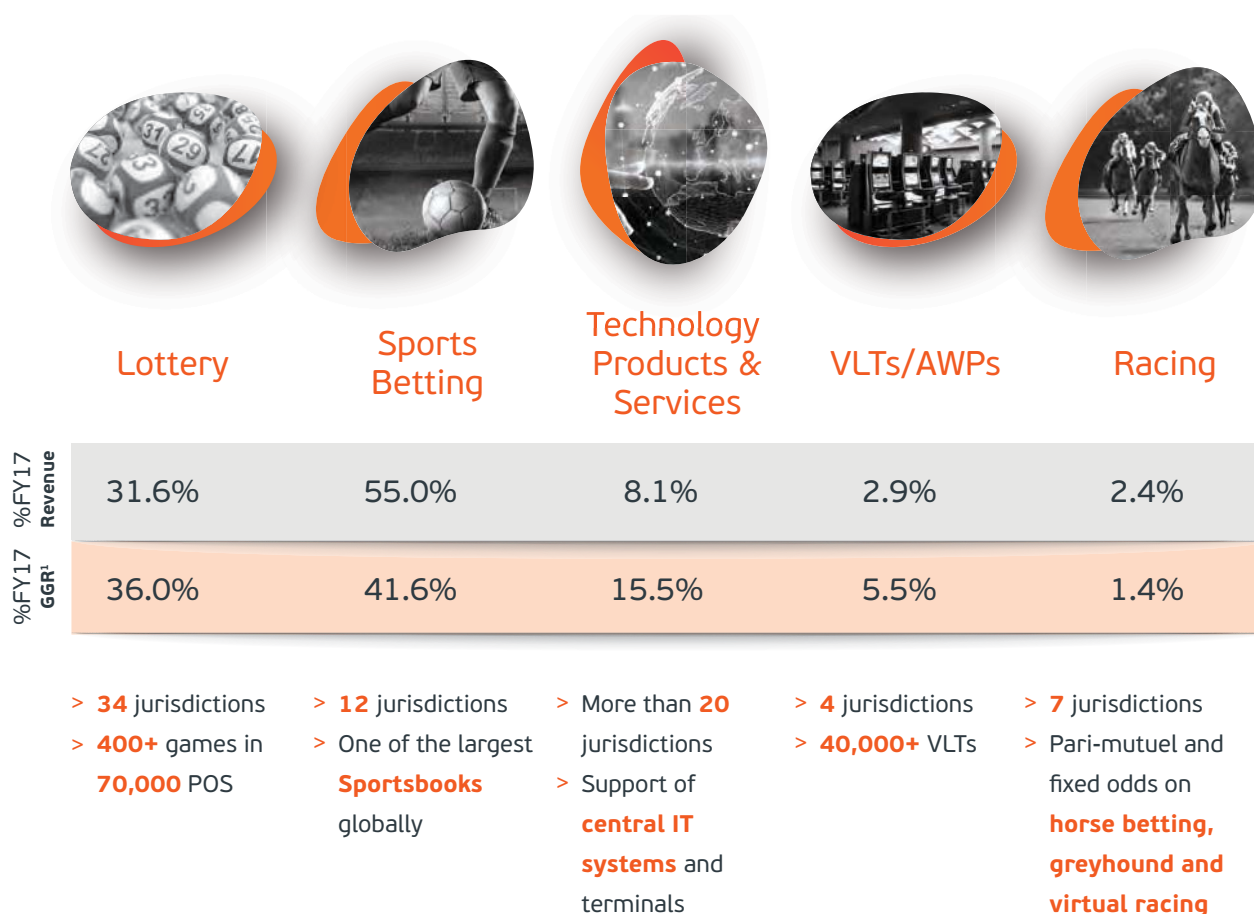
Products and Services Portfolio

Products and Services

INTRALOT Group designs, develops, operates and supports various innovative and customized hardware and software solutions, as well as services for the gaming industry. The Group's product strategy consists of the following four pillars:

- > Customer experience optimization through dedicated product surveys and usability tests of end-to-end customer journeys.
- > Modular platform architectures to enable absorbing client needs in a flexible manner.
- > Open and scalable solutions to allow integrations with 3rd party products and services.
- > Cost effectiveness through reduced development, maintenance and solution deployment costs.

Products and Services



¹ GGR is defined as total revenue net of payout of winnings.

Products

INTRALOT Group offers a broad range of products to support lottery, sports betting, VLT/AWPs and racing, as well as interactive games for its customers and operations. In 2017, the Group continued to modernize the platforms ecosystem architecture and evolved its main core gaming platforms to enhance its product portfolio, namely the L10 Lottery Gaming Platform and the New Sports betting platform.

L10 Gaming Platform Ecosystem:

The L10 platform ecosystem offers fast, efficient and secure central processing for all game and business-application implementations. The platform features modular open architecture for quick integration and installation with minimal configuration, allowing for the entire architecture to be managed as a suite of independently deployable, modular applications, as well as facilitates multivendor strategies and significant portfolio expansion without security, reliability and data integrity compromises.

L10 Lottery Game Engine:

The L10 game engine incorporates all needs and functionalities in a modular and customizable way, as well as a personalized user management and permissions functionality. The game engine features an enhanced game and draw management system to allow centralized end-to-end management of all lottery products across multiple operations, platforms and sales channels, as well as administrative features to define winning numbers, distribute revenues, establish a formula to apportion the value of participations and calculate dividends.

Sports Betting Platform:

INTRALOT Sports Betting Platform is a WLA compliant, multi-lingual and multi-currency solution to support sports betting via multiple channels through a unified, single-sign-on (SSO) back-office for a true omni-channel product for online and in-play betting. The Sports Betting Platform features multiple pre-integrated sports betting feeds to allow operators to create their own commercial strategy and incorporates various player-centric features, such as cash-out, various cash-out derivatives, an extensive list of bet type bonuses and the ability to offer different odds to specific customers.

Player Pulse:

INTRALOT Player Pulse is a complete online gaming platform with an advanced Player Account Management system and a Marketing Suite for both online and retail operations and for all products. The solution also offers Risk, Fraud, Payment and Game Management functionalities and is delivered pre-integrated with all game verticals.

Retailer Pulse:

INTRALOT Retailer Pulse is the next generation Retailer Relationship Management (RRM) system for retailers to fully manage and control their operational aspects, increase their commitment and optimize their performance. The platform consists of interconnected configurable characteristics to allow features, such as out-of-the-box micro-segmentation, bilateral communication and personalized portals to enable optimal information flow and optimal user access.

Content Management Platform:

INTRALOT Canvas is an innovative and integrated content management platform to create the optimal playing experience lottery and gaming operators' customers. The system has advanced content management, marketing and personalization features, all of which can be utilized through its advanced user interface to centrally manage and control content distribution for multiple game verticals across all sales channels.

Mobile:

INTRALOT has established an extensive collection of native mobile applications for iOS and Android and responsive mobile web portals for all gaming verticals that complement each other, which allow operators to create comprehensive and engaging mobile experiences for their customers.

Remote Gaming Server & Interactive Instant Win Games:

INTRALOT's Remote Gaming Server (RGS) is a software system to handle transactions from game clients and compute game mechanics based on random number generator values, providing functional game content integration for server-based, VLT/self-service terminals, mobile and online gaming platforms. The Group has also developed in-house a growing library of approximately 250 interactive Instant Win Games (HTML5 & Flash) with different mechanics and play styles, all of which are delivered through the RGS and are open to integration with third party providers.

Content Management System:

INTRALOT Horizon is a multimedia content management system optimized for retail network environment in gaming business and provides gaming content creation, management, delivery and payout. Horizon View allows Lottery operators and retailers to combine Lottery, Betting, Racing, Virtuals, Gaming and Digital Signage content and enables content delivery to thousands of shops, screens and retail terminals in real-time, with optimal bandwidth usage and sophisticated data broadcasting / multimedia technologies.

Commercial Retail Solutions:

INTRALOT offers a wide range of gaming retail solutions to meet player habits and retailer's needs all over the world either as stand-alone hardware or bundled with the gaming terminal software for Lottery and Betting for all necessary functions for Points of Sale. The wide range of the approximately 300,000 retail solutions deployed worldwide includes:

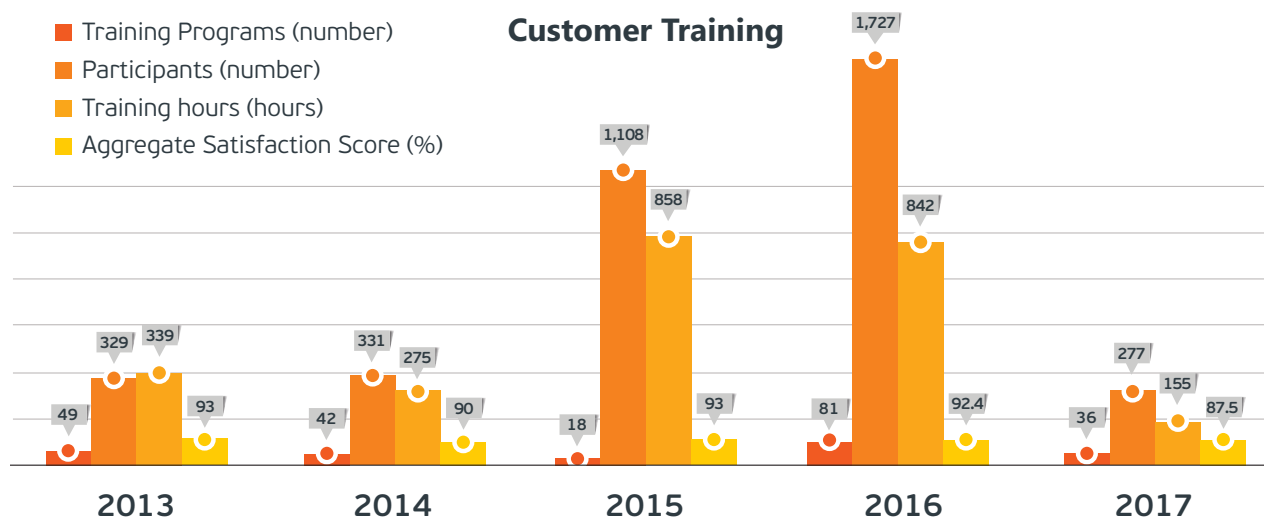
- > Retail solutions:
 - **Photon:** a lottery terminal with a digital camera in a modern and ergonomic unit with large operator display.
 - **Proton:** a compact all-in-one camera-based lottery terminal for extremely limited space applications.
 - **microLOT:** an all-in-one device to facilitate validation and payments for all gaming ticket types.
 - **Genion:** a multi-functional solution, which can be used as a game validation and payment terminal or an online and scratch ticket checker.
 - **Retailer Canvas:** an advanced software solution for Lottery and Betting Operators.
 - **Device management platform:** an operator tool for centralized management and control of all active terminals in the field.
- > Self-Service solutions:
 - **Gablet:** a self-service terminal for players' 1st touch point with digital playslip preparation, which allows both registered and anonymous player participation.
 - **Kiosk:** offers the Gablet solution in a minimal autonomous floor-standing kiosk terminal (single screen version) or extended with multiple game participation methods (dual screen version).
 - **Full Self-Service Terminal:** FSST is the next generation offering in self-service terminals to support customer interactions and a wide range of optional game participation components.
 - **TapnBet solution:** the next-generation of TapnBet self-service solution features innovative industrial design to facilitate simple and easy betting.
 - **Coronis MP:** a self-service terminal with a second monitor to display advertisements, information, results, programs and Responsible Gaming campaigns.
 - **DREAMTOUCH:** a family of next-generation vending machine with an intuitive, user-friendly interface to purchase instant tickets, participate in unlimited draw games, play interactive games and host TAPnBET simplified betting, in order to offer a truly interactive gaming experience, while hosting Responsible Gaming campaigns.
 - **Winstation 30:** a vending machine with extended games capacity that provides instant lottery tickets and online gaming.



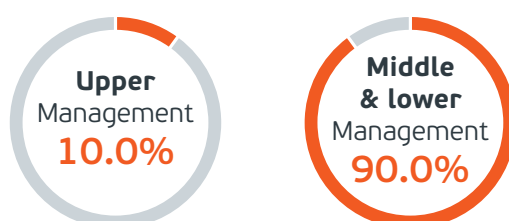
Services

INTRALOT Group's services cover the full range of day-to-day operational activities of Lottery organizations (from attracting the player's attention to winning numbers announcement). As of 2017, the service portfolio consists of the following services:

- > Technical support and training, which include after-sales technical support to facilitate uninterrupted and efficient gaming operations and minimize sales downtime, as well as tailor-made and detailed operational and technical support training, marketing seminars and other training modules for both new and experienced lottery and betting operators.
- > System operation services, which include operation and administration of gaming systems, networks and technology infrastructures, in order to ensure continuous system availability, quality of delivered services and flexibility in resource utilization.
- > Marketing services for marketing consulting and support to our customers all over the world (i.e. Market Research and Analysis, Game Design and Analysis, Marketing Communication, Sales Network Design and Development).
- > Sports Betting Risk Management and Footprint, which include product customization, program and odds compilation, risk management/trading and training support.
- > Interactive managed services to lotteries, state and state licensed organizations, which include customer acquisition and retention, search engine marketing, social media, mobile marketing and affiliated management.
- > Supply Chain Management, which include warehousing, logistics and distribution services to optimize supply chains, improve retailer satisfaction, reduce distribution costs and ensure uninterrupted availability of stock.
- > Media broadcasting, which include animated information and targeted messaging, a 24-hour lottery dedicated media channel and virtual studio draws, in order to further enhance our customers' means of reaching audiences.
- > Knowledge transfer, which include transfer and application of successful practices regarding operational excellence, product design and implementation.



Customer Training by Management Level



Projects Training

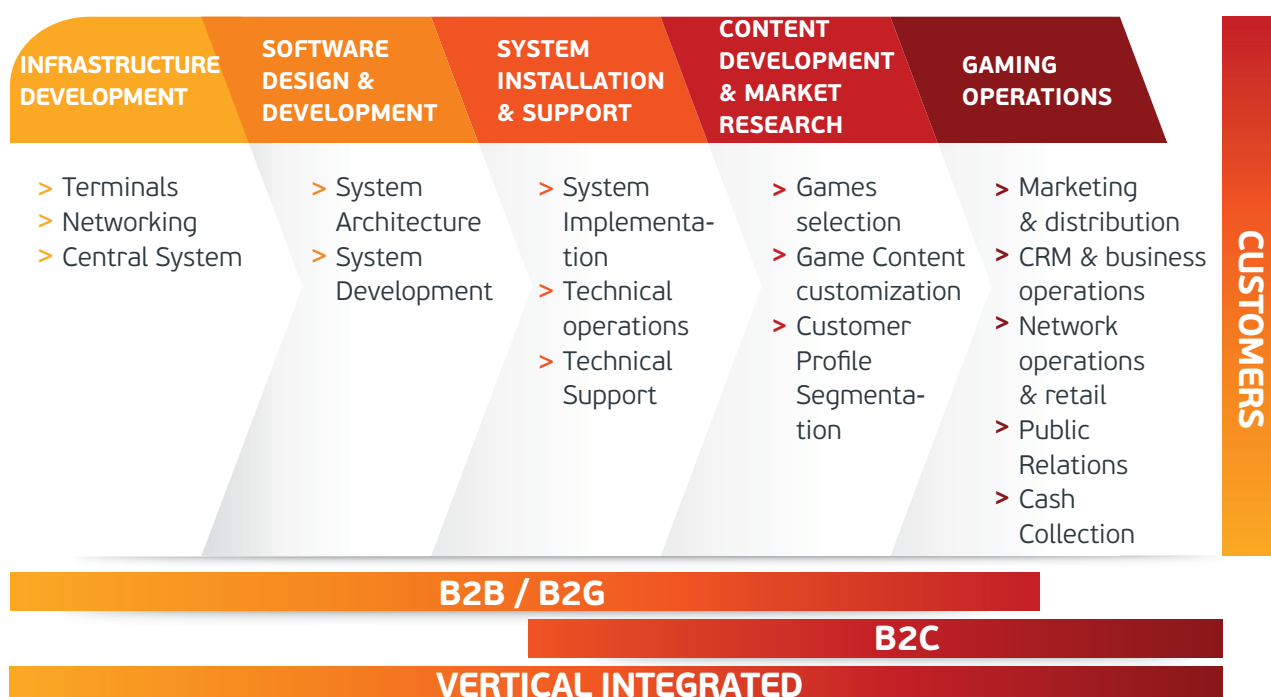


Satisfaction rate from customer and projects training programs exceeded **87%** and **90% respectively**

Value Chain

INTRALOT Group is a leading partner of licensed gaming operators worldwide, as a supplier of integrated gaming and transaction processing systems, pioneering hardware and software, innovative game content, sports betting management and interactive gaming services. At the same time, the Group is a licensed gaming operator in its own right, operating in several countries around the world.

For its operations, the Group utilizes inputs from its Suppliers (materials, equipment, services and know-how), either to its production units around the world or directly to the Company itself, as well as input from States and Regulatory Authorities (decisions and provisions for regulation of local gaming market). The Group provides its products in the B2C market through its own sales networks, which include internet-based channels and Points of Sale, following agreements with Retailers. As a technology provider in the B2B market, INTRALOT Group cooperates with Business Partners to provide its products and services to licensed gaming operators (Customers), in order for them to provide its games to Players. Throughout its value chain, the Group remains committed to safeguard the interests of Shareholders, contribute to the Local Communities and reduce its impact on the Environment.

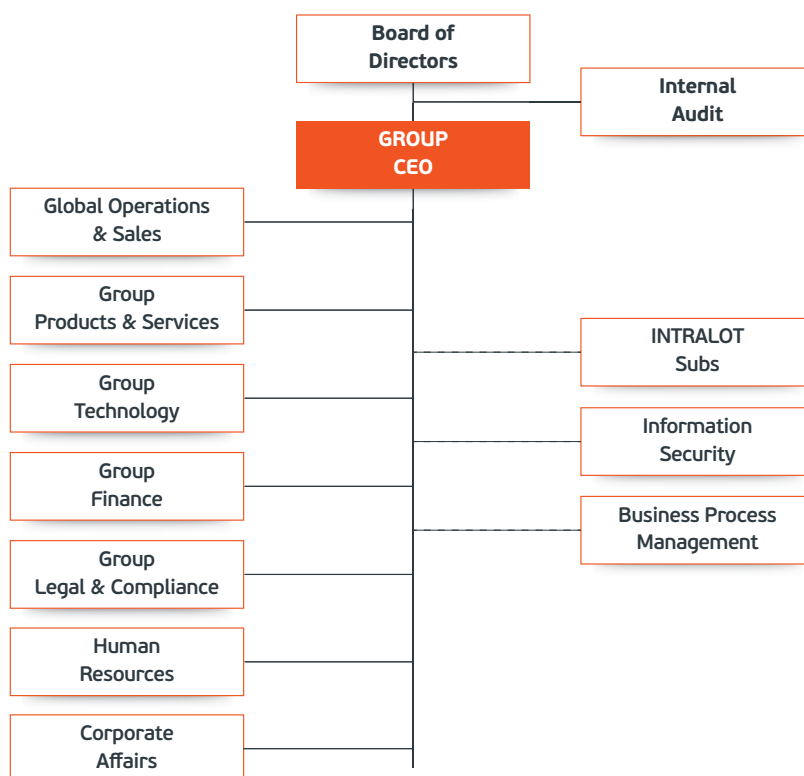


2.3

Organizational and Shareholder Structure

Organizational structure

The Company's new organizational structure (as of December 2017) with the main functions and divisions is depicted below.



Shareholder Structure

INTRALOT's share capital amounts to €47,688,516.30, divided into 158,961,721 nominal shares at €0.30 each. All Company shares are common registered shares with a voting right and are introduced to the Athens Stock Exchange, in the Mid Capitalization category, under 'Gaming Sector'.

The shareholding structure of INTRALOT is presented below, with no other natural or legal person / entity owing over 5% of the corporate share capital:

- > Free Float: 51.38%
- > Socrates Kokkalis: 20.0%
- > Konstantinos Dimitriadis: 7.4%
- > Novomatic AG*: 5.07%
- > Makuria Credit Master Fund LTD: 5.94%
- > Mittleman Brothers LLC**

*Unicredit Bank Austria AG possesses the 5.07% of shares on behalf of Novomatic AG.

**Mittleman Brothers LLC own directly or indirectly and represent voting rights of 10.216% of the corporate share capital. Data refer to 31/12/2017.

2.4

Risks and Opportunities

Risks

Due to the nature of the industry and the corresponding economic and social challenges, gaming companies are exposed to the following risks:

Risks in the Gaming Industry

Source	Level of Risk
Diversity of social, cultural and religious profiles in foreign countries	Moderate
Possibility that participation in games may result into a pathological addictive behavior	Moderate
Constantly changing taxation schemes in various jurisdictions	Moderate
Security issues which may arise from threats to online and interactive gaming	Moderate
Conditions within the supply chain, regarding aspects such as product quality, labor and human rights	Moderate
Environmental impact of operations (e.g. materials consumption for hardware production, energy consumption for production and business operations)	Moderate
Political and regulatory environment in each jurisdiction, which can affect financial performance, public procurement and licensing rules or processes	High
Legal framework and legislation regarding issues such as minors' protection, violation of jurisdictional prohibitions, money laundering, fraud and corruption	High
Potentially increased regulation to the negative publicity associated with excessive gaming	High
Impact from illegal gaming activities to the regulated industry's revenues	High
Conditions of the macroeconomic environment	High
Volatility of players' gaming spending	High

INTRALOT operates within an industry which has to address serious issues such as money laundering, corruption and bribery, as well as gaming addiction and its social repercussions. As a result, the Company implements a wide range of monitoring and security systems, which go beyond the minimum legal requirements, in order to proactively deal with these issues.

Opportunities

Despite the risks and challenges for the gaming industry, gaming companies have to be able to benefit from the various favorable circumstances within the industry, which include:

- > The trend towards wider participation of private companies in Lottery operations through various models (privatization initiatives, private management schemes and concession agreements).
- > The trend to liberalize and regulate the online gaming markets at a country level.
- > The expansion of gaming (sports betting, iLottery, machine gaming) in previously restricted jurisdictions.
- > The convergence of gaming channels and products, as well as the emergence of new gaming channels.
- > The role of technology and technological innovations towards the omni-channel and personalized provision of gaming products and services.
- > The proliferation of interactive technologies and interactive gaming applications across distribution channels.
- > The rise of mobile technology and the increasing smartphones penetration.
- > The introduction of new payment methods and the emergence of cashless gaming transactions.
- > The increasing relevance of Responsible Gaming across jurisdictions.
- > The introduction of strict Anti-Money Laundering, Data Protection and Fraud Prevention rules across jurisdictions.

Through its engagement in Lottery and State-sponsored gaming operations in diverse roles, INTRALOT Group has built up the operational capability, its games and marketing know-how, as well as developed the necessary technology solutions to capitalize on these opportunities within the gaming industry. It must be noted that the Group:

- > Develops gaming platforms and solutions both for retail and interactive domains.
- > Focuses its R&D efforts on concepts which promote channel convergence and cross-pollination.
- > Engaged into a strategic partnership with AMELCO in 2017, through which INTRALOT will utilize the company's proven online ATS platform to develop a new omni-channel and customized sports betting solution for regulated lotteries and sports betting operators worldwide, which features modular and scalable architecture with easy proliferation, guaranteed service availability and various out-of-box features (e.g. customer risk profiling and cash out).



DID YOU KNOW?

The Need to Tackle Illegal Gaming

According to the Council of Europe's Convention on the Manipulation of Sports Competitions, illegal gaming is defined as "... any wagering of a stake of monetary value in the expectation of a prize of monetary value, subject to a future and uncertain occurrence ... whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located". Basically, illegal gaming operators:

- > Violate the licensed operators' intellectual property and territorial markets, as they operate in territories which are not allowed to operate.
- > Disregard national laws and tax-paying obligations.
- > Negatively affect licensed operators' investments on games and Responsible Gaming.
- > Enhance unfair competition within a jurisdiction.
- > Provide misleading information to players and do not protect vulnerable groups (e.g. minors, gaming addicted individuals).
- > Undermine authorized gaming operators' efforts to contribute to good causes.
- > Have not established procedures and measures to ensure players' safety and security.
- > May utilize revenues to fund criminal organizations or money laundering activities.

Therefore, it is essential that gaming operators respect, uphold and remain committed to the core values, principles and industry standards of Responsible Gaming, as well as protect players and the society in general, while allocating funds to support good causes.

2.5

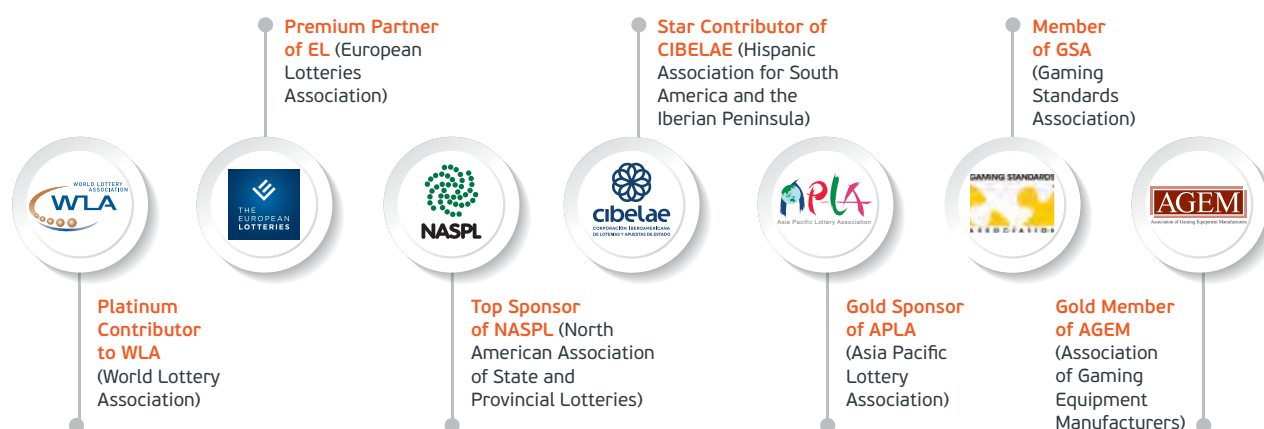
Memberships and Distinctions

Memberships

INTRALOT is a member in the following national and international associations and organizations, in order to promote issues related to the gaming industry, as well as issues related to Corporate Responsibility:

Strategic Memberships

Lottery and Gaming Associations



Social Responsibility Networks



Trade Associations



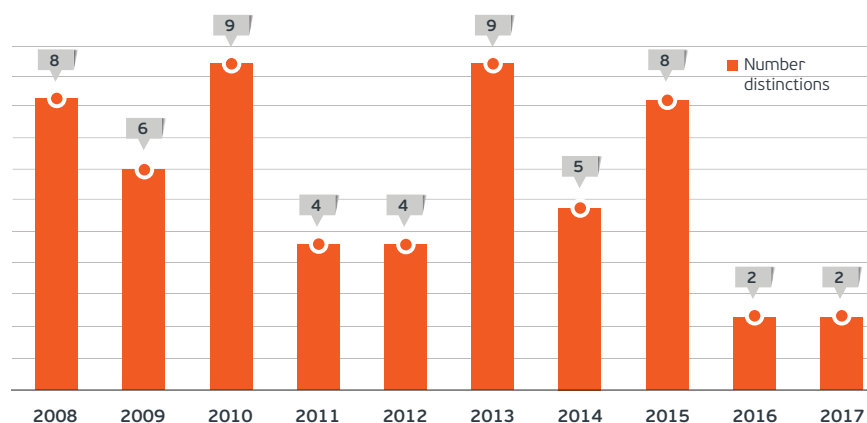
Distinctions

Recognition of the Company's efforts to become more responsible is a moral reward and satisfaction to continue and implement the various long-term programs and initiatives. In 2017, the Company received the following distinctions:

- > The Gold Award in **RME Awards 2017** (Responsible Management in Social - Environmental & Ethical Governance for Sustainable Excellence) organized by EBEN GR (European Business Ethics Network), for its practices and contribution in the areas of Social Responsibility and Business Ethics.
- > The **Creative Greece Award 2017** organized by Active Business Publishing, for being one of the country's major extrovert business groups.



National and International distinctions*



*Distinctions refer to INTRALOT S.A.



Shaping
the future of gaming



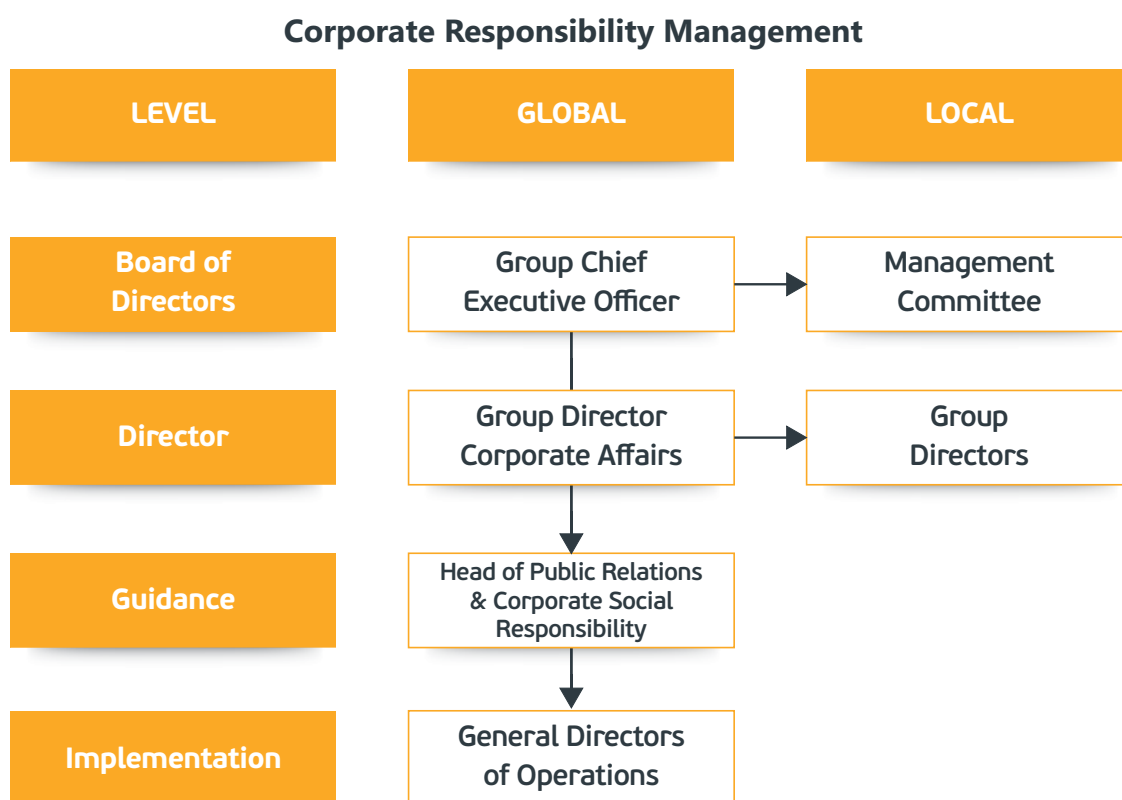
To continue to be an industry leader in innovation and performance excellence requires a solid corporate culture driven by an ethical commitment to society along with customer centric focus.

3.1

Managing Corporate Responsibility

Integrating Corporate Responsibility within the organizational structure

INTRALOT strives to create value for its Stakeholders and adhere to the highest levels of integrity, responsibility, innovation and sustainable growth. From an organizational perspective, the Group Corporate Affairs Division is assigned to manage the issue of Corporate Responsibility, in order to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational and operational level. INTRALOT's management structure related to Corporate Responsibility is depicted below:



- > At Board level, the overall responsible is the Group Chief Executive Officer, who is the Chairman of the Management Committee, with the leadership on Corporate Responsibility plan.
- > At Director level, the Group Director Corporate Affairs is responsible to organize the relevant activities, as well as to review the Group's Responsible Gaming program. The Group Corporate Affairs Division is assigned to streamline activities and facilitate the Company's responsible operation, at a strategic, organizational and operational level.
- > At Operational level, the Head of Public Relations & Corporate Social Responsibility is responsible to guide, plan, implement and evaluate the Corporate Responsibility program, as well as cooperate with other departments.
- > The Corporate Affairs Division interacts with General Directors of Operations and other Divisions within the Company, at a local and global level, to facilitate respective practices implemented.

