



# Sustainability Report 2013





The paintings in this report were created by Greek artist Pavlos Samios.

Copyright © Pavlos Samios 2014.

All Rights Reserved



As if transformed -  
The classical world in colour, the ancient anew

For hundreds of years Antiquity was thought to have been white; this fact has been one of the mainstays in the history of Western culture. From the Renaissance on, artists, art historians and philosophers viewed pure white sculpture and architecture as an ideal and a guide for their own age and thoughts. Antiquity became the quintessence of Western cultural identity.

It is astounding how it took us as long as it did to realize the true colors behind some of Man's oldest artistic relics. If Renaissance artists had been aware that the white marble of Antiquity was merely a dogged myth, Western figurative art would probably have looked radically different.

Antiquity was anything but skeptical of colour. Today, this truth makes the past a new coloring book waiting to be painted on. Learning from the colors of the past will make us build anew the true colors of the future.

Today, INTRALOT remains committed to colouring the lives of all its stakeholders, its corporate employees and the local communities where it operates, creating a sustainable business environment.

# Table of Contents

---

Message from the Chairman	06
Message from the CEO	08
1. About INTRALOT Group	10
1.1 INTRALOT at a Glance	
1.2 Worldwide Presence	
1.3 Portfolio of Products & Services	
1.4 Shareholding Structure	
1.5 Gaming & Trade Memberships	
1.6 Awards and Distinctions	
2. Sustainability in INTRALOT Group	22
2.1 Trends and Policy Developments	
2.2 Strategy & Overview	
2.3 Materiality Assessment	
2.4 Partnerships	
2.5 CSR Self-Assessment	
3. Stakeholder Engagement	34
3.1 Overview	
3.2 Responsible Supply Chain	
3.3 Customer Training & Support Services	
3.4 Customer Satisfaction	
3.5 Society Satisfaction Index	
4. Economic Sustainability	44
4.1 International Prospects of the Gaming Sector	
4.2 New Products and Technology	
4.3 Financial Performance	
4.4 Social Product	
5. Governance & Compliance	54
5.1 Overview	
5.2 Policy Developments	
5.3 The Board of Directors	
5.4 Board Committees	
5.5 New Organizational Structure	
5.6 Risk Management	
5.7 Corporate Compliance	



---

6. Responsible Gaming	72
6.1 Policy Developments	
6.2 Strategy	
6.3 Responsible Gaming Program	
6.4 New Responsible Gaming Achievements	
6.5 Research Collaborations	
6.6 Employee Training on Responsible Gaming	
6.7 Marketing Standards & Research	
6.8 Player Education and Treatment Referrals	
7. Contribution to Local Communities	98
7.1 Introduction	
7.2 INTRALOT We Care a Lot Program	
7.3 Corporate Volunteerism	
8. Our People	110
8.1 Human Resources Facts & Figures	
8.2 Equal Opportunities and Diversity	
8.3 Human and Labour Rights	
8.4 Internal Communication	
8.5 Collective Bargaining Agreements	
8.6 Employee Performance Evaluation	
8.7 i-game	
8.8 Benefits Policy	
8.9 Training and Development	
8.10 Occupational Health and Safety	
9. Environmental Sustainability	122
9.1 Product Contribution to Sustainability	
9.2 Impact of NEFOS INTRALOT Cloud	
9.3 Materials, Waste Management and Recycling	
9.4 Energy Conservation and Natural Resources	
9.5 Air Travel	
9.6 Awareness Raising Actions	
Appendix I - Key Performance Data Table	134
Appendix II - List of Tables & Figures	136
Appendix III - About the Report	140



# Message from the Chairman

In recent years, social responsibility is a re-emerging trend worldwide. Citizens are keener on choosing products and services that are made or offered by companies that have demonstrated effort in managing their social and environmental impact and that have an active record of engagement in various social causes.

Following from our commitment to the principles of the UN Global Compact, INTRALOT sustainability management helps our company set goals, measure performance, and manage change in order to make operations more efficient and more sustainable. It enables the creation of knowledge and business intelligence about our businesses processes and their economic, social and environmental impacts.

INTRALOT tracks its corporate citizenship in areas including Responsible Gaming, Employee Development, Environmental Stewardship and Community Investment Performance. Our latest report communicates the Group's impact in 2013 and also shares information that demonstrates corporate citizenship in action, reflecting on our accomplishments of the past year and the opportunities ahead. In doing so, the report identifies areas of intervention in internal processes and areas of potential collaboration with stakeholders on issues of common interest.

As a corporate citizen operating worldwide for over two decades, INTRALOT not only contributes to the generation of valuable resources for good causes but is also an agent of social change. As a technology leader of the gaming sector, joint stakeholder initiatives in education, technology research, and innovation, remain the strategic priorities for INTRALOT, as these can advance the company's goals while having positive impact on the creation of human capital, on the development of skills and new jobs in a modernized labor market, and on social progress.

**Socrates P. Kokkalis**

Chairman, INTRALOT Group



# Message from the CEO



INTRALOT's new business strategy, with the focus on the B2C segment, the need for the development of global products and the increased role of the interactive channels, has dictated significant changes in our organizational structure. Oriented toward international markets and technology, the new structure will leverage operational excellence, create synergies between the headquarters and group subsidiaries, and further promote innovation across the group. Our aim is to meet the changing needs of our customers as well as increase shareholder value and revenues for good causes.

Operating in an industry that constantly evolves, with many opportunities and challenges arising from the business, technological and regulatory changes, innovation and social responsibility are key to our success. To this end, we are proud of several important achievements. Responsible gaming being one of our strategic priorities, we are developing new technology to test the social impact of gaming products, offering to us as well as to our customers a source of critical business intelligence about player behavior. This technology gives INTRALOT competitive advantage in embracing emerging trends towards online and mobile in a safe and responsible manner.

We have also made progress in the creation of processes for the collection and management of knowledge about our social, economic and environmental impact worldwide as well as in the dissemination of best practices in our supply chain. Moreover, we have persisted in our effort towards having positive impact in the local communities where we have presence through a rich program of community engagement, the organization of local employee training programs, and knowledge transfer.

The revision of our Code of Corporate Governance is currently underway, resulting from our voluntary adoption of the Code of Corporate Governance of the Hellenic Federation of Enterprises and the Hellenic Council for Sustainable Development implementing the European legal framework of non-financial disclosures of large enterprises.

We are proud of the achievements of our subsidiaries worldwide. In Malta, we have received the highest level of responsible gaming certification from both the World Lottery Association and the European Lotteries. In Peru, we have successfully implemented a full-blown responsible gaming program under the guidance of WLA's Independent Assessment Panel.

INTRALOT is also the first international vendor in the gaming sector to achieve ISO 20000 certification on Information Technology Service Management. INTRALOT's service management system covers the provision of managed IT Services such as integrated gaming and transaction processing systems & services and interactive gaming services.

Concerning our environmental footprint, the transition of some IT and development services to a mature virtualized environment is progressing at a steady pace, and so is our effort to generate energy savings across the Group and promote environmental awareness concerning materials used in production and waste management.

Our sustainability progress could not have been achieved without the enthusiastic support of our employees, a talented, dedicated and diverse group of professionals.

Developing the human capital of INTRALOT, the company's most important asset, is one of our top priorities as it will further our strategy of sustainable leadership and the creation of social value.

**Antonios I. Kerastaris**

CEO, INTRALOT Group

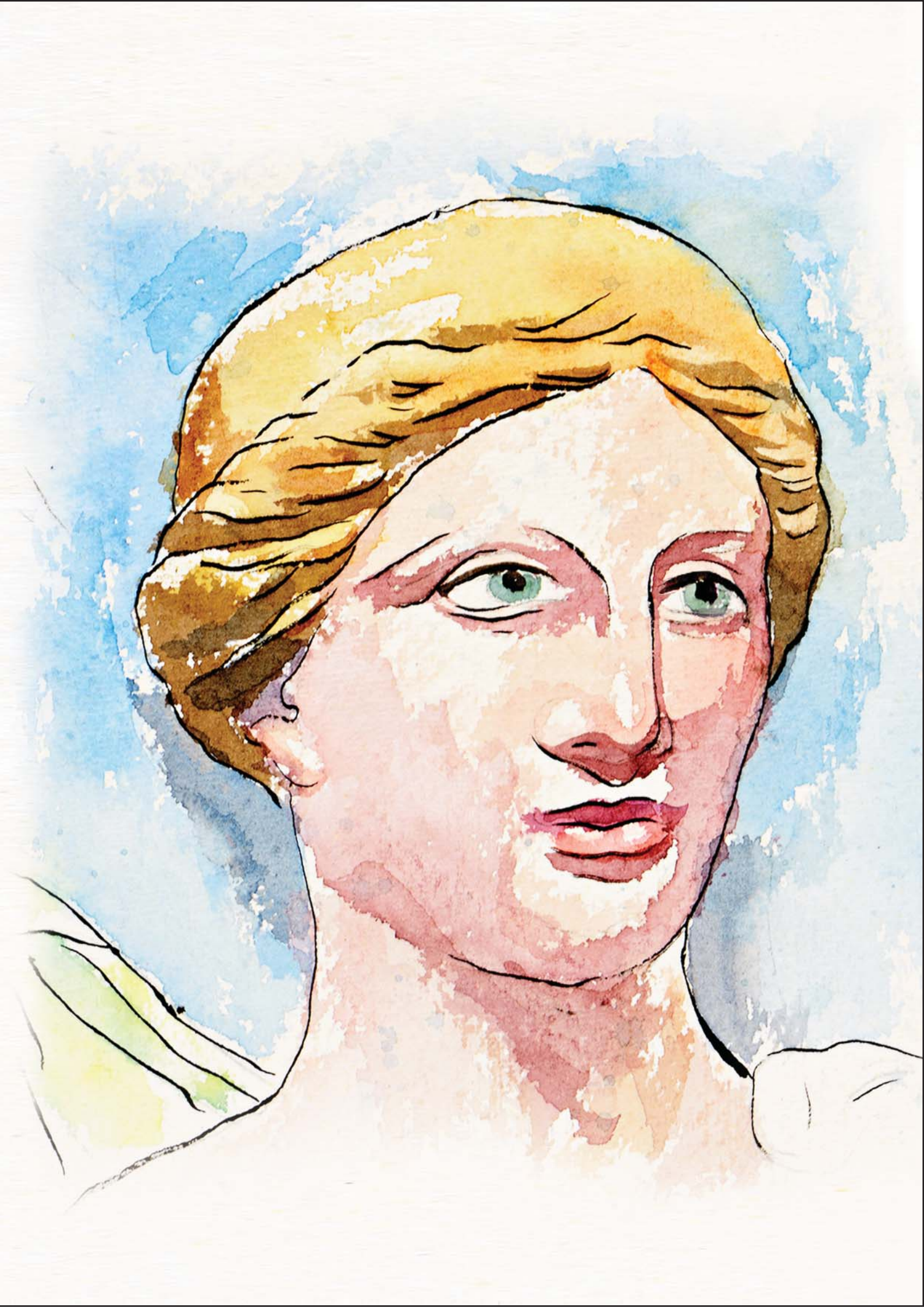
1

# ABOUT INTRALOT GROUP

*Agathe Tyche*

The Ancient Greek Goddess of Fortune



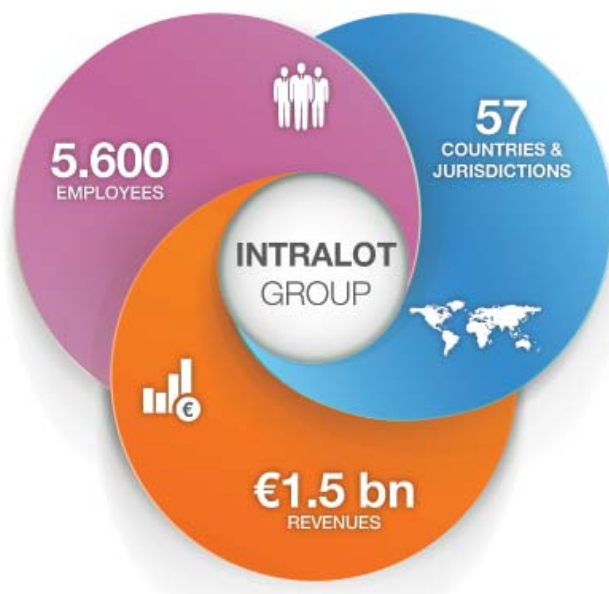




## 1.1 INTRALOT at a Glance

The INTRALOT Group is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state and state-licensed lottery and gaming organizations worldwide.

Established in 1992, INTRALOT has been publicly listed on the Athens Stock Exchange since 1999. A partner of licensed gaming organizations and a licensed gaming operator in its own right, the company's footprint straddles all five continents, with presence in 57 jurisdictions, 68 subsidiaries and a licensed lottery operator in 17 jurisdictions. In 2013, INTRALOT operated a diversified and stable portfolio of 84 contracts, employed a workforce of over 5.600 and corporate revenues reached over €1.5 billion.



INTRALOT designs, develops, operates and supports the full spectrum of innovative and customized software and hardware technology and services for the gaming industry. With a games library that includes more than 650 different games available across channels, including Numerical Lotteries, TV Lottery Games, Sports Lotteries, Fixed-Odds Betting, Instant Lotteries, Pari-mutuel, Video Lottery, Monitor Games, Live and Virtual Racing Games and Interactive Games, INTRALOT offers customers a universal gaming experience.

The group's operational experience and know-how, combined with its technological competency and self-sufficiency, has turned INTRALOT into the world's leading fixed-odds betting operator.

Within over 20 years of operation, INTRALOT has achieved impressive global expansion and has become a leader of the gaming sector, a "one-stop-shop" offering fully integrated, secure, and efficient solutions for every aspect of any gaming and entertainment business, through retail networks as well as via the Internet and mobile channels. The Company continues to make remarkable progress, with the same passion for the accomplishment of its key targets: dedication to its customers' satisfaction, continuous detection of new market trends and continuous design and development of pioneering and result-oriented solutions.



# 1.2 Worldwide Presence

INTRALOT has been awarded contracts for a wide range of products (systems, terminals, alternative distribution channels, VLTs, etc.) and gaming applications (lotteries, instant lotteries, fixed odds betting, etc.) in all five continents.



Fig. 1 - Global Presence

# 1.3 Portfolio of Products & Services

For more than 20 years INTRALOT has provided Lotteries around the world gaming and transaction processing systems and the full spectrum of related services, offering their customers fun, compelling and responsible gaming choices while generating significant cash flows for the Lotteries and resources for their beneficiaries. Originally perfected in Lottery operations, INTRALOT's expertise has been applied to betting markets around the world to make INTRALOT the world's leading sports retail bookmaker.

Capitalizing on its experience as an operator, INTRALOT has succeeded in unifying its operational services and its technology, now being the only one-stop-shop gaming solution provider in the market.



Fig. 2 - INTRALOT Products & services

The various contracts that INTRALOT holds in different jurisdictions can be grouped, in terms of complexity, liability and risk, as follows:

- Technology supplier and provider of support services;
- Management contracts;
- Commercial operator/Licensee.