3.2

Material Issues

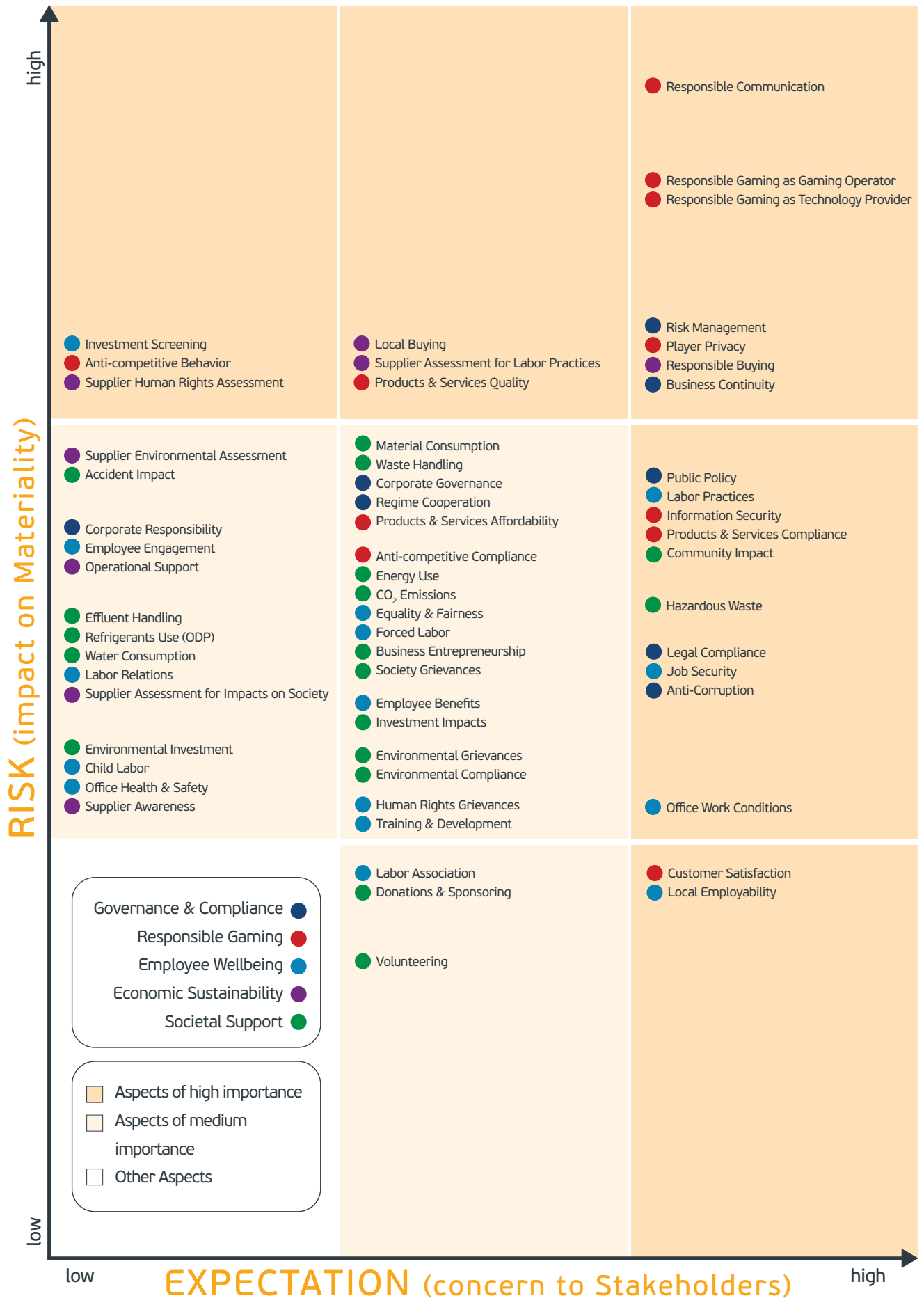
Recognizing Material Issues

In order to holistically examine issues that can or could affect its responsible operation and ensure that the content of this Report focuses on the Material Issues, INTRALOT conducted a Materiality Analysis, structured around four stages:

1. Identification of potential aspects, through which over 90 issues were considered by reviewing:
 - > a) Current industry practices.
 - > b) Future trends.
 - > c) Relevant industry related analyses by international organizations, such as the RobecoSAM's Sustainability Yearbook for the 'Casinos & Gaming' sector.
 - > d) Regulatory environment.
2. Analysis of these issues in terms of associated Risk, according to the significance of the economic, social and environmental impacts that the Company's activities, products and operations either have or could have.
3. Identification of Stakeholders' expectations, through the analysis of their views as a result of relevant surveys that have been conducted (e.g. Customer Survey) and the indirect input from the departments which interact with each Stakeholder group.
4. Combination of the Risk analysis and Stakeholders' expectations, which resulted in defining the Material Issues that INTRALOT should focus on.

The Materiality Analysis, as well as the current Report, which were approved by the Group Corporate Affairs Director, depicts the Material Issues for 2017 in the orange shaded area of the below diagram:

Materiality Analysis



3.3

Stakeholder Engagement

Interacting with Stakeholders

INTRALOT has a large number of internal and external Stakeholders, who can be defined as all those who are either affected by the Company's operations or affect its operations. Since Stakeholders increasingly require transparency and active involvement in issues, such as societal support and environmental protection, the Company intends to enhance its Stakeholder engagement program by expanding its participation in various business fora, such as the European Business Ethics Network and the Hellenic Business and Industry Federation's Sustainable Development Committee. In addition, INTRALOT is actively engaged with business initiatives of industry associations, such as the World Lottery Association's Responsible Gaming Programs and the European Lotteries initiatives. The following table summarizes INTRALOT's Stakeholders (which have been identified through the respective departments), their expectations and main issues of interest and the methods of interaction with them, without distinct activities taking place as part of the Report preparation process.



11
Stakeholder groups are addressed

Stakeholder Engagement

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
Players	<ul style="list-style-type: none"> > Website > Articles (monthly) > Interviews > Blog > Social media > Surveys (annually) > Points of Sale > Call center > Responsible Gaming questionnaires 	<ul style="list-style-type: none"> > Responsible Gaming as Gaming Operator > Responsible Communication > Player Privacy > Products and Services > Compliance > Information Security 	Responsible Gaming: 5.1-5.7

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
Customers	<ul style="list-style-type: none"> > Formal communication > Meetings > Trainings > Customer Complaint Service > Customer Survey (annually) > Articles > Newsletters > Interviews > Blog > Products and Services information material > Social media 	<ul style="list-style-type: none"> > Responsible Gaming as Technology Provider > Responsible Communication > Player Privacy > Products and Services Compliance > Products and Services Quality > Business Continuity > Anti-Corruption 	<p>Responsible Gaming: 5.1-5.7</p> <p>Governance and Compliance: 4.3</p>
Suppliers	<ul style="list-style-type: none"> > Meetings (annually) > Formal communication > Call center 	<ul style="list-style-type: none"> > Responsible Buying > Local Buying > Supplier Assessment for Labor Practices 	Economic Sustainability: 7.4
Business Partners	<ul style="list-style-type: none"> > Meetings (annually) > Formal communication > Articles > Interviews > Social media > Products and Services information material 	<ul style="list-style-type: none"> > Responsible Gaming as Technology Provider > Products and Services Compliance > Products and Services Quality > Anti-Corruption 	<p>Responsible Gaming: 5.1-5.7</p> <p>Governance and Compliance: 4.3</p>
Retailers	<ul style="list-style-type: none"> > Website > Articles > Interviews > Blog > Social media > Trainings > Call center > Products and Services information material 	<ul style="list-style-type: none"> > Responsible Gaming as Gaming Operator > Responsible Communication > Products and Services Compliance > Products and Services Quality 	Responsible Gaming: 5.1-5.7

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
States (e.g. Regulatory Bodies, Industry Associations)	<ul style="list-style-type: none"> > Formal communication > Meetings with Executive Committees of Lottery Associations (annually) > Dialogue with representatives of authorities > Presentations > Participation in congresses and events of Lottery and Gaming Associations (bi-monthly) 	<ul style="list-style-type: none"> > Responsible Gaming as Gaming Operator > Responsible Gaming as Technology Provider > Risk Management > Public Policy > Legal Compliance > Business Continuity > Anti-Corruption > Environmental Compliance 	<p>Responsible Gaming: 5.1-5.7</p> <p>Governance and Compliance: 4.3</p> <p>Societal Support: 8.1</p>
Employees	<ul style="list-style-type: none"> > Corporate intranet portal (iSpace) > Corporate events > Social events > Trainings > Employee Opinion Survey > Social media 	<ul style="list-style-type: none"> > Labor Practices > Job Security > Office Work Conditions 	<p>Employee Wellbeing: 6.1-6.6</p>
Local Communities	<ul style="list-style-type: none"> > Meetings > Local events > Partnerships 	<ul style="list-style-type: none"> > Community Impact > Environmental Compliance 	<p>Societal Support: 8.1-8.3</p>
Non Governmental Organizations	<ul style="list-style-type: none"> > Meetings > Events > Workshops (annually) > Partnerships 	<ul style="list-style-type: none"> > Responsible Gaming as Gaming Operator > Responsible Gaming as Technology Provider > Responsible Communication > Information Security > Community Impact > Anti-Corruption 	<p>Responsible Gaming: 5.1-5.7</p> <p>Societal Support: 8.2, 8.3</p> <p>Governance and Compliance: 4.3</p>

Stakeholder Group	Methods of Interaction (continuous, unless otherwise stated)	Main Issues of Interest	Section in this Report
Media	<ul style="list-style-type: none"> > Social media > Press releases > Website > Articles > Interviews > Material/ information upon requests 	<ul style="list-style-type: none"> > All above issues 	<p>Governance and Compliance</p> <p>Responsible Gaming</p> <p>Employee Wellbeing</p> <p>Economic Sustainability</p> <p>Societal Support</p>
Shareholders	<ul style="list-style-type: none"> > Annual Reports > Quarterly Reports > Website > Road shows > Press releases > General Meeting of Shareholders (annually) > Board of Directors meetings > Social media 	<ul style="list-style-type: none"> > All above issues 	<p>Governance and Compliance</p> <p>Responsible Gaming</p> <p>Employee Wellbeing</p> <p>Economic Sustainability</p> <p>Societal Support</p>



4.0

Corporate Governance and Compliance

INTRALOT BoD and senior management ensure that the highest global standards of Corporate Governance are met through a set of policies that guarantee a sustainable future.

4.1

Overview

Internal Regulation Charter: The Internal Regulation Charter regulates the structure of INTRALOT's Divisions, their responsibilities and the relationship with each other and with INTRALOT's management, as well as defines each statutory body's responsibilities, duties and obligations, under the provision of the Company's Articles of Association and the applicable legislation. Anyone who provides services to the Company, regardless of its nature and legal relationship, is obliged to comply with the Internal Regulation Charter, including:

- > The Board of Directors.
- > The Group Chief Executive Officer, the Deputy Group Chief Executive Officer and all Division Directors, Department Managers and Supervisors.
- > All employees with any type of employment relationship.
- > All partners who provide their services through an independent services contract.

Code of Corporate Governance: INTRALOT's Code of Corporate Governance documents the Company's corporate governance practices and is aligned with the Principles of OECD Corporate Governance published in 2004, the Hellenic Federation of Enterprises' (SEV) Code of Corporate Governance for Listed Companies and the generally accepted corporate governance principles applied by European Union countries. The Code is posted on the corporate website (www.intralot.com) and its main goals are:

- > To define corporate governance practices.
- > To assure transparency in its operations and management procedures.
- > To improve information sharing with shareholders.
- > To comply with the requirements of the relevant legislation and regulatory framework.

Code of Conduct: The Company's Code of Conduct defines the way its managers and employees behave, maintain respect of laws and regulations and foster relationships of trust with Stakeholders, business partners and other third parties and constitutes a statement of its principles on the following issues:

- | | |
|---|---|
| > Purpose. | > Corporate Travel Policy. |
| > International Business Conduct. | > Information and Technology Resources. |
| > Information Security Policy Compliance. | > Relationships with Suppliers. |
| > Social Media. | > Relationships with Clients. |
| > Confidential Information. | > Relationships with Competitors. |
| > Protection and Use of Company Assets and Resources. | > Environment. |
| > Competition and Fair Dealing. | > Health and Safety. |
| > Conflict of Interest. | > Equal Employment Opportunity and Harassment Policies. |
| > Corporate Opportunities – Inventions. | > Alcohol and Drugs. |
| > Giving or Accepting Business Courtesies. | > Violence Prevention. |
| > Integrity/Probity. | > Reporting a Breach of the Code of Conduct. |

It must be noted that the Code of Conduct:

- > Is available to all employees through the corporate intranet portal and the Company launched a new training course on the Code of Conduct within 2017, which is available to all employees through INTRALOT's e-learning platform.

- > Has been communicated to all employees via email, including all new employees who are trained through the Classroom Corporate Induction Training program.
- > Is the subject of related briefings to employees, with 268 employees participated in classroom and e-learning briefings during 2017.
- > Has been incorporated in all employee contracts and their signature is considered as acknowledgement and acceptance of the Code's principles and provisions.
- > Is mandatory at all times for all managers and employees of INTRALOT Group, its subsidiaries and controlled affiliates, regardless of contract type (permanent and temporary) and hierarchical level and everyone is expected to behave and conduct his/her business in line with the Code's provisions without any exception.

The Code of Conduct has been
communicated to 100%
of **employees**



Furthermore:

- > In case there are any questions related to the Code of Conduct, employees can direct them to the Human Resources Department.
- > In case anyone suspects that there is an actual or potential conflict of interest or could be reasonably perceived by others as a conflict of interest, employees must report it to their Supervisor or their Director, who will discuss with them to determine whether he/she actually has a conflict of interest and, if so, how to best address it. No such cases have been reported within 2017.
- > All employees are obliged to report any breach of the Code of Conduct to the Human Resources Department, by name or anonymously, either by telephone or e-mail.



GOOD PRACTICE

Giving or Accepting Business Courtesies

Any gifts and donations towards employees are subject to the Code of Conduct's provisions, which strictly prohibit all corporate gifts or entertainment to be used or appear as improper forms of compensation and accept or solicit any personal benefit from a supplier or potential supplier that might compromise his/her objective assessment of the supplier's products and prices. Employees are allowed to give or receive gifts and entertainment to or from customers and suppliers only if the gift or entertainment cannot be viewed as an inducement to or reward for any particular business decision. Under all circumstances, employees are obliged to properly state all gifts and entertainment expenses on the related expense reports.

It must be noted that in 2017, there were no violations of the Code of Conduct's provisions regarding giving or accepting gifts.



No violation cases concerning the
Code of Conduct occurred

4.2

Board of Directors

Upholding Corporate Governance principles

The Board of Directors (BoD) aims to continuously enhance the Company's long-term economic value and safeguard corporate interests. The Board is responsible to approve the overall long-term strategy and operational goals, decide on all aspects related to management, assets and business objectives and generally pursue the Company's purposes without limitations (excluding aspects decided by the General Meeting of Shareholders). The Company's current Board of Directors was elected by the Extraordinary General Meeting of Shareholders on 10 April 2014 and consists of nine members for a five-year term, with the following composition after the resignation of Mr. Nikolaos-Leon Papapolitis (BoD member) and the BoD's reconstruction:

Board of Directors

Name	Position	Executive Member	Independent Member
Sokratis P. Kokkalis	Chairman	✓	✗
Constantinos G. Antonopoulos	Vice Chairman	✗	✗
Antonios I. Kerastaris	Member (CEO)	✓	✗
Konstantinos S. Kokkalis	Member	✗	✗
Dimitrios Ch. Klonis	Member	✗	✗
Petros C. Souretis	Member	✗	✗
Sotirios N. Filos	Member	✗	✓
Anastasios M. Tsoufis	Member	✗	✓
Ioannis P. Tsoukaridis	Member	✗	✓

Data refer to 31/12/2017

- > The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members.
- > At the moment, there are no processes for consultation between Stakeholders and the BoD on economic, environmental and social issues. However, it must be noted that there were no critical concerns communicated to the BoD within 2017.
- > The Chairman is responsible to lead the Board, determine the agenda and effectively conduct Board meetings and meetings with the majority shareholders to discuss matters pertaining to corporate governance. Additionally, the Chairman is responsible to ensure that BoD members are timely informed and fairly address shareholders' interests, as well as effectively communicate with all shareholders (especially those holding significant stakes and have long-term perspective, whose views are communicated to the BoD).
- > The Group CEO is responsible for the Company's strategy, its vision and values, as well as its operations at local and international level.

- > BoD members are prohibited to hold board or executive positions in competing companies or assume any other role or activity that may lead to an actual or potential conflict of interests, without the permission of the General Meeting of Shareholders. Additionally, independent non-executive members are elected from the General Meeting of Shareholders and are prohibited to form close ties with Management, majority shareholders or the Company and are not permitted to hold over 0.5% of the Company's share capital or to maintain a dependant relationship with the Company or with persons affiliated with the Company.
- > Election or re-election of BoD members requires sufficient biographical details, the Board's view on the independence of the proposed Board members, as well as any other relevant information to facilitate the shareholders' decision.
- > The Chairman of the Board leads the BoD members' and committees' performance evaluation at least every two years, through meetings with the non-executive members, without the presence of executive members, in order to discuss the performance of the latter, as well as other related matters.
- > The Compensation and Benefits Policy regulates fixed salaries levels, benefits and performance-related remuneration for executive members, based on their job description, accountability and responsibility of their position, along with their academic background, competencies, professional experience and performance evaluation. Their remuneration is associated with the corporate strategy and achievement of corporate objectives and other incentives such as medical and life insurance, corporate car along with extra benefits are granted to the executive members, in addition to fixed and variable remuneration (including the corporate stock option scheme).
- > Remuneration for non-executive members depends on the time allocated and their responsibilities, while it is not directly related to corporate performance, in order to encourage Top Management to take business risks.
- > The remuneration for non-executive members and executive members is pre-approved by the General Meeting of Shareholders and the BoD respectively, following the Remuneration Committee's recommendations. The General Meeting of Shareholders grants the final approval for the executive and non-executive members' remuneration.
- > INTRALOT cooperates with international consultancy agencies in the field of Compensation and Benefits research and monitors relevant reward trends.
- > The Board of Directors announces all amounts and all other benefits paid to each BoD member or to Company's Directors within the previous two years at the General Meeting of Shareholders, following the request of shareholders representing 1/20 of the paid up share capital, unless the BoD refuses to disclose information with due cause, which is recorded.



POLICY

Relation of Dependence

In order to determine the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- > Is or has been an employee, senior executive or Chairman of the Company's BoD or its subsidiaries within the last three years.
- > Receives or has received any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders within the last 12 months prior to his/her appointment.
- > Has or had a material business relationship with the Company or its subsidiaries within the past year, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or Board member or senior executive of an entity that has such a relationship with the Company or its subsidiaries.
- > Has been the Company's or its subsidiaries' external auditor or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three years.
- > Has a second-degree kinship with or is the spouse of a non-independent Board member, senior executive, adviser or significant shareholder of the Company or its subsidiaries.
- > Controls directly or indirectly through related parties over 10% of the Company's voting rights or is a significant shareholder of the Company or its subsidiaries.

Operating Board Committees

The Board of Directors is supported by a number of committees, in order to ensure that specific issues are managed in a responsible and systematic way:

Audit and Compliance Committee: Consists of three independent non-executive members and supervises financial reporting and information, compliance with the legislative and regulatory operational framework and internal control processes and systems, as well as the Internal Audit Unit. The Committee meets at least four times a year and also meets with the Company's auditor at least twice a year, without the presence of Company's Management.

The Audit and Compliance Committee also includes the Financial Committee as a sub-committee, which consists of the Chief Financial Officer, the Director of Finance, the Accounting Director, the Subsidiaries and Business Development Director and other executives within the Finance Department, as deemed necessary. The Committee provides recommendations to the Audit and Compliance Committee and/or directly to the Board of Directors concerning:

- > The management of the Group's exposure to risk associated with interest rate and currency exchange rate fluctuations.
- > The management of risks that may arise from socio-political changes.



GOOD PRACTICE Disclosure of Economic Activities

All BoD members and executives are required to address a statement to the Board of Directors and notify them about:

- > Their holdings over 10% in other companies (semi-annually).
- > Their other professional and business activities at the time and manner decided by the Board of Directors (annually).
- > Their intention to conclude contracts with Company's customers or suppliers of over €3,000 lump sum or annual amount (at any time but at least 20 days prior to the contract's conclusion).



Remuneration and Nomination Committee:

Consists of one non-executive member as Chairman and two independent non-executive members and is responsible to:

- > Determine the employee remuneration policy.
- > Recommend remuneration levels for executives, managers and senior executives to the Board of Directors.
- > Regulate matters associated with the overall remuneration policy, such as:
 - Propose the Company's remuneration policy.
 - Suggest an annual salary, performance-related remuneration, pension plan and severance package for executives and managers.
 - Suggest the remuneration's level and structure for senior executives.
- > Propose the criteria and the general frame to select BoD members.
- > Suggest the procedures to determine internal relations of BoD members.
- > Determine the criteria to select new directors, as well as for removals.

Management Committee:

Consists of the Group Chief Executive Officer and the Company's General Directors and examines all significant corporate matters (e.g. corporate strategy, critical operational issues, major projects and objectives), formulates proposals and decides how to address them.

Responsible Gaming Committee:

Consists of INTRALOT's executives and is mainly responsible to design, plan, implement and review the Group's Responsible Gaming strategy, as well as submit proposals to the Board of Directors regarding the Responsible Gaming program's long-term strategy and objectives.

Strategy Committee:

Consists of three to five BoD members and monitors the Company's performance, as well as decides, reviews, revises and proposes the long-term strategy and goals to the BoD.

Bid Committee:

Consists of four BoD members and specifies the numerical thresholds for the Company's participation in Requests for Proposals (RFPs), as well as evaluates and decides which RFPs above a specific value/risk are consistent with the Company's purpose and activities.

Strategy and Risk Management Committee:

Consists of INTRALOT's executives and is responsible to ensure that information security, information compliance and risk management activities are properly prioritized, funded and supported by the involved organizational units, as well as correspond to realistic business needs.

4.3

Risk Management

Conducting Internal Audits

INTRALOT has established a systematic approach to evaluate and improve the effectiveness of risk management, internal control and corporate governance processes through the Internal Audit Unit, which is not connected to other organizational unit hierarchy and functionally reports to the Audit Committee of the Board of Directors and administratively (e.g. day-to-day operations) to the Group CEO. The Board of Directors quarterly reviews the main risks faced by the Company and the effectiveness of the internal audit system regarding risk management, including financial and operational audits, compliance testing and risk management systems' monitoring. The Internal Audit Unit examines and evaluates the adequacy and effectiveness of the Group's internal control, enterprise risk management and corporate governance processes, in accordance with its policies and procedures, as well as the applicable legislation, operating standards and corporate governance principles, in order to ensure that the Group:

Audit Methodology



- > Identifies and manages arising risks.
- > Protects and efficiently uses its resources.
- > Provides accurate, credible and up-to-date financial and management reports.
- > Maintains employee compliance with the Company's policies, procedures and standards
- > Complies with the regulatory framework governing its operation.

The Audit and Compliance Committee:

- > Quarterly monitors and reviews the Internal Audit Unit's effectiveness regarding management of main risks.
- > Ensures the integrity of corporate accounts, financial reporting systems and public disclosures, as well as the internal controls' and risk management systems' effectiveness.
- > Establishes direct and regular contact with external and internal auditors, in order to remain updated on the control system's proper operation.

Identifying and managing risks

INTRALOT follows a holistic approach to identify, assess and manage risks related to achieve its business objectives. In order to balance risk and value at all times, the Enterprise Risk Management (ERM) Framework considers parameters related to the Group's strategy, including INTRALOT's financial status, operations, people, technology, compliance, products and reputation. INTRALOT has designed its ERM Framework according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK) and incorporates the following components:

1. Objective setting: Objectives are clearly defined in order to be used as a reference point for the identification of risks.
2. Risk assessment: Risks are analyzed in relation to the objectives and the likelihood of an impact from an adverse event actually happening.
3. Risk response: Management selects risk responses (avoid, accept, reduce or share risk) and develops a set of actions to align risks with the entity's risk tolerances.
4. Event identification: Internal and external events affecting the achievement of objectives are identified.
5. Internal environment: The internal environment sets the basis for how risk is viewed and addressed, including risk management philosophy, integrity and ethical values, as well as the environment of operations.
6. Control activities: Policies, procedures, strategies and action plans in general are established and implemented, in order to ensure that risk responses are effectively carried out.
7. Information and communication: Relevant information is identified, captured and communicated properly and within a specific time frame.
8. Monitoring: Risk is monitored either through ongoing management activities or separate evaluations or both and modifications made as necessary.



GOOD PRACTICE Disclosure of Transactions

INTRALOT requires from BoD members, Executive Managers, the Director of Group Internal Audit, the General Counsel, certified auditors and all employees with access to confidential information (as defined by Law. 3340/2005), as well as from any other person closely related to them, to notify directly the Hellenic Capital Market Commission and the Company in writing for every transaction of its stocks, securities or derivatives associated with them within three days after the transaction's completion, unless the cumulative value of transactions within one calendar year is below €5,000.

Significant Risks and Uncertainties

Source	Impact	Policies and Practices
Financial Risks		
Credit risk	Not significant	<ul style="list-style-type: none"> > Pursue wide dispersion of customers. > Set credit limits through signed contracts. > Set limits on credit exposure to any financial institution. > Adopt an internal rating system on credit rating evaluation, using relevant financial indices.
Liquidity risk	Moderate	<ul style="list-style-type: none"> > Develop certain policies to monitor liquidity, in order to hold liquid assets that can cover Group's liabilities.
Foreign Exchange risk	Significant	<ul style="list-style-type: none"> > Achieve diversification in the currency portfolio. > Enter into derivative financial instruments with various financial institutions.
Interest rate risk	Not significant	<ul style="list-style-type: none"> > Use financial hedging instruments to reduce risk. > Have a balanced portfolio of loans with fixed borrowings rates.
High leverage risk	Moderate/Significant	<ul style="list-style-type: none"> > Set specific consolidated fixed charge coverage and senior leverage ratios. > Use divestment proceeds to deleverage.
Operating Risks		
Winners' payouts in sports betting (Depends on the outcome of the events)	Moderate	<ul style="list-style-type: none"> > Establish a betting center in Greece to control global fixed odds betting activity and payout policy in real-time.
Gaming sector and economic activity	Moderate	<ul style="list-style-type: none"> > Aim at international expansion. > Diversify portfolio. > Reduce dependency on the performance of individual markets and economies.
Gaming Taxation	Moderate	<ul style="list-style-type: none"> > Assess local environments before entering new markets. > Monitor and evaluate changes in taxation.
Regulatory risk	Significant	<ul style="list-style-type: none"> > Assess local environments before entering new markets. > Rely on government licenses. > Monitor changes in the regulatory environment.
Technological changes	Significant	<ul style="list-style-type: none"> > Properly respond to technological changes. > Timely develop or license innovative and appealing cost-effective products. > Invest in R&D efforts and projects.
Emerging markets	Significant	<ul style="list-style-type: none"> > Focus on diversification. > Monitor social, political, legal and economic conditions in countries of operations. > Set up appropriate exit strategies, where necessary.
Competition and margin squeeze	Significant	<ul style="list-style-type: none"> > Continuously enhance, differentiate, standardize and right size product offering to compete with domestic and foreign companies.

Upholding information security

INTRALOT has established clear processes, tools and activities to prevent, detect and react to information security incidents, in order to protect its information assets regardless of the information format or whether in transit, being processed or stored. All information and corporate documents (either in hardcopy or in electronic form) are required to display their corresponding classification level, according to the following scale:

- > Confidential – high sensitive information (e.g. financial information, system and game configuration, critical business statistics or game data).
- > Restricted – medium critical information (e.g. corporate internal operation documents and manuals).
- > Public – no security requirements (e.g. information gathered from the internet).

In order to minimize information security business and personal risk, the Company provides specific guidelines to all employees, which include instructions on:

- > Device security.
- > Protection against malicious code.
- > Protection against malicious and illegal software.
- > Unauthorized use of security mechanisms.
- > Passwords.
- > Physical security.
- > Email and internet security.

Indicating its commitment to information security, INTRALOT conducts periodic vulnerability assessments at least once per year for live websites and prior to any new go-live and continuously monitors potential new vulnerabilities to any system component, in order to ensure that they are not vulnerable. Furthermore, the Company has developed detailed rules and guidelines related to information security for specific departments or user groups (such as the Human Resources Department and the Public Relations Department, Project and Technical Managers, Code Designers and Developers, ICT Department and Service Desk), which respective employees must read and comply with their provisions.

Combating corruption

The Company implements an integrated framework to detect and prevent corruption, which includes the following three procedures:

- > Management controls and Internal Control measures.
- > Financial Control, Security, Quality, Risk Management and Compliance.
- > Internal Audit.

Within the context of the Company's efforts to combat and eradicate corruption, INTRALOT:

- > Launched its Anti-Corruption Policy to strengthen its commitment towards safeguarding its credibility, reliability and stability within the worldwide gaming industry.



GOOD PRACTICE Business Continuity and Crisis Situation

INTRALOT has established the Business Continuity Planning and Testing Guide and implements a business continuity plan, in order to address potential interruptions to business processes, minimize the impact caused by disasters and recover from loss of information assets to an acceptable level. The Company follows the below principles of recognized international security standards:

- > The 'Code of practice for information security management' of ISO/IEC 27002 regarding business continuity management.
- > The World Lottery Association Security Control Standard.
- > The principles of BS 25999-1 'Business continuity management – code of practice'.
- > The guidelines of NIST Special Publication 800-34 'Contingency Planning Guide for Information Technology Systems'.

Within this context, INTRALOT implements a holistic approach for the following disaster categories:

- > Natural: earthquake, hurricane, tornado, flood and fire.
- > Human: operator error, sabotage, network attack and terrorist attack.
- > Environmental: equipment failure, software error, telecommunications network outage and electric power failure.

It must be noted that 50% of INTRALOT's operations were analyzed for risks which could result to a cease of operations by the Internal Audit Unit in 2017, as in 2016.

Furthermore, according to a formal corporate procedure, INTRALOT has established the RED Team (Chief Level Emergency Response Team) and the ORANGE Team (Group Director Level Emergency Response Team) to respond in a crisis situation or any event that could be harmful to INTRALOT's reputation and operations, such as legal disputes, accidents, fires or disasters that could be attributed to the Company,

- > Is one of few companies in the gaming industry worldwide to be certified according to the ISO 37001 Anti-bribery Management System, through which the Company implements measures to prevent, detect and address bribery.
- > Has signed a Memorandum of Understanding (MOU) and became a member of Transparency International Greece's Business Integrity Forum, which focuses on diffusing key principles, policies, practices and measures in the area of anti-corruption.
- > Participates in joint ventures which adopt and enforce anti-bribery policies.
- > Undertakes due diligence on its business partners (e.g. agents, consultants, suppliers, other intermediaries, consortium or joint venture partners, contractors or major sub-contractors, distributors) to assess corruption risk prior engaging in any business relationship with them and refrains from any business activity in case due diligence findings are not satisfactory.
- > Includes anti-corruption contractual clauses in all agreements with third parties to ensure compliance with relevant anti-corruption laws.
- > Strictly prohibits employees to influence or become influenced by government officials.
- > Does not allow employees to engage in any form of entertainment, granting gifts or similar activity with any official or other person involved in tender processes.
- > Prohibits making payments through intermediaries or to third parties, which may go directly or indirectly to government officials.
- > Performs detailed anti-corruption due diligence throughout mergers and acquisitions and includes appropriate anti-corruption provisions prior to closing the respective transactions.
- > Follows a standard internal auditing procedure and the relevant auditing departments plan regular audits to analyze business units for risks associated with corruption.
- > Monitors certain areas with high risk for financial fraud.
- > Reserves the right to proceed to relevant administrative and legal measures in case of confirmed incidents of corruption, which include dismissal or legal prosecution, depending on the incident's scale and severity.



No incident of corruption occurred

It must be noted that within 2017, there were:

- > No public policy positions and participation in public policy development and lobbying.



GOOD PRACTICE

Business Continuity and Crisis Situation

according to following 5-scale impact classification:

- > Critical: RED Team, ORANGE Team and Enterprise Risk Management (ERM) Team are contacted and Group Chief Executive Officer coordinates RED Team.
- > Major: RED Team, ORANGE Team and ERM Team are contacted and Group Chief Executive Officer coordinates RED Team.
- > Moderate: ORANGE Team and ERM Team are contacted and Group Chief Operations Officer and Group Chief Legal & Compliance Counsel are informed.
- > Minor: Group Corporate Affairs Director, Global Operations Group Director and ERM Team are contacted.
- > Low: situation is resolved locally and reported in monthly reports to the Headquarters.

Report a Security Incident or Event

All employees are obliged to report any security incident (defined as any violation of the Information Security Policy which has impact on the business) and security event (defined as any violation of the Information Security Policy which has no impact on the business) through a digitally signed e-mail to the local security function members and security@intralot.com for INTRALOT and describe the incident or event in detail. In case employees do not have access to corporate email at that time, they can file their report through telephone and send an email as soon as possible. At all times, they are obliged to follow the appropriate security guidelines and do not disclose security information incidents to unauthorized persons at any circumstances.

Within 2017, there were no security events reported by employees, either by email or by telephone according to the respective procedure.

- > 12 operations analyzed for risks related to corruption by the Internal Audit Unit (approximately 40% of total operations), compared to 11 operations in 2016.
- > No contributions made to politicians and political parties.
- > No confirmed incidents of corruption.
- > No legal actions related or pending legal actions related to corruption or legal fines or other non-monetary sanctions imposed by the respective authorities.

Following fair competition principles

Indicative of the INTRALOT's commitment to fair competition and its importance to efficient use of resources, innovation and higher quality of products and services, the Company:

- > Conforms to the principles of fair competition for its operations.
- > Complies with competition laws and regulations to prevent anti-competitive or market distorting practices.
- > Cooperates with governments and regulatory bodies and respects the regulatory framework in each jurisdiction.
- > Requires that all employees deal fairly with customers and competitors and do not manipulate, abuse privileged information, misrepresent or utilize any other unfair practice to take unfair advantage of anyone.
- > Prohibits disclosure of confidential information to any person who is not an employee of INTRALOT unless employees are authorized to do so.
- > Has included trainings related to fair competition in its Code of Conduct training.

As a result, within 2017:

- > There were no complaints or legal actions for anti-competitive behavior, anti-trust and monopoly practices.
- > No relative fines or non-monetary sanctions were imposed by the respective authorities.
- > Regarding previous legal cases and a fine of €1,220,946 imposed by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program, the competent court accepted the application for the annulment of the Competition Board's decision filed by INTRALOT and cancelled the respective fine. The Competition Board of Romania has filed an appeal against the court's decision, which has not yet been scheduled for hearing.



No incidents of non-compliance with laws and regulations occurred



POLICY Anti-Corruption

INTRALOT Group Anti-Corruption Policy is mandatory for all employees and highlights the Group's principles provisions on the following issues:

- > Legal Environment.
- > Defining "Corruption".
- > Defining "government officials".
- > Corruption in the Private Realm.
- > Procurement and Bidding.
- > Anti-Corruption Contractual Clauses.
- > Merger and Acquisition Transactions.
- > Intralot Group Employees.
- > Gifts, Entertainment, Travel.
- > Political Contributions.
- > Contributions to Trade Unions.
- > Corporate Responsibility Contributions & Charity.
- > Accounting Requirements.
- > Internal Controls.
- > Audits.
- > Reporting a Breach.
- > Anti-Corruption Sanctions.
- > Compliance with Competition Laws.
- > General Guidance and Contacts.

In case of doubt, employees can contact the Legal Department or the Head of the Business Unit and they can anonymously report any concern about a potential bribery or corruption case to the Human Resources Department and the Internal Audit Unit. In any case, INTRALOT:

- > Examines all cases of potential Anti-Corruption Policy's breaches.
- > Protects the confidentiality of anyone who reports any concerns.



POLICY

Free and Fair Competition

According to the provisions of the Code of Conduct, INTRALOT does not undertake activities which could reasonably be considered as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including anti-trust laws. Therefore, employees are refrained from:

- > Obtaining or giving competitive information by unethical, unlawful or illegal means.
- > Using any confidential information that belongs to former employers.
- > Making false or deceptive statements about a competitor.
- > Commenting on another company's business reputation or financial or legal situation.



GOOD PRACTICE

Legal Compliance

The Group follows a decentralized approach to legal compliance due to diversity of legal frameworks around the world. At Group level, each INTRALOT subsidiary is responsible to develop a customized legal compliance registry according to the local/regional legal requirements and handles legal compliance locally either through dedicated legal office or through outsourcing of legal services to third parties. At Company level, the Legal Office manages legal compliance under the supervision of the Group Chief Legal & Compliance Counsel, who is responsible to:

- > Communicate legal requirements to each subsidiary's CEO.
- > Monitor local organizational legal schemes (either in-house or outsourced).
- > Maintain a legal office registry per subsidiary.
- > Communicate with subsidiaries' legal offices to ensure that they address the necessary legal requirements.
- > Communicate ad hoc in case of incidents that involve legal issues.

Complying with legislation

INTRALOT is committed to respect the legislation and regulatory framework in each jurisdiction of operations. Within 2017:

- > INTRALOT was not accused of violating legislation and regulations in any of the countries where it operates and was not involved in any prosecutions for non-compliance with laws and regulations.
- > There were no written notices regarding compliance issues by respective authorities.
- > There were no lawsuits regarding quality of products or services.
- > There were no relevant fines or non-monetary sanctions imposed by the respective authorities.



4.4

Management Systems Standards and Certifications

Operating based on Management Systems

The Company has recognized the need to use multiple Management Systems in a simpler and more effective manner and has introduced the COBIT 5 Governance Framework, which governs all INTRALOT systems, aiming to:

- > Holistically cover its business processes and their alignment with its business strategy.
- > Reduce complexity.
- > Ensure information quality toward decision making.
- > Increase the value gained from technology.
- > Enable innovation.

Quality Management System

INTRALOT holds an ISO 9001:2015 certification for all its operations and conducts its business in line with its ISO 9001 Quality Manual, which sets the framework for the Company's Quality Management System, presents the corporate philosophy and fundamental principles and makes reference to documented procedures, which describe corporate processes and functions in detail. It must be noted that so far, approximately 62% of INTRALOT's Quality Assurance Department employees (including all newly hired employees in the Quality Assurance Department) have been certified for software testing by the International Software Testing Qualifications Board (ISTQB).

Information Security Management System

INTRALOT is the first international vendor in the gaming industry to have been certified according to the World Lottery Association (WLA) Security Control Standard in 2008 and has been additionally certified its Information Security Management System (ISMS) according to ISO 27001. As a result, INTRALOT ensures a security improvement framework to design, develop, implement, test and support state-of-the-art gaming systems, in order to promptly identify emerging threats, assess their risk and apply appropriate security controls.

Moreover, INTRALOT:

- > Implements a Code of Practice for Information Security Management, certified with ISO 27002.
- > Is certified according to the Gaming Standards Association (GSA) Point to Point SOAP/HTTPS Transport and Security Specification and the GSA Game to System (G2S) Message Protocol standard, both of them for its iGEM VLT Monitoring system.

Information Technology Service Management

INTRALOT was also the first international vendor in the gaming industry to achieve ISO 20000 certification on Information Technology Service Management in 2013, which covers the provision of Infrastructure Support Services and Managed IT Services, for Integrated Gaming and Transaction Processing Systems and Services and Interactive Gaming Services provided to Licensed Lotteries, Gaming and Casino Organizations and Entities worldwide. Based on the ISO 20000 certified Service Management System, INTRALOT has established a Global Service Desk, in order to collect, analyze and respond to all types of customer requests.

Training Services

INTRALOT became the first vendor in the gaming industry to certify the training services provided by its Learning Center with the ISO 29990:2010 standard in 2015, which covers the entire training process, including analysis, design, delivery, monitoring and evaluation of project-based training.

Management Systems Standards

Management Systems Standards	Country
Quality Management System (ISO 9001:2015)	<ul style="list-style-type: none"> > INTRALOT S.A. (Greece) > INTRALOT Services S.A. (Greece) > INTRALOT Gaming Services PTY (Australia)
Information Security Management System (WLA SCS:2016 and ISO 27001:2013)	<ul style="list-style-type: none"> > INTRALOT S.A. (Greece) > INTRALOT Nederland BV (Netherlands) > INTRALOT GERMANY GmbH (Germany) > MALTCO Lotteries Ltd. (Malta) > INTRALOT Inc. (USA – Georgia) > INTRALOT Ohio (USA) > INTRALOT South Carolina (USA) > INTRALOT Arkansas (USA) > INTRALOT Louisiana (USA) > INTRALOT Montana (USA) > INTRALOT Chile S.p.A. (Chile) > Inteltek (Turkey) > INTRALOT Italia S.p.A. (Italy) > INTRALOT Maroc (Morocco) > INTRALOT de Peru (Peru) > Tecno Accion (Argentina) > INTRALOT Gaming Services (Australia) > INTRALOT S.A.'s operations at the OPAP's National Lottery (Greece) > INTRALOT S.A.'s scratch tickets operations of Hellenic Lotteries (Greece) > Bit8 (Malta)
Information Technology Service Management (ISO 20000)	<ul style="list-style-type: none"> > INTRALOT S.A. (Greece)



Anti-bribery Management System (ISO 37001:2016)



> INTRALOT S.A. (Greece)

Environmental Management System

> INTRALOT S.A. (Greece)

Occupational Health & Safety Management Systems (ELOT 1801:2008 / BS OHSAS 18001:2007)

> INTRALOT Services S.A. (Greece)

Responsible Gaming

> INTRALOT S.A. (Greece)
> Totolotek S.A. (Poland)
> MALTICO Lotteries Ltd. (Malta)

Code of Practice for Information Security Management (ISO 27002)

> INTRALOT S.A. (Greece)

Controls over Financial Integrity (ISAE 3402)

> INTRALOT S.A. (Greece)
> INTRALOT S.A.'s operations at Hellenic Lotteries (Greece)
> INTRALOT S.A.'s operations at OPAP (Greece)
> INTRALOT Nederland BV (Netherlands)

Gaming Standards Association (GSA) Point to Point SOAP/HTTPS Transport and Security Specification

> INTRALOT's iGEM VLT Monitoring system

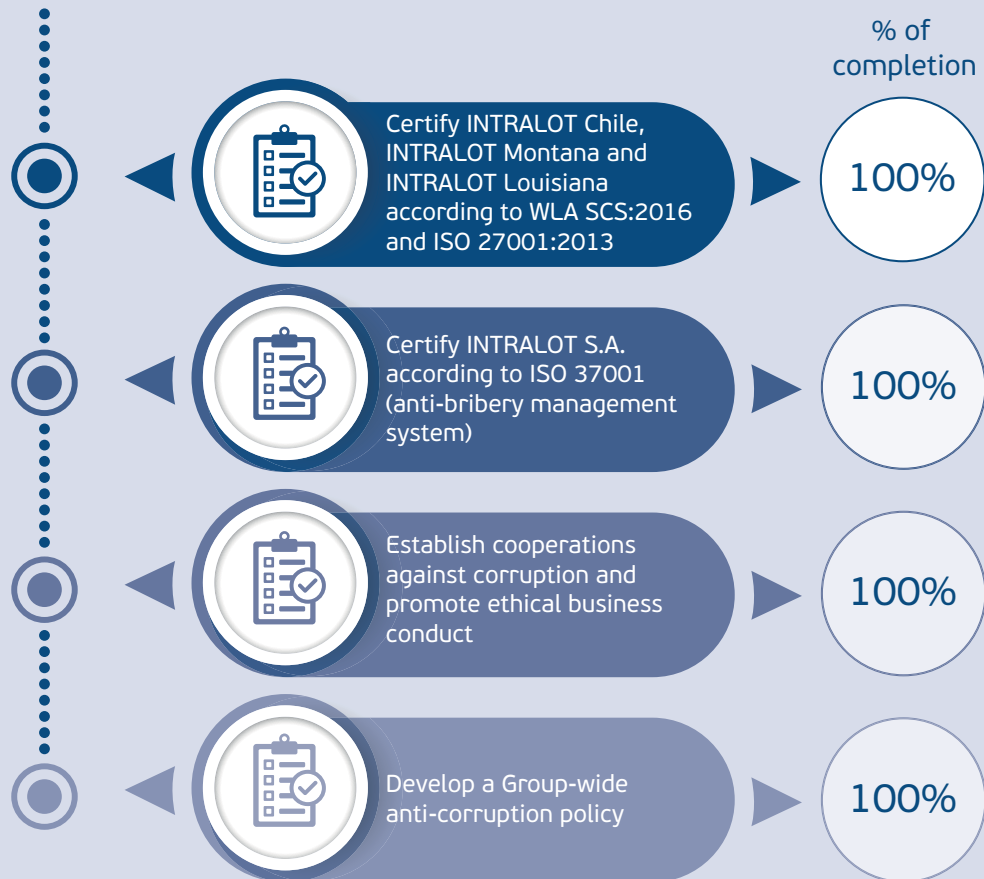
GSA Game to System (G2S) Message Protocol

> INTRALOT's iGEM VLT Monitoring system

Training Services (ISO 29990:2010)

> INTRALOT S.A.'s Learning Center (Greece)

2016 Objectives



2017 Objectives





5.0 Responsible Gaming

Ensuring a fair and safe gaming experience for Players and offering Customers the highest standards of responsible gaming operation.

5.1

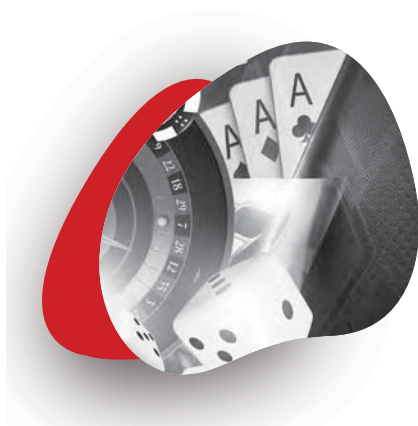
Overview

Responsible Gaming is a concept according to which gaming operators, technology and software suppliers and associated service providers need to ensure that their products and services provide a fair and safe gaming experience that enables players to be protected from the adverse consequences of gaming. Whether players buy a lottery or scratch ticket, place their bets, play bingo or on a gaming machine or casino game, players have to view their activity as a form of entertainment in a balanced way. Thus, Responsible Gaming means that operators must aim to keep their games and gaming services profitable and reliable while, at the same time, ensure that all steps are taken to eliminate excessive behavior and protect vulnerable groups, which include:

- > Individuals under legal age of play.
- > Individuals with low income.
- > Retailers, lottery employees and contractors.
- > Individuals with a gaming addiction.
- > Individuals with other psychiatric disorders, such as substance abuse and alcoholism.
- > Individuals with a family history of problem gaming.
- > Individuals not aware of risks of problem gaming.

Besides being an ethical and a regulatory requirement, Responsible Gaming is a business imperative for gaming companies, who are required to comply with applicable Responsible Gaming frameworks and implement specific measures and procedures to protect society and Stakeholders.

Responsible Gaming approach



Preventing underage,
illegal & problem gambling



Empowering players
in a secure and trustful
environment



Ethical obligation and
sustainability commitment

As an Associate member of WLA, INTRALOT abides by the WLA Responsible Gaming Framework, whose purpose is to integrate the Responsible Gaming Principles into the day-to-day operations of member lotteries. The Framework consists of:

- > The 7 Responsible Gaming Principles, to which WLA members commit themselves to:
 - Meet their objectives while, at the same time, protect their customers' and vulnerable groups' interests and uphold their respective commitments within their own jurisdiction.
 - Ensure their practices and procedures reflect a combination of government regulations, operator self-regulation and individual responsibility.
 - Develop their practices concerning Responsible Gaming on the best possible understanding of relevant information and analysis of documented research.
 - Work with Stakeholders to share information, develop research and promote Responsible Gaming as broadly as possible and encourage a better understanding of the gaming's social impact.
 - Promote Responsible Gaming in all activities, including development, sale and marketing of their products and other activities and ensure the same on behalf of their agents.
 - Provide information to public in an accurate and balanced manner, in order to enable informed choices about gaming activities within their jurisdiction.
 - Monitor, test, and revise as appropriate the activities and practices related to Responsible Gaming and publicly report their findings.
- > The 10 Responsible Gaming Framework program elements, which are described below:



DID YOU KNOW?

The Rising Need for Responsible Gaming

The rising need for Responsible Gaming has emerged due to a changing gaming environment, especially within the last few years, since:

- > Online gaming has changed the traditional Points of Sale.
- > Gaming is more accessible with the proliferation of new media, such as internet, smartphones, tablets and mobile applications.
- > Various channels feature sports betting advertising.
- > There is increased availability of different games and gaming services, as well as increased sports betting advertising.

It is important that anyone who participates in games of chance understands the possible risks of the entertainment that they are buying and how they vary from one type of games to another. Players must make their choices based on aspects of the game or the gaming service, know and accept the odds and never overestimate the chances of winning or try to recover losses by persisting to game beyond their means.

Responsible Gaming Framework Program Elements

Element	Description
Stakeholder Engagement	Identify, understand and integrate interests of decision-makers, decision influencers and other society members into key Responsible Gaming related business decisions and Responsible Gaming program development.
Reporting and Measurement	Measure and report on lottery's commitments, actions and progress on Responsible Gaming to relevant internal and external Stakeholders.
Research	Support and/or conduct, integrate and disseminate Responsible Gaming related research.

Employee Program	Ensure and support efficient and effective application of Responsible Gaming principles by all relevant employees.
Retailer Program	Ensure and support efficient and effective application of Responsible Gaming principles by retailers and their front-line employees.
Game Design	Apply evidence-based Responsible Gaming considerations to design, selection and introduction of new lottery and gaming products.
Remote Gaming Channels	Ensure that interactive remote gaming platforms have safeguards in place that protect players.
Advertising and Marketing Communications	Ensure continuous improvement of responsible marketing and communications practices and application of regulatory codes.
Player Education	Support, integrate and disseminate information related to good practices in responsible play ('informed player choice') and treatment referral.
Treatment Referral	Offer support, guidance and referral to specialized services to customers with potential or actual gaming addiction problems, if needed.



Since 2014, INTRALOT S.A. holds the Certificate of alignment with the criteria set in the Responsible Gaming Certification Standards for Associate members, following an in-depth independent assessment performed on its products and services and Responsible Gaming practices communicated to lottery customers by TÜV NORD, the WLA approved assessor.

INTRALOT Group recognizes the need to apply a Responsible Gaming approach for all business activities and operations, in order to safeguard the interests of players and the community in general. Therefore, the Group implements a series of activities and initiatives to guarantee the application of Responsible Gaming standards, both as a licensed gaming operator and a technology provider, as presented below:

WLA Responsible Gaming Standards for Associate Members



As a licensed Lottery operator in its own right, the Group develops its Responsible Gaming Program on the basis of all 10 elements of the WLA Responsible Gaming Framework.

WLA Responsible Gaming Standards for Lottery Members



The Group has the required technological skills and the operational know-how to develop and implement a Responsible Gaming program in any jurisdiction globally. Within the context of its adopted Responsible Gaming framework, INTRALOT Group aims to:

- > Comply with the relevant laws and regulations worldwide.
- > Ensure that the interests of players and vulnerable groups are protected.
- > Develop or improve appropriate practices and technologies based on market research and information gathered from global operations.
- > Promote internal and external implementation of Responsible Gaming practices.
- > Create awareness to the public to enable players to make informed gaming choices.
- > Improve and report on Responsible Gaming activities.

Global Responsible Gaming Criteria for Lotteries





INTERNATIONAL GOOD PRACTICE

Maltco Lotteries Responsible Gaming Activities

Within 2017, Maltco Lotteries maintained its international Responsible Gaming certificates for the fourth consecutive year, as evident from its certification by both European Lotteries and World Lotteries Association, following the independent audits and intensive assessment from TÜV NORD to Maltco Lotteries' operations and agents. Furthermore, the company received the WLA security certification for its Security Audit, which verified that Maltco Lotteries has established levels of control in accordance with generally accepted information security and quality practices, as well as specific industry requirements. Indicating Maltco Lotteries' commitment to operate within the Responsible Gaming framework, the company:

- > Publishes articles and other printed material on Responsible Gaming.
- > Displays advertisements only during the legally stipulated time.
- > Includes the "18+ play responsibly" logo in all advertisements.
- > Displays a "No Credit Allowed" sign in all Points of Sale.
- > Displays a sign to inform players that gaming is only allowed to individuals above 18 years old in all Points of Sale.
- > Provides Self Tests for gaming addiction awareness to players (see Section 5.7).
- > Has developed a Responsible Gaming section on the company's corporate website.
- > Has established various control mechanisms and measures to tackle money laundering and irresponsible gaming.
- > Regularly trains its agents and agents' employees on Responsible Gaming. Within 2017, the company implemented a training program for over 500 agents and agents' employees on Maltco games, Anti-Money Laundering (AML) procedures and Responsible Gaming, in order to ensure that they comply with Maltco Lotteries' Responsible Gaming principles.
- > Sponsored a University of Malta scholarship of a Master's Degree level on the first Responsible Gaming Research conducted at the University, focusing on research within gaming industries and measures to ensure that players enjoy gaming responsibly and purely as a form of entertainment.
- > Signed a cooperation agreement with Malta's leading communications services company to improve services offered to its agents, which focus on security, high availability and support for future business initiatives and growth.



Stakeholder Engagement

The Group emphasizes to develop working relationships and collaborate with key Stakeholders, in order to:

- > Exchange information on Responsible Gaming issues.
- > Promote Responsible Gaming as broadly as possible.
- > Develop a better understanding of gaming's social impact.
- > Improve all elements of its Responsible Gaming program.

Therefore, apart from research organizations and independent institutions, the Group cooperates with Governments and Regulation Authorities and forms strategic partnerships with treatment providers and public health professionals and NGOs, through one-to-one meetings and on-going collaborations.

Within the context of its Responsible Gaming activities in 2017, the Group:

- > Provided updated information on Responsible Gaming practices and activities in the corporate intranet portal and in social media.
- > Participated in the following scientific conferences and Stakeholder engagement events:
 - The INTRALOT Business Day on the occasion of the 'Panorama of Entrepreneurship and Career Development', organized by the Athens University of Business and Economics (see Section 8.2).
 - The INTRALOT Hackathon innovation contest with a video on the importance of Responsible Gaming.
 - The CSR-Responsible Gaming Seminar 2017 in Spain, jointly organized by the European Lotteries Association and the World Lottery Association.

Reporting, Measurement and Certification

The Group has developed specific procedures and mechanisms to support the implementation of its Responsible Gaming strategy and programs, as well as inform and report on Responsible Gaming activities. Within this context, INTRALOT Group:

- > Has developed an integrated Responsible Gaming Program for all elements of its Responsible Gaming Framework, which is annually reviewed and revised (if necessary) by the Responsible Gaming Committee. The Corporate Affairs Division is responsible for the Responsible Gaming Program, which is jointly implemented with the Quality Assurance Department and the Sales and Operations Marketing, in connection with Licensed Operations abroad.
- > Utilizes a software tool to determine compliance of new games with WLA's Responsible Gaming criteria during their design phase, which has been awarded with a Platinum Award by the European Business Ethics Network.
- > Consistently reviews Responsible Gaming researches and related documentation.
- > Reports its Responsible Gaming activities, results and future plans to its Stakeholders through various means, which include the Annual Report, the corporate website, newsletters, interviews to industry-specific magazines and social media.



INTERNATIONAL GOOD PRACTICE

INTRALOT do Brasil Responsible Gaming Objectives

Within the context of its Responsible Gaming activities, INTRALOT do Brasil has designed its practices in order to fulfill the following objectives:

- > Prevent children under 18 years old to place any bets, since all lottery products are offered exclusively to adults.
- > Provide information to protect consumers, such as information about winning odds for its games.
- > Provide players with safe and reliable games.
- > Raise funds to contribute to social well-being.



INTERNATIONAL GOOD PRACTICE

Preserve and Protect the Integrity of Sports

INTRALOT Group is committed to preserve and protect the integrity of sports, through the following initiatives:

- > **Agreement with the International Olympic Committee and the International Sports Monitoring:** Betting Company S.A., an INTRALOT Group's subsidiary, has signed a cooperation agreement with the International Olympic Committee (IOC) and the International Sports Monitoring (ISM) and actively participates in initiatives to protect and maintain the integrity of sports. Through the agreement, the company provides betting-related information to assist ISM to monitor betting activities related to the Olympic Games and IOC to act in case of suspicious betting activities on the Olympic Games.

5.2

Research

Contributing to society's awareness of Responsible Gaming

INTRALOT Group cooperates with independent organizations and institutions to initiate and engage in research studies or surveys and understand problem gaming, in order to:

- > Contribute to the understanding of problem gaming.
- > Utilize new technologies to prevent problem gaming.
- > Improve gaming practices and enable Responsible Gaming.

As of 2017, the Group has on-going partnerships with:

- > The gaming innovation cluster of the Corallia Clusters initiative.
- > The Center of Excellence for Research and Education Athens Information Technology (AIT).
- > The University of Hohenheim's Gambling Research Center.



GOOD PRACTICE

Research on Gaming

Since 2008, INTRALOT supports the University of Hohenheim's Gambling Research Center, an independent scientific non-profit institution, which:

- > Utilizes an interdisciplinary scientific approach to examine the various aspects of gaming and gambling.
- > Conducts research on various economic and social aspects of betting games.
- > Identifies their impact on player behavior, habits and lifestyle.

The Gambling Research Center was established in December 2004 and is the only academic gambling research center in Germany. There are over 20 members in the Research Center, all of whom are scientists with diverse scientific backgrounds and expertise, and the head of the Center is a member of the executive board of the European Association for the Study of Gambling (EASG).

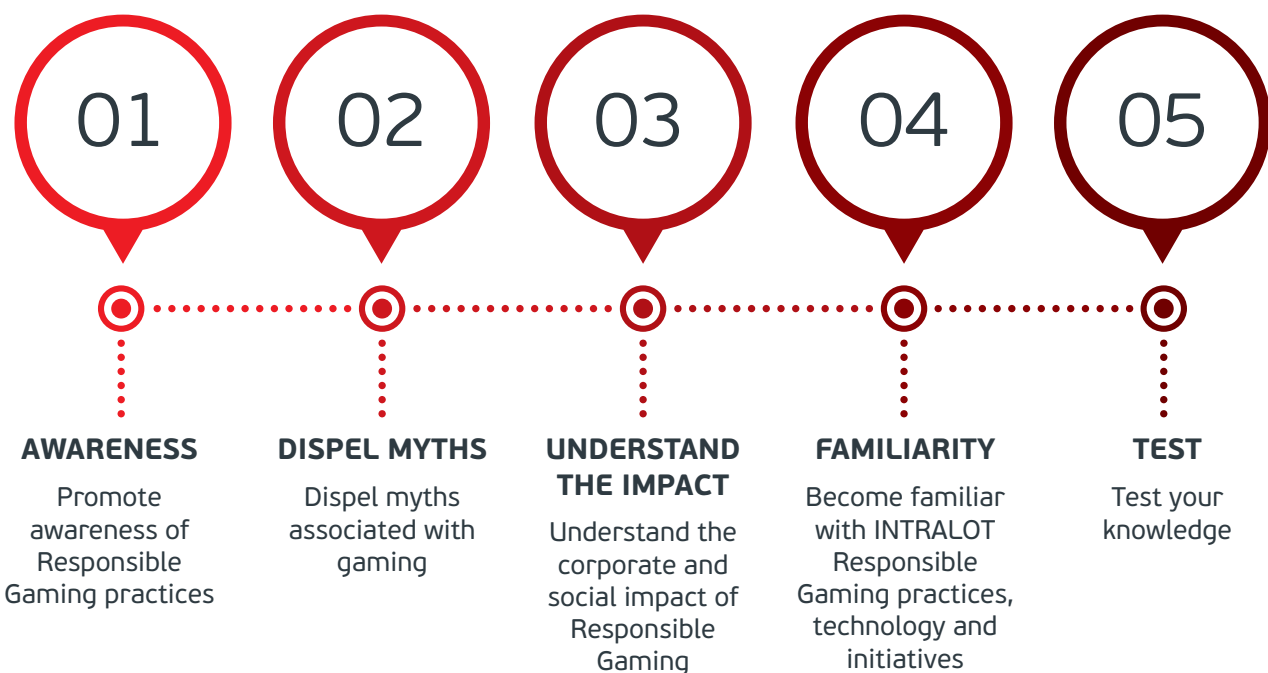
5.3

Employee Training

Training employees

The employee training program on Responsible Gaming practices aims to educate INTRALOT Group employees to uphold the highest standards related to Responsible Gaming, in order to ensure a fair and safe gaming experience to players and protect them, as well as society in general, from the adverse consequences of gaming.

Learning objectives of Responsible Gaming trainings



INTRALOT Group's Responsible Gaming employee training consists of the following activities:

> **Responsible Gaming awareness for new employees**

Upon recruitment, newly hired employees irrespective of their job role undergo a Corporate Induction Program, which includes a stand-alone course on Responsible Gaming, in order to understand the corporate and social impact of Responsible Gaming, familiarize themselves with the Responsible Gaming principles and policies and become aware of relevant practices and initiatives. Within 2017, all newly hired employees attended the Responsible Gaming training.

> **Responsible Gaming awareness for all employees:**

In order to ensure that employees are informed and aware about the Company's Responsible Gaming principles and policies, INTRALOT:

- Disseminates a Responsible Gaming Quick Reference Card to all employees.
- Sends informative emails to all employees about the importance of Responsible Gaming.
- Posts relevant information and Responsible Gaming materials on the corporate intranet portal, where all employees have access.
- Has developed a Responsible Gaming e-learning course, which is available to all employees at Group level.
- Has included Responsible Gaming practices and references in the Corporate Induction Program and Corporate Induction Handbook.

> **Responsible Gaming awareness / training for specific job roles:**

INTRALOT informs certain job roles on Responsible Gaming at least annually, in order to ensure that they are aware of the Responsible Gaming principles and rules, as well as about any recent changes and developments.

These job roles include (but are not limited to) employees in the:

- Customer Experience Department, e.g. Digital Transformation, Commercial Retail Solutions, Product Marketing, Engineering (Retail Channels).
- Corporate Affairs Department.
- People Development / Human Resources Department.

INTRALOT's training experts of the Human Resources /People Development Department design, implement, evaluate and continuously improve the employee training programs. The People Development Department collaborates with INTRALOT's Responsible Gaming Committee to develop the educational content and its certified trainers conduct all training modules, except training modules intended for Marketing and Technology employees, which are conducted by qualified specialists. The training methodology is subject to ISO 9001, ISO 27001 and WLA SCS certifications and different training methods are used depending on the module and intended audience (including e-learning).