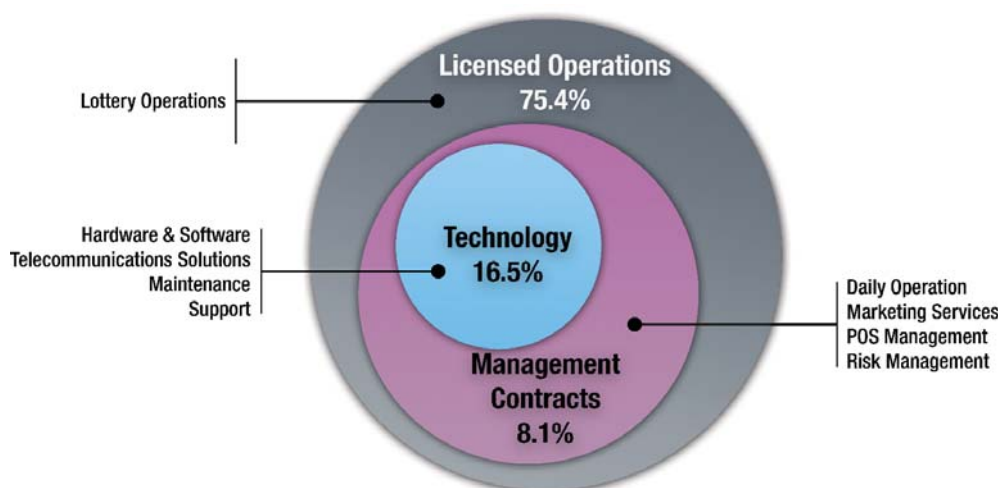


Fig. 3 – Contracts Breakdown

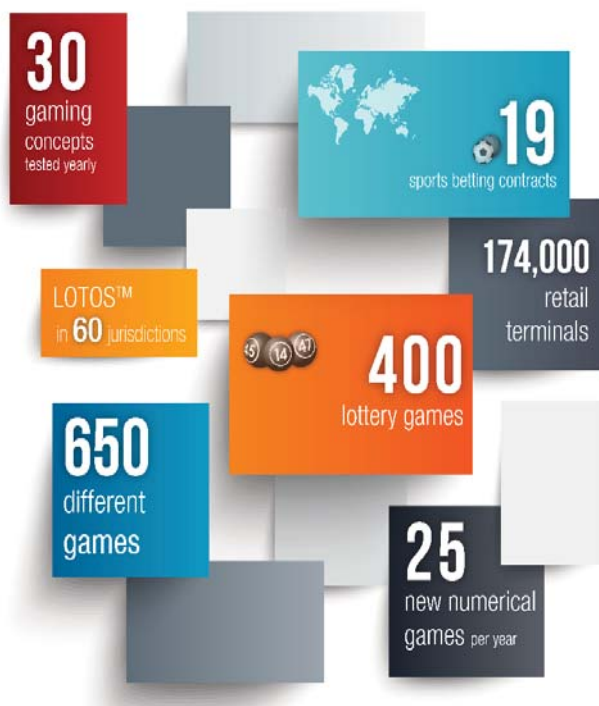
INTRALOT is both a partner of licensed gaming operators, providing a full range of products and services, and a licensed gaming operator in its own right, operating in several countries around the world. The strategic focus of the company's sustainability program is defined depending on these different contract roles in the countries and jurisdictions where it has presence (see section 2.2).



Fig. 4 – Key Geographies by Contract Role

The company thus has the experience of a successful operator coupled with expertise in the latest technological developments in the lottery sector.

## Gaming Content & Services



With over 650 different games across operations and customer contracts, 400 lottery games-, an average of 30 gaming concepts tested per year, about 25 new numerical games launched yearly and a high level of game customization, INTRALOT follows a structured approach to new game development.

### Retail Network

INTRALOT leverages knowledge and deep seeded experience in making the retail gaming space a place of fun and entertainment for players and blending brand building with retail identity programs and consistent merchandising actions in full respect of responsible gaming principles. The company actively educates agents and players alike about games and the odds of winning, about responsible gaming policies and about system functions and other services available in order to ensure a healthy, safe and enjoyable gaming experience.

### Interactive Gaming

INTRALOT Interactive (I<sup>2</sup>) is the leading partner for those organizations that want to compete in a regulated interactive competitive environment, offering a Unified Player Experience to players. Customers take advantage of the most robust, efficient and versatile Gaming Platform in the industry that seamlessly

combines the Retail, Mobile and Home Users, connecting innovative Gaming Verticals and offering unparalleled business support to the organization for optimal customer experience.

A member of the INTRALOT Group of companies, INTRALOT Interactive capitalizes on the Group's global footprint and the extensive and renowned customer base, to collect and advance best practices that provide the cornerstone of continued success with product and services design always at the industry forefront.

INTRALOT Interactive consolidates the Internet assets of the Group and focuses both on providing its pioneering technology to Lotteries and State Organizations around the world, and on seeking new licensing opportunities for operating in a highly regulated environment where responsible gaming has become one of the most important considerations.

INTRALOT Interactive strategy is focused on the following 3 foundation markets:

- WLA members and government controlled organizations. INTRALOT Interactive offers to them the latest technology and services for competing in the highly demanding, Internet-enabled market, as regulation initiatives evolve;
- Government-licensed operations, on e-gaming channels enabled by new media (i.e. Internet, Mobile, IPTV);
- R&D initiatives, so that a new generation of technology and services will take players' experiences to new heights, while providing unique player management, operation efficiency and business analytics that will manage operations in the most effective and productive way.

The company has an extended portfolio of services in Technology, Operations and Marketing. A modern, dynamic and innovative company equipped with industry knowhow and the very best in technical and human assets, can offer the ultimate interactive experience.

Lotteries that have established brands and retail networks are now eager to enter the new era of e-Gaming. INTRALOT Interactive offers to them a complete and layered strategy to reduce operational complexity while increasing customer value. INTRALOT Interactive delivers the latest in innovation in all segments of the e-Gaming industry, ranging from traditional lottery products to sports betting products, bingo, poker and skill games, through various channels, like internet, mobile and interactive TV.

Customers can enjoy multi-channel & multi-product platforms, making a wide range of gaming products - sports betting, casino, live casino, fixed odds games, bingo, poker, lottery games - available out of the same platform on retail, desktop, mobile or tablet devices.

## Services

INTRALOT services cover the whole spectrum of the day-to-day operational activities of lottery organizations and are categorized into the areas set forth below.

### Technical Support and Training

INTRALOT provides a broad range of solutions and gaming products that are complex and require ongoing support and maintenance. As a result, the company offers after-sales technical support to facilitate uninterrupted and efficient gaming operations and minimize sales downtime. These support services include help desk support for retailers and lottery personnel as well as preventive and corrective maintenance of central systems and field maintenance of equipment installed at retailer locations. INTRALOT offers a variety of service level options, which are customized to needs and budgets. The company also provides a comprehensive training portfolio that includes detailed operational and technical support, marketing seminars and training modules. These training modules are also tailored to each customer and can cover both new and mature lottery and betting operators.

### System Operation Services

INTRALOT system operation services include the operation and administration of gaming systems, networks and technology infrastructures to ensure continuous system availability, quality of delivered services and flexibility in resource utilization. System operation services include typical information and communication technology operations, as well as game draw procedures, retailer management monitoring and accounting as well as information and statistics compilation for games and operations.

### Marketing Services

INTRALOT offers marketing consulting and support to customers throughout a contract's lifecycle.

Local marketing teams provide consulting with the assistance of INTRALOT's global marketing resource center, which offers global insight and an overall strategic perspective to each contract. Marketing Services include: Market Research and Analysis, Game Design and Analysis, Marketing Communication and Sales Network Design and Development. These services are described in separate chapters of this report.

## Sports Betting Management

INTRALOT is one of the world's leading fixed-odds betting operators in the traditional, non-internet based regulated gaming space. In 2013, the company operated 19 sports betting contracts in 19 jurisdictions. The contracts include some of the world's largest betting operations in terms of per capita spending. Through the subsidiary Betting Company S.A., INTRALOT provides technology and operational support services for the organization and management of betting games to a variety of state lotteries and licensed operators worldwide. Services include product customization, program and odds compilation, risk management/trading and training support.



## Gaming Solutions

INTRALOT offers the most innovative technology on Gaming Solutions: Enhanced Management System – iGEM, Integrated Workflow Platform for the Regulator Operations, Plug and Play Hardware Infrastructure Solutions – iCOR and Telecommunications Network Solutions.

The Company is committed to excellence in Project Implementation, which entails five important stages: Project Planning & Management; Solution Design; Implementation & Integration; Roll Out & Quality Assurance; and Performance Monitoring & Fine Tuning.

INTRALOT also offers Operational Services that include Day to Day System Operation & Monitoring, Help Desk, Field Services, Gaming Equipment Testing Services, Sales Points Network Setup and Management & Business Continuity Services.

## Racing

INTRALOT has set up a unique offering by providing a fully Managed Service to licensed gaming operators that want to introduce or enhance their betting offering with Horse racing, Greyhound racing and Virtual gaming.

The company combines its proven technology, prime racing content from leading providers and its operational expertise to enable lotteries, betting operators or racetracks to launch or enhance their race betting portfolio. It can promptly integrate any data feeds into its systems, coupled with any peripherals required (from Terminals to Display Systems), and add supporting services (from Racing TV production to daily operations) to offer uninterrupted, high performance and multichannel support of Fixed-Odds and Pari-Mutuel Betting on Horse racing, Greyhound racing and Virtual games.

Lottery operators can generate additional revenue streams by introducing new games based on Racing, from large jackpot generating games on the world's largest Horse Racing pools to exciting games on Greyhound Racing and Virtual events.

Pari-Mutuel Betting Operators can rely on INTRALOT's technology and experience in pari-mutuel betting

operations for running their on-track betting, OTB and remote betting for both their local and commingling racing offering.

Fixed-Odds Betting Operators can select among the best international Racing and Virtual events powered by INTRALOT's proven Fixed-Odds betting technology and with the added value of its expert risk management services.

Racetracks looking to increase their revenue streams and diversify their offering by adding casino games can benefit from INTRALOT's range of related solutions including VLT and Casino technology and services.

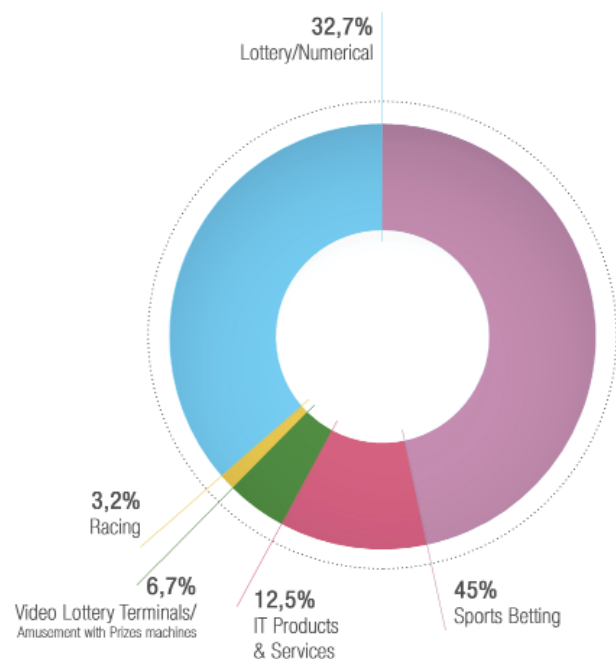


Fig. 5 – Products & Services Categories (% revenues)

## 1.4 Shareholding Structure

INTRALOT S.A. – “Integrated Lottery Systems and Gaming Services”, with the distinct acronym “INTRALOT,” is a business corporation established in compliance with the Laws of the Hellenic Republic and whose shares are traded in the Athens Stock Exchange. INTRALOT’s headquarters are based in Athens – Greece, at 64 Kifissias Ave. & 3 Premetis Str., GR-151 25 Maroussi.

The share capital of the Company amounted at year’s end to forty seven million six hundred eighty eight thousand five hundred sixteen euro and thirty cents (€47,688,516.30) divided by one hundred fifty eight million nine hundred sixty one thousand seven hundred twenty one (158.961.721) nominal shares at thirty cents (€0.30) each. All Company shares are admitted to the Athens Stock Exchange for negotiation, in the Main Market category, under the “Travel & Leisure - Gambling Sector”. Company shares are commonly registered shares with a voting right.

The shareholding structure of INTRALOT on 31.12.2013 was the following:

As of year’s end, INTRALOT’s share participates in the following stock market indices:

- Athex Composite Share Price Index (GD);
- Athex Composite Index Total Return Index SAGD;
- FTSE/Athex Travel – Leisure (DTA);
- FTSE/X.A. – FTSE/Athex Market Index (FTSEA);
- FTSE/X.A. Mid Cap (FTSEM);
- FTSE/ATHEX Liquid Mid Index (FTSEL);
- FTSE/ATHEX Global Traders Index;
- FTSE/ATHEX Global Traders Index Plus.

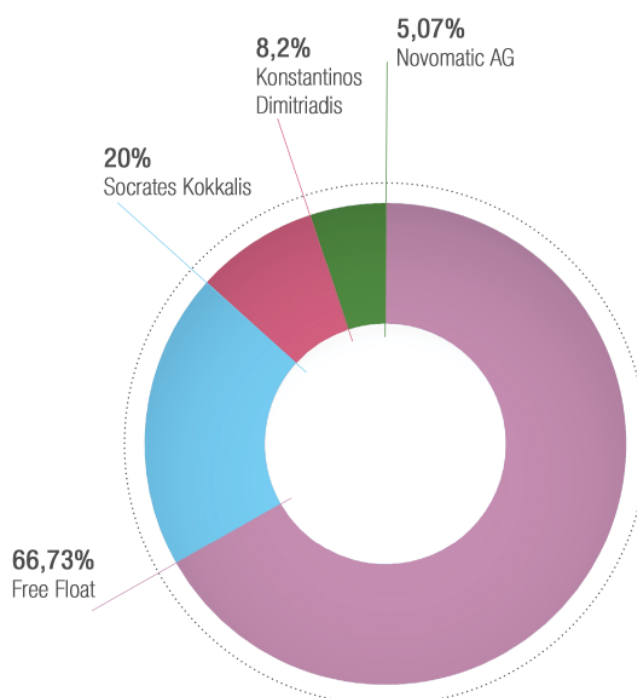


Fig. 6 – Shareholding Structure

## 1.5 Gaming & Trade Memberships

INTRALOT is an active member in the major gaming and trade associations as well as social responsibility organizations. Furthermore, the company also participates in the governing board of several of these organizations, closely engaging with the business community and relevant stakeholders in addressing issues of common interest. Finally, INTRALOT offers various forms of support to the activities of these organizations thus contributing to the advancement of their mission.

### Participation in Lottery & Gaming Associations

WLA (World Lottery Association) - INTRALOT is a Platinum Contributor to WLA

EL (European Lotteries and Toto Association) – INTRALOT is a Premium Partner of EL

NASPL (North American Association of State and Provincial Lotteries) – INTRALOT is a top sponsor of NASPL

CIBELAE (Corporación Iberoamericana de Loterías y Apuestas del Estado) - INTRALOT is an Associate Member of CIBELAE

APLA (Asia Pacific Lottery Association) - INTRALOT is an Associate Member of APLA
GSA (Gaming Standards Association) - INTRALOT is a Gold Member of GSA
AGEM (Association of Gaming Equipment Manufacturers) - INTRALOT is a Gold Member of AGEM
Corporate Social Responsibility Memberships
In 2013, INTRALOT became a member of EBEN- European Business Ethics Network
INTRALOT is a member of the United Nations “Global Compact Network” for Corporate Social Responsibility
INTRALOT is also a member of the Hellenic Network of Corporate Social Responsibility which is a National Partner Organization of CSR Europe
Participation in Trade Associations
The Federation of Greek Industries (SEV)
The American-Hellenic Chamber of Commerce
The Hellenic-American Business Council
Greek-Latin American Business Council
Greek-Israeli Chamber of Commerce
Greek-Serbian Business Council
The Hellenic-Dutch Association
The Greek-Turkish Business Council of the Federation of Greek Industries
The Greek-Russian Business Council of the Federation of Greek Industries
The Hellenic-Romanian Chamber of Commerce and Industry
The Hellenic-Australian Business Council
The Hellenic-Chinese Chamber

Table 1 - Strategic Memberships

## 1.6 Awards and Distinctions

### EBEN Gold award

INTRALOT was distinguished in 2013 with the Gold certified award in Social, Environmental and Ethical Governance by the European Business Ethics Network (EBEN), following a comprehensive assessment process. This year, the award received by INTRALOT has been extended and especially recognizes top performance in the sectors of Business Analysis including, for the first time, best practices in Corporate Social Responsibility & Reporting and effective IT management. In addition, INTRALOT also maintained its distinction in the areas of Regulations & Communications in internal auditing and Performance Assessment, received in previous years. The European Business Ethics Network is the most active European cross-national network, counting over 42 member countries, and is dedicated to the promotion of ethics and governance in academia, business, the public sector and civil society. Greece is the first country in Europe to implement a business ethics and governance model and to reward corporate excellence accordingly.

### Diamond of the Hellenic Economy Award

INTRALOT has been awarded with the prestigious distinction Best Multinational Company during the “Diamonds of the Hellenic Economy” awards’. The awards are organized annually by STATBANK to promote healthy entrepreneurship and to reward companies for their strong growth, as well as their contribution to productivity, employment and the competitiveness of the Hellenic economy.

## Manager of the Year Award

Then acting as INTRALOT Group CEO, Mr. Constantinos Antonopoulos was awarded “Manager of the Year 2013” by the Hellenic Management Association, after a thorough evaluation by business representatives and opinion leaders. The Manager of the Year award was created in 2002 by the Hellenic Management Association, in order to honor managers whose vision and outstanding performance lead to robust and innovative companies.

## Money Business Award

INTRALOT was distinguished among the companies listed on the Athens Stock Exchange receiving the 1st Internationalization award for its global expansion and successful operations across geographies.

## EFQM Distinction

INTRALOT received the Recognised for Excellence (R4E) in Europe - 5 Stars distinction from the European Foundation for Quality Management (EFQM) for its Systems Technical Division, rewarding its high-quality business approach, its ability to innovate and its commitment to excellence in service delivery. The 5-star distinction is the top level distinction of the EFQM model, and it underlines INTRALOT’s continued focus and commitment to Business Excellence, as a high performing organization operating in an international highly competitive and constantly changing environment, which continuously improves, refines and simplifies the practices it adopts to achieve its goals in line with its strategy of offering innovative products and services to our customers worldwide, while ensuring sustainability.

## EU Industrial Research & Development Investment Scoreboard

For the eighth consecutive year, the INTRALOT Group was ranked amongst the top 1,000 European organizations of the 2013 EU Industrial Research & Development Investment Scoreboard prepared and published by the European Commission. Committed to a strategy with constant focus on Innovation, INTRALOT ascended 60 places in the ranking compared to last year’s R&D Scoreboard, becoming the 544th most significant R&D investor in Europe. INTRALOT was also classified 30th at the Technology Hardware & Equipment industrial Sector list of the Scoreboard. The R&D Scoreboard measured the total value of INTRALOT’s global R&D investment financed with its own funds, irrespective of the location where the relevant R&D took place. The EU Industrial R&D Investment Scoreboard is published annually by the European Commission (DG Research and Innovation and Joint Research Centre). The 2013 Scoreboard is based on a sample of 2,000 companies, top investors in R&D. (More information in section 6.3 of the present report).

## True Leader Award

For the third consecutive year, the INTRALOT Group has been distinguished with the prestigious award True Leader 2013 by ICAP Group, one of the most successful regional Business Services Groups in South Eastern Europe, for its solid 2012 financial results and operational efficiency, as well as its strategy in Human Capital that aims to instill vision to achieve company goals and surpass customers’ expectations. According to ICAP Group’s standards for inclusion in the True Leaders highlighting list, out of a total of 20.500 companies in Greece only 35 companies and 8 corporate groups succeeded in achieving the distinction, meeting all four objective and measurable criteria, based on published results, namely, profitability, Human Resources evolution, ICAP ranking (based on Revenues) and high ICAP Credit Score.



# Annual Responsible Business Award 2013

In 2013, Eurofootball, the leading sports betting operator in Bulgaria, received the top award “Overall CSR policy” in the SME (Small and Medium Enterprise) award category of the Bulgarian Business Leaders Forum (BBLF).

## Mobility Innovation Award

INTELTEK, INTRALOT’s subsidiary in Turkey, was the winner of the Mobility Innovation Award from SAP Turkey, the world leader in enterprise software and software-related services. The award recognizes INTELTEK’s corporate excellence in SAP implementations.

## Innovation Practices Award 2013

INTELTEK received an award for innovation practices in the development of mobile solutions, from SAP Turkey.

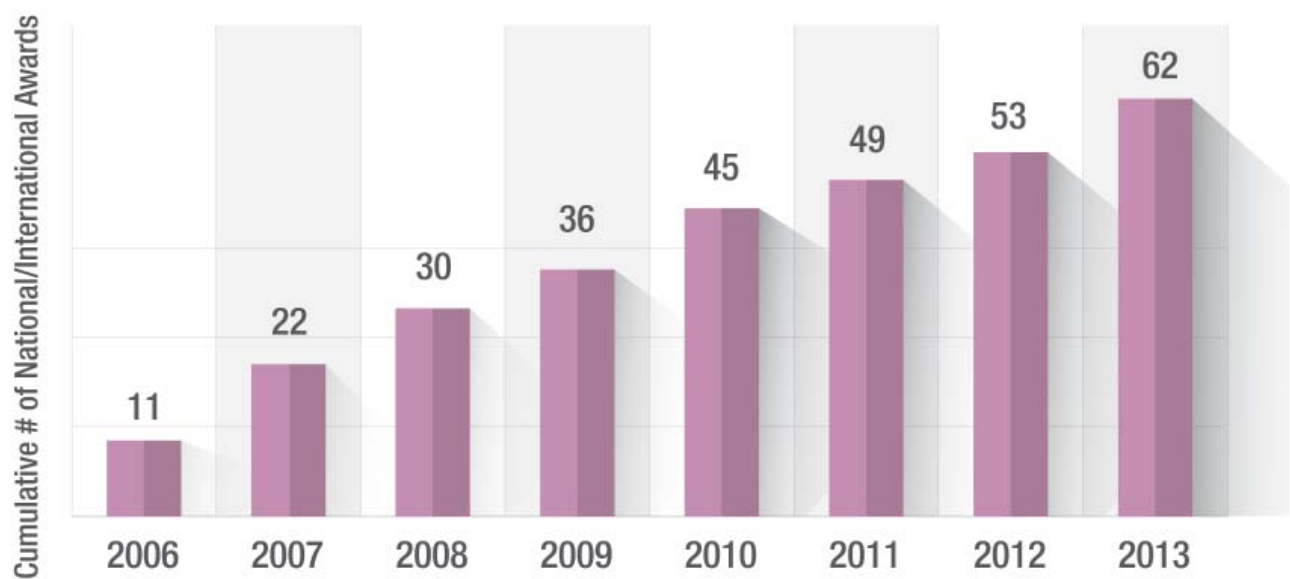


Fig. 7 – Cumulative Number of National & International Awards

# 2

## SUSTAINABILITY IN INTRALOT GROUP

*Tyche of Antioch*

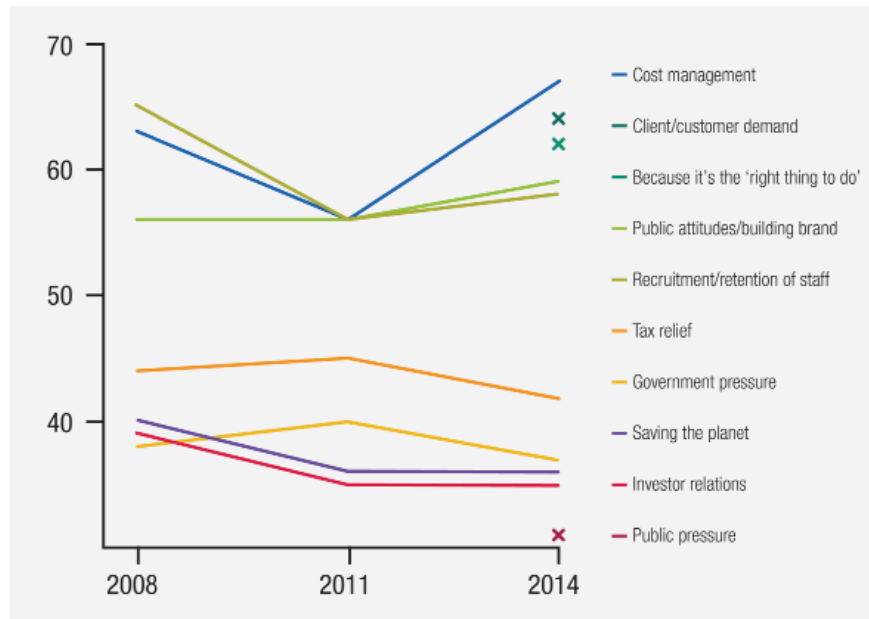
Roman copy of a bronze by Eutychides



## 2.1 Trends and Policy Developments

Sustainability management helps organizations to measure performance, set goals and manage change in order to improve the viability of their operations. It requires the creation of knowledge and business intelligence about business processes. It is a process of self learning and awareness about the economic, social and environmental impact of doing business.

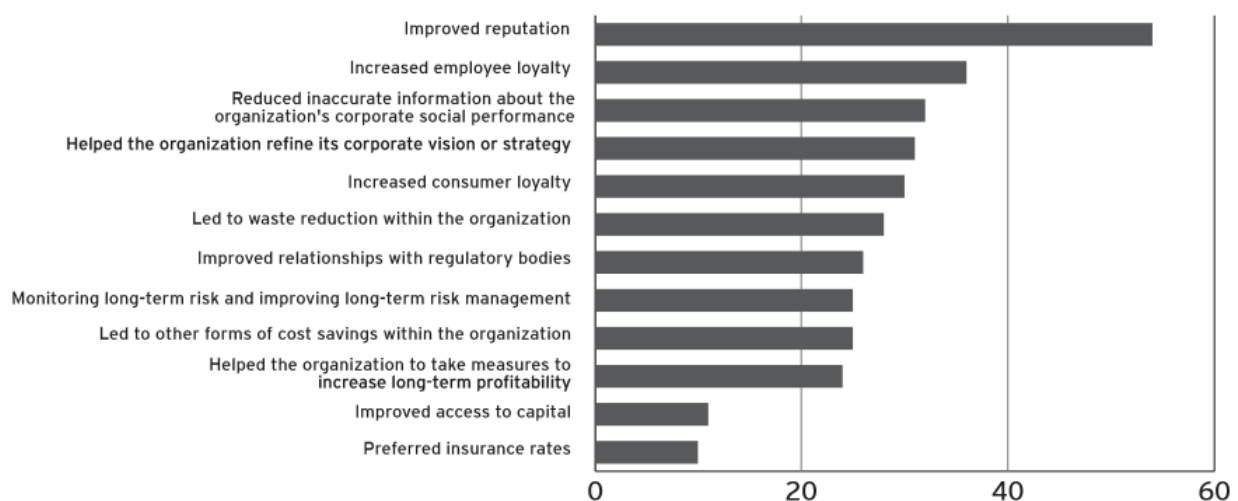
Over the past three years, cost management has emerged as the main driver (67%) toward implementing more economically, socially and environmentally responsible business practices, making it easily the greatest consideration for businesses, after customer demand, which is cited by 64% of business leaders globally (Grant Thornton International 2014).



Source: Grant Thornton International Ltd. (2014). Corporate Social Responsibility: Beyond Financials. International Business Report 2014.

Fig. 1 – Drivers toward Implementing Responsible Business Practices

According to a 2013 Boston College Center for Corporate Citizenship and Ernst & Young study, the value of reporting ranges from improved reputation and consumer loyalty to risk management and cost savings within the organization.



Source: Value of Sustainability Reporting – A Study by Boston College Center for Corporate Citizenship and Ernst & Young LLP, 2013.

Fig. 2 - The Value of Sustainability Reporting: Survey Results (% respondents)



The goal of this report is to convey disclosures on INTRALOT's impacts – be they positive or negative – on the economy, society and the environment to corporate stakeholders. In doing so, it seeks to make abstract issues tangible and concrete, thereby assisting in increasing efficiency and managing the effects of sustainability factors on the organization's activities and strategy.

## Greek National Action Plan on Social Responsibility

In 2013, the Hellenic Ministry of Development announced the launch of a national consultation of the private sector, NGOs concerned and other civil society organizations, toward the definition of a National Action Plan on Social Responsibility. As a member of the Hellenic Network for CSR, INTRALOT participates in the ongoing national consultation.

During the Greek presidency of the EU in the first semester of 2014 a tripartite Greek inter-governmental committee was created, with representatives of the ministries of Development, Environment and Labor, for the coordination of the national consultation of economic, social and environmental interest groups and the definition of a national Strategy on social responsibility.

Purporting that CSR can provide the theoretical and practical basis for innovation and entrepreneurship in the context of recovery from the Greek economic crisis and be a strategic advantage factor for export-oriented enterprises, the Action Plan seeks to endow Greek enterprises with skills and tools for better managing risks and compete in the global market.