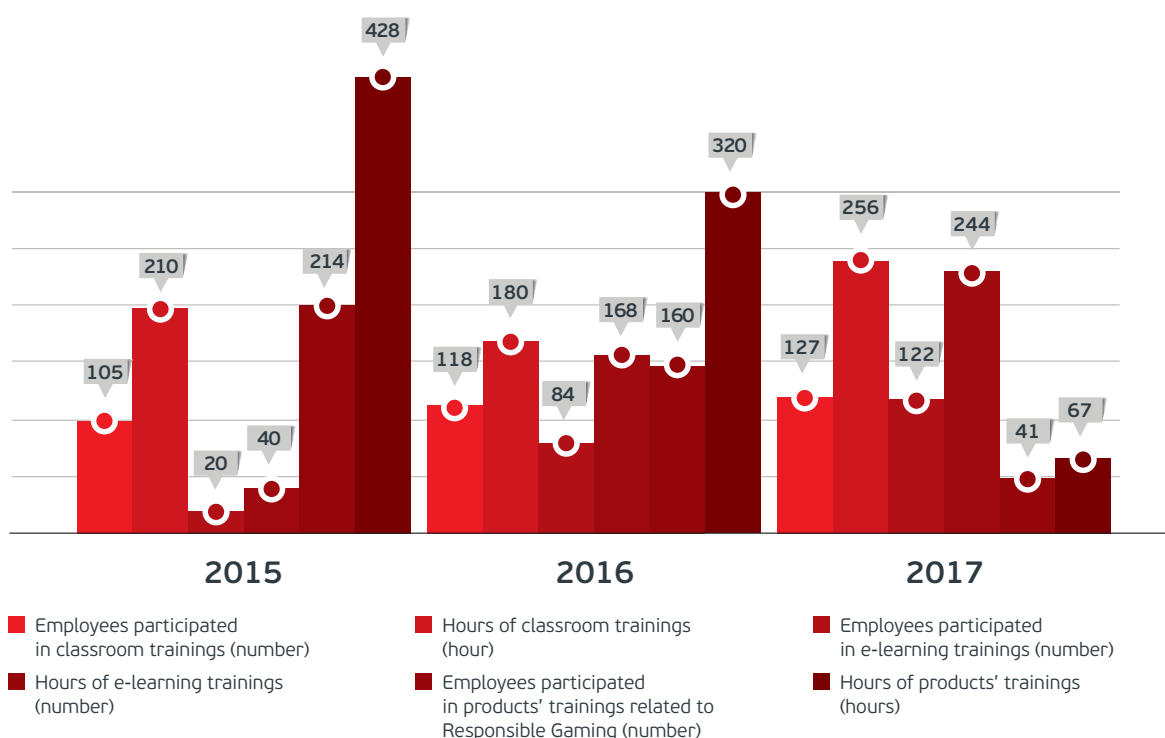


80% of employees were **briefed** on **Responsible Gaming practices**



Responsible Gaming
& INTRALOT
Policies and Practices

Employee Training on Responsible Gaming



*2015 data via instructor-led classroom trainings refer only to INTRALOT S.A.; 2015 data via e-learning trainings refer to INTRALOT S.A., INTRALOT Australia, INTRALOT Germany, Maltco Lotteries, INTRALOT BV, INTRALOT de Peru, INTRALOT Italy, INTRALOT Morocco, INTRALOT Ohio and INTRALOT Georgia; 2015 data for products' trainings related to Responsible Gaming refer to INTRALOT S.A., INTRALOT de Peru, INTRALOT Brazil and Jamaica SVL.

**Instructor-led classroom training data for 2016 and 2017 refer only to INTRALOT S.A.; e-learning training data for 2016 and 2017 refer to INTRALOT S.A., INTRALOT Australia, INTRALOT Germany and Maltco Lotteries; Responsible Gaming products' training data for 2016 and 2017 refer to INTRALOT S.A., INTRALOT Chile and INTRALOT Morocco.

Evaluating employee training programs on Responsible Gaming

Depending on each module's learning objectives, methods such as open discussion, questions and answers, role plays and quizzes are used, in order to determine the level of learning (expected outcome). Furthermore, a detailed course evaluation is conducted at the end of each training module, in order to determine the training course effectiveness or identify any need for extra training, with the overall evaluation of Responsible Gaming training programs rated as 'good' or 'excellent' reaching 89%.



100% of newly hired employees were trained on Responsible Gaming practices

Total duration of Responsible Gaming trainings reached **567 training hours**



5.4

Product and Service Features

Offering safe and quality products and games

INTRALOT Group has adopted an integrated approach to design and monitor the quality and safety requirements of its products throughout their entire lifecycle, in order to deliver safe and quality products and services to its customers and players. Based on its approach, the Group:

- > Complies with the safety regulations in each market and jurisdiction for all gaming terminals.
- > Clearly displays its gaming terminals' compliance with the appropriate labels (CE, FCC, C-Tick).
- > Considers safety compliance from the initial stage of product design.
- > Collaborates with internationally accredited laboratories (such as the Underwriters Laboratories) to test and certify product compliance.
- > Meets the standards acknowledged and used by Regulatory Authorities for game design.
- > Verifies the credibility and integrity of its games and ensures that they are fair and secure.
- > Collaborates with independent inspection and certification laboratories (such as the Gaming Laboratories International) to test and certify its games.

As a result of the Group's practices, in 2017 there were:

- > No incidents of non-compliance with regulations and voluntary codes concerning product and service provision and use or their health and safety impacts during their life cycle.
- > No recalls of any product.

Minimizing risk before launching a new game

The Group is committed to ensure appropriate game design with embedded Responsible Gaming characteristics, as well as to monitor its games' impact on the market in which they are offered. To this end, the Group has implemented Social Impact Assessments for all its products to minimize risk before launching a new game, based on the following approach:



GOOD PRACTICE Responsible Gaming Technology

Technology is the main tool to implement the Group's Responsible Gaming Program, as it can be used to:

- > Prevent minors and players with pathological behavior in gaming to participate in games of chance.
- > Prevent excessive gaming.
- > Support a healthy gaming environment.
- > Enable players to make informed gaming choices.
- > Ensure a fair and safe gaming experience and prevent fraud.

The Group's technologies and IT systems functionalities actively support the Group's and its customers' Responsible Gaming activities. INTRALOT Group's terminals:

- > Can read the player's profile data in his/her Player Card, in order to identify his/her age.
- > Allow players to remain within a specific amount for their gaming budget.
- > Allow players to self-exclude or block themselves from games for an unlimited or specified time period.
- > Display reminder messages to players, in case they reached the predefined gaming amount.
- > Incorporate and display Responsible Gaming messages to players.
- > Allow personalized Responsible Gaming suggestions, depending on a player's gaming behavior.
- > Can multicast Responsible Gaming messages and TV spots to other terminals, ticket checkers, printers, TVs and any other display within Points of Sale.

Social impact



As an integral part of its game design process, the Group utilizes the iRGD tool (INTRALOT Responsible Gaming Designer), created in collaboration with Athens Information Technology (AIT) and independent international scientists. The tool tests the social impact of games through the following characteristics per game, in order to provide results and recommendations for improvement:

- > Structural characteristics: game features that relate to initiate, expand and maintain playing over time.
- > Situational characteristics: game features primarily related to the gaming environment (e.g. retailer store, Video Lottery venue, internet or mobile channel).
- > Responsible Gaming characteristics: features that may impact the players gaming pattern (i.e. self-imposed time and/or financial limits, etc.).

The iRGD tool features friendly interactive user interface and is used to:

- > Conduct Social Impact Assessments per game, channel or territory.
- > Generate detailed reports per specific game or gaming improvements required.
- > Store data and gaming intelligence per game, channel and territory.



GOOD PRACTICE

Anti-Money Laundering

Within 2017, the Group developed its Anti-Money Laundering Guidelines to ensure that the services offered via its global operations are not used for money laundering purposes, which are mandatory for all employees. The Guidelines feature a risk-based approach to assess and mitigate money laundering risks, through which the Group:

- > Identifies money laundering risks relevant to the specific entity.
- > Assesses and prioritizes identified risks through a three-stage process (Identification – Analysis – Evaluation).
- > Designs and implements policies and procedures to manage and mitigate these risks.
- > Monitors and improves the effective operation of control mechanisms.
- > Records implemented actions.

Throughout its operations, the Group assesses potential anti-money laundering risks posed by its customers and identify customers engaged in money laundering (including criminal spend) through various measures, which include KYC approach (Know-Your-Customer), due diligence checks and monitoring of customer's gambling activity (e.g. account deposits and withdrawals). In cases of an attempt to launder criminal proceeds, the Group does not establish or immediately terminates the business relationship.

In each jurisdiction, Group entities are required to:

- > Immediately report any suspicious activity (e.g. unusual gambling patterns, increased spending over time, repeated similar transactions) to competent authorities and comply with the respective requirements regarding submitted information.
- > Appoint a nominated officer with access to all available and relevant information to identify, assess, monitor and effectively manage money laundering risks, who is also responsible to report suspicious activities or approve transactions.
- > Conduct awareness raising sessions and/or training programs for employees and retailers/agents to ensure they are able to identify and report unusual activities and transactions, as well as understand money laundering risks, obligations and required actions.

5.5

Remote Gaming

Imposing data protection controls

An imperative requirement from INTRALOT Group is to implement control procedures, in order to safeguard the games' security and ensure their reliability.

- > For draw games, the Group utilizes proven IT mechanisms and security measures, which virtually eliminate the possibility of hacking and/or information manipulation. At the same time, an appointed bailiff representing the players is responsible to control the wagers' closing prior to publicly broadcasting the games' draws and monitor the draws.
- > For instant games, the Group implements various security mechanisms and controls, in order to randomly allocate winnings to tickets and prevent any 'localization' of winning tickets.

Protecting players in online gaming

INTRALOT Group commits to cultivate a remote gaming environment that respects and upholds the principles of Responsible Gaming, in order to ensure that its products and solutions for remote gaming platforms feature the necessary characteristics to protect players and monitor their participation.

Remote gaming platforms

The Group's remote gaming platforms feature some of the industry's leading practices, as they:

- > Comply with the relevant legislation regarding protection of personal data.
- > Has adopted the new European Union General Data Protection Regulation as a minimum Privacy Standard for the entire Group.
- > Implements player privacy controls according to the European Privacy Network.
- > Require that all players have to register, in order to participate to games provided by operators.
- > Follow strict security standards regarding player registration and gaming behavior.
- > Players can verify their age and information such as home address and personal Tax Identification Number, either via the system's online interface (where players are requested to submit a copy of identification documents, such as personal identity card, driver's license, passport, a public utility bill or a bank statement) and verified by a third party or offline by authorized personnel (e.g. retailers) and standardized procedures.
- > Do not allow multiple accounts per user through control mechanisms, such as proof of address and bank account verification.
- > Provide the ability to freeze a player account and do not permit any further online gaming, in case the player's age is not verified after the first deposit or player registration.
- > Incorporate a flagging system and real-time alerts.
- > Include a dedicated monitoring process that triggers personalized Responsible Gaming messages to inform players about potentially excessive and problematic gaming behavior.
- > Display the wager value and indicate the time played in each gaming session with a dedicated clock.
- > Provide a detailed history of activities linked to a player account, such as financial and gaming transactions, as well as participation to gaming sessions.
- > Players can configure the history view and filter on specific criteria, such as game category, specific game, date

of participation, draws, winnings, betted numbers or team.

- > Provide centralized payment management for all transaction types.
- > Players can set their own limits depending on their personal risk profile, including limits on:
 - Personal spending.
 - Personal losses.
 - Personal deposits.
 - Each gaming session.
 - Time spent on gaming.
- > Players can set temporal limits to prevent them from excessive play, through which they can:
 - Set the time period between participation in games, especially in games that potentially allow a high frequency of play, such as instant win tickets.
 - Limit the duration of a gaming session, especially in numerical games with high frequency draws.
 - Set the minimum time to participate in consecutive gaming sessions, such as a day or a week.
- > Players can review their limits at any time and can increase or extend them only after a specified cool off (or temporization) period has elapsed.
- > Lottery operators can set limits for all players (e.g. maximum spending or time limit above which players cannot go) or set default player limits, which are applied by default if the player does not specify one.
- > Players can exclude themselves from all or a specific category of games, such as instant win tickets or sports betting, utilizing two kinds of exclusions:
 - The definitive exclusion, where players can definitively exclude themselves from some games.
 - The temporary exclusion, where players can exclude themselves from participation to some games (e.g. for one week or one month). It must be noted that the exclusion becomes definitive for players who repetitively exclude themselves (e.g. five times) across a certain period (e.g. one year).
- > Players can opt to close their accounts immediately.
- > Include self-assessments questionnaires for players who are concerned about their gaming behavior.

Examples of Responsible Gaming Alerts



GOOD PRACTICE

Private Data Protection and Data Breach Reporting

Indicating its commitment to systematically address security issues within the content of its Information Security Management System, INTRALOT implements specific rules and controls to protect personal data in the following areas:

- > Organizational controls (e.g. there is a Data Privacy Officer in all Group companies with over 250 employees).
- > Risk assessment and data identification (e.g. risk assessment of products and operations based on ERM).
- > Technical controls (e.g. maintain encrypted backup of personal data).
- > Operational controls (e.g. strictly prohibit transfer of personal data outside of a jurisdiction, unless authorized upon written consent from the Group Legal Counsel and the Group Information Security Officer to justify as legally compliant).
- > Contractual (third party and employee) controls (e.g. data processing according to a contract or other legal act).

Any person who processes personal data (processor) has to immediately notify any data breach to the controller (the person who determines the scope and means of the processing of personal data), in accordance with INTRALOT ERM Framework. The breach is reported to the Group Information Security Department and the controller coordinates with the Group Legal Department, the Group Information Security Department and the Data Protection Officer for any further reporting actions within 72 hours. The controller informs the persons affected by the data breach about the nature of the personal data breach and the recommended actions to mitigate potential adverse effects.

In gaming industry, pre-commitment systems introduce restrictions on electronic gaming machines (EGMs) and prevent players from spending more money than they originally intended. The Group includes a Player Pre-Commitment System in an EGM monitoring system and has developed the Responsible Gaming Module for its iGEM Monitoring System, which is used to monitor, manage and control large networks of EGMs. Within this context, players can register via web or in any gaming venue and get a player card with credentials to access their account and set personalized game limits or self-exclusion options. The system also allows anonymous player cards for pre-commitment purposes, in case players wish to play anonymously, and offers various options to players, including:

- As a result, in 2017 there were:

- 

According to a formally established procedure, INTRALOT utilizes an Information Security Compliance Questionnaire to conduct an Information Security Assessment prior to adopt a third party product, through which third parties are requested to elaborate on their processes, practices and mechanisms in the following areas:

- At the same time, the Company has developed an Information Security Compliance Questionnaire for Cloud Service Providers, which is structured around the following areas:

-
- A collage of various gambling-related images. It includes a roulette wheel with the number 12 highlighted, a lottery ticket for 'THE WINNING TICKET' with a jackpot of 15 million, a car race scene with a red sports car, a weather alert graphic with the text 'weather alert', a soccer game in progress, and a hand holding a coin over a 'PLAY RESPONSIBLY' sign. There is also a small image of a person's face and a lottery ticket for 'Lotto uitslag van zaterdag 18 augustus' with a jackpot of 400,000.

5.6

Responsible Communication

Advertising products responsibly

The Group carries out its advertising and marketing communications in a manner that promotes Responsible Gaming and strives to ensure that its advertising and marketing activities are aligned with the standards and practices adopted and implemented by WLA members. In addition, the Group's marketing and advertising campaigns in all jurisdictions:

- > Are consistent with the industry's principles of dignity and integrity, as well as with its mission and values.
- > Abide by WLA Responsible Gaming principles.
- > Include a statement of its commitment to Responsible Gaming.
- > Do not encourage people to play excessively or exceed their limits.
- > Do not imply or refer to or portray any illegal activity.
- > Do not mislead that all players will win high prizes.
- > Do not contain or imply improper or indecent language, images and actions.
- > Comply with the relevant legislation, including unfair competition and consumer protection.
- > Do not encourage underage or problem play.
- > Do not provide player with misleading information such as false impression on winning odds.
- > Local subsidiaries are involved in marketing and advertising activities of its products and services, in order to ensure that local regulations are met and that the local culture is respected.

Within 2017:

- > There were no sales of banned or disputed products and services in any foreign market of operation.
- > There were no customer complaints to respective authorities concerning marketing, advertising and promotion activities and product or service information (e.g. product labeling).
- > There were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, as well as marketing communications (e.g. advertising, promotion and



sponsorship).

- > There were no cases of advertising campaigns being withdrawn after release.
- > There were no relevant fines or non-monetary sanctions imposed by respective authorities.

Replying to customers' requests

INTRALOT Group has established and operates a complete support solution for its customers within the Global Technology Operations Department in compliance with ISO 20000. INTRALOT's Service Desk:

- > Functions as a single point of contact 24 hours a day, 7 days a week, between customers and internal support groups for management of IT and Application Support and Services.
- > Records and monitors incidents and service requests, according to the Incident Management Procedure.
- > Provides advises, solutions, workarounds and responses to all customer requests within the agreed Service Level Agreements, where applied.
- > Records errors and solutions in the Knowledge database, according to the Problem Management Procedure maintained by its 2nd level support groups.
- > Collaborates with the IT Professional Services Department to ensure that all changes follow the Configuration Management Procedure.

Service Requests and Complaints

	2015	2016	2017
Total Service Requests (number)	6,931	11,275	15,171
Answered calls (%)	100	100	100
Resolved requests (%)	100	100	100



Measuring player satisfaction

As player satisfaction is an ongoing process, INTRALOT Group seeks to deepen understanding of the players. Therefore, the Group analyzes their actual behavior, as collected from the tens of millions player-initiated transactions on a global scale.



100% of service requests were resolved



POLICY Media Relations

According to a formal corporate procedure concerning corporate communication issues (such as press releases, announcements, interviews and Responsible Gaming):

- > All press releases that contain corporate information (both international and local) need the Group Corporate Affairs Department's (GCAD) prior review and approval.
- > In case of local promotional news, subsidiaries can send the press releases directly to local media, but they should inform the GCAD prior to dissemination, in order to decide whether they comply with Group policies and that the news are of broader interest.
- > The press release or a draft version has to be sent to the GCAD at least 2 days before its release, in order to follow the required approval procedures.
- > If the communication material (e.g. press release) concerns another party as well, such as business partner or customer, the GCAD is obliged to send the final draft to them (as prepared or approved by the GCAD), in order to review and approve it.

It must be noted that in 2017, there were no cases of non-compliance with the above corporate procedure.

5.7

Players Awareness and Training

Informing customers

INTRALOT Group strives to promote customer awareness on Responsible Gaming, in order to ensure that players are well-informed and vulnerable groups are constantly protected. Therefore, the Group:

- > Includes a detailed list (service catalogue) with the Responsible Gaming features of its remote gaming platforms within all Requests for Proposal (RFP), in order to disseminate the respective requirements to its customers.
- > Has created and provides a Quick Reference Guide with information about Responsible Gaming to its customers.

Training customers on Responsible Gaming

INTRALOT's Learning Center is responsible to design, develop, implement and monitor the Responsible Gaming training activities to customers. The Learning Center collaborates with experts across different departments and works closely with employees designated by each customer. Depending on the employee groups per customer, INTRALOT provides specific Responsible Gaming courses, such as courses for Retailers, courses for Call Center employees and courses for Business Users.

The Responsible Gaming training activities aim to properly inform and educate customers and their players through:

- > Instructor-led training in classrooms, which features:
 - Responsible Gaming material (e.g. in its Induction presentation and Guide).
 - Responsible Gaming awareness course.
 - Responsible Gaming Awareness Quick Reference Guide.
- > Knowledge-transfer programs on Responsible Gaming concepts, as part of awarded contracts for the Group's products and services.
- > Asynchronous Responsible Gaming e-learning courses for WLA certified customers, with an e-learning course on Responsible Gaming, to which all customer employees are enrolled at least once a year and provide their feedback at the end of the course via a questionnaire.



GOOD PRACTICE

Global Service Desk

According to ISO 20000:2015 requirements for IT Service Management, the Group has established the Global Service Desk, in order to streamline all customers' communications regarding support for the Group's products and services. The Global Service Desk ensures that all requests are handled effectively within the agreed Service Level Agreements. INTRALOT monitors all incidents reported, in order to identify customer concerns and areas for improvement, and INTRALOT's Top Management monitors and reviews all incidents classified as high priority.

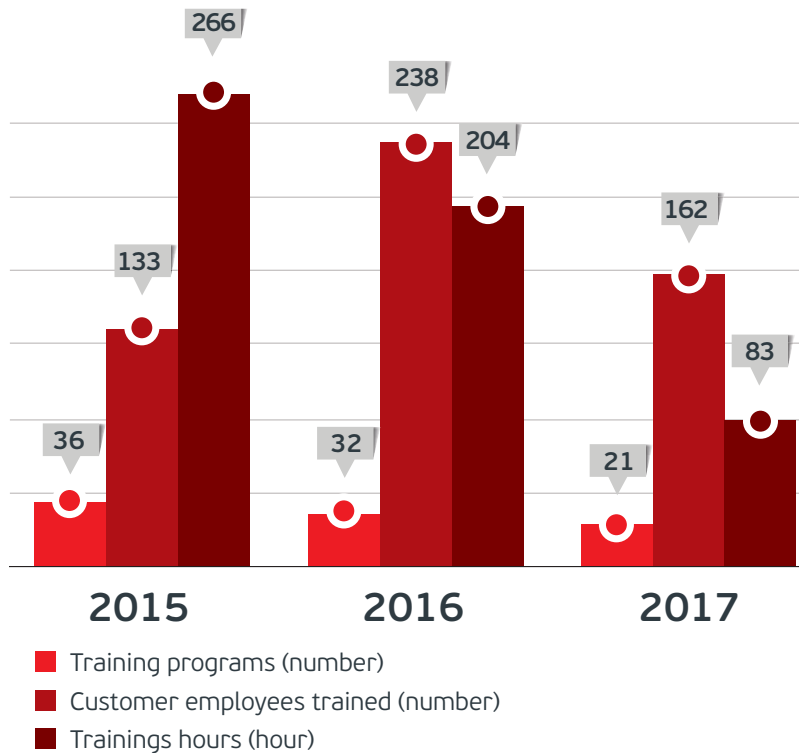


INTERNATIONAL GOOD PRACTICE

Maltco Lotteries Customer Service

As part of the training conducted to over 500 agents and agents' employees on Responsible Gaming within 2017 (see Section 5.1), Maltco Lotteries included the module 'Customer Service with a Smile' to ensure that agents and their employees adhere to the company's standards and provide high-quality customer service through the retail network.

Customer Training on Responsible Gaming



Customers for 2015 include Magnum Corporation (Malaysia), Dutch Lotteries Staatloterij and De Lotto (Netherlands), AzerInteltek (Azerbaijan) and rvatska Lutrija (Croatia, Bulgaria); customers for 2016 include Polla Chilena (Chile), PLI (Ireland), Philippines Charity (POSC), Moroccan Lotteries (MDJS and LN), Lotterywest (Australia), Eurofootball (Bulgaria) and ABLE (Philippines); customers for 2017 include LotteryWest (Western Australia), SVL (Jamaica) and Polla Chilena (Chile).

162 customers' employees were **trained** on Responsible Gaming, for a **total** duration of **83 training hours**

Providing information to players

INTRALOT Group strives to inform players and their relatives, as well as the society in general, regarding the rational participation in games of chance and the adverse consequences related to irresponsible gaming. Therefore, the Group complies with all legal labeling requirements, as indicatively mentioned below:

- > All games include Responsible Gaming messages.
- > All games have clear labeling, which indicates the age restrictions to participate in games.
- > All games include information on the applicable Regulatory Authority.
- > All games' informational material and guides include Responsible Gaming messages and have clear and visible information on game odds.
- > Information about Responsible Gaming (e.g. self-assessment questionnaires, helpline numbers) is displayed on online gaming platforms.
- > All terminals in agencies and other Points of Sale feature information about Responsible Gaming.
- > Additional information on Responsible Gaming is also available through the corporate website.



INTERNATIONAL GOOD PRACTICE

Obligations of Maltco Lotteries' Agents and Sellers

Maltco Lotteries has specifically defined its agents' and sellers' obligations regarding Responsible Gaming, who are required to:

- > Prominently display the Responsible Gaming motto and the "18+" sign in their Point of Sale.
- > Not sell tickets to persons under the age of 18 even if they act on behalf of a parent/ guardian.
- > Not give credit to players.
- > Always require cash immediately after they issue any selling ticket.
- > Make the Responsible Gaming literature available in their Points of Sale.
- > Inform and explain the nature of Responsible Gaming to their customers.
- > Protect vulnerable persons.
- > Offer assistance to any player who might be suffering from compulsive gambling.
- > Inform the respective anti-gambling agencies on any addictive gambling cases.

At the same time, the company informs its agents and sellers on the warning signs of addictive gambling and indicates the advices they should give to players, in order to refrain from compulsive gambling.



Responsible Gaming
information and messages are displayed to **100% of games and terminals**

Assisting players with problematic behavior

The Group cooperates with expert organizations for health services and counseling to addicted gamers in several of the jurisdictions where it operates, in order to:

- > Prevent gaming addiction and dependency on games of chance.
- > Provide guidance to players with problematic behavior and their relatives.
- > Inform everyone on the ways to receive information and practical support, in cases of excessive participation in games.
- > Report problem gaming incidents to these organizations.

INTRALOT Group has developed treatment referral collaborations in several jurisdictions, such as with the Montana Council on problem Gambling, a non-profit agency dedicated to alleviate gaming-related social and personal distress. Additionally, since several of its Lottery customers have developed collaborations with specialized organizations on gaming addiction and problem gaming therapy, the Group regularly promotes information about the availability of this support throughout their sales networks.



GOOD PRACTICE Evaluating Training Effectiveness

Upon completion of each training module, participants are requested to anonymously complete a printed Training Evaluation Form, which refers to the entire training session conducted, in order to assess:

- > Course content.
- > Trainer competency.
- > Training quality.
- > Training usefulness.

All information received, as well as input from trainers, training executives or other sources, are included in the composite Training Evaluation Report delivered to the customer, which provides the basis for potential further actions to improve quality of training.

Potentially, a Post Training Course Evaluation Form is distributed between one and three months after the training to evaluate the training effectiveness and determine whether participants are able to apply lessons learned and effectively carry out their job-related tasks. If necessary based on the results, the Company schedules additional sessions to confirm understanding and correct application, either locally or via live webcasts.



GOOD PRACTICE Identifying Gaming Habits

The Group has designed a short questionnaire with 3 questions and a detailed questionnaire with 9 questions, which are provided to lotteries, in order to identify gaming habits and indicate if a player experiences issues with his/her gaming habits. If a player scores above a specific threshold on the short questionnaire, they are advised to continue with the detailed one. Both questionnaires are based on the 5th edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders.



INTERNATIONAL GOOD PRACTICE Treatment Referral

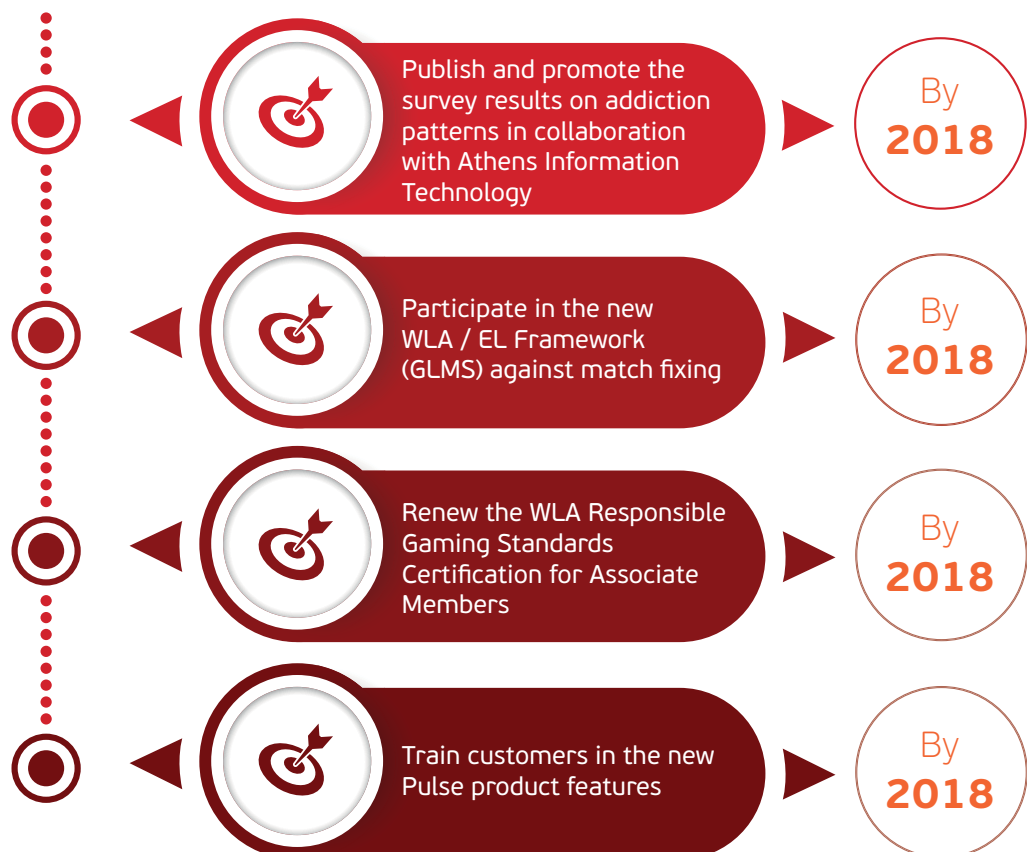
In Malta, Maltco Lotteries:

- > Offers Self Tests in English and Maltese to players, which feature 8 questions to identify problem gambling behavior and inform players about the consultation and treatment providers in Malta, as well as the company's Helpline Centre.
- > Has introduced a Responsible Gaming section in its Players' Booklet with information for players to play responsibly, including frequently asked questions and information on treatment referral.

2016 Objectives



2017 Objectives





6.0

Employee Wellbeing



Ensuring the wellbeing and
development of our employees.

6.1

Overview

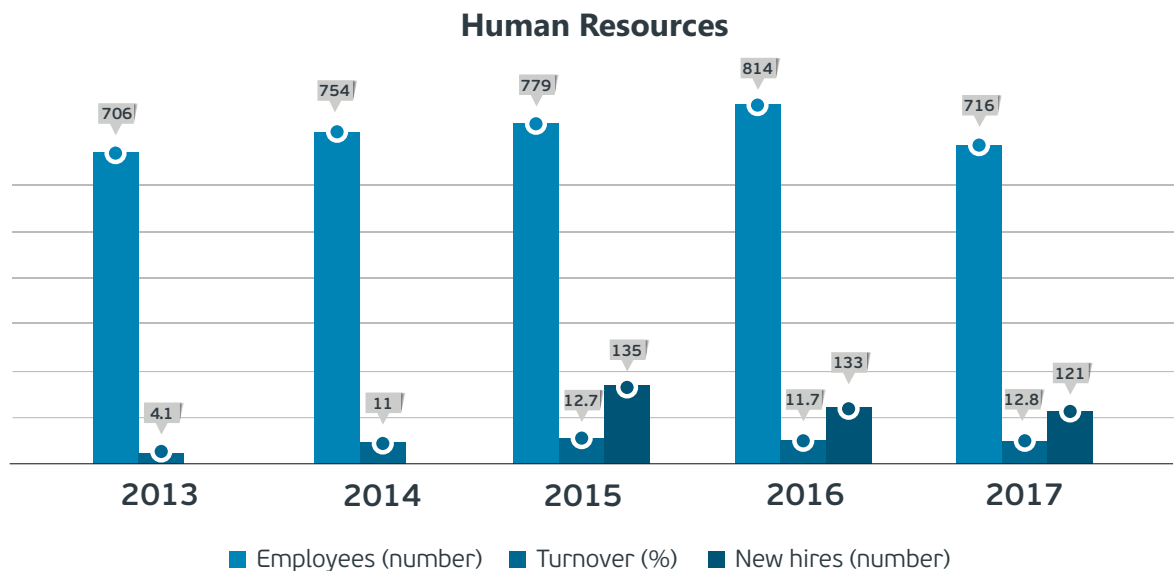
INTRALOT's Human Resources allow the Company to operate on its full potential within a constantly changing business environment, effectively face the challenges of the gaming industry and, ultimately, succeed in its mission. For this reason, it is imperative for INTRALOT to be recognized as an attractive employer, who cultivates a healthy and safe workplace, respects human rights and diversity and creates the necessary opportunities for personal and professional development of its employees.

6.2

Positions and Benefits

Maintaining work positions

INTRALOT directly occupies 716 employees as of 31/12/2017, while its business activity indirectly supports hundreds work positions.