The blueprint of the Greek National Action Plan on CSR was released for consultation in July 2014 and foresees:

- Access to funding for private sector companies to finance their CSR programs and undertakings, through the EU National Strategic Reference Framework programme (NSRF).
- Creation of a National Registry of Companies that are engaged in and report on CSR, to be connected with the existing General Commercial Registry of the Hellenic Ministry of Development.
- Enhanced decision-making capacity of local government.
- Creation of institutions that promote cooperation between state administration and private initiative in support of innovation and sustainable development.
- The inclusion of social responsibility and sustainability curricula in the national primary and secondary education system
- Mechanisms for the reward of leading public-private partnerships in CSR and Sustainability.
- Extensive sustainability training for the private sector by Greek academic institutions, as well as non-profit organizations with expertise in the field, and support to the transfer of knowledge and best practices across business sectors.

## 2.2 Strategy & Overview

Drawing from its corporate strategy of sustainable leadership of the gaming sector, INTRALOT's sustainability strategy is to create shared value for all its stakeholders, through the generation of economic resources for good causes, responsible gaming operations, technology and product innovation, and the development of education and human capital in the communities where the company operates.

In today's changeable economic environment, INTRALOT recognizes that it is imperative for businesses, community organizations and other stakeholders to jointly contribute to advancing education, technology research, innovation and infrastructure that will ensure sustainable economic growth and prosperity.

The creation of shared value requires a focus on sustainability activities that bring mutual benefit for the

community at stake and for INTRALOT itself, that have lasting impact, and that engage the communities where we operate by utilizing existing corporate resources, rather than diluting them.

As a commercial operator, INTRALOT seeks to contribute to the development of local communities, and to promote policies and best practices of responsible gaming through player education, marketing and advertising communications, and treatment referrals. As a global technology supplier, INTRALOT also has an enduring commitment to research, either in-house or in collaboration with relevant stakeholders, in fields, such as STEM, that foster product and services innovation in the gaming sector enabling safe and responsible gaming and the development of human capital.

Commercial Operator	Technology Supplier
<ul style="list-style-type: none"> <li>✓ Development of local communities: education and the creation of human capital, transfer of knowledge and know-how</li> <li>✓ Policies and best practices of responsible gaming focus on: player education, marketing and advertising communications, and treatment referrals.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Research, either in-house or collaborative with relevant stakeholders, toward product and services innovation enabling safe and responsible gaming</li> <li>✓ The promotion of partnerships between the research community and the gaming market</li> <li>✓ Game Design</li> </ul>

Table 1 – Sustainability Priorities by Contract Role

The annual Sustainability Activity Plan of the INTRALOT Group is preceded by a survey of the needs of the local communities where it has presence. Once these needs are mapped, the activities are chosen according to the following decision criteria:

- the strategic and operational impact of the initiative;
- the long term Impact on the local community;
- the extent to which the activities utilize corporate competencies and resources;
- brand differentiation;
- the alignment between social responsibility and corporate strategies.

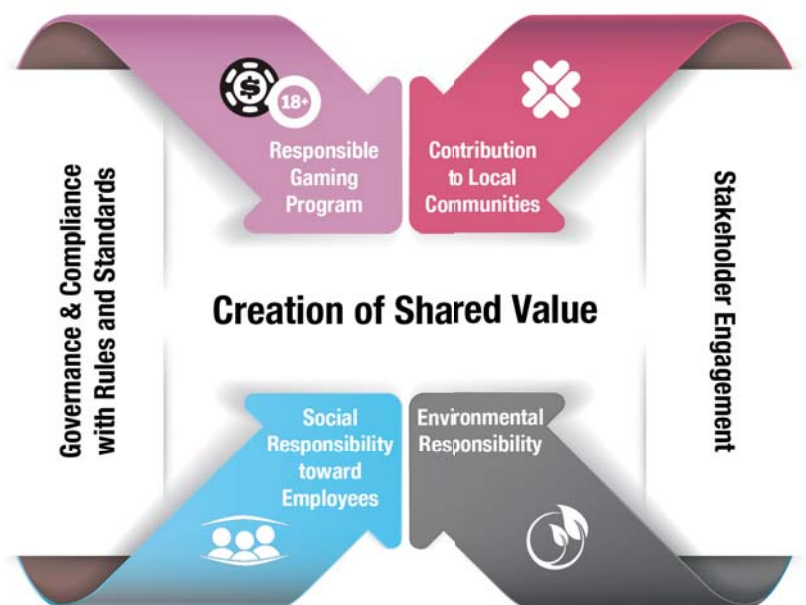


Fig. 3- Sustainability in INTRALOT

Following from the strategy of creation of shared value, INTRALOT Sustainability Program has defined five essential areas:

## 1. Contribution to Local Communities

The INTRALOT Group contributes to the local communities where it operates through the transfer of technology and know-how and through the employment, the occupational safety and the specialized training of its local workforce and sales network. Further, the company contributes to the enhancement of the quality of life and community development through social programs that aim at advancing education and human capital; supporting social welfare and human development; and preserving cultural heritage.

## 2. Corporate Governance & Compliance

INTRALOT complies with the regulatory framework of each and all jurisdictions where it has presence as well as with relevant corporate or industry standards. Furthermore, the company abides by the strictest ethics standards in its relations with both internal and external stakeholders. It has adopted a set of rules and standard procedures in a Code of Corporate Governance and Code of Conduct, which ensure the integrity, security and professionalism of businesses practices and conduct.

## 3. Responsible Gaming Policy and Program

INTRALOT has adopted Responsible Gaming as a key element of its Corporate Responsibility strategy. A responsible leader of the gaming sector, INTRALOT is committed to addressing the potential social and economic impact of its operations. INTRALOT has developed the enabling technologies and the operational know-how required to implement industry best-practice Responsible Gaming strategy and has adopted a responsible gaming program tailored to the needs of customers and/or players in any jurisdiction globally.

## 4. Social Responsibility towards our Employees

INTRALOT corporate employee policies and procedures aim to offer its staff a stable and favorable working environment that maximizes the talent of company professionals, motivates them to excel in their functions, and supports their professional and personal development.

## 5. Sustainability of our planet

INTRALOT has developed a company-wide system that monitors its environmental performance and regularly engages or facilitates green initiatives that are relevant to its operations and have an impact on local communities.

## 2.3 Materiality Assessment

The gaming sector presents several distinctive features. First, it is a highly regulated sector, due to the large size of the market, to the impact of responsible gaming, due to information security and privacy issues and due to several public externalities such as the protection of the integrity of sports and prevention of match fixing. Further, revenues from gaming operations are allocated by law to the realization of several social causes by governments. The most traditional element of the market, lotteries, are prime examples of a public-private partnership for the common good as most state lotteries today are privately managed.

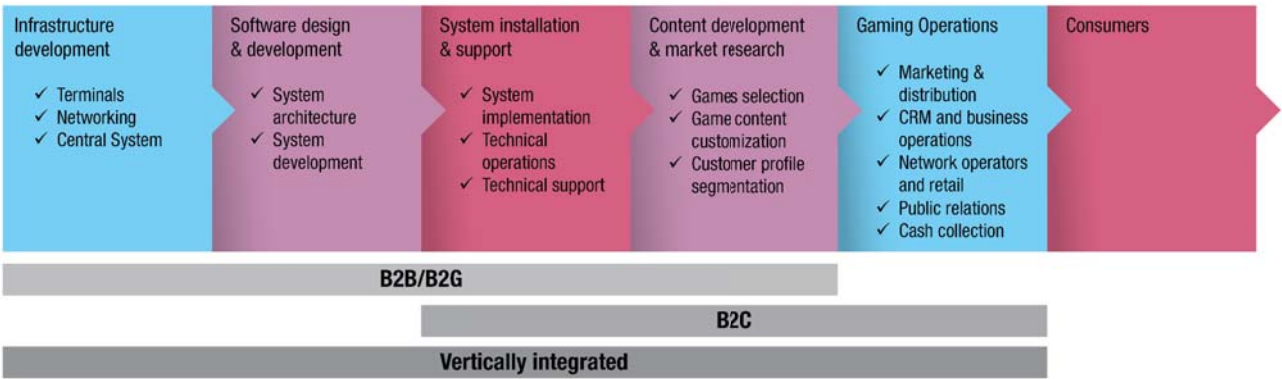


Table 2 - Gaming Market Value Chain

INTRALOT operations also present distinctive features as business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for its own or other licensed operations, depending upon the market in which we operate. This multiplicity of contract roles affects the focus of the sustainability activities the company engages in.

In 2013, INTRALOT conducted a materiality assessment near a selected group of internal and external stakeholders, in order to identify and rank sustainability issues of relevance to the company. The prioritization of these issues supports corporate decisions on where to focus its resources, setting goals as well as improving business practices and reporting.

The economic, social and environmental issues considered as potentially material are prioritized according to the following criteria:

- Their potential impact on INTRALOT;
- Their importance to stakeholders.

The issues identified are as presented in Fig. 4 and constitute the scope of the current report.

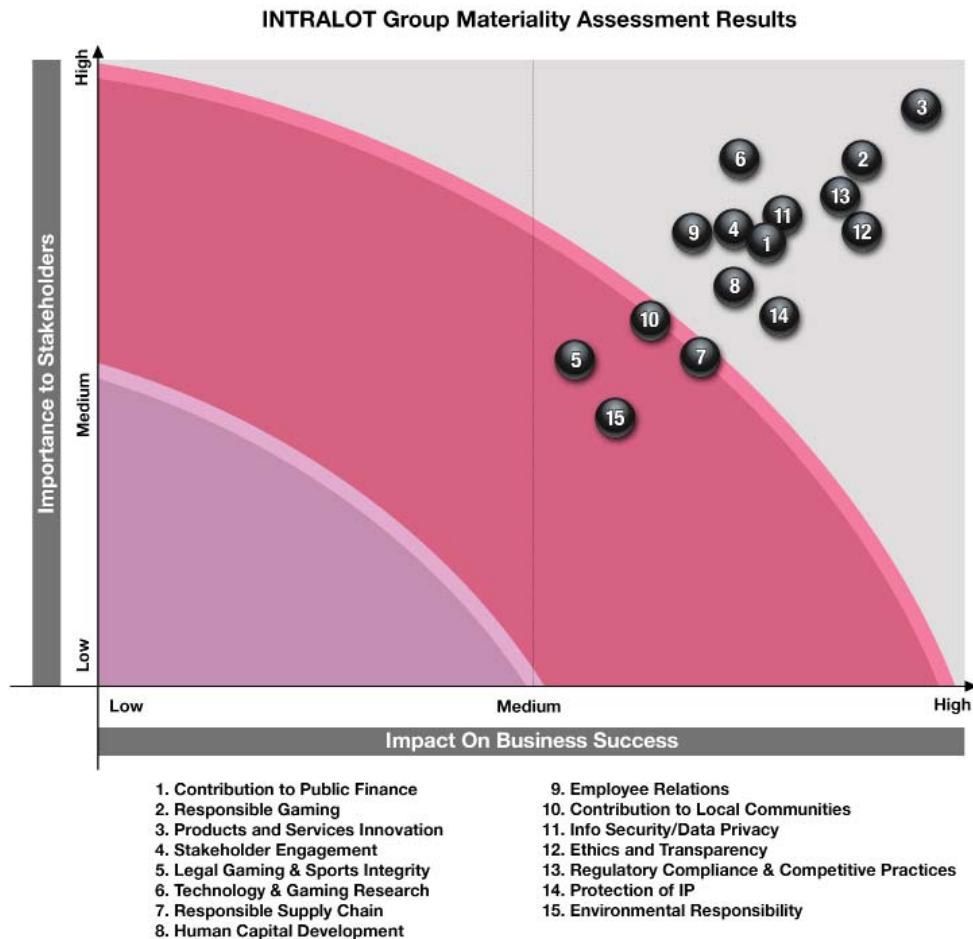


Fig. 4 – INTRALOT Group Materiality Assessment: Results

INTRALOT Material Issues		Achievements 2013	Aspect Boundaries within/outside INTRALOT
1	Contribution to Public Finance & Social Product	<ul style="list-style-type: none"> <li>✓ Payments to government bodies €35.493.000.</li> <li>✓ INTRALOT Group Social Product €724.405.000.</li> </ul>	Outside
2	Responsible Gaming	<ul style="list-style-type: none"> <li>✓ New group wide responsible gaming training program, in accordance to the WLA Framework.</li> <li>✓ Reinforcement of training for call center personnel and new media players.</li> <li>✓ Newly acquired WLA/EL Responsible gaming certifications by MALTCO and INTRALOT de Peru.</li> <li>✓ Participation in the WLA stakeholder consultation process toward new Responsible Gaming Certification of suppliers.</li> </ul>	Outside
3	Products/ Services Innovation	<ul style="list-style-type: none"> <li>✓ Innovations as per sections 4.2, 6.4 and 9.2 of the present report.</li> </ul>	Within & Outside



INTRALOT Material Issues		Achievements 2013	Aspect Boundaries within/outside INTRALOT
4	Stakeholder Engagement	<ul style="list-style-type: none"> <li>✓ INTRALOT conducted its first Materiality Assessment Exercise.</li> <li>✓ Inclusion of corporate responsible gaming policies and practices in the corporate annual financial report.</li> <li>✓ Participation in the WLA consultation on the upcoming RG certification of gaming vendors.</li> </ul>	Outside
5	Legal Gaming and Sports Integrity	<ul style="list-style-type: none"> <li>✓ Partnership with FIFA.</li> <li>✓ Partnership with the IOC.</li> </ul>	Outside
6	Technology & Gaming Research	<ul style="list-style-type: none"> <li>✓ €15.2 million on R&amp;D.</li> </ul>	Within & Outside
7	Responsible Supply Chain	<ul style="list-style-type: none"> <li>✓ Update of supplier selection standards currently underway.</li> <li>✓ Development of a standardized process for collection of supplier data from key subsidiaries.</li> </ul>	Within & Outside
8	Human Capital Development	<ul style="list-style-type: none"> <li>✓ Total training manhours 111.983.</li> <li>✓ Training aggregate satisfaction rate 93%.</li> </ul>	Within
9	Employee Relations	<ul style="list-style-type: none"> <li>✓ 2.6% increase in total workforce.</li> <li>✓ Improved gender diversity in management ratio.</li> <li>✓ Employee Satisfaction Survey, conducted in December 2013.</li> </ul>	Within
10	Contribution to Local Communities	<ul style="list-style-type: none"> <li>✓ Estimated contributions to local communities €5million.</li> </ul>	Outside
11	Integrity, Info Security & Data Privacy	<ul style="list-style-type: none"> <li>✓ New ISO 20000 certification on Information Technology Service Management.</li> <li>✓ COBIT 5.</li> </ul>	Within & Outside
12	Ethics, Governance & Transparency	<ul style="list-style-type: none"> <li>✓ Approval of New Board Committees.</li> <li>✓ INTRALOT has started the revision of its Code of Corporate Governance, toward alignment with the revised Greek Code of Corporate Governance of the Hellenic Federation of Enterprises and the Hellenic Council for Sustainable Development.</li> <li>✓ Progress in the number of disclosures required by the new G4 guidelines for Sustainability reporting of the Global Reporting Initiative (GRI), adopted as of the 2012 reporting cycle.</li> </ul>	Within & Outside
13	Regulatory Compliance & Competitive Practices	<ul style="list-style-type: none"> <li>✓ Voluntary adoption of the new Greek Code of Corporate Governance of the Hellenic Federation of Enterprises/Hellenic Council for Sustainable Development.</li> </ul>	Within & Outside
14	Protection of IP	<ul style="list-style-type: none"> <li>✓ 80 patents &amp; designs held to date.</li> <li>✓ 90+ patents pending to date.</li> </ul>	Outside

	INTRALOT Material Issues	Achievements 2013	Aspect Boundaries within/outside INTRALOT
15	Environmental Responsibility	<ul style="list-style-type: none"> <li>✓ 44 physical servers moved to cloud.</li> <li>✓ Energy Intensity 22 GJ/€mil. sales.</li> <li>✓ Emissions Intensity 5.31tCO<sub>2</sub>eq/€mil. sales.</li> <li>✓ 12% decrease in consumption of heating fuel.</li> </ul>	Within & Outside

Table 3 – INTRALOT Achievements by Material Issue

## 2.4 Partnerships

### Hellenic Network for CSR

In 2013, INTRALOT continued its volunteering collaboration with the Hellenic Network for CSR (HNCSR). The HNCSR has defined five (5) task forces, charged with disseminating information and educating the business community about the new European strategy for CSR and Europe 2020 targets.

INTRALOT participates in a Communication task force, The task force has three (3) major roles:

- Co-definition of strategy and action plan toward the dissemination of the new EU CSR strategy in the media;
- Project consulting;
- Media outreach.

The Hellenic Network for CSR is a Greek national partner of CSR Europe and is, since 2008, a coordinator of the UN Global Compact Network in Greece whose goal is to promote of principles and values of corporate social responsibility near Greek businesses and society at large, ensuring a balance between profitability and sustainable development.

Hellenic Network for CSR

Five (5) Task Forces for EU Strategy Implementation

Transparency & Independence	
Communication	INTRALOT
Volunteerism	
SMEs	
Collaborative Stakeholder Partnerships	

## SEV 4 Enterprise Initiative 2013

In 2013, the Hellenic Federation of Enterprises (SEV) announced a new initiative toward the support to entrepreneurship in Greece. Having evolved from SEV last year's entrepreneurship initiative, SEV 4 Enterprise has grown in scope, as it foresees integrated support actions towards entrepreneurship, extraversion and innovation in the Greek business sector. The services offered to new entrepreneurs include: hosting; mentoring; consulting; and training. INTRALOT has volunteered to participate in entrepreneurship initiative by offering prospective entrepreneurs mentorship services.

The initiative includes the creation of an e-learning platform in collaboration with Google. The Web Platform created by SEV with Google's support takes advantage of the new technologies of informatics and communication of Google in a series of actions: electronic learning (e-learning), creating and managing the digital content, distance counseling support from mentors and experts, video conferencing, creation of working groups, access to relevant information material, use of cloud, etc.

The web platform will initially be available to businesses involved in the Initiative of Extraversion «Export Expert» organized by SEV (about 200 outward businesses), and then will support the initiatives of SEV on Youth Entrepreneurship (about 90 business groups of young scientists) and Innovation (about 200 companies) as well as other activities carried out by SEV to its members.

## 2.5 CSR Self-Assessment

INTRALOT performs a corporate social responsibility self-assessment, based on the model of EBEN GR Business Ethics Excellence (BEE) and its social criteria. The EBEN GR BEE Model self-assessments are performed over and above the assessments conduct by INTRALOT for the purposes of quality management certification by the European Foundation for Quality Management (EFQM). The self-assessment is conducted by expert certified personnel on a bi-annual basis. The 2012 self-assessment was presented in the Sustainability Report 2012 and the next assessment will be presented in the 2014 edition of this report.



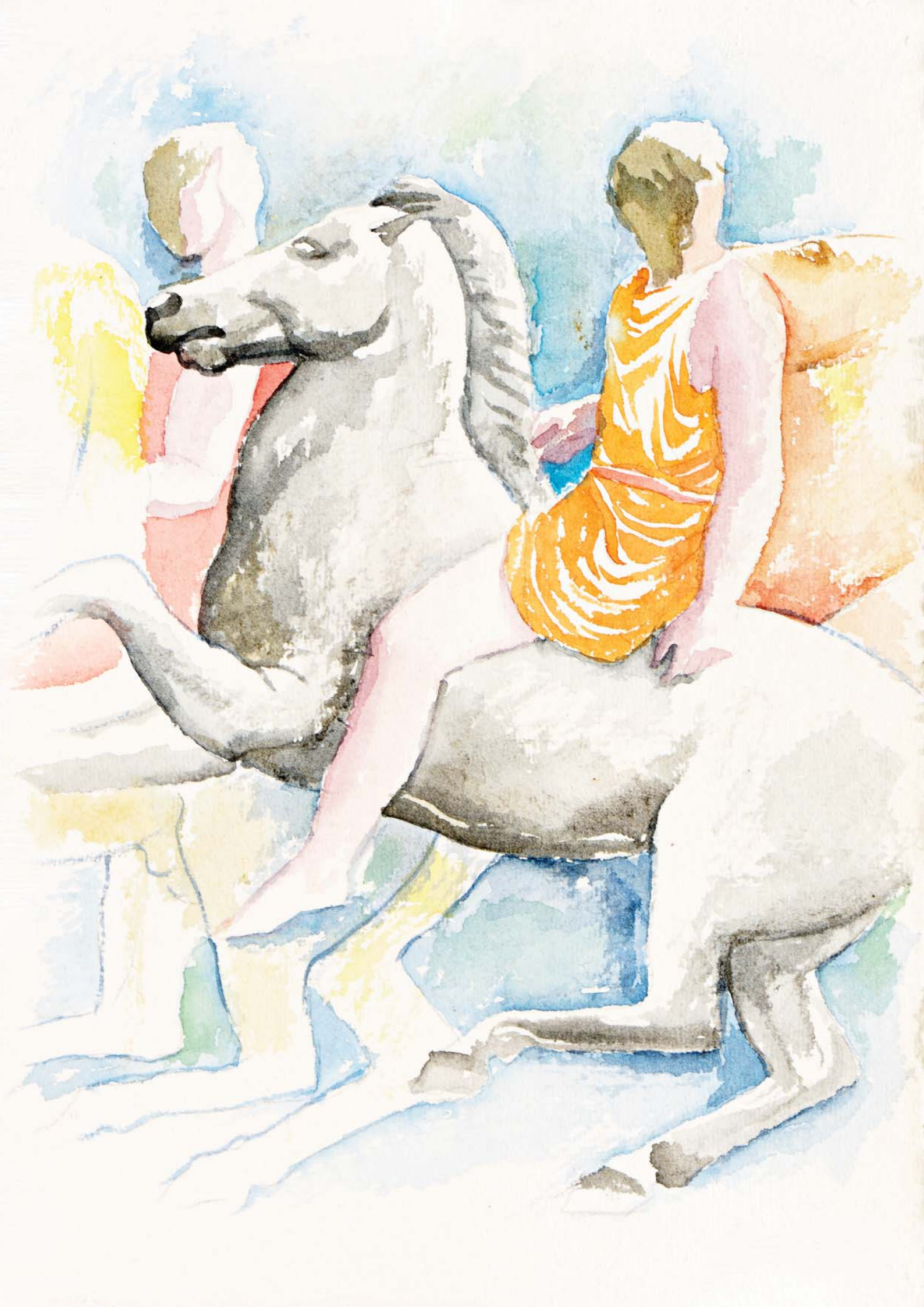
# 3

## STAKEHOLDER ENGAGEMENT

*Hippeis*

A depiction of Ancient Greek cavalry





## 3.1 Overview

INTRALOT actively seeks the involvement of decision-makers, business partners, and other relevant social groups in the identification of issues, concerns, and appropriate strategies for promoting sustainable and responsible business operations, and exchanges knowledge and best practices toward this end.

INTRALOT is committed to regularly engage with the relevant stakeholders formally and informally and to report on the mechanisms and the progress of this engagement. Stakeholder engagement provides an opportunity for stakeholders to voice relevant concerns and build on common goals.

Engagement covers issues that are material to the specific stakeholder and the individual organization. INTRALOT integrates the results of stakeholder engagement into its strategic-decision-making processes and shall feedback to the relevant stakeholder(s) on the outcomes from engagement processes. In the breadth of stakeholders involved INTRALOT adopts an inclusive approach.

The table that follows depicts the main company stakeholders and respective common interest issues.

Stakeholder groups	Communication Means	Key topics and concerns
Regulatory Authorities	<ul style="list-style-type: none"> <li>✓ Official communications with competent authorities in compliance to the applicable rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Responsible Growth by enlarging the number of players who play small amounts, while generating resources for social causes and protecting vulnerable and underage players</li> <li>✓ Prevention of Illegal Gambling</li> <li>✓ Partnerships toward social goals</li> <li>✓ Taxation issues</li> </ul>
Shareholders & Investors	<ul style="list-style-type: none"> <li>✓ Annual Reports</li> <li>✓ Annual General Meeting</li> <li>✓ Shareholder questionnaire</li> <li>✓ Special section at the company's internet portal for use by shareholders and investors</li> <li>✓ Presentations for Investors</li> <li>✓ Road shows</li> <li>✓ Press releases</li> </ul>	<ul style="list-style-type: none"> <li>✓ Financial information and ROI</li> <li>✓ Information about the impact of CSR activities on performance and sustainable growth</li> <li>✓ Accountability issues</li> <li>✓ The support of informed investment decisions</li> </ul>

Stakeholder groups	Communication Means	Key topics and concerns
Employees	<ul style="list-style-type: none"> <li>✓ Personal communication through respective managers</li> <li>✓ Internet portal in three (3) languages: English, Spanish and Chinese</li> <li>✓ Intranet/iSpace internal internet portal</li> <li>✓ Meetings with staff representatives</li> <li>✓ Corporate and social events</li> <li>✓ Employee satisfaction surveys</li> <li>✓ One-to-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>✓ Training</li> <li>✓ Employees Health &amp; Safety</li> <li>✓ Professional growth and development</li> <li>✓ Career advancement</li> <li>✓ Competitive salary</li> <li>✓ Ethical and socially responsible relations</li> </ul>
Customers (lottery operator or player)	<ul style="list-style-type: none"> <li>✓ Official written communication (RFP, contract, project documentation)</li> <li>✓ Formal meetings</li> <li>✓ Video conferencing</li> <li>✓ Customer Complaint Service</li> <li>✓ Customer satisfaction surveys</li> <li>✓ Press releases</li> <li>✓ Newsletters</li> <li>✓ Informal personal communication</li> <li>✓ Corporate News in Social Media (Facebook, Twitter, LinkedIn, Google+, INTRALOT Blog, INTRALOT YouTube)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Added value products &amp; services</li> <li>✓ Win-Win long term B2B relationships</li> <li>✓ Transfer of technology applications for added efficiency of public administration of state customers</li> <li>✓ Training and advisory services on socially responsible gaming products and practices</li> <li>✓ Wealth generation and market growth</li> <li>✓ Customer concerns and suggestions</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>✓ Official communications through specific channels and networking platforms organized by lottery and gaming associations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Technology trends</li> <li>✓ Market share competition</li> <li>✓ Constructive cooperation on specific projects</li> </ul>
Interest Groups (economic, public, and single-issue)	<ul style="list-style-type: none"> <li>✓ Workshops</li> <li>✓ One to one meetings</li> </ul>	<ul style="list-style-type: none"> <li>✓ Sector and Technology Trends</li> <li>✓ Education and protection of players</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>✓ Official written communication</li> <li>✓ Supplier questionnaires or self-assessments</li> <li>✓ Supplier Assessments</li> <li>✓ Formal meetings</li> <li>✓ Informal personal communication</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ongoing assessment of needs and product development</li> <li>✓ Win-win long term B2B relationships with continuous improvements in materials usage, health and safety, waste management and logistics.</li> </ul>



Stakeholder groups	Communication Means	Key topics and concerns
Local Communities	<ul style="list-style-type: none"> <li>✓ Press Releases</li> <li>✓ Public surveys</li> <li>✓ CSR reporting</li> <li>✓ Corporate News in Social Media (Facebook, Twitter, LinkedIn, Google+, INTRALOT Blog, INTRALOT YouTube)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Environmental friendly operations</li> <li>✓ Job creation</li> <li>✓ Support of local businesses which will supply products and services</li> <li>✓ Ethical conduct</li> <li>✓ Awareness campaigns, outreach and education on responsible gaming practices</li> <li>✓ Corporate citizenship initiatives</li> </ul>
Research Organizations & Academia	<ul style="list-style-type: none"> <li>✓ Commissioned research, participation in conferences, business mentorship programs, shadowing.</li> </ul>	<ul style="list-style-type: none"> <li>✓ ICT research</li> <li>✓ Technologies for responsible gaming</li> <li>✓ STEM education</li> <li>✓ Developments in gaming research</li> </ul>
Media	<ul style="list-style-type: none"> <li>✓ Press releases</li> <li>✓ Interviews</li> <li>✓ Articles in specialized print and e-media</li> <li>✓ Corporate Website, including a Multimedia Resources Center</li> <li>✓ Advertising</li> <li>✓ Participation in Exhibitions</li> <li>✓ Speeches and Participations in Conferences/Seminars of the Lottery Industry</li> <li>✓ Corporate News in Social Media (Facebook, Twitter, LinkedIn, Google+, INTRALOT Blog, INTRALOT YouTube)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote a positive corporate image by informing about: <ul style="list-style-type: none"> <li>✓ new products &amp; services</li> <li>✓ demonstration of products</li> <li>✓ new projects around the world</li> <li>✓ awards &amp; distinctions</li> <li>✓ financial data</li> <li>✓ Industry trends</li> <li>✓ Coverage and dissemination of CSR activities</li> </ul> </li> </ul>

Table 1 – Stakeholder Communication: Channels and Issues

The engagement, dialogue and potential partnership with each of these stakeholder categories depends on the strategic objectives along each of the five pillars that make up the Corporate Sustainability Program. A list of priority stakeholders by program area follows.

Sustainability Program Area	Priority Stakeholders
Contribution to the Local Communities	Local Communities Employees
Governance and Compliance	Regulatory Authorities
	Customers
	Shareholders & Investors
	Suppliers and Business Partners



Sustainability Program Area	Priority Stakeholders
Responsible Gaming	Customers
	Regulatory authorities
	Interest groups
Responsibility towards Employees	Employees
	Local Communities
Environmental Sustainability	Regulatory authorities
	Local Communities
	Interest groups
	Suppliers

Table 2 - INTRALOT Group Stakeholder Mapping

## 3.2 Responsible Supply Chain

INTRALOT's suppliers are a stakeholder group with which the company collaborates closely and systematically. INTRALOT recognizes its suppliers as significant partners and promotes its labor standards, materials and resource optimization practices and environmental waste management systems near the upstream and downstream supply chain.