716 employees are **directly employed**, while the Company's activities indirectly **support hundreds work positions** all over the country

Employee distribution

Position	Directors	Managers	Employees			Total
Employees (number)	68	170	478			716
Type of employment	Permanent	Temporary	Full-Time			Part-Time
Employees (number)	716	0	697			19 (18 women)
Gender	Female	Male				
Employees (number)	230	486				
Age	<30	30-50	>50			
Employees (number)	67	556	93			
Education level	Basic-High School	TEI/University	Postgraduate			
Employees (number)	180	300	236			
New hires	Female	Male	Age <30	Age 30-50	Age >50	
Employees (number)	31	90	32	85	4	
Turnover*	Female	Male	Age <30	Age 30-50	Age >50	
Employees (number)	27	65	11	64	17	
Turnover	Resignations	Redundancies				
Employees (%)	6.7	6.1				
Categories	Handicapped	Foreigners				
Employees (number)	0	7				
Duration of employment	<5 Years	5-10 Years	>10 Years			
Employees (%)	50.4	30	19.6			

Data refer to 31/12/2017.

*Turnover data do not include INTRALOT employees who left for other INTRALOT Group's companies in Greece and abroad.

It must be noted that:

- > 97.3% of employees are full-time.
- > The average age of employees is 41 years.
- > The average duration of employment is 6 years.
- > The average turnover rate is 12.8%, with men employees having a turnover rate higher by approximately 1.7% compared to women employees.

- > 99% of employees and 100% of managers (at Head/Director, Group Director and Chief level) hired within 2017 were from the local community, without requiring relocation.
- > There are no variations in employment numbers due to seasonality.

Allocation of employees per Division/ Entry



Communicating with employees

INTRALOT has established a systematic dialogue with its employees, via internal communication means, such as:

- > Corporate intranet portal iSpace.
- > 'HR Here' focus groups between employees and senior representatives from Human Resources Division, in order to openly discuss and address related issues of concern to INTRALOT employees.
- > 'Your Voice' annual Employee Opinion Survey.
- > 'Your Voice' on iSpace – openly available to all employees at any time for suggestions, comments and improvement ideas.
- > E-mail announcements.
- > Open door policy.
- > Personal communication through respective managers and department heads.
- > Regular meetings.
- > Awareness and training initiatives.

As a result:

- > All employees have been informed at least once regarding Sustainability and Corporate Responsibility issues.
- > There were 2 internal communication activities regarding Sustainability and Corporate Responsibility issues in 2017.



100% of employees have been informed on **Corporate Responsibility** issues

Handling work-life balance

INTRALOT is aware of the importance to promote work-life balance for its employees and aims to create and maintain a work environment which respects its employees' work and personal responsibilities, in order to increase job satisfaction and employee productivity. For this reason, INTRALOT:

- > Complies with the applicable laws concerning:
 - The daily and weekly work hours of each employee, according to their employment contract.
 - The start and end time of work.

- All types of leaves and reasons of absence.
 - The implementation of any alternative employment scheme for some or all employees.
- > Does not allow overtime work without prior permission from the management (depending on corporate needs) and the relevant Labor Inspectorate, where necessary.
 - > Complies with the relevant laws, ministerial decisions and collective labor agreements in force concerning:
 - The additional remuneration to employees working overtime.
 - The employees' normal leave, which all employees are entitled to receive on completion of the required period, with full remuneration and a holiday pay.
 - Any paid or unpaid leave, which all employees are entitled to receive.
 - The maternity leave, which all working mothers can receive during and after pregnancy.
 - > Has created breast feeding facilities within corporate premises for female employees and complies with the legislation regarding breast feeding, for the time period fixed by the relevant law provisions.
 - > Has developed the Home-Based Work Policy and permits Technology Division employees to work and perform their regular tasks from home, if physical presence is not mandatory and allowed by the deliverables according to job requirements.

It must be noted that within 2017:

- > 10% of employees worked for at least once beyond their typical work hours.
- > The average daily overtime work per employee was 0.1 hours.
- > All overtimes were fully and timely paid to employees.
- > 100% of employees received their entitled normal leave, as initially planned.
- > All 16 female employees who received their parental leave, returned to the Company and were still employed twelve months after their return to work, being also granted reduced working hours due to raising a child.
- > 18% of Technology Division employees utilized working from home for three to four days a month.

Offering additional benefits

The Company has established a Compensation and Benefits Policy for its employees and their families, which offers an extensive additional benefits package and aims to:

- > Increase employees' long-term prosperity.
- > Attract new and retain existing employees.
- > Increase productivity.
- > Enhance job satisfaction.

The benefits cover all permanent employees (including part-time employees), depending on their level and job content, with an indicative list as follows:



GOOD PRACTICE

iSpace

In order to facilitate information flow with its employees, INTRALOT has developed its own corporate intranet portal iSpace, which:

- > Allows collaboration and information sharing.
- > Enhances communication and coordination.
- > Increases data and document management efficiency.
- > Optimizes content and processes effectiveness among employees.

All employees have access to iSpace, which provides a single starting point to access the following indicative internal and external resources:

- > Information about INTRALOT Group's organizational structure and offices worldwide.
- > Various official Policies and procedures, such as the Code of Conduct, the Internal Regulation Charter and the Internal Guide of Employment Policies and Procedures.
- > Information about employee benefits and offers.
- > Access to INTRALOT'S e-learning platform.
- > The applicable Logo Manual with the requirements to use corporate logos.
- > Related employee applications, such as for Timesheet management, Leave management (annual leave, short leave, attendance request) and Travel management.





EMPLOYEE BENEFITS*

- > Private medical and life insurance.
- > Company car and gas card.
- > Parking.
- > Subsidized home internet connection.

FRINGE BENEFITS

- > Special corporate discounts (e.g. for mobile services, dental treatment, restaurants, cleaning services and athletic centers).
- > Memberships in professional associations.

FAMILY BENEFITS

- > Access to blood bank.
- > Medical insurance for family members.
- > Annual kids party.
- > Gift vouchers for newborns.

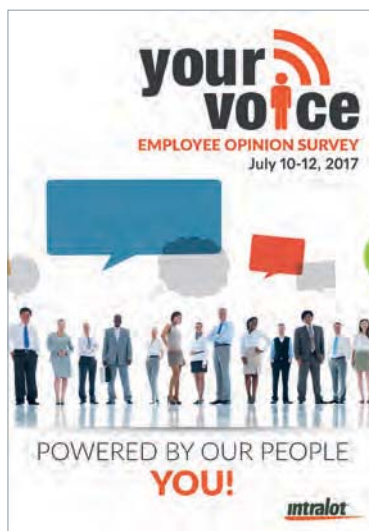
**According to the level of their position.*

Monitoring employees' satisfaction

Within 2017, the Company held 4 'HR Here' focus groups, during which 35 representatives from various Departments openly discussed their working environment, as well as other employee engagement areas, with senior HR Department executives.

Moreover, INTRALOT launched the Employee Opinion Survey 'Your Voice' in 2017 to capture employee perception and engagement with the Company. All employees received an anonymous electronic questionnaire linked to INTRALOT strategic pillars, values and competencies, which was developed in collaboration with an independent academic institution experienced in employee surveys and analyzed the collected answers. INTRALOT utilized the results to develop an action plan to:

- > Enhance performance in areas which motivate employees.
- > Improve performance in areas which reduce employee motivation and professional satisfaction.



POLICY

Supporting and Rewarding Employees

In line with its commitment to support and reward employees, within 2017 INTRALOT launched:

- > The Corporate Employee Loan Policy to provide a loan and financially support its employees in case of personal or family need (e.g. illness, natural disaster). The Policy applies to all INTRALOT employees and the Company has established the maximum loan amount and payback period, with the monthly installments being withheld from the borrower's monthly salary.
- > The Referral Policy to reward employees for each new person hired after he/she successfully completes 6 months of continuous employment within INTRALOT, in order to attract new talents and high-performing professionals for its future needs. The Policy does not apply for certain employee positions and roles (e.g. employees with recruitment responsibilities, Hiring Managers involved in candidates' evaluation and selection, candidates for employment with temporary contracts) and the Company does not employ employees' first degree relatives, in order to avoid potentially compromising situations and/or concerns about conflict of interest.



GOOD PRACTICE

Internal Awareness and Engagement Initiatives

- > During 2017, INTRALOT organized various events and initiatives to raise employee awareness, as well as increase their engagement, which include:
- > The 'Kids at Work Day' initiative for employees to bring their children at work and introduce them to their parents' work environment. As

The survey included 44 questions and was completed by 79.1% of employees, who indicated that they mostly align with the strategic pillar 'Commitment to the provision of reliable solutions to Customers' and most closely identify themselves with the value of 'Accountability'. The survey questions were also grouped into 14 employee engagement categories and participants indicated that the categories with the highest scores were 'Alignment between the management and employees on the Company's vision, values and strategic goals', 'Commitment to quality' and 'Respect at the workplace'. On the other hand, further focusing on 'Personal development' and 'Reward and recognition' were identified as areas for improvement. The survey results were shared with the Company's senior management and were discussed with employees at open sessions with the HR Department.

Furthermore, INTRALOT placed the 'Your Voice' Survey on the corporate intranet portal for employees to propose improvement ideas or other comments towards strengthening employee engagement and have an open communication channel with HR at all times.

Rewarding employees

It is particularly important to recognize the contribution of employees to meet the Company's objectives. Therefore, INTRALOT organized the 'Top Performers 2017' special ceremony to reward the top 5% of employees who excelled during the formal annual performance evaluation process for their distinction and commitment, whose names were also posted on the corporate intranet portal, both for recognition and transparency.

Moreover, the Company introduced the 'Student Recognition Policy' in 2017 for employees' children who qualified for admittance at higher educational institutions, which aims to recognize the efforts made by employees and their children throughout the years, as well as celebrate a new beginning in the children's lives.



- > a result, employees' children visited the Company's premises in Maroussi and gained a glimpse of the working world, through a series of activities, such as office tours and fun interactive games.
- > An experiential session on problems faced by persons with disabilities at the workplace and in their daily lives, which included difficulties faced by persons with physical disabilities, hearing loss or deafness, vision loss or blindness.
- > An event with practical guidelines for parents to help their children to trust themselves and evolve into confident and happy individuals.
- > The full-day INTRALOT Business Day event to introduce university students to the corporate environment (see Section 8.2).



GOOD PRACTICE INTRALOT Hackathon

In order to internally promote innovation and creativity and enhance the ability to develop new products and technology solutions for customers all over the world, the Company launched the first internal innovation contest 'INTRALOT Hackathon' at INTRALOT Innovation Center in 2017, centered around the following innovation themes/challenges:

- > New Product Development.
- > Responsible Gaming.
- > Operational Excellence.

Following a three-month knowledge sharing preparatory process, over 50 employees in 15 teams received practical advice and guidance from 16 highly qualified mentors and coaches to complete and present their proposals to a 5-member senior jury. The first place was awarded to an augmented reality concept for retail customer engagement, with the prototype being further developed after the event and presented at the ICE Totally Gaming exhibition in London, the B2B gaming event for the international online and offline gaming sectors, with over 30,000 attendees from over 150 countries worldwide.

6.3

Development and Training

Inducing employees

Upon recruitment, newly hired employees participate in a Corporate Induction Program, in order to:

- > Gain a general overview of the gaming industry.
- > Gain a general overview of the Company (e.g. Vision, Mission, Values, Strategy, Group activities, Corporate Responsibility, Focus on excellence).
- > Learn about INTRALOT's products and services (e.g. Games, Terminals, Systems).
- > Learn about INTRALOT's work environment (e.g. Code of Conduct, Organizational Structure, Policies and Procedures, Health & Safety, Corporate intranet portal).
- > Become familiar with the basic terminology used within the Company.
- > Become aware of the basic principles of Responsible Gaming.

The Corporate Induction Program's content is also part of the Induction Handbook, which is distributed to all new employees, is available through the corporate intranet portal and is updated when key information changes.

Furthermore, it must be noted that a more in-depth induction program is conducted for INTRALOT executives, which includes one-to-one sessions with executives from different Divisions and Departments and more specialized presentations, in order to become familiar with respective departmental processes and operations.

Within 2017:

- > 95.5% of all newly hired employees attended the Corporate Induction Program.
- > All newly hired executives in senior management positions participated in the Induction program for INTRALOT executives.

INTRALOT highly values training and continuous learning, since they contribute to the professional and personal development of its employees and ensure operational growth.



GOOD PRACTICE

Introduction to Information Security Policies and Practices

All employees are trained on security policies and practices, with an emphasis on INTRALOT's Information Security Management System (ISMS), in order to:

- > Identify and classify information according to its classification level.
- > Correctly use the 3 information security principles (confidentiality, integrity and availability).
- > Identify security violation incidents.
- > Understand IT-related information security basics.
- > Apply principles of physical security.

The Company organizes Induction sessions to present the overview of ISMS along with other corporate information and all new employees are required to participate and successfully complete an ISMS e-learning course within two working weeks of employment. It must be noted that within 2017, over 90% of INTRALOT's employees (including 100% of newly hired employees) attended the annual Information Security awareness program.

Furthermore, all employees are required to undergo security training updates on an annual basis, which are primarily conducted through a fully-customized e-learning course on INTRALOT's e-learning platform. At the end of the course, all employees are required to complete a questionnaire, in order to determine training effectiveness, with a pass score of 80%. In case it is required, INTRALOT also conducts in-class training sessions for its employees, without 13 induction classroom sessions within 2017.

Training and development programs are materialized either within classrooms or via INTRALOT's e-learning platform and feature seminars and other development programs and initiatives.

Training and Development Programs

Element	Description
Corporate	<ul style="list-style-type: none"> > Corporate Induction. > Gaming Sector Overview. > INTRALOT Products. > Responsible Gaming Policies and Best Practices. > Corporate Management Tools. > Corporate Online Services/Applications. > Information Security Management System. > Quality Management Systems (e.g. ISO 9001, ISO 20000, EFQM). > Health & Safety (e.g. First Aid, Building Evacuation, Fire Suspension).
Functional and Individual	<ul style="list-style-type: none"> > IT Skills (Software Development, Operating Systems, Network Technologies, Database systems, Web Design, Cloud and Computer Virtualization, Security). > Desktop Computer Skills. > Change Management. > Business Skills (e.g. Finance, Leadership and Management, Project Management, Product Management, Business Analysis, Customer-facing). > Quality and Compliance-related (e.g. Software Quality Testing, ITIL, Information Security, Data protection). > Foreign Languages. > Seminars and Conventions of Lottery and Gaming Associations.



POLICY

Training Policy and Annual Training Plan

Launched in 2017, INTRALOT's new Training Policy is closely linked with the Company's Performance Management System. As part of the annual performance evaluation, Line Managers identify development goals/needs for each employee, either related to his/her current or future position, which are recorded in the employee's Individual Development Plan. Afterwards, INTRALOT formulates the annual Training Plan based on:

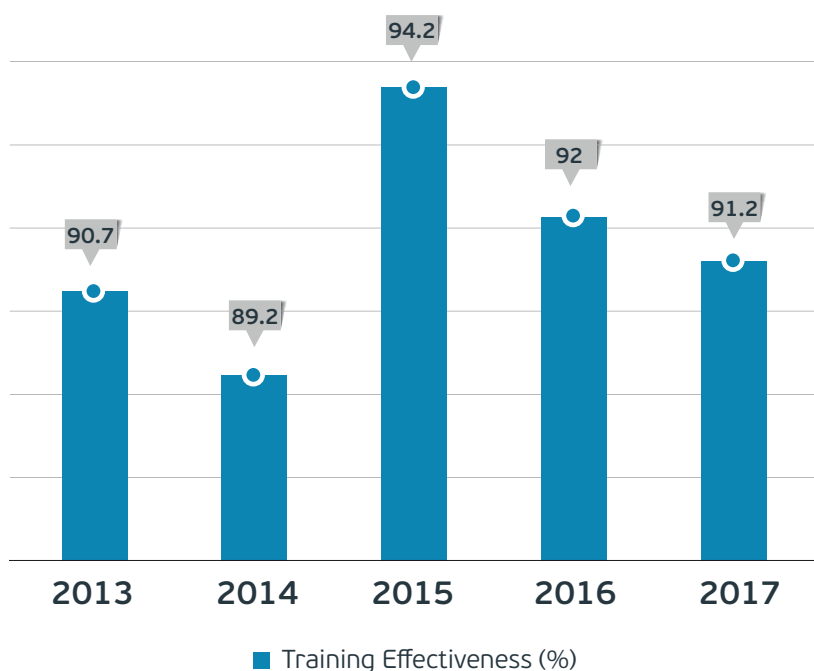
- > All individual training needs registered in employees' Individual Development Plans.
- > Role-based training programs (e.g. management development programs, specific technical skills training per technical role) according to the Company's strategic direction, past training needs, market trends and best practices.

Within 2017, INTRALOT:

- > Launched a new Training Policy and a new Induction Handbook, which is revised annually.
- > Designed four new in-house training courses, such as Interviewing Skills, Code of Conduct and a new ISMS training course.

- > Implemented 146 Management Development Programs to approximately 90% of managers.
- > Conducted 93 classroom and e-learning training programs, compared to 180 programs in 2016.
- > Trained 92% of its employees (including employees participated in e-learning training programs).
- > The total duration of classroom and e-learning training programs was 17,836 man-hours, compared to 17,775 man-hours in 2016, averaging 10.5 hours per employee for classroom training.
- > The Average Satisfaction Rate from training programs reached 91.2%, as in 2016 (according to training satisfaction surveys conducted for approximately 70% of total training programs).
- > Implemented and completed Leadership Management training programs to over 33% of all management positions.
- > 100% of business analysts attended the Business Analysis training by the International Institute of Business Analysis's Guide to the Business Analysis Body of Knowledge (BABOK Guide).

Employee Training Effectiveness



Above graph shows Employee Training Effectiveness results from the anonymous evaluation forms that are submitted by all participants upon completion of training programs.

Data for 2013 and 2014 refer to the effectiveness of INTRALOT employee training undertaken by the Learning Center; data for 2015 and 2016 refer both to the effectiveness of Learning Center and Human Resources' People Development Department; data for 2017 refer to the effectiveness of Human Resources' People Development Department.



GOOD PRACTICE

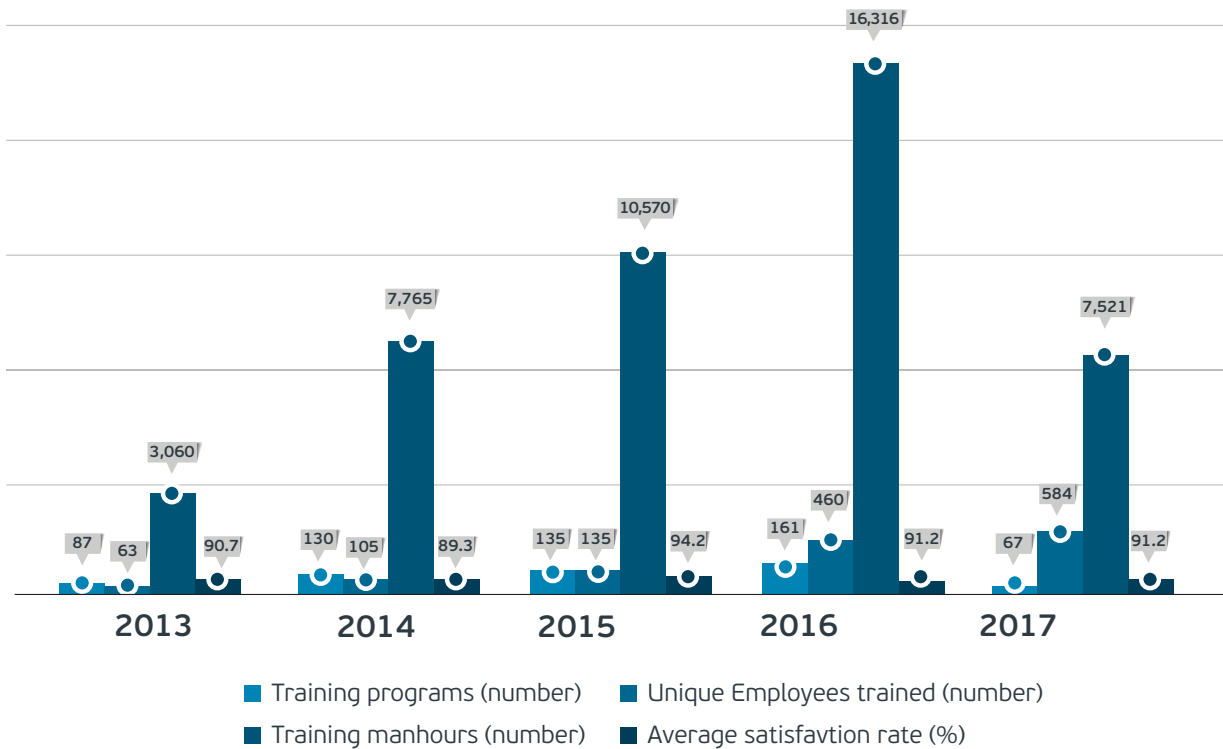
People Development Department and Project- Based Learning Center

INTRALOT's People Development Department, which is a part of the Human Resources function, cooperates closely with INTRALOT's Learning Center which provides project-related training. All training services provided by the Learning Center are certified against the ISO 29990:2010 standard, which includes the entire training process: analysis, design, delivery, monitoring and evaluation of project-based training.

All training results are analyzed and processed and kept in a training database, which is regularly audited, in accordance with the internal audit process and the certifications INTRALOT complies with.



Employee Classroom Training



Data for 2013-2017 refer to INTRALOT S.A., INTRALOT Services S.A. and BetCO.



Number of unique employees **trained through classroom training programs increased by 27%**

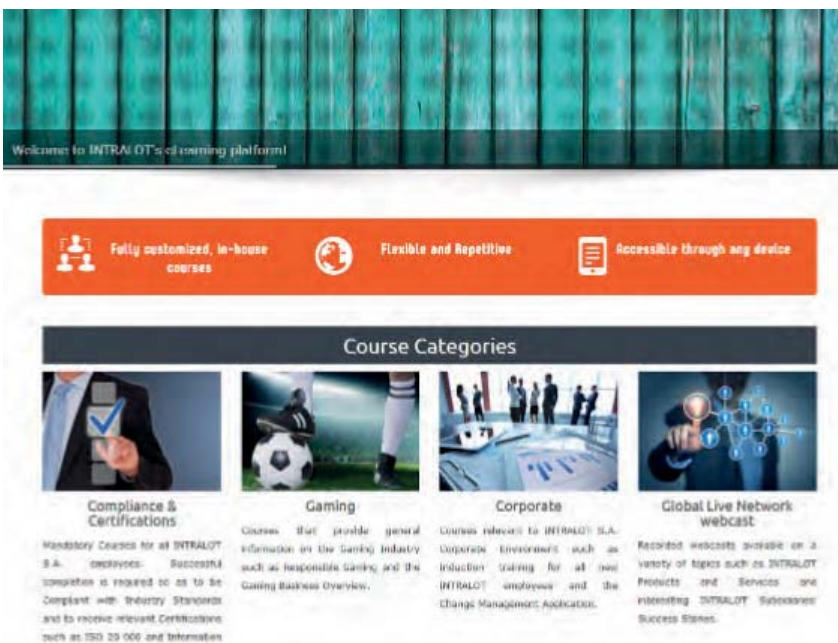


GOOD PRACTICE

e-Learning Training

Apart from classroom training, the Company also offers e-learning programs through INTRALOT's customized e-learning platform in the following main categories:

- > Compliance and Certifications, which include mandatory courses for all employees and require successful completion.
- > Gaming (industry-related), which include courses on the gaming industry available to all employees, such as Responsible Gaming and Gaming Business Overview.
- > Corporate, which include courses relevant to INTRALOT's corporate environment (e.g. Induction and Corporate Applications), INTRALOT-specific programs (e.g. Software Development, Sales Course for Agents) and Soft Skills (e.g. Customer Service).



e-Learning Training

	2013	2014	2015	2016	2017
Training programs (number)	32	17	16	19	26
Unique employees trained (number)	427	617	465	619	1,810 (includes 792 employees of INTRALOT S.A. and 1,018 employees of INTRALOT Subsidiaries)
Training manhours (number)	627	1,590	472	1,459	10,315

Data for 2013-2016 refer to INTRALOT S.A., INTRALOT Services S.A. and BetCO; data for 2017 refer to INTRALOT S.A., INTRALOT Services S.A., BetCO, INTRALOT IGS, AzerInteltek, Bit8, INTRALOT Germany, Maltco Lotteries, INTRALOT Morocco, INTRALOT BV, Inteltek, INTRALOT Chile and INTRALOT Inc. (Arkansas, Georgia, Idaho, Louisiana, Montana, New Hampshire, New Mexico, Ohio, South Carolina and Vermont).



Average **satisfaction** rate from classroom **training programs** reached **91.2%**

Developing employees

INTRALOT's new Performance Management Policy establishes the performance management framework to manage development opportunities and address performance that does not meet corporate expectations, which consists of three components:

- > Performance goals, which are associated with the Company's main strategic pillars (e.g. Operational Excellence, Reliable Solutions to Customers and Clients).
- > Competencies, which include:
 - Leadership.
 - Core.
 - Functional.
- > Individual Development Plan, which outlines areas and opportunities for professional and career development.

Through its Performance Management system, INTRALOT identifies and manages performance and plans targeted training and development initiatives according to the individual needs of



INTERNATIONAL GOOD PRACTICE Information Security Training

Information Security training is regularly conducted via e-learning, not only for employees in INTRALOT Headquarters, but also for its Subsidiaries. In 2017, approximately 26% of employees at INTRALOT S.A. and its Subsidiaries worldwide were trained on Information Security.

each employee or according to role-based requirements that meet development needs across different functions. The system entails full involvement of employees and their managers on the individual development path for each employee, provides a common language on expectations and fair evaluation, and generally links performance results, feedback, recognition and development.

Regarding the 2017 employee performance:

- > Clear goals were included for all hierarchical levels and roles.
- > 85% of managers received 360° Feedback.
- > Approximately 98% of all employees eligible for 2017 performance evaluations had attended in-house training on Performance Management.

Promoting employees

It is important for INTRALOT to support the development of its employees, in order to achieve their personal goals and development plans. In case of a new department within the Company or advancement to a manager position, the Human Resources Division first examines the possibility to promote an existing employee, who has all the necessary qualifications (such as experience, education, integrity and ethics) and is considered suitable to cover the position. The Company prioritizes internal candidates for an open position and external candidates are only hired in case there are no suitable internal candidates.

In order to increase the process's transparency, INTRALOT has established the 'Internal Job Posting' policy, according to which all open positions at headquarters and subsidiaries and the necessary requirements are posted on iSpace, where all employees can select the position of interest and submit their Curriculum Vitae, with 20% of open positions covered by internal candidates within 2017, compared to 15% in 2016.

Furthermore, there were 3 INTRALOT employees who were transferred to other INTRALOT Group's companies abroad in 2017 (one employee in short-term assignment and two employees in long-term assignment), all of whom were between 30-50 years old.

Job Posting



GOOD PRACTICE

Global Mobility Program

INTRALOT has defined and established a Global Mobility Program, which follows global best practices and ensures fair and transparent opportunities for all employees on international assignments. With approximately 10 INTRALOT employees on international assignments around the world in 2017, the program is particularly important for the Company, since it allows knowledge transfer from Headquarters to the subsidiaries and vice versa, as well as provides development and career opportunities to employees.

6.4

Health and Safety

Ensuring Health and Safety

Having as a priority to offer its employees a safe work environment, the Company strives to ensure suitable and safe work conditions, in order to protect its employees. For this reason, INTRALOT:

- > Identifies and manages potential Health and Safety risks in accordance with the Greek and European legislation and related practices.
- > Identifies labor risks via documented and written Occupational Risk Assessments, which also include the measures to be taken in order to control, minimize and eliminate these risks. These Assessments are revised (if necessary).
- > Uses an external prevention agency for Health and Safety services, whose specialized safety engineers and occupational physicians evaluate workplaces, offer advices and make suggestions on preventive measures, without any corrective measures required in 2017.
- > Provides the necessary personal protective equipment to warehouse employees.
- > Conducts Health and Safety training programs to its employees.
- > Encourages participation of employees in training programs and certification on First Aid held by the Red Cross, in order to have trained First Aid Teams. The program was successfully conducted to all INTRALOT employees within 2017 on the following topics:
 - Situation and patient assessment – First Aid – Pharmacy box.
 - Wrinkles - Wounds – Bleedings.
 - Breeds – Bites.
 - Burns.
 - Obstacle in the larynx.
 - Head injuries (i.e. concussions, craniocerebral injuries).
 - Response to an unconscious individual – Resuscitation position.
 - Heart attack (i.e. myocardial infarction, angina).
 - Basic Life Support (Cardiopulmonary Resuscitation – CPR) in adults, children and infants.
- > Trains employees on the Evacuation Policy and Procedures, either through classroom trainings or e-learning trainings. During 2017, the Company:
 - Trained 80 Evacuation Coordinators and 15 Fire Suspension team members on safe workplace evacuation processes, which included basic principles of fire safety and workplace evacuation, response to fire spread and proper use of firefighting equipment,



POLICY

Health and Safety

According to the provisions of the Code of Conduct, INTRALOT is committed to comply with all relevant Health and Safety laws and conduct its business in a way that protects the safety of its employees. Therefore, all employees are required to fully comply with the applicable Health and Safety laws, regulations and policies relevant to their work positions.



GOOD PRACTICE

Accident Report

In case of an accident, the relevant Head of the Department is immediately notified, in order to draw up a report about the accident and its circumstances, the time it happened and the witnesses to the accident. In addition to that, the Human Resources Division reports any accident to the relevant branch of the Social Insurance Institute and the Police Headquarters, as well as to Labor Inspectorate.



GOOD PRACTICE

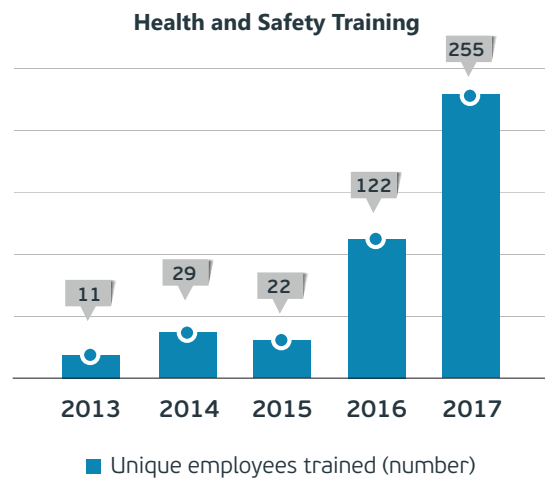
Internal Health and Safety Campaigns

INTRALOT implements regular internal campaigns to raise awareness on Health and Safety issues, mainly through internal speeches, discussions and e-mails. Within 2017, the Company organized:

- > A discussion about the repercussions of smoking and its effect on human health on the occasion of the World No Tobacco Day, in collaboration with the Hellenic Cancer Society.
- > A speech to inform and raise awareness on the prevention and treatment of cardiovascular diseases, in collaboration with the Association of Young Greek Diabetics (SYNED).

as well as response in case of emergency.

- Trained 133 employees on evacuation procedures, as part of the ISMS e-learning course.
- > Conducts annual evacuation drills in its premises.
- > Keeps weekly updated employee lists per Department.
- > Registers all visitors at the front desk when they arrive and leave its premises, including employees from other buildings, as well as employees of partners and subsidiaries.
- > Has installed loudspeaker system for Building Supervisors to signal evacuation in emergency situations.
- > Has appointed Evacuation Coordinators for each floor of every building and Fire Suspensions Teams, which are trained once a year.
- > Has designated Evacuation Officers for each floor of every building, who wear colored vests and are responsible to uphold the procedures and safety rules in case of an emergency evacuation.
- > Has set designated Assembly Points for its premises in Maroussi and Peania and has communicated a Meeting Point Site Plan.
- > Provides free consultation for all employees from qualified health professionals on First Aid procedures, seasonal diseases and prevention, as well as Health and Safety guidelines.
- > Has placed clear signs with fundamental safety information.
- > Has specified emergency exits and ensures that they are clear of obstructions and clearly marked.
- > Has installed First Aid kit, fire detectors and fire extinguishers in every building, as well as fire detection and extinguish systems in areas with electronic equipment, such as computer rooms.
- > Has created the First Aid and Emergency Handbook, with the necessary information required to effectively respond to emergency cases.
- > Has equipped the infirmary – first aid office with the necessary medical and pharmaceutical equipment.
- > Posts Health and Safety information (such as First Aid and evacuation procedures) to the corporate intranet portal and in announcement boards or sends them to the employees via e-mail.
- > Has adopted a no smoking policy within Company facilities, applicable to all employees, customers and visitors.
- > Does not tolerate violence or threats of violence in, or related to, the workplace.
- > Encourages employees to report any violent or potentially violent situation that may witness, as well as their concerns about unsafe conditions or activities that present a risk of injury to them or anyone else to their Supervisor or the Human Resources Division. It must be noted that no concerns related to Health and Safety were reported within 2017.