The framework of the partnership with INTRALOT's suppliers is defined by INTRALOT's values and principles and by the relevant legislation and international codes and standards.

INTRALOT strives to deliver products of the highest quality, with high endurance in all operational fields. To this end, the company has set procurement processes which ensure the selection of the most qualified vendors and service providers for all the materials and services used. INTRALOT suppliers are quality certified and their performance is frequently evaluated. These practices have contributed to the excellent track record of INTRALOT products around the globe and have earned the company several awards from distinguished organizations.

INTRALOT contributes to the welfare of the economies where its suppliers of goods and services are based. In 2013, payments to suppliers of the INTRALOT Group amounted to € 389.012 thousand (excluding agent commissions). Payments to suppliers of INTRALOT SA amounted to €101.445 thousand.

Total Number of Suppliers	5.353
% Local Suppliers	92%
% Payments to Local Suppliers	82%

Table 3 - INTRALOT Group Suppliers

In the year 2013 INTRALOT SA counted 1.038 suppliers. In 2013, total suppliers of the INTRALOT Group amounted to 5.353 in 33 countries worldwide. The suppliers were grouped into the 5 main categories: General Products & Services; Marketing & Advertising; Transportation & Distribution; Hardware & Software; and Office Supplies & Consumables, as follows in the table below.

Of the 5.353 suppliers, 2.924 were based in Europe & the Middle East regions. The geographic breakdown of the suppliers of the INTRALOT group follows in Fig. 2:

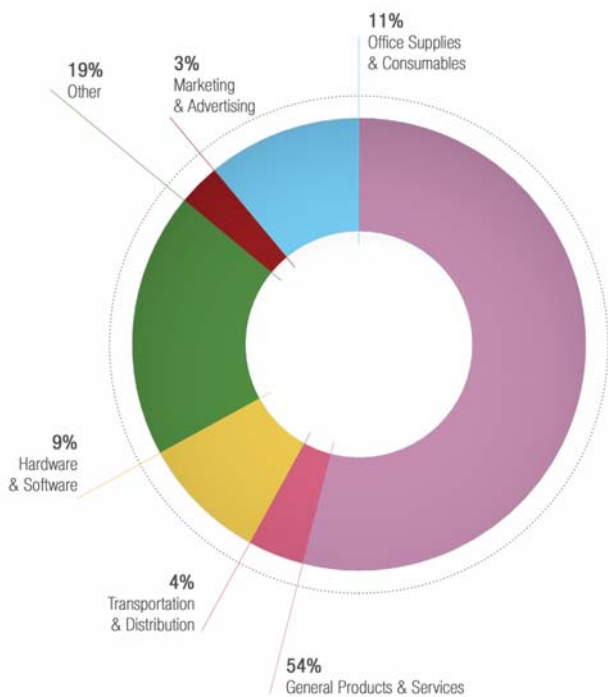


Fig. 1 - Supplier Breakdown by Category

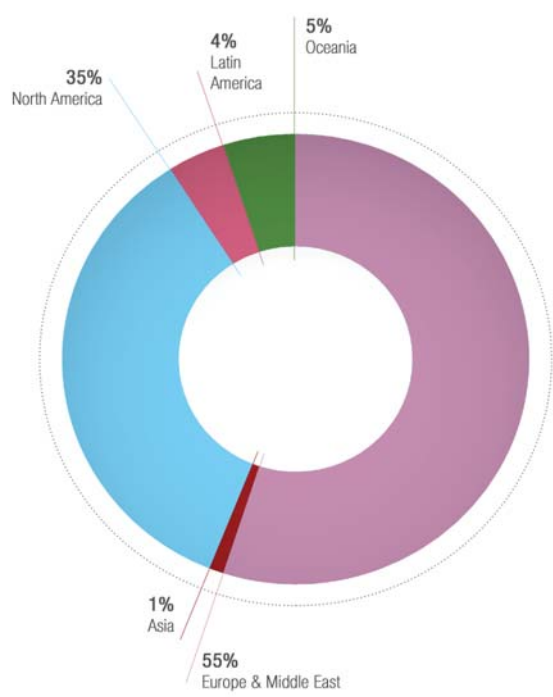


Fig. 2 - Supplier Breakdown by Region

The INTRALOT Group has production facilities over 35,000 m<sup>2</sup> and partly manufactures hardware in its production facility in Ohio, United States. Moreover, the company also works with manufacturers in Greece, Romania and Taiwan.

Major production units operate in compliance with ISO 9001 quality standards, which INTRALOT considers mandatory, and with best practices in environmental protection, such as ISO 14001. Major units are also inspected twice a year and certified by TÜV Nord Group as appointed INTRALOT factories accredited to manufacture products under international safety rules and practices. Furthermore, INTRALOT conducts onsite inspections regularly.



Fig. 3 - Production Units: Key Geographies

Noteworthy innovations, both in products and in operational practices, successfully implemented to date by major suppliers include:

- Roof shades for heat shielding
- Solar LED Lighting
- Optimization of compressor operation cycle
- Green curtain facilities
- Lightweight and hybrid corporate car fleet
- Carbon Offset and emissions credits, where applicable
- Compliance with WEEE and RoHS directives
- Compliance with the REACH regulation (EC 1907/2006), including notification obligations as well as with regard to disclosures in packaging and product labelling
- Progress towards the adoption of ISO Quality and Environmental Certifications
- Compliance with the PRTR (Pollutant Release and Transfer Register) Law, as per workers and communities' right-to-know (Aarhus Convention and EC 166/2006)

The above have generated significant costs savings resulting in improved environmental as well as financial performance for suppliers and for INTRALOT and its customers.

## Supplier Selection & Management

In the process of procurement of goods and services, INTRALOT strictly follows a policy of non-discrimination on the basis of race, color, sex, sexual orientation, gender identity, religion, disability, age, genetic information, veteran status, ancestry, or national or ethnic origin.

The company enforces the principle of equal opportunity to all potential suppliers and strives to maintain a diverse portfolio of suppliers, in terms of country of legal establishment, company size, or human resources profile. Neither INTRALOT SA nor its subsidiaries give preferential treatment to local suppliers or adopt policies towards such goal.

As an ISO 9001 certified company, INTRALOT business processes follow standardized procedures throughout the entire product chain. The company has adopted

a written policy for procurements with step-by-step procedures, supplier requisites, and documentation, which ensure fairness and compliance with quality assurance standards.

The submission of a supplier questionnaire on labor, health & safety, and environmental standards is a requisite for participation in corporate procurements. Furthermore, INTRALOT procurements processes are subject to regular auditing.

The majority of first degree suppliers has received quality and environmental certifications from competent national and international organizations and is also listed in national stock exchanges, consequently abiding by the regulatory framework defined by these exchanges. A significant number of contracts with suppliers within the European Union area follow EU regulations and the process, requisites, and eligibility rules of public tender.

Regarding second degree suppliers of hardware components produced through the commodity sector, INTRALOT actively engages and collaborates with first degree suppliers in the dissemination of adopted quality, labor and environmental standards near the supply chain.

There are no incidents of human rights violations by the suppliers of the INTRALOT Group, as both the Group as its suppliers abide by a non-discrimination policy, respect the rights of indigenous people in applicable jurisdictions, and do not utilize child labor or forced or compulsory labor.

The flexibility to design and develop innovative and effective solutions that meet specific market requirements and customer needs has given INTRALOT competitive advantage and contributed to the effort towards expanding operations in the five continents. In order to maintain this flexibility to design innovative solutions, INTRALOT requires the highest standard of quality services and products from technology suppliers and subcontractors that are world leaders in their fields.

Both the selection of suppliers and the process of supplier assessment, which the company conducts on an annual basis, are subject to the following main criteria:

- financial cost;
- quality specifications;
- supplier labour policies & practices;
- supplier human rights record;
- supplier policy towards the rights of indigenous peoples, where applicable;
- the impacts of supplier products or services on environmental sustainability;
- time to delivery.

In addition, INTRALOT advances the development of local communities through the adoption of a minimum 50% local supplier quota, in so far as the quality criteria of supplier selection are not compromised. The proportion of local suppliers of the INTRALOT Group can be found on table 3 of the current chapter.

Finally, the choice of suppliers is also subject to the specific constraints and ad-hoc parameters defined in contracts with customers.

INTRALOT gives special attention to, and values stable and effective relationships with, its partners and subcontractors. The Department of Contracts and Procurements collaborates with INTRALOT's Technical Support Department (TSD) in the evaluation of partnerships with suppliers. While the Department of Contracts and Procurements evaluates supplier partnerships from a business and financial standpoint, TSD evaluates the technical requirements of supplier partnerships. TSD subjects all supplier products to scrutiny prior to their incorporation in the development process and ensures that the application software being developed under contractual obligations is integrated with reliable components and all quality requirements are being met.

INTRALOT has adopted a quality management system (QMS) that supports the effective management of partnerships by ensuring consistent quality standards and keeping regular contact with suppliers, exchanging feedback and implementing product or service improvements. INTRALOT's QMS is based on an open-channel of communication between the Department of Contracts and Procurements and the Technical Support Department through the company's intranet portal, where input on subcontractor performance is shared. This input also serves as the basis for recommendations for new or continuing partnerships.

## 3.3 Customer Training & Support Services

As part of the gaming services offered to customers, INTRALOT offers extensive training on INTRALOT products as well as technology, including on responsible gaming best practices and technology tools. The data concerning 2013 customer training follows.

Number of training programs	49
Number of participants	329
Aggregate Satisfaction Rate	93.2%

Table 4 - Customer Training

Upper management	20%
Middle and lower management	80%

Table 5 - Customer Training: Breakdown by Management Level

## 3.4 Customer Satisfaction

An integral part of INTRALOT operations worldwide is the conduct of customer satisfaction surveys. These surveys are fundamental for detecting new trends in preferences and are the basis for continuous product and service improvements and ultimately for customer satisfaction.

Customer satisfaction surveys are designed locally in the jurisdictions and are conducted at regular intervals. The surveys examine and evaluate, inter alia:

- feedback from customers about games and gaming, the services network, logistical support and training
- customer suggestions for product and/or service improvements
- priorities regarding new customer needs
- feedback on customer complaint management

The next customer satisfaction survey will be conducted within 2014 and its results will be presented in the next edition of this report.



In 2013, the INTRALOT Group has also created a Service Complaint Procedure available to customers. The service was created as part of the new certified Service Management System ISO 20000. For information about the service complaint procedure is available in section 5.7 of this report.

### 3.5 Society Satisfaction Index

INTRALOT is committed to assessing the impact of its presence in the local community and integrate the needs of these communities in company policy and business practices. INTRALOT's Technical Support Department carries out a Society Satisfaction Survey. The survey aims to assess the disruption of INTRALOT business operations within the local community rather than assess product satisfaction. The survey has consistently revealed high levels of satisfaction in the local community. The Society Satisfaction Index was measured to be 72% overall. Local businesses showed slightly lower satisfaction rates as compared to residents.



Fig. 4 – Society Satisfaction Index

# 4

## ECONOMIC SUSTAINABILITY

*Grapevine*

A symbol of prosperity in Ancient decorative art





## 4.1 International Prospects of the Gaming Sector

The gaming sector is facing both increased challenges and a wealth of opportunities. While it has been affected by the economic downturn the gaming sector overall has shown more resilience than other sectors of the economy. For its part, INTRALOT's international expansion and significant diversification has proven a safe cushion against the conditions of individual markets and economies.

Global mobile GGR in gaming is estimated to surpass €10bn in 2015. In three years, global mobile business will be more than 40 per cent of the overall online gaming business. The market for video games alone currently exceeds \$ 100 billion, according to technology research company Gartner. If one adds interactive and online gambling, casino-type games, etc. the numbers soar dramatically to an overall market of \$300 billion which is rapidly thriving.

The gaming sector is living the most dynamic period in its history as these structural changes, but also the evolving regulatory framework, technology, and new media channels, converge to create new opportunities. The timeless role of games of chance in human culture and entertainment can now be greatly enhanced and reinvented by the emergence of new technologies, the mobile lottery, and the need to attract new customer demographics.

In addition to the opportunities offered by technology, regulatory reforms arising from the economic crisis, including the liberalization of gaming markets and particularly the rapidly evolving Internet market, lottery privatizations and the legalization of lottery games, also pose substantial opportunities for further growth. Structural changes in the way lotteries are operated, in Greece and worldwide, play to INTRALOT's strengths. Public-private partnerships have always been a component of INTRALOT's strategy as most of INTRALOT's business around the world comes from operating lotteries under a private management contract. The trend toward partnerships with the private sector changes the business but not the social mission of lotteries.

Another trend concerns the regulation of video lottery terminals (VLTs) and Internet wagering at a national level. More jurisdictions are recognizing the benefits of creating regulated gaming programs that generate revenues for good causes while ensuring fair play for players. Advanced business analytics are critical for lotteries operating VLTs to remain competitive and enhance responsible gaming features.



Fig. 1 - Gaming Market Trends

INTRALOT believes in the emergence of the New Lottery, and is enthusiastic to plan ahead with partners towards the realization of this vision. By leveraging the industry's intrinsic values of contribution to social causes, preserving and promoting responsible gaming practices, and capitalizing on customer trust and awareness of lottery brands, lotteries have unique advantages to compete in an open market across the globe. INTRALOT

is well prepared to address the challenges of this emerging and rapidly growing segment, through forefront technology functionalities and best practices that ensure a responsible, secure, and safe gaming environment.

INTRALOT is closely monitoring the sector's developments so as to selectively participate in projects with higher growth potential, offering leading products and services and the latest technology enabling safe and responsible gaming and the generation of wealth for good causes.



## 4.2 New Products and Technology

In today's online world, innovation is no longer driven by the gaming supplier but rather it is driven by the consumer. New gaming models are emerging, combining the worlds of virtual economies and social gaming with the existing i-Gaming models. As a consequence, gaming companies must be responsive to the entire set of end-user's experiences and expectations.

At INTRALOT, innovation is systematically approached as a business process, using ingrained customer-driven and open innovation strategies together with technologies that facilitate universal interoperability. With its technologically advanced product offerings, INTRALOT is moving the gaming industry into a new era, fully satisfying the continuously increasing needs for more efficiency, multi-protocol support, responsible gaming, compliance, security, and player centric operations.

In 2013 INTRALOT added several innovative products to its portfolio. These forefront products are enablers of the Universal Gaming Experience, INTRALOT's player-centric infrastructure roadmap for gaming operators enabling players to play responsible and safely whenever and wherever they want and extending the reach of gaming operators from traditional retail networks into emerging and dynamic player interaction points.



Fig. 2 – Innovation Segments

Product Solution	Description
TAPP IT!™	The TAPP IT!™ platform enables INTRALOT to provide content from multiple game developers under one umbrella. Utilizing the self-service Coronis MP terminal, and the “Touch Activated Player Portal”, the extensive game library and flexible platform together offer a fast to market and easily scalable solution. TAPP IT!™ is a product innovation that resulted from the winning idea in the 2012 corporate innovation competition, I-game.
iGEM monitoring System	The 2013 version of iGEM is INTRALOT’s state of the art multi-venue, multi-protocol EGM monitoring and control system, features a number of new functionalities, such as G2S native support, protocol conversion, local and wide area jackpots, cashless gaming, TITO, player tracking, real time graphical display tools, responsible gaming support and a comprehensive accounting and reporting system.
GLS Gaming Licensing System	GLS is a workflow based, fully on-line Gaming Licensing System, featuring e-licensing for all gaming stakeholders and all gaming assets, as well as Compliance and Investigations support, while offering a wealth of integrated capabilities, including a document management system, integrated electronic payment systems for handling payment of license fees, and a powerful communications platform among others.
Players Club	INTRALOT’s Players Club, is a versatile and powerful cross-channel tool to maintain player information and support player retention, featuring responsible gaming, promotional campaigns, loyalty, integrated CRM and Help Desk support and more.
Mobile Lottery Solution	The Mobile Lottery product line is an innovative, independent end-to-end solution for making the Lottery experience native on mobile devices of all operating systems, sizes and capabilities. Adaptive user interface (UI) design with emphasis on ease of use, expedience of standard user actions and modern UI aesthetics, prove the best spring board to attract newer demographics to the traditional Lottery world. It incorporates several completely new and innovative player engagement features, and gives significant value added to existing and new Lottery operations.
Sports Mobile betting management system	The Sports Mobile betting management system combines the proven INTRALOT i-FLEX sports book platform with a complete content management and delivery platform for mobiles and tablets. Based on HTML5 technologies, new UI designs offer an exciting user experience, allowing the scaling up for multiple device options including terminal devices at the retail networks.
GAMEZ-ON patent-pending Gaming Platform with the InstantMobileGames framework	GAMEZ-ON patent-pending Gaming Platform with the InstantMobileGames framework is a new approach to instant games designed to bring instant win and e-Scratch excitement into a cross-platform and device optimised model for mobile with HTML5-based technologies, better and more central management as well as embedding of content into native applications as needed. The product line combines traditional gaming rules with new innovative concepts from social and casual gaming environments catering to the smart phone and tablet gamer demographics.

Product Solution	Description
i-Gaming Platform	The newly improved i-Gaming platform is the solution to every horizontal need of an interactive or retail operator managing all relevant areas of operations like player wallet, payments, responsible gaming, CRM, BI/ Analytics and optimization management, Bonus and loyalty engines, all in an agnostic manner - but fully supportive of any gaming vertical.
Live Racing	INTRALOT Live Racing is based on premium horse and greyhound content that can be localized and delivered to any time zone for fixed-odds or pari-mutuel betting in the world's largest pools.
Virtual Racing and Sports	The complete suite of Virtual Racing and Sports is an increasingly popular type of games, including Horse Racing, Greyhound Racing, Football, Cycling, Table Tennis and Badminton.
Track-Bet™	Track-Bet™, INTRALOT's prerecorded Racing game, is based on thousands of fully licensed Horse or Greyhounds races held in the past, utilizes a certified game engine and features a wide choice of bet types to become a great revenue generator for any licensed betting operation.
Racing Poker™	Finally, INTRALOT Racing Poker™, is an internationally unique game that combines the fast-paced excitement of racing with poker-like social gaming and creates a fast multiplayer game for internet and mobile operations.

Table 1—New Products

## Gaming Technology and Equipment

### LOTOS™ Gaming Platform

LOTOS™ O/S is INTRALOT's technologically advanced, innovative and comprehensive Gaming & Transaction Processing Platform. It enables the management and administration of all types of games, systems, terminals & services through a unified platform.

Designed to exceed even the most demanding requirements, LOTOS™ O/S is an all-inclusive, fully integrated solution to the ever increasing and diverse technical and commercial needs of Gaming Operators and Transaction Processing Organizations alike. LOTOS™ enables the real time management, control, administration and support of online gaming operations. As of 2013 customers in more than 60 jurisdictions use LOTOS™ platform to deliver their online games and services. LOTOS™ is an integrated modular system which supports any type of game and sales channel.

LOTOS™ is based on open system architecture which allows connectivity with any third-party software and hardware platforms as well as with Intralot terminals, third-party terminals, self-service terminals, ATMs and cash registers. LOTOS™ also supports the provision of value-added services through seamless connectivity with partner systems, such as third-party gaming systems as well as mobile telecommunication companies, sporting venues and theatres, banks and public utility companies.

### LOTOS™ Horizon—Multimedia Content Management System

LOTOS™ Horizon is INTRALOT's integrated end-to-end multimedia content platform for the creation, delivery, display and management of multimedia content inside the POS for any gaming operator with a retail network. Lotos Horizon supports lottery, betting, racing and gaming applications as well as generic digital signage applications through our digital interactive TV, data broadcasting and multimedia technologies.

## B-On™ Interactive Gaming Platform

B-On™ is INTRALOT's high performance solution that enables the expansion of sales and services across all interactive sales channels, such as internet, smart phones, interactive TV and interactive voice response systems. B-On supports all types of games in our games library, as well as casino, poker, bingo and entertainment and peer-to-peer games. The B-On platform includes a player account management ("PAM") module which enables a unified approach to player registration, verification, player account, e-wallet and payment means integration as well as e-payments across all sales channels and is bundled with a powerful content management system.



## Retail Solutions

INTRALOT designs and supplies a full range of gaming retail solutions to customers around the world. Its terminals are bundled with the necessary software to operate lottery games, which the company also develops, and the necessary telecommunication hardware to support modern telecommunication networks, such as landline, mobile and satellite. INTRALOT's terminals and peripherals provide retailers of all sizes solutions that are tailored to specific needs enabling a safe and responsible business environment.

In 2013, INTRALOT developed DreamTouch™ a self-service and stylish gaming station that uses a 42" touch screen interactive display to offer a wide portfolio of Lottery gaming products as well as a new retail channel offering advertisement and digital signage services. Advanced methods are used in DreamTouch™ to optimize the players experience for the purchase of instant scratch tickets, lottery numerical draw and interactive touch games. DreamTouch™ provides an interactive and entertaining experience for Lottery players by incorporating a high resolution graphical user interface which enables quick product identification and makes purchasing fun and exciting. DreamTouch™ combines video, lottery and promotional advertising content with full flexibility to easily adapt and customize the self-service Lottery players experience according to lottery preferences and marketing strategies. Feather touch smartphone-like operation makes product selection appealing, fast, and simple. DreamTouch™ lowers cost of operation and streamlines procedures required by retailers to maintain self-service machines.



## 4.3 Financial Performance

Regarding the Group's financial results in 2013, revenues increased by 12% to €1,539.4 million from €1,374.0 million in 2012. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) increased by 9.7%, reaching €194.8 million from €177.5 million in 2012. Earnings before taxes decreased by 8.3% to €53.6 million from €58.4 million in 2012. Earnings after taxes and after minorities were shaped to €-4.6 million from €6.1 million in 2012.

Cash Flow from Operations reached €81.3 million in the 12M, 2013 period. Revenues for the parent company increased by 8.1%, to €150.9 million. EBITDA increased by 5.8% to €23.1 million while Earnings After Taxes (EAT) were shaped at €-0.1m.

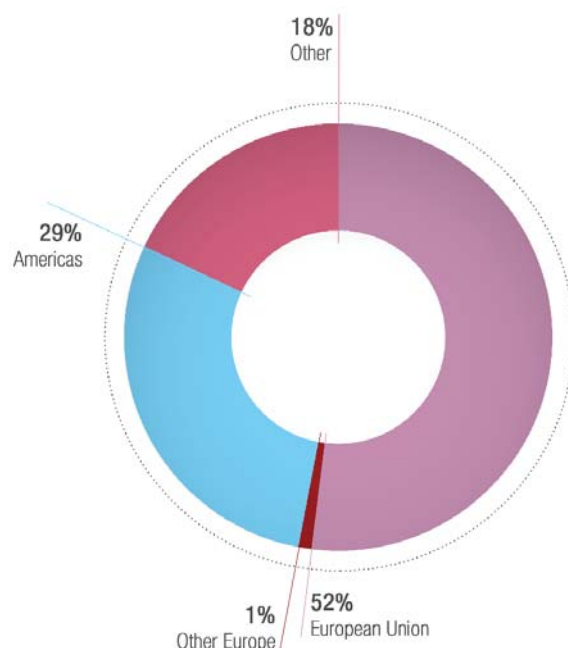


Fig. 3- Sales Breakdown by Region

(in thousand €)	2011	2012	2013
Revenues	1.240.778	1.404.083	1.565.382
Sales (PL)	1.374.021	1.374.021	1.539.430
Other Income (PL)	28.452	18.602	17.361
Finance Income (CF)	9.972	11.460	8.591
Operating costs	979.946	1.106.423	1.247.155
Employee wages & benefits	104.965	113.436	117.774
Payments to providers of funds	44.206	53.929	54.457
Dividends paid (CF)	16.755	20.320	16.645
Interest paid (CF)	27.451	33.609	37.812
Payments to governments	22.358	23.602	35.493
Taxes paid (CF)	22.358	23.602	35.493

Table 2 - Financial Results

(in thousand €)	2011	2012	2013
TOTAL ASSETS	1.086.162	1.114.807	1.135.170
INVESTED CAPITAL*	882.245	899.462	874.837
REVENUES	1.202.354	1.374.021	1.539.430
OPERATING INCOME (EBITDA)	153.806	177.536	194.831

\*Equity plus Debt

Table 3 – Key Economic Indicators

INTRALOT Annual Report 2013 is available at the Company's website [www.intralot.com](http://www.intralot.com).

## 4.4 Social Product

The lotteries that the INTRALOT Group operates or supplies, manages and supports in the framework of contracts in jurisdictions worldwide, raised on a combined basis in 2013 approximately €4.4 billion for good causes.

In the year 2013, the INTRALOT Group generated €724 million and its accumulated product since the year 2007 to date reaches €3.9 billion. INTRALOT generated €113 million in social product in Greece, where corporate headquarters are located. The company's accumulated social product in Greece since 2007 reaches €833 million.

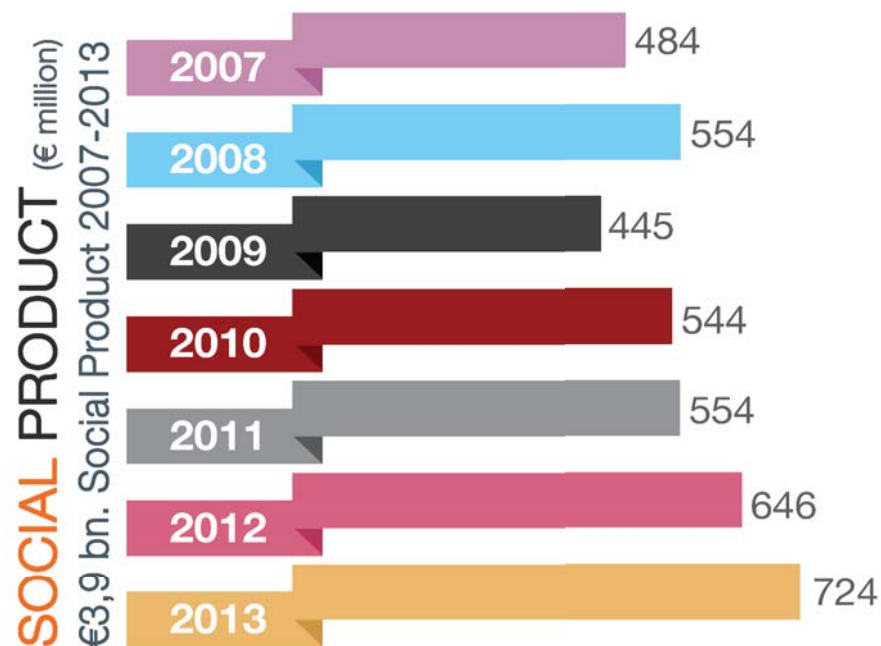


Fig. 4 – INTRALOT Group Social Product 2007-2013

Of the €724 million the Group generated in 2013, €125.310 million were payments to governments, €117.774 million were employee wages & benefits, €54.457 million were payments to providers of funds, €244.625 was the social product of suppliers, €90.666 were sales fees and €91.573 million were corporate reinvestment.

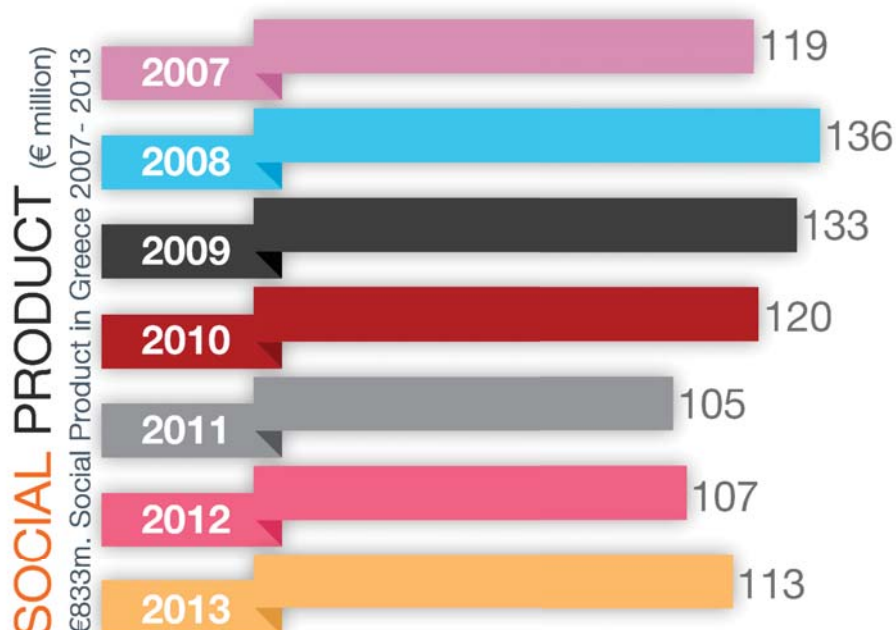


Fig. 5 – INTRALOT Social Product Greece 2007-2013

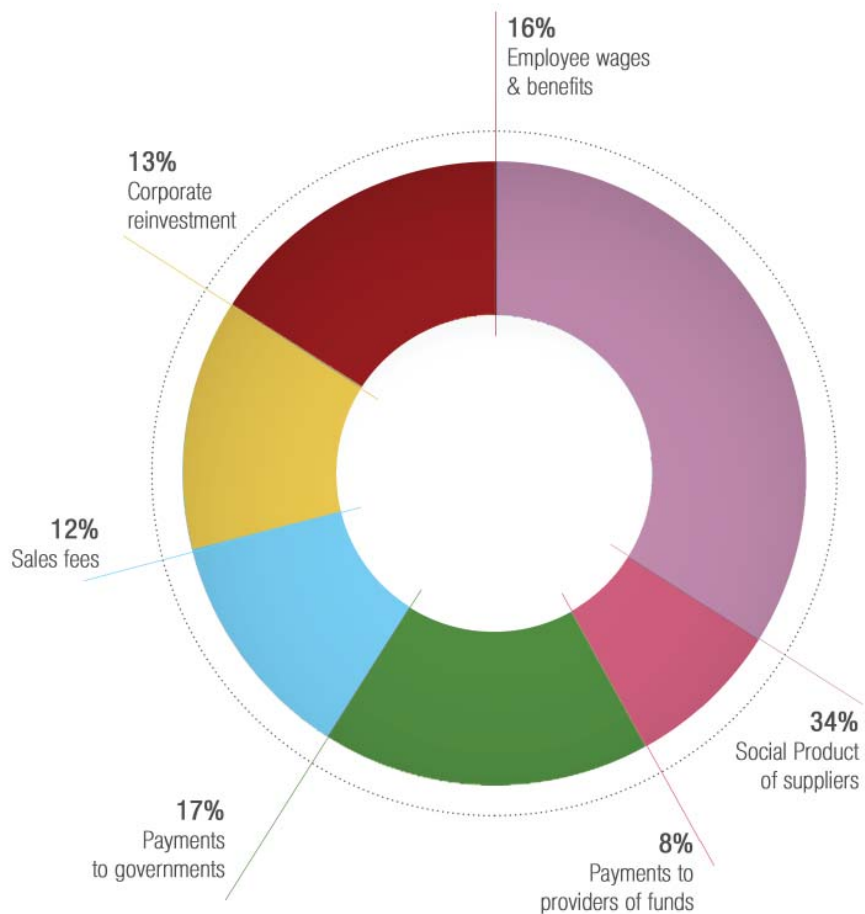


Fig. 6 – INTRALOT Group Social Product Breakdown

# 5

## GOVERNANCE & COMPLIANCE

*Hippeus*

The war horse of the fortunate soldier





## 5.1 Overview

INTRALOT Group operations and management procedures are subject to international laws and regulations as well as to the governmental oversight and regulatory framework of each jurisdiction where it operates.