Monitoring Health and Safety performance

As a result of INTRALOT's continuous effort to improve its Health and Safety performance, in 2017:

- > There are no employees with high incidence or risk of diseases associated with their work within the Company.
- > There were no accidents or injuries involving INTRALOT employees.
- > There was no employee loss due to any reason.
- > There were no complaints or legal actions for health and safety issues.
- > There were no relevant fines or non-monetary sanctions imposed by the respective authorities.



6.5

Equality and Diversity

Maintaining a fair work environment

INTRALOT implements a strict policy towards meritocracy in the workplace and does not tolerate any unlawful discrimination and harassment with regards to gender, race, color, nationality, ancestry, citizenship, sexual orientation, religion, age, physical or mental disability, medical condition or marital status, regarding work issues, such as recruitment and selection, wages and career development. Additionally, all employment contracts are terminated according to the relevant legislative provisions.

It must be noted that within 2017:

- > The percentage of women within the overall workforce exceeds 32%.
- > The percentage of Greeks in manager and Top Management positions is 98.5% and 100% respectively.
- > The percentage of men employees trained is estimated to be higher by 25% compared to women employees, while the average training hours for men employees are estimated to be higher by 3 hours compared to women employees.
- > The proportion of salary for men employees and managers is equal to women employees and managers, as there is no salary differentiation between employees' gender.
- > There were no complaints or grievances regarding discrimination incidents or unfair treatment or labor practices.
- > There were no legal actions regarding labor practices and no fines or non-monetary sanctions were imposed by the respective authorities.



POLICY

Equal Employment

While the Company has not adopted a specific diversity policy including gender balance, INTRALOT is committed to uphold equal employment opportunities for all employees according to the provisions of the Code of Conduct. Additionally, hiring and evaluating candidates and employees is solely based on their respective qualifications, skills and performance.



GOOD PRACTICE

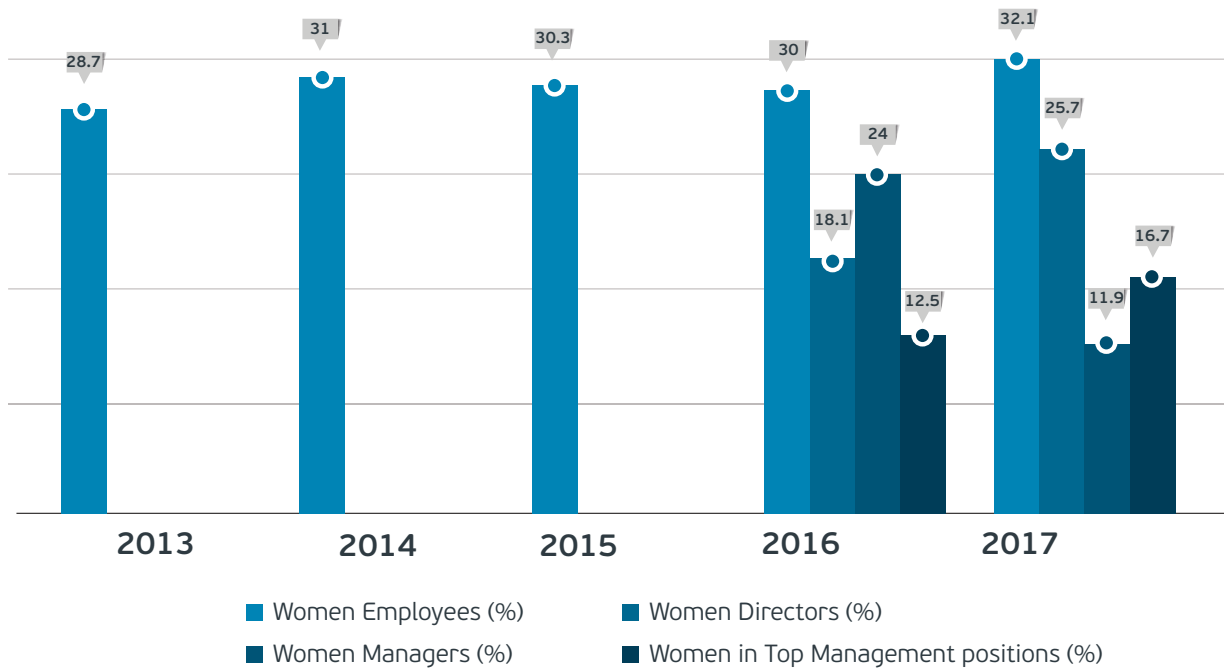
Internal Guide of Employment Policies & Procedures

Upon signing their contract, INTRALOT informs all employees about the Internal Guide of Employment Policies & Procedures, ratified by the Hellenic Ministry of Employment and Social Protection, which states their rights and obligations and all employees are requested to comply with its provisions. The Guide is available on the corporate intranet portal and is also notified to employees already working within INTRALOT, either in places accessible and visible to all employees or through printed copies to each employee individually (in this case, employees are required to sign an acknowledgement of receipt).



100% of employees in **Top Management** positions are of **local nationality**

Percentage of Women



Percentage of **women managers**
increased to **25.7%**

Ensuring meritocracy in compensation

INTRALOT has designed its compensation plan to follow market trends and ensure competitiveness of compensation packages, as well as support equal opportunity and transparency for all employees, with no discrimination per company department. At the same time, promotions and salary increases are connected with performance ratings and the Company also grants special ad hoc bonuses as part of the rewarding process for projects' participation and excellence. However, the Company's Board of Directors may consider criteria such as the individual performance of each employee, in order to grant remunerations and special payments or other benefits higher than those decided by collective agreements. In any case, all kinds of remuneration are paid accrued, in intervals that do not exceed a month.

It must be noted that:

- > There are no employees with salaries lower than the local minimum salary, as defined by the provisions of applicable laws, Ministerial Decisions, Collective Labor Agreements and Arbitration Awards.
- > The ratio of annual total compensation for the Company's highest-paid individual to the median of annual total compensation for all employees (excluding the highest-paid individual) is 16.4:1.

6.6

Human Rights and Bargaining

Following internationally recognized Human Rights principles

INTRALOT's operations strictly follow the internationally recognized human rights principles, as expressed by the United Nations, the International Labor Organization (ILO) and the relevant legislation. Based on these principles, INTRALOT:

- > Has signed the United Nations Global Compact since 2009.
- > Is committed not to allow child labor and forced or compulsory labor in any of its premises and fully respects human rights, as described within its Code of Conduct, without however assessing its operations for child labor and forced or compulsory labor risks within 2017.
- > Systematically monitors the relevant labor legislation by the ILO, which includes the prohibition of child labor and forced labor, as well as provisions related to human rights and working conditions.
- > Has established a grievance mechanism for employees to submit complaints regarding human rights and report concerns or incidents that impact or can potentially impact human rights, without however any concerns reported within 2017.

As a result of INTRALOT's practices, in 2017:

- > There are no operations identified as having significant risk for incidents of child labor or forced and compulsory labor.
- > There were no complaints or grievances regarding human rights violation.
- > There were no legal actions regarding human rights issues and no fines or non-monetary sanctions were imposed by the respective authorities.

Respecting confidential information

Security of personal information is not only an important issue related to privacy, but also a legal and ethical obligation, which requires a series of organizational and technical mechanisms. For this reason, INTRALOT:

- > Complies with the Data Protection Act's provisions throughout the entire recruitment and selection processes.
- > Treats all recruitment information and personal data as strictly confidential.
- > Has determined the types, methods and details of personal information keeping, according to the respective legal framework and the relevant legislation on personal data protection.
- > Keeps a personal file for every employee, where all documents concerning the employee are classified.
- > Keeps an electronic record of all employees' personal data in secure servers, where all data are protected and available only through personalized login procedure.
- > Allows only authorized Company employees to access personal files and information.
- > Does not share any personal information, with the exception of authorized Company Directors.

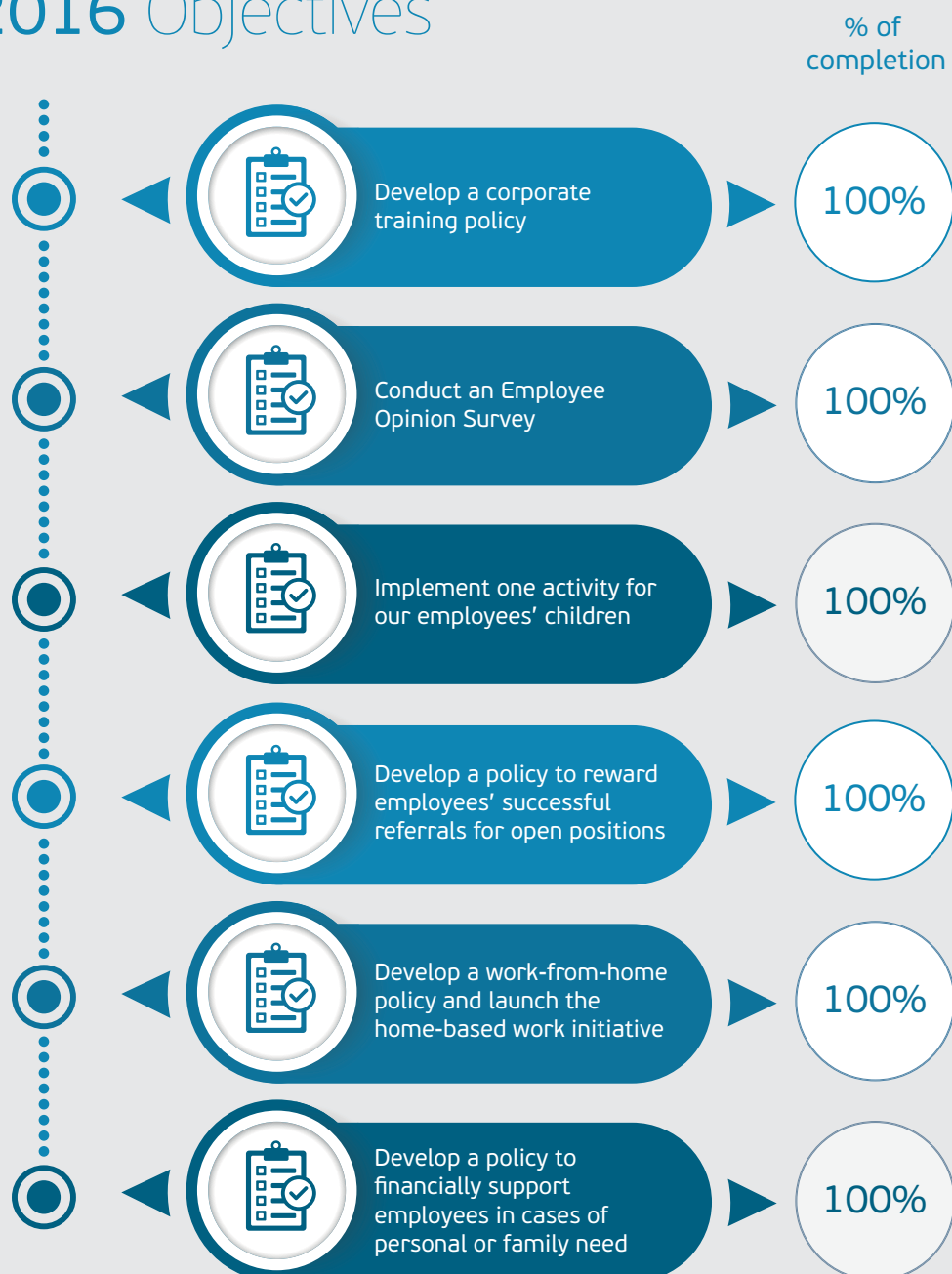
As a result of its practices, INTRALOT did not receive any formal complaints within 2017 regarding privacy issues or loss of employee personal data.

Respecting labor rights

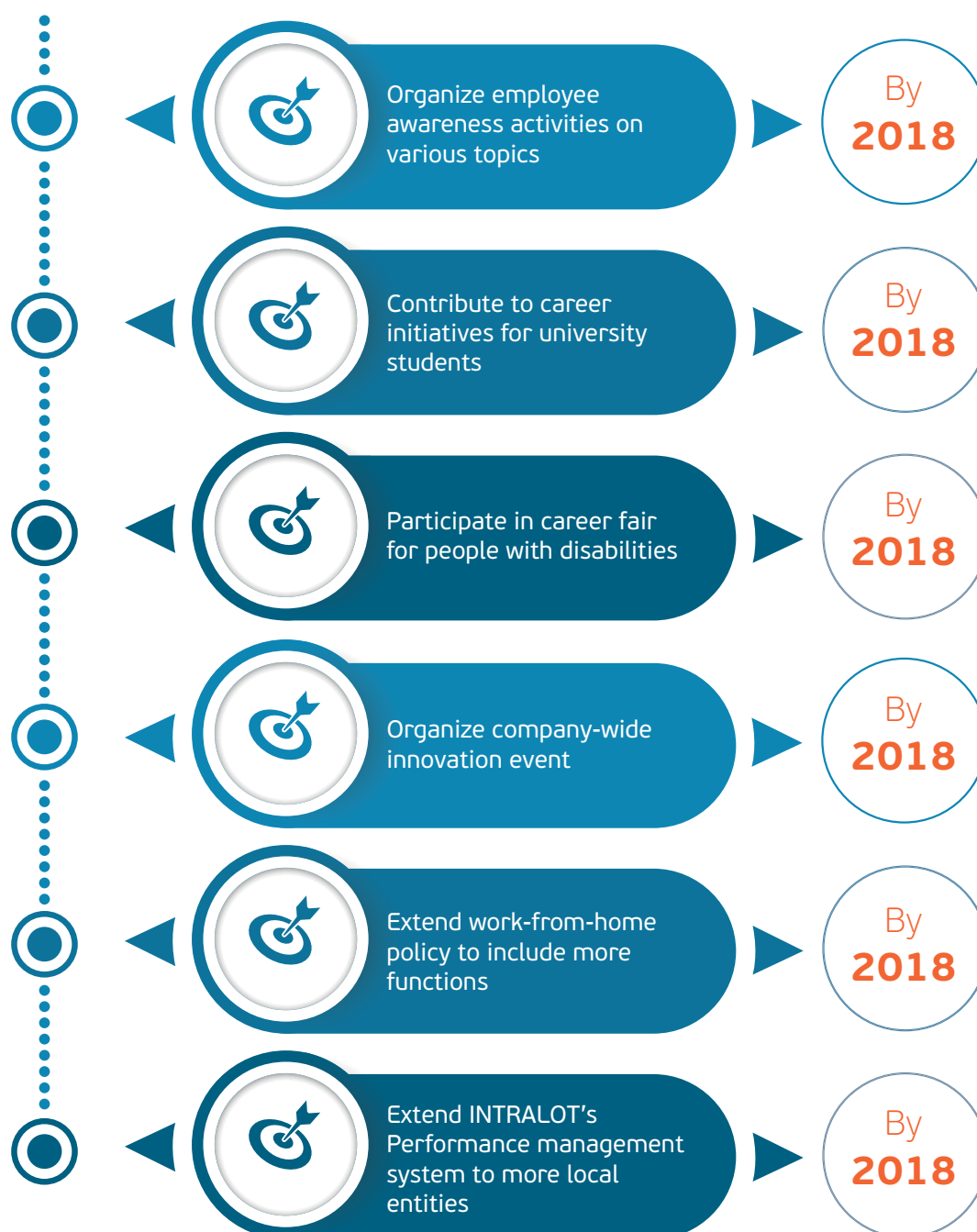
INTRALOT respects labor rights and does not restrict employees to exercise their right to freedom of association. Furthermore, it must be noted that:

- > All newly hired employees are informed about the essential terms of their contract in accordance with the provisions of the Presidential Decree 156/1994, which is governed by private law and drawn up immediately upon their recruitment.
- > There is a formal job description for every position within INTRALOT.
- > Approximately 14% of employees participate in formal employee unions.
- > 100% of employees are covered by the National Collective Labor Agreement.
- > No operations in which the right to exercise freedom of association and collective bargaining may be at significant risk have been identified.
- > INTRALOT's employees did not participate in any strike or lock-out within 2017.
- > INTRALOT abides by the relevant applicable legislation regarding the minimum notice period for operational changes.

2016 Objectives



2017 Objectives





7.0

Economic Sustainability

We ensure benefits for Shareholders, Suppliers, Business partners, Retailers and States, as we continuously invest in Research and Development of innovative solutions.

7.1

Overview

Since its founding a quarter of a century ago, INTRALOT has grown into a global leader as a gaming solutions provider and operator in regulated jurisdictions. Through its operations, the Company facilitates substantial development opportunities globally and contributes to the growth of local economies. The Group's strategy focuses on growth through local partnerships in new and existing markets and aims to expand and diversify its portfolio with complementary products and market share.

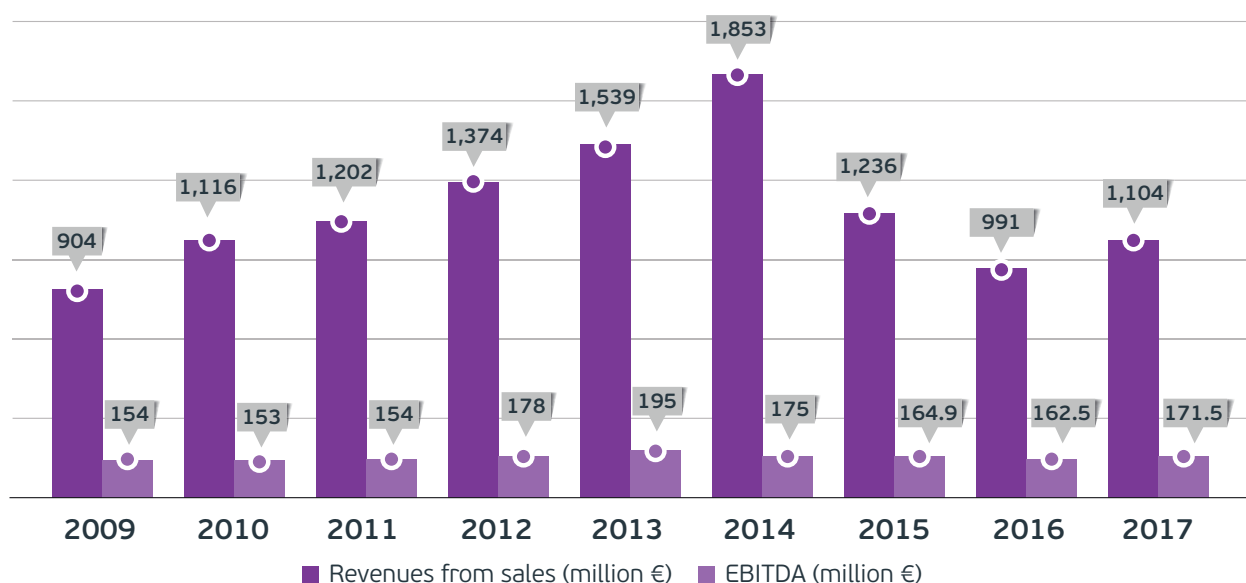
7.2

Financial Performance and Shared Value

Achieving economic development

INTRALOT Group currently owns a large portfolio of diversified contracts across geographies and business activities. Regarding the Group's financial results in 2017, revenues increased to €1,104.2 million, from €991.5 million in 2016, mainly due to increased revenues in licensed operations by 13.9%, as well as technology and support services by 9%. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) also increased and reached €171.5 million in 2017, compared to €162.5 million in 2016. Furthermore, the successful pricing of €500 million senior notes with a 7-year maturity period at a reduced 5.25% coupon provided a stable financing horizon through extension of the average debt maturity period.

Key Group Financial Highlights



Financial results have been restated for comparability, since the Group's activities in Italy, as well as the activities of Intralot de Peru SAC and Favorit Bookmakers Office OOO in Russia (from 2015 onwards) and Intralot Caribbean Ventures Ltd in Santa Lucia, Supreme Ventures Ltd in Jamaica and Slovenske Loterie AS in Slovakia (from 2016 onwards) are presented as discontinued operations pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.



Percentage of **Revenues** and **EBITDA** increased by **11.4%** and **5.5%** respectively, at Group level

The following table presents the main results for the 2013-2017 period, with additional financial information being available in the Annual Reports at www.intralot.com, while:

- > No other financial assistance was received from the Government, except for subsidies related to the Company's participation in the Employee Vocational Training Program (LAEK) organized by the Manpower Employment Organization (OAED) and grants from the Partnership Agreement for the Development Framework (ESPA) 2014-2020.
- > There were no legal actions regarding economic activities (e.g. stock market, financial reporting) and no fines or non-monetary sanctions were imposed by the respective authorities.

Group Financial Results

	2013	2014	2015	2016	2017
Total Assets	1,135,170	1,355,092	1,169,297	1,061,086	1,021,864
Invested Capital**	874,837	1,107,259	959,656	855,111	837,121
Total Revenues	1,565,382	1,885,381	1,270,931*	1,031,781*	1,128,127
Sales (PL)	1,539,430	1,853,164	1,235,466*	991,545*	1,104,197
Other Operating Income (PL)	17,361	18,630	23,139*	32,495*	17,168
Finance Income (CF)	8,591	13,587	12,326	7,741	6,762
Operating costs***	1,456,502	1,783,651	1,159,315*	927,481*	1,012,807
Gross profit /(losses)	267,908	270,234	233,727*	203,857*	241,869
Operating Income (EBITDA)	194,831	175,445	164,892*	162,506*	171,466
Profit / (losses) after tax (continuing and discontinued operations)	21,316	(7,642)	(20,676)	44,865	(6,021)
Employee wages and benefits	117,774	126,265	111,946*	106,854*	111,014
Payments to providers of funds	54,457	89,828	132,532	125,653	90,382
Dividends paid (CF)	16,645	23,663	67,682	42,161	38,621
Interest paid (CF) ****	37,812	66,165	64,850	83,492	51,761
Income tax	35,493	28,986	28,188	26,204	36,148
Investments*****	58,170	67,310	70,786	65,420	74,281

*Restated for comparability, since the Group's activities in Italy, as well as the activities of Intralot de Peru SAC and Favorit Bookmakers Office OOO in Russia (from 2015 onwards) and Intralot Caribbean Ventures Ltd in Santa Lucia, Supreme Ventures Ltd in Jamaica and Slovenske Loterie AS in Slovakia (from 2016 onwards) are presented as discontinued operations pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.

**Invested Capital = Equity + Debt

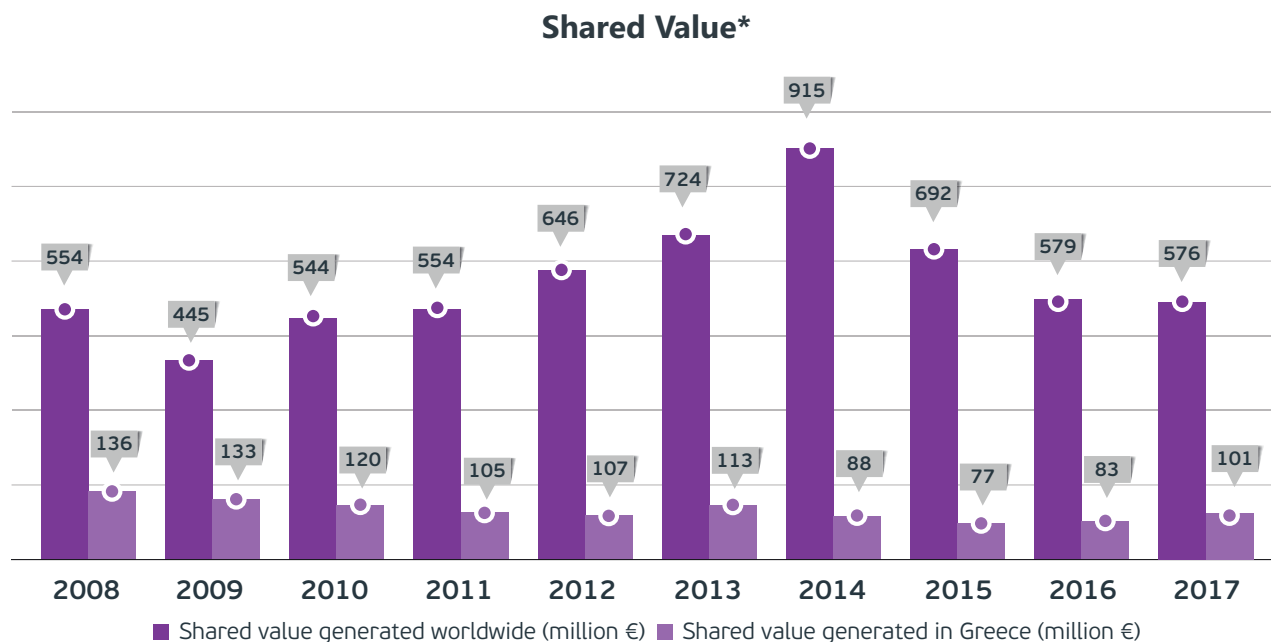
***Operating costs = Cost of Sales + Operating Expenses (including depreciation expenses); Operating Costs for 2013 and 2014 have been restated.

****Includes Refinancing Expenses, were applicable.

*****Investments = Purchases of tangible and intangible assets amounts in thousands of euros

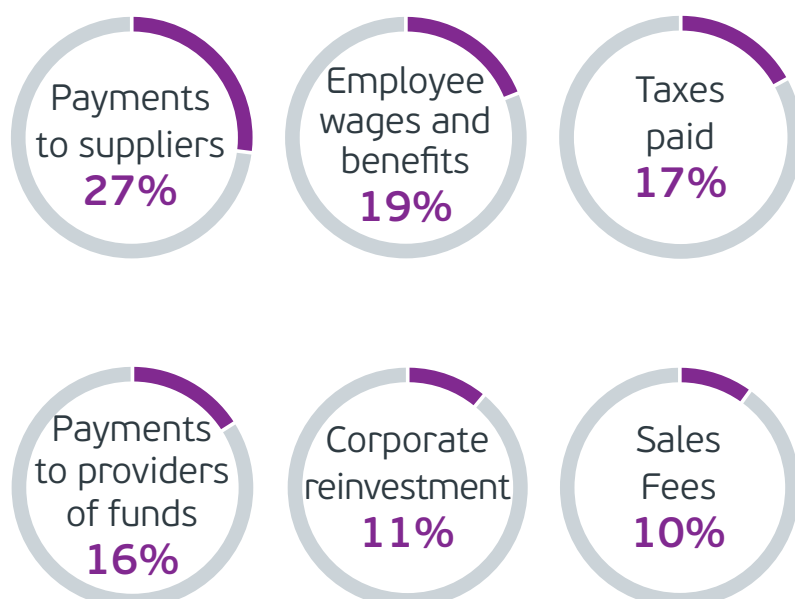
Sharing Value

INTRALOT Group generated €575.7 million of shared value for its Stakeholders in 2017, slightly decreased from €578.9 million in 2016. At INTRALOT level, the Company generated €101 million of shared value in 2017 in Greece.



**Shared value worldwide and in Greece does not include any of the Group's associate companies (e.g. Hellenic Lotteries in Greece, Gamenet in Italy). Shared value has been restated for comparability, since the Group's activities in Italy, as well as the activities of Intralot de Peru SAC and Favorit Bookmakers Office OOO in Russia (from 2015 onwards) and Intralot Caribbean Ventures Ltd in Santa Lucia, Supreme Ventures Ltd in Jamaica and Slovenske Loterie AS in Slovakia (from 2016 onwards) are presented as discontinued operations pursuant to IFRS 5, following the respective mergers and acquisitions and disposal activities.*

Group Shared Value Breakdown



The Group generated over **€6.2 billion** shared value in the last 10 years, with over **€1 billion** being in Greece





INTERNATIONAL GOOD PRACTICE

Financial Performance in Main Markets

With presence in all 5 continents, the Group runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and projects in newly developed gaming markets with significant growth potential.

The financial performance in main markets within 2017 was the following:

- > In the United States of America, INTRALOT Inc. posted a slight decrease of 4.5% in both revenues and GGR, mainly due to biggest Powerball Jackpot in the USA history in 2016 that boosted numerical games sales, as well as the reduced sale of Multi-Purpose Quick Keno (MPQKs) terminals in Ohio, despite the increased revenues from instants and Ohio's cooperative services program (CSP), an instant tickets product management contract.
- > In Greece, both revenues and GGR increased by 18.2% mainly attributed to the full year effect of the Peruvian contract following the recent merger and acquisition, as well as a one-off fee of €3 million related to the Hellenic Lotteries project. The country is the center of the Group's operations and the betting center that controls the Group's global fixed-odds betting activity, along with significant research and development programs and corporate headquarters.
- > In Argentina, revenues and GGR increased by 12.1% and 8.8% respectively and the Group demonstrates consistent performance year-over-year in local currency, as a result of the relatively stable market share (operation in specific provinces), with the improved performance in Euro terms driven by the favorable exchange rate.
- > In Oceania, both revenues and GGR increased by 15.4% as the result of a software license right sale in Australia, with all other operations remaining relatively flat between 2016 and 2017.
- > In Turkey, both revenues and GGR marginally increased by 0.3% due to the positive impact of the shift towards online betting for Bilyoner's operations, which fully mitigated the local currency devaluation and the reduced Inteltek's sales, being affected by the local currency devaluation.
- > In Morocco, Intralot Maroc recorded both increased revenues and GGR by 10.8% due to the significant increase in Sports Betting revenues from the enhanced product offering, increased focus on Fast Draw Games, introduction of Virtual Games and re-launch of Keno, despite the moderate performance in Lottery and Instant Games.
- > In Azerbaijan, Azerinteltek's revenues and GGR increased by 32.2% and 34.2% respectively due to the significant growth in Sports Betting and Greyhounds Racing from enhanced product offering and retail-oriented initiatives, which was however partially offset by unfavorable performance in Numerical Games and Horse Racing.
- > In Bulgaria, revenues and GGR increased by 5.1% and 15.7% respectively, driven by the full year effect of Eurobet OOD and the continuous growth of Virtual Sports, which fully offset the lower Sports Betting revenues due to a shift towards Online Betting and conservative payout strategy.
- > In Malta, Maltco Lotteries' revenues and GGR increased by 0.8% and 1.7% respectively, with the company demonstrating steady performance in one of the most mature and highly competitive markets, focusing its efforts towards an enriched player proposition in both numerical and betting games, as well as the launch of new games.

7.3

Innovation and Research

Promoting Research and Innovation

INTRALOT continuously invests in Research and Development of innovative solutions, based on novel product design and development, as well as on existing products evolution. The Company aims to enhance quality, performance and flexibility, while decrease development, maintenance and deployment costs. INTRALOT's focus to achieve significant technological competencies is centered around three areas, notably People, Processes and R&D tools.

Research and innovation are strategically important issues for INTRALOT, as they allow the Company to:

- > Launch innovative products.
- > Implement new design and new technology functionalities.
- > Advance business goals.
- > Promote knowledge and know-how sharing among its employees.
- > Support the development of human capital.

Indicating its commitment to Research & Development, INTRALOT has Development Centers in the United States of America, Greece, Bulgaria and Malta and cooperates with leading educational institutions and technology vendors to promote research and innovation. Overall, INTRALOT Group spent €14.6 million in R&D in 2017, compared to €14.7 million in 2016. Furthermore, the Company held 169 patents and designs in gaming technology worldwide, compared to 130 patents worldwide in 2016, with 61 additional patents at various stages of approval. These patents allow the Company to protect its intellectual capital and the current goal of INTRALOT R&D is to leverage trends in mobile technology, multiple gaming channels, the internet of things (IoT), cloud computing and HTML5, which converge towards an 'anytime, anywhere' environment. The Company's most recent patents include:

- > An innovative mobile lottery application.
- > A novel fraud prevention and detection system for lottery and betting operators.
- > A unique game that combines a selection of figures and numbers.
- > A novel graphical representation method to display draw results.
- > A high-end system using cameras to read lottery / betting slips (coupons) in different conditions.



GOOD PRACTICE

R&D Investment Ranking

For the twelfth consecutive year, INTRALOT was ranked amongst the top investing organizations of the 2017 European Union Industrial Research & Development Investment Scoreboard, which is annually published by the European Commission's Joint Research Centre (JRC) – Institute for Prospective Technological Studies (IPTS) and the Directorate General for Research and Innovation – Directorate A, Policy Development and Coordination.

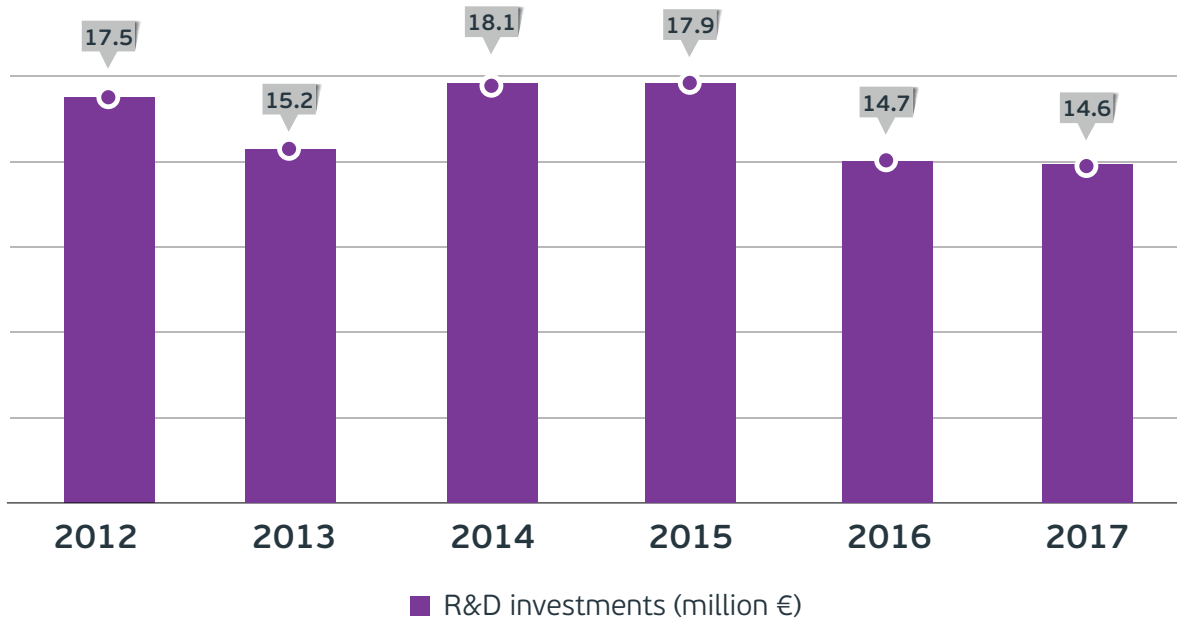
As a result of its commitment to promote research and innovation, INTRALOT:

- > Was ranked 733rd in the list with the 1,000 most significant R&D investors in Europe and 37th at the 'Technology Hardware & Equipment' European Industrial Sector list of the Scoreboard.
- > Was one of the only five companies from Greece to be included in the 2017 Industrial R&D Investment Scoreboard and the only one in the 'Technology Hardware & Equipment' Industrial Sector.

The 2017 Scoreboard rankings highlighted that:

- > The World's top 2,500 companies invested €741.6 billion in R&D, which represents approximately 90% of the world's business-funded R&D.
- > The World's top 2,500 companies increased their Research and Development investments by 5.8% over the previous year, mainly driven by ICT services and producers, health care and automotive industries, while sales, operating profits and employee numbers increased by 0.1%, 8.7% and 1.7% respectively.
- > Companies based in China, Europe and USA increased their R&D investments by 18.8%, 7% and 7.2% respectively, while companies based in Japan decreased their R&D investments by 3%.

Group R&D Investments



Group R&D investments for 2015 and 2016 have been restated and refer to a continuing operations basis from 2015 onwards.



Over €14.6 million were invested for **research and development**, at Group level

Forming research partnerships

Besides producing in-house research, INTRALOT seeks research partnerships with independent research centers and organizations and has formed collaboration agreements with various leading institutions. To this date, the Company has formed the following main research partnerships:

Partnership with Corallia Gaming Cluster

Since 2010, INTRALOT has an ongoing partnership with the Corallia Clusters Initiative, a non-profit organization focusing on to facilitating innovation. As a result, the gi-Cluster (www.gi-cluster.gr) was established in 2012, in order to:

- > Create a leading and functional business innovation ecosystem.
- > Produce new technologies and competitive products.
- > Advance scientific knowledge and business research talent from all areas.
- > Improve Greece's position in international competitiveness rankings.

gi-Cluster main gaming technology categories

Product Categories	Platforms and social networking content
	Three-dimensional machines (3D engines)
	Serious Games
	i-Gaming
	Digital Signage
Support services	Creative Content
	Research and gaming systems development



INTERNATIONAL GOOD PRACTICE

Maltco Innovation Contest

During 2017, Maltco Lotteries launched the Maltco Innovation Contest 2017 and invited all employees and agents to participate and foster innovation, as well as contribute ideas for new game concepts for its land-based retail network. To ensure the contest's transparency, a Public Notary reviewed all participations and all submissions were evaluated according to the proposal's completeness, originality and innovation, feasibility and relevance to the company's mission and values.

Partnership with the Athens Information Technology

INTRALOT has a partnership with the Athens Information Technology (AIT), a non-profit Center for Research and Education in Information Technology, Telecommunications and Innovation Management. The main project collaborations with AIT are the following:

- > Collaborate in story storytelling, visual design and development of a 2D interactive educational game on ISMS scenarios, in order to assess the acquired know-how of employees on aspects related to INTRALOT's Information Security Management System.
- > Design and implement an Addiction Detection Engine (ADE) with three major modules:
 - A game-evaluation module, which comprises of a decision tree that allows game designers to evaluate whether a proposed game-design has high risk of being addictive or not.
 - A player addiction detection module, which constantly monitors player's historical behavioral data.
 - A self-awareness feedback module, which includes an appropriate self-evaluation questionnaire.
- > Define and implement a gaming ecosystem for new game development and game playing (Gamez-on).
- > Develop novel image and video processing technologies previously designed by AIT for INTRALOT.

INTRALOT's collaboration with AIT has led to numerous patents as well as technological innovations, which contribute to INTRALOT's competitive advantage, while AIT's researches gain knowledge on the practical application of scientific and technology results to the market.

7.4 Responsible Procurement

Supporting suppliers

INTRALOT has 7,246 suppliers in 6 main categories, with approximately 75% of them being local suppliers. Despite the globalization of procurement, the Company continues to purchase a considerable amount of products and services from local suppliers and its priority is to work with local suppliers, where possible. Payments to suppliers amounted to €37 million in 2017, with the percentage of procurement expenses allocated to local suppliers reaching 58%.



Percentage of procurement expenses allocated to **local suppliers reached 58%**

At the same time, INTRALOT aims to keep its contractual obligations regarding payments to suppliers. Indicatively, in 2017:

- > The average supplier payment time was between 30 to 60 days, as in 2016.
- > The percentage of payments made according to the terms and provisions of the signed contracts was between 95% to 98%, compared to 98% in 2016.

Suppliers and Purchases



Selecting suppliers responsibly

INTRALOT recognizes its suppliers as significant partners and establishes collaborations within the context of its values and principles, relevant legislation and international codes and standards. As an ISO 9001 certified company, INTRALOT business processes follow standardized procedures throughout the entire product chain, which include:

- > A written procurement policy with step-by-step procedures, supplier requisites and documentation, in order to ensure fairness and compliance with quality assurance standards.
- > A Quality Management System (QMS) to ensure consistency with quality standards, maintain regular contact with suppliers, exchange feedback and improve products or services. INTRALOT's QMS is based on open communication between the Department of Contracts and Procurements and the Technical Support Department through the corporate intranet portal, where input on subcontractor performance is shared and also allows recommendations for new or continuing partnerships.
- > Annually audited procurement processes to ensure that the most qualified vendors and service providers for all materials and services used are selected.
- > A non-discrimination policy during the procurement process, regardless of race, color, gender, sexual orientation, religion, disability, age, ancestry and national or ethnic origin.



POLICY

Purchase Agreements with Suppliers

According to the provisions of the Code of Conduct, all purchase agreements have to be sufficiently documented and clearly state the services or products to be provided, the unit price, the method and terms of payment, as well as the applicable rate or fee, while the amount of payment has to be commensurate with the products or services provided.

Monitoring suppliers

INTRALOT works closely with its suppliers and subcontractors, in order to share the Company's quality policy and requirements.

- > Suppliers' performance is regularly monitored through quality control assessments by senior quality engineers on a financial and technical basis per order, in order to help suppliers improve the quality of delivered products or services.
- > Subcontractors are annually monitored or following certain changes since the previous evaluation, such as delivery of new products or introduction of a new Quality Plan. In any case, the subcontractor is evaluated on certain features, including the existence of its own certified Quality Management System and compatibility of its own Quality Plan with INTRALOT's.

Since the Company's establishment, a supplier financial and technical assessment is conducted by INTRALOT for all suppliers, which evaluates their performance on the following main criteria:

- > Financial cost.
- > Quality specifications.
- > Time to delivery.

In order to enhance informed decision making, INTRALOT follows a due diligence process on suppliers' financial data, without at the moment any separate process to identify suppliers with actual or potential negative environmental, labor practices and human rights impacts or impacts on society, which plans to establish in 2018.

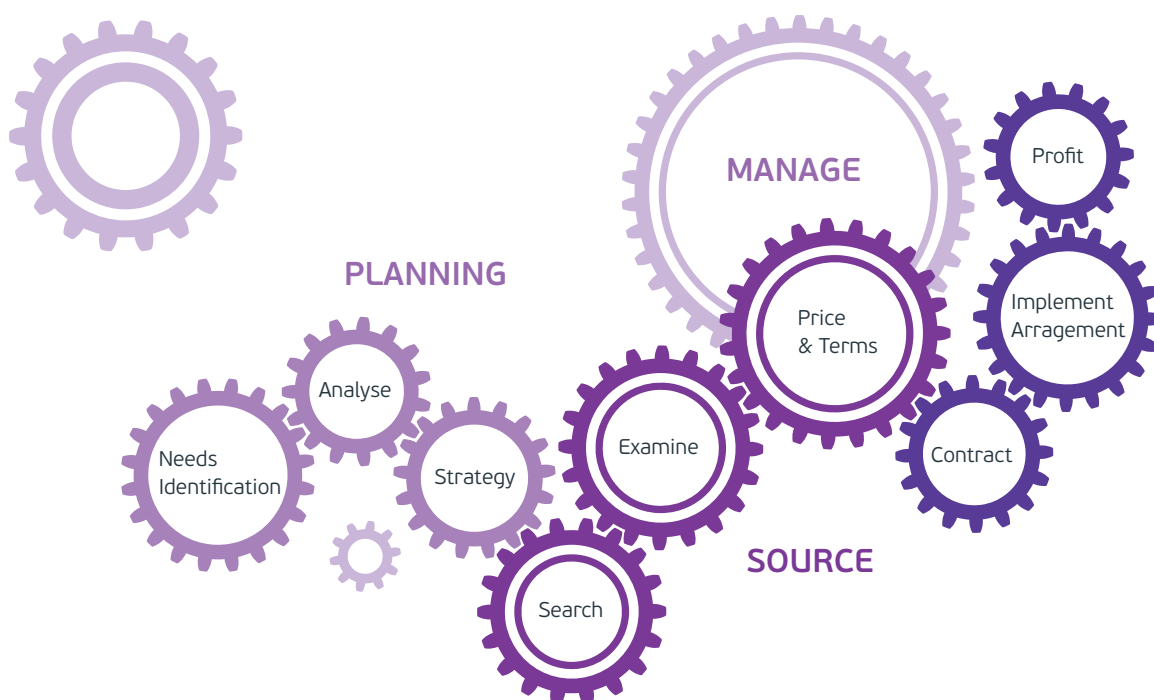


GOOD PRACTICE

Monitoring Supplier Performance

INTRALOT has established a procedure to monitor performance of equipment and services suppliers, according to which the Global IT Professional Services Department utilizes up-to-date input from the Group Procurement & Logistics Department on the contractual agreement with each supplier, in order to ensure that the suppliers' offerings and services are in accordance with their contractual commitments. During the review, the following issues are examined:

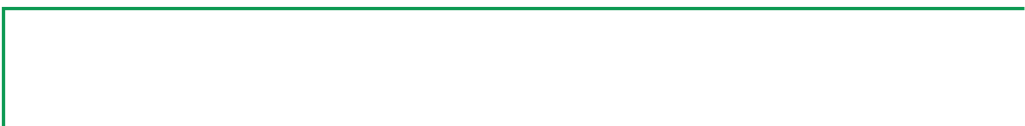

- > Quality of deliverables.
- > Infrastructure deployment according to the project plan.
- > Testing.
- > System performance.
- > Incidents recorded by the Global Service Desk.





8.0

Societal Support



We are fully engaged with the evolving needs of our local communities, our employees, our partners and the environment we live in, and are constantly driven by the feeling that what we do touches people's lives.

8.1

Overview

The gaming industry where INTRALOT operates is a highly regulated sector and revenues from gaming operations are allocated by governments to support various social causes in several jurisdictions worldwide. An indicative example of that support is lotteries, which are mainly public-private partnerships as most state lotteries nowadays are privately managed within the context of public interest.

A key element of INTRALOT's approach to society is to understand the expectations of local community members and effectively contribute to their needs. The Company seeks to align its economic growth with support to society and strives to:

- > Support knowledge and technological know-how sharing to local communities.
- > Contribute to enhance the quality of life.
- > Implement programs to create value to different groups and accelerate social growth and prosperity.

While environmental protection is a particularly important aspect for most industries, the gaming industry can be considered as of relatively low impact to the environment. However, improving its environmental performance is a challenge that the Company takes very seriously. Therefore, INTRALOT:

- > Has established an Environmental Management System (EMS), fully compliant with ISO 14001:2015 requirements, which is continuously improved in accordance with INTRALOT Group strategic objectives. The EMS is audited annually by TUV Nord Group and re-certified every three years.
- > Has established an Environmental Legislation Monitoring Procedure to ensure compliance with applicable environmental national and international laws and regulations.
- > Has adopted eco-friendly processes, in order to conserve energy and natural resources to minimize the potential impact of its operations on the environment, as well as address environmental issues throughout its products and services' life cycle, such as:
 - Produce energy efficient and durable products.
 - Design products without any hazardous and restricted materials.
 - Increase the use of recyclable materials.
- > Takes into consideration regular environmental impact assessments.

It must be noted that within 2017:

- > There were no incidents with environmental impacts on local communities.
- > There were no written notices regarding environmental issues by respective authorities.
- > There were no complaints about environmental impacts filed through formal grievance mechanisms, no prosecutions or legal actions for environmental issues and no fines or non-monetary sanctions for non-compliance with environmental laws and regulations were imposed by the respective authorities.





DID YOU KNOW?

Society Support

According to data from the European Lotteries Association (European Lotteries - EL), the umbrella organization of national lotteries operating games of chance for the public benefit, the 70 reporting EL members in Europe within 2016:

- > Returned approximately €23.5 billion back to society, increased by 4.4% compared to 2015.
- > Gave back to society over 64% of their Gross Gaming revenues on average (not including sponsorships) for sports, funds to support other good causes and taxes.
- > Employed approximately 27,000 full-time employees, without including the approximately 19,800 people employed by the Organización Nacional de Ciegos Españoles (ONCE) in Spain, who are persons with disabilities selling the tickets and are also considered as full-time employees.
- > Have created over 404,000 indirect work positions, typically in the sectors selling lottery products.
- > Invested significant amounts on measures to prevent problem gambling.

Furthermore, it is estimated that WLA Member Lotteries returned approximately \$79.7 billion to good causes in 2016, increased by 5.4% compared to 2015.

Source: EL Report on the Lottery Sector in Europe 2016, WLA Annual Report 2017

We care a lot



at INTRALOT

8.2

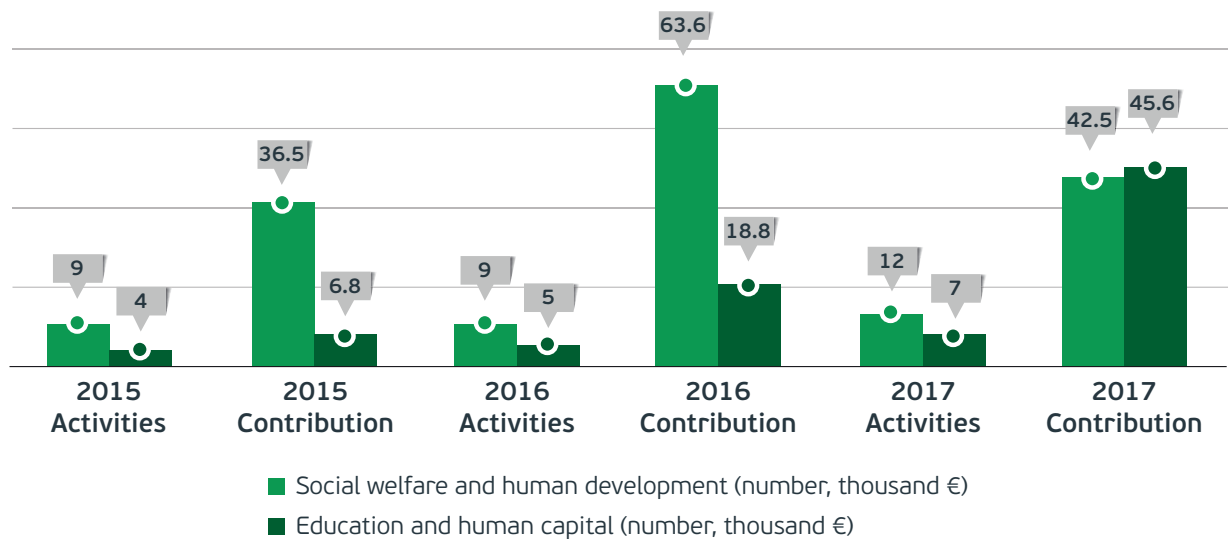
Society Support

Contributing to Society

INTRALOT is committed to support the communities where it operates, as they provide the resources, infrastructure and markets for its businesses operations. Therefore, the Company has launched the targeted social support program 'INTRALOT – We Care a Lot', which included 19 activities in 2017, with a total investment of over €88,000 in two main areas:

- > Advance education and human capital.
- > Support social welfare and human development.

INTRALOT - We Care a Lot Program



Advancing education and human capital

Education and human capital constitutes an important priority and INTRALOT supports various activities, which include:

- > Funding the University of Hohenheim's Gambling Research Center to promote research on gambling.
- > Sponsoring the 'Arsakeios Run' race.
- > Sponsorship support of the 'Beach Volley Team', which participates at Hellenic Championship Masters.



19 activities were supported through social support program, with **€88,000 invested**

Supporting social welfare and human development

INTRALOT's initiatives focus on supporting underprivileged groups, in collaboration with various NGOs and institutions, with indicative examples being:

- > Support of the organization 'Make-A-Wish Greece' to organize its annual official banquet 'Wish upon a star'.
- > Donation of toys to the organization 'Together for Children'.
- > Donation to the Holy Metropolis of Thebes and Livadia.



GOOD PRACTICE

Supporting Youth Entrepreneurship and Innovation

As a follow-up to the 3-day 'Panorama of Entrepreneurship and Career Development' initiative in 2017, one of the most important youth entrepreneurship and career building events in Greece, organized for the 7th consecutive year by the Athens University of Business and Economics, INTRALOT organized a Business Day study visit and seminar at the Company's premises, where university students and graduates:

- > Were informed about the Company's products and services, as well as its global operations.
- > Were induced into the principles of Responsible Gaming.
- > Learned the required steps to turn an idea into a product.
- > Participated into an interactive workshop to create their own game.
- > Learned to identify and apply for the right job according to their skills and competencies.
- > Exchanged ideas with INTRALOT executives.



GOOD PRACTICE

Supporting Underprivileged Groups and Children

Recognizing that internal engagement is a key parameter to help people in need and improve their quality of life, during 2017 INTRALOT:

- > Organized a Christmas celebration for all employees' children, during which children donated used toys and books to the NGO 'Together for Children', which supports over 30,000 children annually.
- > Sponsored the participation fees of 65 employees in the 35th Athens Marathon and donated the amount to the NGOs 'Make-A-Wish Greece' and 'Greek Society for the Protection of Autistic People'.



INTERNATIONAL GOOD PRACTICE

Maltco Lotteries Society Support

During 2017, Maltco Lotteries supported the local community through activities that contribute to the improvement of residents' daily life, which included:

- > Contribution to the National Lotteries Good Causes Fund for beneficiaries in various sectors (e.g. health, education, culture, sports), with over €710,000 contributed since June 2016.
- > Contribution to the Responsible Gaming Foundation for the Government's National Lotteries Good Causes Fund, as well as for a unique educational scholarship on a local responsible gaming research (see Section 5.1).
- > Contribution to the annual President's Solidarity Fun Run for the Malta Community Chest Fund Foundation, which provides financial, material and professional support to people experiencing difficulties because of severe chronic illness, such as cancer.
- > Participation and support to the Move & Walk initiative and the #WalkWithBjorn Fund Raising marathon for the ALS Malta to support patients with Amyotrophic lateral sclerosis (ALS) and Motor Neurone Disease (MND) all over the country.
- > Participation to the European Week of Sport awareness to promote sport and physical activity across Europe, where the company organized the Maltco Lotteries Indoor Rowing Challenge for the third consecutive year.
- > Sponsorship of the Malta Sports Journalists (Għaqda Ġurnalisti Sports), which serve Maltese sports fans across all national media and inform them about local sports.
- > Participation and support of the Malta Cybercrime Conference 2017 titled 'Cybercrime vs Cybersecurity - Trends, Threats and Truths', which focused on topics such as current local and international cybercrime trends, emerging threats, risks for critical national infrastructures and resulting legislative response and the rise of identity theft and online fraud.
- > Donation to a TV Fund Raising LIVE Marathon to support children in Africa, India and Philippines.
- > Endorsement of Green MT's 'Tetra għall-Istrina' campaign, an environmental initiative to collect milk and juice cartons and divert them from being sent to landfills, which is part of the European Week for Waste Reduction.
- > Award of the eight 2016 Sport Malta Awards winners to promote sport disciplines and strengthen local athletes and their qualities.



INTERNATIONAL GOOD PRACTICE

Cuidar Network

Aligned with its objective to contribute to social well-being, INTRALOT Brasil has launched the Cuidar Network (Rede Cuidar), which allows access of public units and social assistance entities to financial incentives, advice and qualification. The Network aims to improve the quality of life of children, adolescents, people with disabilities and elderly people, as well as families and other vulnerable social groups.



INTERNATIONAL GOOD PRACTICE

Blood Donation

Maltco Lotteries seeks to cultivate volunteerism and involve its employees in voluntary initiatives and programs, in order to develop responsible and active citizens. During 2017, the company organized a visit and a voluntary blood donation to support the National Blood Transfusion Centre's Blood Bank to support needs of society in general and ensure adequate availability of blood for Malta's hospitals.

Ensuring responsible donations and sponsorships

INTRALOT aims to ensure that donations and sponsorships are responsibly utilized and therefore:

- > Does not perform donations or sponsorships to win a business deal or transaction.
- > Makes contributions exclusively to charitable organizations instead of individuals.
- > Supports organizations and charities registered under local laws.
- > Monitors contributions with relevant performance indicators.
- > Performs background checks on the charity, as well as the charity officials and managers.

Encouraging volunteerism

INTRALOT seeks to leverage corporate skills and resources and cultivates volunteerism through various activities, as described below:

INTRALOT Runners

Within 2017, INTRALOT participated with 65 runners to the 35th Athens Marathon, the Authentic, with over 50,000 participating athletes from 100 countries. For the sixth consecutive year, 'INTRALOT Runners' ran the 5km, 10km and 42km races of the Marathon to support the NGOs 'Make-A-Wish Greece' and 'Greek Society for the Protection of Autistic People'.



For the **last 6 years**
more than **250 INTRALOT runners**
volunteered to participate at
The Authentic Athens Marathon
in support of various **NGOs**.

Blood donation

In order to further contribute to society, INTRALOT implemented one blood donation program within 2017, in cooperation with the Athens Children's Hospital 'Aghia Sofia', where INTRALOT has established a blood bank. As a result, the Company gathered 60 blood units, to support needs of employees and their families, as well as needs of society in general.



60 blood units were gathered, through employees' **voluntary blood donation** program

Caring for the impact of operations

Local communities constitute an important Stakeholder of INTRALOT, as they are directly related with the Company and its activities. Therefore, the Company aims to remain aware of its operations' effects and identify their impacts on local communities. To this day, the Company has not identified any operations with significant actual or potential negative impacts on local communities.

It must be noted that within 2017:

- > Approximately 75% of INTRALOT's premises are accessible by people with disabilities.
- > There were no significant investment agreements and contracts with clauses on human rights.
- > There were no accidents with significant impact on the local communities.
- > There were no complaints about impacts on society filed through formal grievance mechanisms and no fines or non-monetary sanctions for non-compliance with relevant laws and regulations were imposed by the respective authorities.



GOOD PRACTICE Together for Children

Being part of INTRALOT's efforts to respond to society needs, the Company actively promoted an internal volunteering initiative to assist the organization 'Together for Children'. As a result, the Company informed employees on the specially marked collection bins in eating areas of Maroussi and Peania premises, where employees could place used items, such as clothes, shoes, books and toys and donate them to support the organization help children in need.

8.3

Materials and Waste

Reducing materials

Materials consumption at INTRALOT is a direct result of its operational needs (i.e. paper, toners). It must be noted that the Company:

- > Uses central printers to scan and electronically disseminate copies, in order to reduce its paper and toner consumption for bid documents and other hard copies.
- > Monitors and controls printing volume through centralized MPS printers, where employees use their access cards to print any documents.
- > Replaced plastic cups with glass cups in water coolers, which prevents disposal of approximately 360,000 plastic cups each year.

Materials' Consumption

	2014	2015	2016	2017
Paper (kgs)	13,550	10,425	6,800	6,730
Toners (units)	NR	419	239	296

NR = Not reported



**Paper consumption
reduced by 1%**

It must be noted that manufacturing of gaming terminals complies with the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, which limits or bans specific substances in new electronic and electric equipment (e.g. lead, cadmium, PBB, mercury, hexavalent chromium, PBDE flame retardants). At the same time, INTRALOT requires that its suppliers located in Europe comply with the RoHS Directive, as well as the Waste Electrical and Electronic Equipment (WEEE) Directive 2002/96/EC.



POLICY

Environmental Policy

The Company is committed to minimize its potential environmental impacts, conserve energy and natural resources and fulfill its obligations related to environmental legislation. According to the provisions of the Code of Conduct, INTRALOT is committed to being an environmentally accountable corporate citizen and strives to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. For this reason, the Company has established an Environmental Management System (EMS), fully compliant with the requirements of ISO 14001:2015, with the following key points:

- > Exploit state-of-the-art technology to establish environmentally friendlier and efficient operations, which minimize waste, pollution, health and safety risks, as well as enable safe waste disposal.
- > Be an environmentally responsible Company and address incidents or conditions that threaten health, safety or the environment.
- > Meet or exceed the environmental legislation that relates to its operations and processes (i.e. national legislation, European regulations, legislation and non-normative directives).
- > Minimize emissions through appropriate selection and use of vehicle fleet and employee travel methods.
- > Actively promote recycling, both internally and amongst customers and partners.
- > Set and evaluate achievable environmental performance goals to continuously improve the EMS.
- > Use materials and technologies that comply with environmental standards and recycle old equipment in an environmentally responsible way.

INTRALOT's Top Management is responsible to ensure that the Environmental Management System incorporates all mandatory legal requirements and the Environmental Risk Officer monitors risks related to the environment, proposes changes to the Environmental Management System and ensures that all changes have been understood and are followed.



GOOD PRACTICE

Environmental Management System

According to a formal corporate procedure, INTRALOT is committed to protect the environment from the potential impact of its activities. As part of its commitment, the Company identifies and evaluates the environmental impact of its activities, structured around 4 steps:

- > Identify the environmental aspects which INTRALOT can control or influence, through:
 - Formal risk assessments.
 - Materiality Analysis, as part of the annual Corporate Responsibility Report.
 - Review of environmental legislation.
 - Compliance obligations and agreements with interested parties.
 - Corporate business decisions.
- > Determine which environmental aspects have significant impacts.
- > Determine and take measures for the significant environmental aspects.
- > Update the identification and evaluation of environmental aspects.

The assessment results to an environmental aspect overall priority assignment, which combines the outcome of the following criteria:

- > The level of environmental impact severity, using a 1-5 impact scale.
- > The likelihood of its occurrence, using a 1-5 likelihood scale.



GOOD PRACTICE

Designing eco-friendlier Products

The Company uses 3D design techniques and simulation software products, in order to minimize the prototype re-design stage, reduce costs and efficiently utilize materials. As a result, INTRALOT:

- > Integrates NFC technologies (and generally cashless payment services) in vending machines.
- > Promotes the use of digital solutions, in order to reduce paper consumption.
- > Develops products that allow game participation in a total paperless environment, where neither coupons nor tickets are needed.
- > Has introduced the LOTOS™ Horizon multimedia platform to deliver information to digital signage displays inside the retailer shops, which allow players to access constantly updated information, with no need to print anything.
- > Has adopted the use of cameras in terminals, in order to replace page scanners, which leads to using fewer materials and parts.
- > Has introduced ARM technology processors in its full range of retailer terminals, which combine high computing power and low energy consumption and result in more reliable, long lasting and environmental-friendlier terminals.
- > Uses the most efficient techniques to balance the computing power required for demanding applications and retain the terminals' low energy footprint.
- > Uses category 6 external power packs in all terminals (the latest efficiency standard), in order to ensure the lowest energy footprint during operation and stand-by mode.
- > Has designed 40% of its gaming terminals fan-less, in order to achieve higher reliability.
- > Has fully replaced conventional CCFL (cold-cathode fluorescent lamp) technology monitors with LED monitors, which are more energy-efficient and environmental friendlier, as they use 30%-50% less power than conventional monitors and do not contain mercury, halogen or lead.
- > Uses plastic and metals that can be recycled in its terminals, which is also the case for most of the electronic components.
- > Uses recycled paper for the packaging carton boxes of its terminals and all packaging material is reusable and durable, in order to be re-used to transport equipment.
- > Encourages customers to recycle the decommissioned terminals and participates in the recycling scheme in all operating specific markets.

Recycling materials

In order to further reduce its environmental footprint, INTRALOT follows the relevant legislative framework concerning waste disposal and does not directly send any waste to landfills. Instead, all waste is systematically collected and sent to a licensed recycling partner, who handles waste disposal in an appropriate and environmentally friendlier manner.

At the moment, INTRALOT does not use recycled or FSC certified paper or any other recycled materials. It must be noted that the Company is responsible to remove hazardous waste included in hardware produced or traded by INTRALOT according to environmental procedures in cases of leased equipment that is removed after the expiration of the agreement.

Recycling bins

In order to collect and convert waste materials into reusable objects, INTRALOT has placed recycling bins, which include:

- > Green recycling bins for paper on each floor. The Company has assigned specialized employees to handle collected paper and regularly sent it to a partner recycling company.
- > Blue recycling bins for aluminum cans on each floor.
- > Clear recycling bin for batteries at the main entrance.
- > Specially marked bins in the kitchen areas of Maroussi and Peania premises for recyclable materials such as plastic, metal and glass packaging.

Electronic equipment

The Company re-uses telecommunication devices and IT equipment (such as personal computers and mobile phones) if they are in working condition and re-assigns them to another user. In case they cannot be re-used, the Company stores certain components as spare parts (such as memory discs, batteries and hard discs) and forwards the remaining materials for recycling.

Materials Recycling

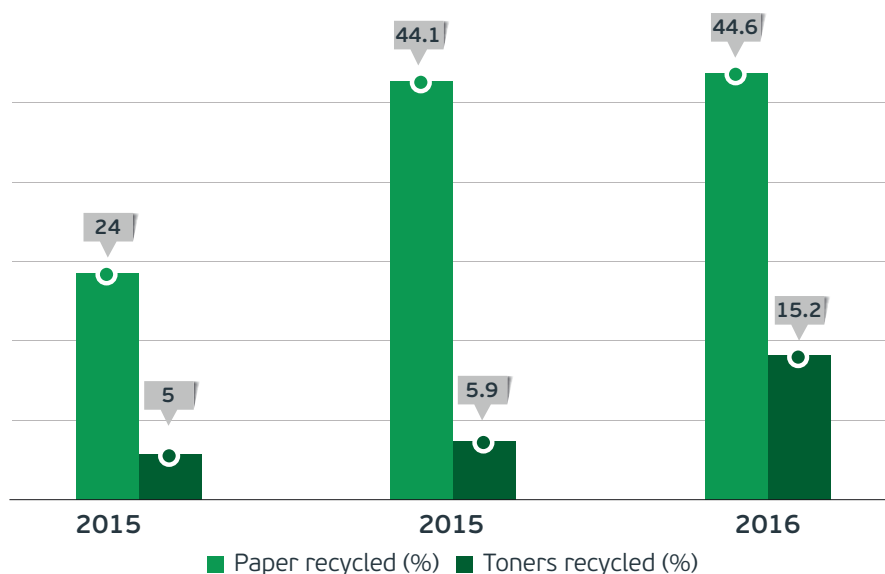
	2011	2012	2013	2014	2015	2016	2017
Operational needs							
Paper (kgs)	7,200	7,350	7,125	10,162	2,500	3,000	3,000
Toners (units)	716	818	820	740	21*	14	45
Batteries (kgs)	498**	93	33	40	63	34	14 (additional 37 kgs collected, but not yet recycled)
Electrical and electronic equipment (WEEE) (kgs)	NR	NR	NR	NR	NR	12,810	NR
Packaging materials							
Cardboard / paper (kgs)	2,500	2,500	NR	3,000	2,750	3,000	3,000
Cardboard packaging for liquids (kgs)	0	0	NR	0	1	0	0
Plastic (kgs)	10	0	NR	1	0	1	1
Wood (kgs)	3,000	3,000	NR	3,500	3,200	3,000	3,000
Packaging pieces (units)	18,000	18,000	NR	20,000	19,000	19,000	19,000

*Toners from centralized printers (MPS) for June-December 2015.

**450kgs were car batteries.

NR = Not reported

Materials recycling



Monitoring water consumption

Water scarcity is highlighted as an extremely important environmental aspect which requires urgent action, as the needs and demand for this precious resource have been intensified during the last years. INTRALOT is aware of its relative scarcity and therefore strives to reduce water consumption, where feasible, and therefore:

- > Monitors water consumption in its premises in Maroussi and Peania.
- > Water supply is performed exclusively through the public water supply network and water utility companies; therefore, no other water sources are affected.
- > All liquid waste is directed to the public waste network.
- > Does not use hazardous cleaning materials.
- > At the moment, does not recycle or reuse water for its operations.
- > Has implemented control mechanisms to respond to potential water supply failures and water leakages.
- > There were no planned or unplanned water discharges and no significant spills of chemicals or fuels or any other material.



GOOD PRACTICE

Memberships to Organizations

INTRALOT is a member of the Hellenic Recovery Recycling Corporation (H.E.R.R.Co.) and has been listed in the organization's registry of companies that have recycled materials in 2017. Furthermore, in compliance with Law 2939/2001 and the Presidential Decree 117/2004, INTRALOT is also a member of Appliances Recycling S.A., the official organization that organizes, operates and controls the collective system for the Alternative Management of the Waste of Electrical and Electronic Alternative Equipment (WEEE) in Greece.

Water Consumption

	2015	2016	2017
Water consumption (m³)	4,816	9,676	10,474

The increased water consumption for 2016 and 2017 can be attributed to the volume required to fill the cooling towers for the air conditioning system in INTRALOT's building in Maroussi, due to water leakages noticed.

8.4

Energy and Emissions



GOOD PRACTICE

Transition to Cloud

INTRALOT steadily progresses towards environmentally friendlier IT solutions, as it expands the use of virtualized environments and cloud solutions for certain IT and development services, in order to replace standalone servers. As a result of its NEFOS (Novel, Extensive, Flexible, On-Demand, Secure) cloud solution successful roll-out, INTRALOT's IT Department has moved the new software configurations testing, as well as development and consolidation of production servers to virtualized environment. The NEFOS cloud solution significantly reduces INTRALOT's environmental footprint, since it reduces energy consumption and carbon dioxide emissions and allows significant cost savings for the Company.

Within 2017, INTRALOT replaced 15 physical servers by migrating to virtual infrastructure and achieved significant energy savings, as indicated below. The migration was supported by low-power new servers, who feature high processing power.

Analyzing energy impact

Although INTRALOT's operations are not energy intensive, the Company consciously seeks to reduce energy consumption, which is linked to global climate change. The main sources of its energy consumption are electricity (entirely purchased from the Public Power Corporation – Hellas) and heating petrol.

Energy Consumption

	2015	2016	2017
Diesel for vehicle fleet (lt)	NR	NR	48,932
Gasoline for vehicle fleet (lt)	NR	NR	33,417
Heating petrol (lt)	65,000	60,000	88,456
Electricity (KWh)	2,101,838	3,408,380	3,281,880

*Data refer to all buildings of INTRALOT S.A.
NR = Not reported*



Electricity consumption reduced by 3.7%

In order to reduce its energy consumption and air emissions, INTRALOT:

- > Has implemented an energy saving program in all facilities.
- > Complies with the necessary technical and maintenance requirements of petrol tanks used for heating.
- > Regularly checks the electromechanical equipment (boilers) for heating and hot water, air conditioning systems, as well as computer and other office equipment according to global acceptable standards and practices.
- > Monitors the fuel consumption of corporate leased vehicles, through fuel cards issued to users.
- > Complies with the Euro 5 (2009/9) standard for light passenger and commercial vehicles for all corporate leased vehicles.
- > Utilizes company buses from major public transportation stations to transport employees from/to Peania premises.
- > Encourages car pooling of employees in Peania premises.
- > Uses LED lamps in its building in Maroussi, while approximately 85% and 10% of lamps installed in Maroussi

and Peania premises respectively are energy-efficient lamps.

- > Has installed photoelectric cells in garage areas, in order to ensure that lights are turned off when no employee is in the garage areas.
- > Has instructed the Building Security guards to perform regular inspections during their shifts (including late night shifts), in order to ensure that lights and the heating/cooling are turned off in workspace areas where no employee is present during late evening and night hours.
- > Has installed and operates a Building Management System (BMS) in its building in Peania, which allows operations to automatically halt in case of malfunctions.

Transition to cloud

	2013	2014	2015	2016	2017
Physical servers (to virtual)					
INTRALOT Group (number)	701	668	NR	NR	NR
INTRALOT S.A. (number)	192	164	41	21	15
Cloud Roll Out					
Servers moved to cloud (private) (number)	19	31	68	21	15
Approximate energy savings (MJ)	157,680	236,520	252,288	160,223	124,484
Approximate heat dissipation savings (MJ)	157,049	208,138	251,288	159,232	123,986

NR = Not reported

Monitoring greenhouse gas emissions

Direct and indirect energy consumption unavoidably leads to greenhouse gas emissions. Despite the fact that INTRALOT operates in a non-energy intensive industry with limited greenhouse gas emissions compared to other industries, the Company systematically measures and reports its greenhouse gas emissions due to its extensive operations and the issue's importance worldwide.

Greenhouse gas emissions

	2015 (tons CO ₂)	2016 (tons CO ₂)	2017 (tons CO ₂)
Direct (Scope 1) Greenhouse gas emissions			
Due to diesel consumption for vehicle fleet	NR	NR	129.2
Due to gasoline consumption for vehicle fleet	NR	NR	76.9
Due to petrol consumption for heating	173.3	160.6	236.7
Indirect (Scope 2) Greenhouse gas emissions			
Due to electricity consumption	1,513.3	2,213.5	2,198.9
TOTAL	1,686.6	2,374.1	2,641.7

Data refer to all buildings of INTRALOT S.A.

Sources of conversion factors: GHG Protocol GHG emissions from transport or mobile sources Calculation Tool v2.6 May 2015 (Diesel, Gasoline), GHG Protocol GHG emissions from stationary combustion Calculation Tool V 4.1 May 2015 (Heating Petrol), IEA - CO₂ Emissions from Fuel Combustion 2016 edition 1 (Electricity)

NR = Not reported

The increase in INTRALOT's environmental footprint for 2017 by 11.3% compared to 2016 is mainly the result of including the Company's transportation impact (i.e. fuel consumption for vehicle fleet) for the first time. In absolute terms, CO₂ emissions from fuel consumption for heating and electricity slightly increased by 2.6% compared to 2016.

Using environmentally friendlier refrigerants

The Company mainly utilizes chlorofluorocarbons (CFCs) free refrigerants to cool its servers, use in air-conditioning (R407 and R410) and fire suppression systems, as well as for its coolers, in order not to harm the ozone layer (as they correspond to a lower Ozone Depleting Potential - ODP).

Air Travel

INTRALOT strives to reduce the impact of its business operations on climate change. Because the climate impact of air transportation is currently not sufficiently regulated by national or international laws, the Company voluntarily commits to minimize air travel and travelled air miles. Therefore, INTRALOT:

- > Uses other modes of regional travel, where possible.
- > Utilizes remote session technologies (such as Skype, WebEx and conference calls), in order to reduce the number and frequency of business travels.
- > Extensively uses e-learning training programs.
- > Monitors the number of flights and greenhouse emissions due to employee air travel.
- > Combines trips and activities, in order to minimize the number of flights required.
- > Uses the most direct routes possible, since take-offs and landings increase the amount of fuel consumed.
- > Prefers to utilize flights during the daytime, because relevant studies have showed that flying during nighttime increases the overall environmental impact.
- > Encourages employees to fly economy seats, because more people per plane mean fewer emissions per person.
- > Encourages employees not to carry heavy baggage during flights, because lighter planes mean less fuels consumed.

Air miles and CO₂ emissions from air travel

	2015	2016	2017
Flights (number)	783	810	727
Long flights (>4 hours)	180	320	172
Short flights (<4 hours)	603	490	555
Travelled air miles (thousand miles)	1,101.5*	849.9*	773.9
CO₂ emissions (indirect emissions) (tons)**	549.6	585.1	492.8

**Travelled air miles for 2015 and 2016 have been restated.*

***Estimations based on ICAO Carbon Emissions Calculator and EPA 430-R-08-006.*



Carbon dioxide emissions from air travel
reduced by 15.7%

Promoting environmental awareness

INTRALOT seeks to promote environmental protection issues and encourages initiatives that relate to environmental protection. Therefore, the Company:

- > Implemented the internal awareness campaign 'Going Green at the Office' to reduce energy consumption and waste, reuse paper and other materials (e.g. food and beverage containers), as well as recycle paper, metal, glass, plastic and domestic batteries, which was effectively communicated to all employees during 2017.
- > Includes the use of a dedicated reminder in corporate e-mail signatures to consider the environment before printing an e-mail.
- > Briefs newly hired employees on recycling through the Corporate Induction Program.
- > Supports the activities of its Corporate Volunteer Group, which was created in 2005 and actively engages in various programs and initiatives with Stakeholders and the wider public on environmental protection issues. The Corporate Volunteer Group has created the GREEN SITE, an electronic platform that supports their mission and publicizes their activities.

Protecting biodiversity

Due to its negligible influence of activities and operations on biodiversity, INTRALOT does not have a separate policy on biodiversity. However, the Company takes this important environmental issue into consideration, as:

- > All buildings are located in established industrial or residential areas, with no facilities located near protected NATURA or RAMSAR areas.
- > All operation sites are not located near ecosystems and habitats or other areas of high biodiversity value outside protected areas.
- > There are no IUCN Red List species and national conservation list species with habitats in areas affected by operations.

intralot **GOING GREEN AT THE OFFICE**

REDUCE

- ▷ **Reduce Energy Usage**
 - ▷ **Office Equipment**
 - ▼ **Turn off** your computer when you leave work. If you need to access it remotely, you can still turn off the **monitor**. Turn off all **peripherals**.
 - ▼ Don't use a screensaver. Set your computer to go to **sleep mode** when it is idle for 10 minutes. (A computer in sleep mode can save 60-70% of power).
 - ▼ **Unplug** phone chargers when they are not in use.
 - ▼ Make sure to turn off the **projector** in a **meeting room** or the **TV** when you are done.
 - ▷ **Lights**
 - Turning off one fluorescent light for an hour a day can save 30kg of CO₂ emissions per year.
 - ▼ **Turn off the lights** of the **meeting room** when you are finished. If you are the last person to leave your work area, turn off any 'extra' lights. If you have a closed office, turn off your lights at the end of the day.
 - ▷ **Room Temperature**
 - ▼ **When** you are at the office, retain the room temperature as follows:
Summer: 23° - 26° C; Winter: 20° - 24° C
 - ▼ Turn off the thermostat if you are the last person to leave your work area.
- ... and whenever you can, take the stairs instead of the elevator - your heart will also thank you!

REUSE

- ▷ Reuse **paper** as draft writing paper.
- ▷ Bring **reusable** food and beverage containers to work.
- ▷ Place **used clothes, shoes, books and kids' toys** at the specially-labeled containers by the eating areas in each building so that they can be donated to good causes.

RECYCLE

- ▷ **Paper**
 - ▷ **Office products** - e.g. copy paper, envelopes, magazines, clean cardboard boxes from shipped supplies
 - ▼ **Place them** in the **recycling bins** which are for paper only.
 - ▼ **Do NOT** place **soiled paper** or soiled cardboard boxes in the **recycle bins** (e.g. paper dirty from food, such as napkins and paper towels, dirty pizza boxes etc.).
- ▷ **Metal, Glass and Plastic**
 - ▷ Place these in the recycling bins **which are for these products only** - make sure you read the label at the top of the bin.
 - ▷ All products placed must be **clean**. If they were used for food or beverages, please make sure to rinse them.
- Important Note:** If enough soiled / dirty material makes its way into a recycling container, then the whole load is considered to be contaminated and it is sent to the landfill, not recycled. Therefore, please follow the 'clean' instructions above!
- ▷ **Batteries**
 - ▷ Place these in the special containers located on the ground floor of each building.

WHY GO GREEN? think green

Climate change has pushed Earth into "uncharted territory". Some facts:

- ▷ > 1 million species are facing **extinction** due to climate change - that's 1/6 of the world's species.
- ▷ Arctic sea ice coverage has shrunk every decade since 1979. In 2017, it reached a **record low** for the third straight year.
- ▷ Sea levels are **rising** at their **fastest rate** in 2,000 years.
- ▷ The 21st century has seen **the most temperature records broken** in recorded history.
- ▷ Since 2008, **21.5 million people** around the world have been displaced due to climate change.
- ▷ 2/3 of Australia's **Great Barrier Reef** has been damaged by coral bleaching because of the rise in the sea temperature.
- ▷ **Flooding** around the world could triple by 2030.
- ▷ There are more **greenhouse gases** in our atmosphere than anytime in human history.
- ▷ Earth could **warm by 6 degrees** by the end of this century if we continue to produce greenhouse gases.

Reduce Waste

Every year, a typical office worker uses 10,000 sheets of copy and printed paper! Each ton of paper translates to 17 trees! Stick to **online** usage of information!


- ▷ **Printer & Paper Use**
 - ▼ **Don't print unnecessarily.** Most information can be handled online or on-screen.
 - ▼ Try not to print in color.
 - ▼ **Print double-sided.** Also, try to print more screen pages per paper page (e.g. 2 slides on one print page).
 - ▼ Use email and sharing systems to pass around materials.
- ... and whenever you can **car pool**, use the Company bus or your bike to work - the more of us do it, the less global warming pollution is produced!

To have an environmentally sustainable future, we urgently need to transform the way we use natural resources. Each of us can play a vital role by simply changing some of our daily habits!



9.0

About the Report



Our commitment to sustainability
is not just a statement for the
present but a key ongoing effort.

9.1

Scope and Development

Principles

The Report follows the guidelines 'Sustainability Reporting Guidelines' (publication G4, 2013) of the Global Reporting Initiative (GRI), while the following have also been used:

- > For the principles of the Report, the UN's Global Compact.
- > For the presentation of quantitative data within the Report, the EFQM's RADAR Card.

Scope

The Corporate Responsibility Report:

- > Refers to the period 1/1/2017-31/12/2017 (unless indicated otherwise in certain points).
- > Refers to all activities of INTRALOT S.A. (referred as 'INTRALOT' or 'Company'), while further references to selected activities of other companies within the INTRALOT Group (referred as 'INTRALOT Group' or 'Group') are presented (without being included in the scope of this Report), with the exception of Responsible Gaming and Financial Results, which refer to the entire INTRALOT Group.
- > Addresses all operations (hardware and software, game content, sports betting management, interactive gaming and management and marketing services, as well as licensed gaming operations in its own right).
- > Contains, as a norm, quantitative results for the last three years.
- > Contains, as a norm, quantitative data from direct measurements, with exceptions of estimations clearly noted.

Terms

For convenient reading, please pay attention to the following terms and symbols:

- > The terms 'INTRALOT' or 'Company' refer to INTRALOT S.A., the headquarters of INTRALOT Group.
- > The terms 'INTRALOT Group' or 'Group' refer to all companies of the Group, including INTRALOT S.A. and its subsidiaries.
- > The term 'Customers' refers to the players in countries where INTRALOT is a licensed gaming operator, as well as Lottery Operators in countries where INTRALOT is a provider of technology or manages lottery operations.
- > Terms indicated as '3.1', '5.6' etc. refer to the area and section of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term '5.6' makes reference to chapter 5 (Responsible Gaming), section 6 (Responsible Communication).

Restrictions

INTRALOT recognizes limitations in the Report it publishes, such as presentation of more quantitative data and objectives and external assurance of the Report's principles and content, which intends to handle in future publications.

Option of Report

The Report is prepared and self-declared to be in accordance with the 'Sustainability Reporting Guidelines' (version G4, 2013) of Global Reporting Initiative (GRI), at 'Core' option.

Development of Report

The Report has been developed in cooperation with STREAM Management:
www.stream-eu.com



Your feedback

INTRALOT welcomes any question, enquiry, clarification or proposal to improve its sustainability reporting. Kindly forward your comments, enquiries or suggestions to:

INTRALOT S.A.

Department of Corporate Affairs

Mr. Chrysostomos Sfatos, *Group Director, Corporate Affairs*

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Main symbols

For convenient reading of this Report, please pay attention to the following symbols, which are widely used:



**GOOD
PRACTICE**



**INTERNATIONAL
GOOD
PRACTICE**



POLICY



**DID YOU
KNOW?**

9.2

Global Compact Table

Issue	Principle	Report Section	Coverage
Human Rights			
1.	Support and respect protection of internationally proclaimed human rights	6.6	F
2.	Ensure not to be complicit in human rights abuses	6.6	F
Labor Standard			
3.	Recognize freedom of association and right to collective bargaining	6.6	F
4.	Eliminate all forms of forced and compulsory labor	6.6	P
5.	Abolish effectively child labor	6.6	P
6.	Eliminate discrimination in respect to employment and occupation	6.5	F
Environment			
7.	Support a precautionary approach to environmental challenges	8.1, 8.3, 8.4	F
8.	Promote greater environmental responsibility	8.1, 8.3, 8.4	F
9.	Encourage development and diffusion of environmentally friendly technologies	2.2, 8.3	F
Corruption			
10.	Work against all forms of corruption, including extortion and bribery	4.1, 4.3	F

9.3

GRI Tables

The correspondence between the content of this Report and the Global Reporting Initiative's (GRI G4 version 2013) General and Specific Standard Disclosures, is presented in the following table.

- > Coverage of Indicators is characterized as Full (F), Partial (P) or Not Applicable (NA).
- > General Standard Disclosures of GRI required for 'Core' option are indicated in grey background.
- > Material Aspects of GRI for the organization (based on the Materiality Analysis conducted), are indicated in dark grey background.
- > Boundaries of GRI indicators are indicated on the Table.
- > No external assurance has been conducted for the Material Aspects.

General Standard Disclosures	Report Section	Coverage/ Omission	Boundary of Material Aspects
Strategy and Analysis			Company
G4-1	1	F	
G4-2	1, 2.4, 4.3	P	
Organisational Profile			Company
G4-3	2.1	F	
G4-4	2.2	F	
G4-5	2.1	F	
G4-6	2.1	F	
G4-7	2.3	F	
G4-8	2.1	F	
G4-9	2.1, 2.2, 6.2, 7.2	F	
G4-10	6.2	F	
G4-11	6.6	F	
G4-12	2.2, 7.4	F	
G4-13	2.1	F	

General Standard Disclosures	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-14	2.4, 4.3, 8.1, 8.3	F	
G4-15	2.5, 4.1, 5.1, 6.5, 6.6	F	
G4-16	2.5	F	
Identified Material Aspects and Boundaries			Company
G4-17	7.2, 9.1	F	
G4-18	3.2, 3.3	F	
G4-19	3.2	F	
G4-20	3.2, 9.3	F	
G4-21	3.2, 9.3	F	
G4-22	7.2, 7.3, 8.4, 9.1	F	
G4-23	9.1	F	
Stakeholder Engagement			Company
G4-24	3.3	F	
G4-25	3.3	F	
G4-26	3.3	F	
G4-27	3.3	F	
Report Profile			Company
G4-28	9.1	F	
G4-29	9.1	F	
G4-30	9.1	F	
G4-31	9.1	F	
G4-32	9.3	F	
G4-33	9.1, 9.3	F	
Governance			Company
G4-34	4.2, 4.3	F	

General Standard Disclosures	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-35	3.1	P	
G4-36	3.1, 4.2, 4.3	F	
G4-37	4.2	F	
G4-38	4.2	P	
G4-39	4.2	F	
G4-41	4.2	P	
G4-42	3.1, 4.2	P	
G4-43	3.1, 4.2	P	
G4-44	4.2	P	
G4-45	4.3	P	
G4-46	4.3	P	
G4-47	4.3	P	
G4-48	3.2	F	
G4-50	4.2	F	
G4-52	4.2	P	
G4-53	4.2	P	
G4-54	6.5	F	
Ethics and Integrity			Company, customers, suppliers
G4-56	2.1, 4.1, 5.1, 6.5, 6.6	F	
G4-57	4.1	P	
G4-58	4.1	P	

DMA and Indicators	Report Section	Coverage/Omission	Boundary of Material Aspects
Economic			
Economic Performance			
G4-DMA	7.2	F	
G4-EC1	7.2	F	
G4-EC4	7.2	F	
Market Presence			
G4-DMA	6.2, 6.5	F	
G4-EC5	6.5	P	
G4-EC6	6.2, 6.5	F	
Indirect Economic Impacts			
G4-DMA	8.2	F	
G4-EC8	8.2	F	
Procurement Practices			Company
G4-DMA	7.4	F	
G4-EC9	7.4	F	
Environmental			
Materials			
G4-DMA	8.3	P	
G4-EN1	8.3	P	
G4-EN2	8.3	F	
Energy			
G4-DMA	8.3, 8.4	P	
G4-EN3	8.4	F	
G4-EN4	8.4	P	
G4-EN6	8.4	P	
G4-EN7	8.3	P	
Water			
G4-DMA	8.3	F	

DMA and Indicators	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-EN8	8.3	F	
G4-EN9	8.3	F	
G4-EN10	8.3	F	
Biodiversity			
G4-DMA	8.4	F	
G4-EN11	8.4	F	
G4-EN12	8.4	F	
G4-EN14	8.4	F	
Emissions			
G4-DMA	8.4	P	
G4-EN15	8.4	P	
G4-EN16	8.4	P	
G4-EN17	8.4	P	
Effluents and Waste			Company
G4-DMA	8.3	F	
G4-EN22	8.3	F	
G4-EN23	8.3	P	
G4-EN24	8.3	F	
G4-EN26	8.3	F	
Products and Services			
G4-DMA	8.3	P	
G4-EN27	8.3	P	
Compliance			
G4-DMA	8.1	F	
G4-EN29	8.1	F	
Transport			
G4-DMA	8.4	P	
G4-EN30	8.4	P	
Supplier Environmental Assessment			

DMA and Indicators	Report Section	Coverage/Omission	Boundary of Material Aspects
G4-DMA	7.4	F	
G4-EN33	7.4	F	
Environmental Grievance Mechanisms			
G4-DMA	8.1	F	
G4-EN34	8.1	F	
Social			
Labor Practices and Decent Work			
Employment			Company
G4-DMA	6.2	F	
G4-LA1	6.2	F	
G4-LA2	6.2	F	
G4-LA3	6.2	P	
Labor/Management Relations			
G4-DMA	6.6	F	
G4-LA4	6.6	F	
Occupational Health and Safety			
G4-DMA	6.4	F	
G4-LA6	6.4	P	
G4-LA7	6.4	F	
Training and Education			
G4-DMA	6.3	P	
G4-LA9	6.3	P	
Diversity and Equal Opportunity			
G4-DMA	6.2	F	
G4-LA12	6.2	F	
Equal Remuneration for Women and Men			
G4-DMA	6.5	P	

DMA and Indicators	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-LA13	6.5	P	
Supplier Assessment for Labor Practices			Company, suppliers
G4-DMA	7.4	F	
G4-LA15	7.4	F	
Labor Practices Grievance Mechanisms			Company
G4-DMA	6.5	F	
G4-LA16	6.5	F	
Human Rights			
Investment			
G4-DMA	6.6, 8.2	F	
G4-HR1	8.2	F	
Non-discrimination			
G4-DMA	6.5	F	
G4-HR3	6.5	F	
Freedom of Association and Collective Bargaining			
G4-DMA	6.6	P	
G4-HR4	6.6	P	
Child Labor			
G4-DMA	6.6	P	
G4-HR5	6.6	P	
Forced or Compulsory Labor			
G4-DMA	6.6	P	
G4-HR6	6.6	P	
Indigenous Rights			
G4-DMA	-	NA	
G4-HR8	-	NA	
Supplier Human Rights Assessment			

DMA and Indicators	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-DMA	7.4	F	
G4-HR11	7.4	F	
Human Rights Grievance Mechanisms			
G4-DMA	6.6	F	
G4-HR12	6.6	F	
Society			
Local Communities			Company
G4-DMA	8.2	F	
G4-SO1	8.2	P	
G4-SO2	8.2	F	
Anti-corruption			Company
G4-DMA	4.1, 4.3	F	
G4-SO3	4.3	F	
G4-SO4	4.1, 4.3	P	
G4-SO5	4.3	F	
Public Policy			Company
G4-DMA	4.3	F	
G4-SO6	4.3	F	
Anti-competitive Behaviour			
G4-DMA	4.3	F	
G4-SO7	4.3	F	
Compliance			Company
G4-DMA	4.3, 7.2	F	
G4-SO8	4.3, 7.2	F	
Supplier Assessment for Impacts on Society			
G4-DMA	7.4	F	
G4-SO10	7.4	F	
Grievance Mechanisms for Impacts on Society			

DMA and Indicators	Report Section	Coverage/ Omission	Boundary of Material Aspects
G4-DMA	8.2	F	
G4-SO11	8.2	F	
Product Responsibility			
Customer Health and Safety			
G4-DMA	5.4	F	
G4-PR2	5.4	F	
Product and Service Labeling			
G4-DMA	5.6, 5.7	F	
G4-PR3	5.6, 5.7	F	
G4-PR4	5.6	F	
G4-PR5	5.6	P	
Marketing Communications			Group
G4-DMA	5.6	F	
G4-PR6	5.6	F	
G4-PR7	5.6	F	
Customer Privacy			Group
G4-DMA	5.5	F	
G4-PR8	5.5	F	
Compliance			Group
G4-DMA	5.4	F	
G4-PR9	5.4	F	

9.4

Glossary

Please pay attention to the following, frequently used terms:

Term	Refers to
'3.1' or '5.6' etc.	The area and section of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term '5.6' makes reference to chapter 5 (Responsible Gaming), section 6 (Responsible Communication).
'B2B'	The form of commerce where a company makes a commercial transaction with another, such as sourcing materials for their production process.
'B2C'	The form of commerce where a company sells consumer goods or services to directly to its customers through multiple distribution channels.
'B2G'	The form of commerce where a company makes a commercial transaction with the public sector or government agencies.
'Carbon dioxide' or 'CO₂'	The gaseous chemical compound derived from the combustion of fossil fuels (oil, gasoline, natural gas, etc.) and organic compounds (wood, plastic, etc.), which contributes to the greenhouse effect.
'COBIT'	The Control Objectives for Information and Related Technologies, a framework created by the international professional association ISACA for information technology (IT) management and IT governance. The framework provides a set of controls over information technology and organizes them around a logical framework of IT-related processes and enablers.
'Corporate Social Responsibility' or 'Corporate Responsibility'	The voluntary commitment of companies to include in their corporate practices economical, social and environmental criteria and activities, which are beyond the legislative requirements and are related to their impact on Stakeholders.
'Customers'	The end users (players) in countries where INTRALOT is a licensed operator (B2C), as well as Lottery Operators (B2B) in countries where INTRALOT is a provider of technology or manages lottery operations.

‘EFQM’	The European Foundation for Quality Management, a non-profit organisation located in Brussels, which promotes Business Excellence and within this frame, also Corporate Responsibility.
‘European Lotteries Association’ or ‘EL’	The umbrella organisation of national lotteries in Europe, who only offers gaming and betting services in the jurisdictions they are licensed by the respective national government.
‘Environmental footprint’	The total greenhouse gas emissions arising directly (e.g. burning of fossil fuels for heating) or indirectly (e.g. by the use of products) from a company.
‘Electronic Gaming Machines’ or ‘EGMs’	The gaming machines with three or more reels which spin when a button is pushed.
‘Global Compact’	The United Nations Global Compact, an initiative to encourage companies and organizations worldwide to adopt sustainable and socially responsible policies, as well as to report on their implementation, stating ten principles in the areas of human rights, labor, the environment and anti-corruption.
‘INTRALOT’ or ‘Company’	INTRALOT S.A., the headquarters of INTRALOT Group.
‘INTRALOT Group’ or ‘Group’	All companies of the Group, including INTRALOT S.A. and its subsidiaries.
‘ISO’	The largest organisation in the world, developing internationally accepted Standards, such as ISO9001.
‘NFC’	The Near-field communication technology, a set of communication protocols that enable two electronic devices to establish communication by bringing them in close distance with each other.
‘Player’	The end user of INTRALOT’s games.
‘Report’	The Corporate Responsibility Report 2017.
‘Sales network’	The Points of Sale of INTRALOT’s games.
‘Video lottery terminal’ or ‘VLT’	The gaming machine that allows players to bet on the outcome of a video game.
‘World Lottery Association’ or ‘WLA’	The global professional association of state lottery and gaming organizations from more than 80 countries.

9.5

Feedback Form



Your opinion helps INTRALOT improve

We invite you to share your opinion with INTRALOT and help us improve the Corporate Responsibility Report, either by submitting your answers online (<https://www.surveymonkey.com/r/R7STMQG>) or by sending us the following questionnaire:

Which Stakeholder group do you belong to?

- | | | |
|--|--|------------------------------------|
| <input type="checkbox"/> Players | <input type="checkbox"/> Customers | <input type="checkbox"/> Suppliers |
| <input type="checkbox"/> Business Partners | <input type="checkbox"/> Retailers | <input type="checkbox"/> States |
| <input type="checkbox"/> Employees | <input type="checkbox"/> Local Communities | <input type="checkbox"/> NGO's |
| <input type="checkbox"/> Media | <input type="checkbox"/> Shareholders | |
| <input type="checkbox"/> Other: _____ | | |

What is your overall impression of the Report?

	Very Good	Good	Average	Poor
Coverage of basic issues regarding the company's operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of quantitative data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of qualitative data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graphics and illustration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balance between sections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



What is your opinion regarding the following sections of the Report?

	Very Good	Good	Average	Poor
INTRALOT Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Governance and Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsible Gaming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee Wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Societal Support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there any sections that need to be extended/shortened?

Do you have any comments or suggestions about the Report?

Please return this form to:

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