As a listed company, INTRALOT SA fully complies with the provisions of the Greek law, including Laws 2190/1920, 3016/2002, 3693/2008, 3873/2010 and 3884/2010. Furthermore, the company abides by the strictest ethics standards in its relations with both internal and external stakeholders. It has adopted a set of rules and standard procedures in a Code of Corporate Governance, which ensures the integrity, security and professionalism of businesses practices and conduct. Posted on the Company's website [www.intralot.com](http://www.intralot.com), INTRALOT's Code of Corporate Governance incorporates and applies the best international practices for listed companies of the Hellenic Federation of Enterprises (SEV) and the Principles of Corporate Governance of OECD (Organisation for Economic Co-operation and Development) countries.

The main goals of the Code of Corporate Governance are:

1. To adopt best corporate governance practices under the guidance of the members of the Board of Directors to this purpose;
2. To improve information sharing with both private and institutional shareholders;
3. To effectively comply with the requirements of Law 3873/2010 that incorporates the European Parliament Directive 2006/46/EC into the Greek legal framework.

The Code abides by the principles of OECD Corporate Governance, as published in 2004, the standards laid down in the Greek Code of Corporate Governance for listed companies of the Hellenic Federation of Enterprises, and the best practices applicable to Member States of the European Union. In accordance with Law 3873/2010, the code is also the reference framework on which the annual management report and Board of Directors statements of corporate governance therein are based.

## 5.2 Policy Developments

### Directive on Non-financial Disclosures by Large Companies – 15 April 2014

On 15 April 2014, the European Parliament approved a Directive on the disclosure of non-financial information by certain large companies (over 500 employees) and groups, including listed companies as well as some unlisted companies, which are required to make the following disclosures:

- information on risks, policies, and outcomes as regards social and environmental matters
- information on labor standards and other employee-related aspects, as well as the respect for human rights
- information on anti-corruption and bribery issues
- information on diversity in the composition of the board of directors.

The new EU Directive, which will come into force in April 2017, builds on the EU CSR strategy launched in 2011 and develops the overall European objectives of the Enterprise 2020 initiative. It foresees the integration of sustainability information in the reporting cycle of corporations, public-private partnerships in sustainability initiatives and an accommodating national regulatory framework. The scope of the Directive includes approximately 6 000 large companies and groups across the EU.

# Conclusion of the Revision of the Greek Code of Corporate Governance

The Hellenic Corporate Governance Council concluded the revision and presented the new Greek Code of Corporate Governance in October 2013. According to the new Greek Code of Corporate governance, which builds on the new European legal framework, listed companies are expected to ensure compliance with the rules contained therein in accordance with a “Comply or Explain” principle.

## 5.3 The Board of Directors

INTRALOT Group is managed by a Board of Directors, consisting of a minimum of seven (7) to eleven (11) members elected by the annual General Meeting of shareholders, which also determines the term of their service. A legal entity may also be elected to the Board.

The members of the Board of Directors are elected by shareholders for a five-year term which is automatically extended until the first annual General Assembly following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting is avoided, and the succession of members of the Board of Directors is conducted gradually. The General Meeting may also elect alternate members of the Board, with the aim of replacing members of the Board who have resigned, deceased or retired.

The names of the members of the Board of Directors submitted for election or re-election are accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law and with any other relevant information to enable shareholders to make an informed decision.

The Board of Directors may elect the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.

As of November 2014, the Company has elected a new Board of Directors, as follows:

Name	Position	Executive	Non-Executive	Independent
Socrates P. Kokkalis	Chairman	✓		
Constantinos G. Antonopoulos	Vice Chairman		✓	
Antonios I. Kerastaris	Member	✓		
Constantinos S. Kokkalis	Member		✓	
Dimitrios Ch. Klonis	Member		✓	
Petros K. Souretis	Member		✓	
Sotirios N. Filos	Member		✓	✓
Anastasios M. Tsoufis	Member		✓	✓
Ioannis P. Tsoukaridis	Member		✓	✓

Table 1 – The Board of Directors

## Assessment of the members of the BoD

For the members of the BOD there is no documented assessment procedure in place at present but their competences, qualifications and expertise are taken fully into consideration during the annual general assemblies. Further, availability for the fulfillment of their duties and the existence and nature of additional positions in other listed companies is also taken into account.

In addition to assessing the BoD via the Agenda of the shareholders' Annual General Meeting, the BoD monitors and reexamines the implementation of its decisions on a yearly basis.

## Respecting minority shareholders' rights

Following the request of any shareholder, which is submitted to the company at least five (5) days before the General Meeting, the Board of Directors is obliged to provide the information specifically requested regarding the affairs of the company at the General Meeting, to the extent that such information is useful for enabling a realistic assessment of the items on the agenda. Also, following the request of shareholders representing one twentieth ( $1/20$ ) of the paid up share capital, the Board of Directors is obliged to report the sums paid to each member of the Board of Directors or to the directors of the company in the previous two years at the Annual General Meeting, as well as report all other benefits paid to these persons as a result of any contract between these and the company for any other reason. In all of the above cases, the Board of Directors may refuse to disclose information with due cause, which is duly recorded in the minutes of the General Meeting.

Following the request of shareholders representing one fifth ( $1/5$ ) of the paid up share capital, which is submitted to the company at least five (5) days before the General Meeting, the Board of Directors is obliged to provide information regarding company affairs and the financial standing of the company to the General Meeting. In all of the above cases, the Board of Directors may refuse to provide information with due cause, which is also duly recorded in the minutes of the General Meeting.

At the request of shareholders representing  $1/20$  of the paid up share capital, decisions on any item of the agenda of a General Meeting are made by roll-call vote.

Shareholders representing one fifth ( $1/5$ ) of the paid up share capital have the right to request that the Court of First Instance with jurisdiction over the area of the company's registered offices, audit the Company, provided that the course of the company indicates that the management of company affairs is not being exercised in an appropriate and prudent manner.



## 5.4 Board Committees

The Board Committees of the INTRALOT Group are as follows.



Fig. 1 – Board Committees

### Audit and Compliance Committee

The Audit and Compliance Committee is a committee of the Board of Directors established with the aim of assisting the Board in its supervisory responsibilities with regards to matters such as financial reporting and information, the compliance of the Company and its subsidiaries to the legislative and regulatory operational framework and audit system procedures. It also exercises supervision over the auditing operation.

The Financial Committee, which is responsible for the financial management of the Company, is a sub-committee of the Audit and Compliance Committee.

Being listed on the stock exchange, the company is subject to legislation on corporate governance, according to which it is required to have an Internal Audit Service. The Internal Audit Service carries out audits on all corporate units, i.e., administrative, financial and technical.

To investigate potential cases of lack of transparency or corruption is an integral part of the internal audit and when such cases are identified safety measures are proposed to the company. The implementation of these measures is monitored on an annual basis.

### Nomination and Remuneration Committee

The Board of Directors assigns the responsibility of determining employee remuneration policy to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee recommends levels of remuneration of executives, managers and senior executives to the Board of Directors and concurrently it regulates matters associated with the overall remuneration policy of the Company.

The compensation of the members of the Board of Directors and of upper management is not tied to financial

results nor to specific economic, social or environmental objectives set and/or achieved by the company but are naturally related to general overall company performance and to sustainability. The Nomination and Remuneration Committee determines the criteria and the general frame for the selection of the members of the Board of Directors, proposes the procedures governing the internal affairs of the members of the Board of Directors, and determines the criteria of the selection for the new directors and member removals.

## Management Committee

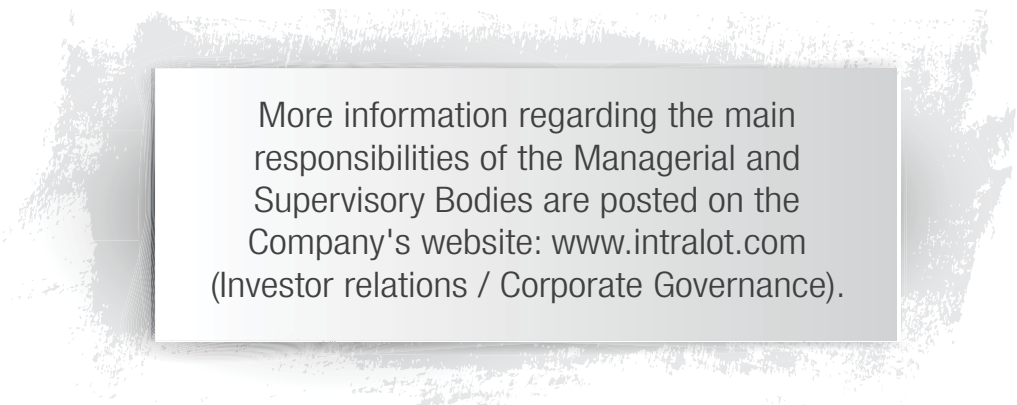
The Management Committee examines all significant Company matters, formulates proposals and decides how to address them. The Management Committee is also essential for inter-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer in both an informative and advisory capacity. It identifies critical operational issues, designs the development strategy of the Company and advances the implementation of major projects and objectives.

## Strategy Committee

The strategy Committee is a committee of the Board of Directors which monitors company performance and makes related decisions, reviewing and making proposals to the Board of Directors concerning long term strategy and goals.

## Bid Committee

The Bid Committee is a committee of the Board of Directors that evaluates and makes decisions on participation in RFPs above specific value/risk and defines the numerical thresholds.



More information regarding the main responsibilities of the Managerial and Supervisory Bodies are posted on the Company's website: [www.intralot.com](http://www.intralot.com) (Investor relations / Corporate Governance).

## Conflict of interest

INTRALOT requires that employees disclose any situations that would reasonably be expected to give rise to a conflict of interest, i.e., when an employee's private interest interferes, or appears to interfere, with the interests of INTRALOT. All INTRALOT employees are fully informed about the nature and risks of such conflicts of interest and the different forms that they may take, through the company's Code of Conduct (available at the company's internal portal), which they are required to familiarize themselves with.

When they suspect a conflict of interest, or something that could reasonably be perceived as such, they are required to report it to their supervisor or director, who then works with the employee to determine whether there is a conflict of interest and, if so, how best to address it.

## 5.5 New Organizational Structure

In January 2014 INTRALOT Group announced a new organizational structure, reflecting the growing global footprint of the company, the need to better serve its valued customers, optimize its operations, enhance its product offerings and increase shareholder value. In this context, a new Executive Committee has been created.

## 5.6 Risk Management


### Financial Risks

The Company regularly makes an assessment and identification of risks in line with its strategic and business planning and always takes into account the conditions of the market and the industry, political developments, changes in technology, and macro-economic indicators. The activities of the company are monitored via a highly detailed budget, which is assigned to each business unit and each market and is adapted on a regular basis taking into account external factors and changes. Moreover, the management has designed and implements ongoing monitoring targets to guarantee that the Internal Audit System is effective. The Internal Audit System provides Management with a specialized assessment of the inspection mechanisms that are in place in the company, and makes suggestions for their improvement where necessary.

Certain areas are considered to be high risk for financial fraud and are thus monitored with the appropriate anti-corruption policies and measures.

Protection against such fraud is assisted through the use of a code of conduct, detailed work regulations, clearly defined duties and responsibilities, procedure monitoring and authorization limits. All relevant measures and activities are subject to internal inspection, the results of which are presented to the management

board. Moreover, all employees are required to be fully familiar with these procedures.



The principles of corporate governance affect the way corporate goals are set and achieved, how monitoring systems and risk assessment procedures are adopted, and how transparency is assured and the Group's competitiveness promoted.

As INTRALOT continually develops, compiles and owns certain confidential information (including trade secret information and customer and supplier information) that has great value for its business, employees are required to treat this kind of information confidentially and to prevent the unauthorized disclosure of such information. Employees are required to protect INTRALOT's confidential information and to use it only for appropriate, authorised purposes, and not to disclose confidential information to any person who is not an employee of INTRALOT unless they are authorized to do so.

Moreover, all employees are required to protect INTRALOT's assets and ensure they are used efficiently, i.e. for legitimate business purposes only. They are prohibited from soliciting or conducting outside business during paid working time or from using INTRALOT's funds or assets for personal gain or for any unlawful or improper purpose.

All employees are obliged to deal fairly with fellow employees and with INTRALOT's customers, suppliers, competitors and other third parties and to not take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation or any other unfair dealing practice. They are prohibited from using

corporate gifts or entertainment as forms of compensation and may 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. All gifts and entertainment expenses are properly accounted for on expense reports.

INTRALOT has developed a framework for monitoring information systems and has a specific procedure for protection against any problems in the system through an approved Business Continuity programme. Moreover, specific access rights to all information systems by all employees have been defined, depending on the employee's position and role within the company. The company also keeps an entry log.

With regards to the safety measures related to the production of financial statements and reports, the company uses internationally recognized tools and methodologies, such as:

- segregation of duties on all levels from top management down to lower executive levels;
- streamlined account monitoring, guidelines and definitions for producing reports across all departments and company subsidiaries;
- safety measures for protecting the company's assets, supplies and storage, and cash, including cross-checking with account books;
- a chart of authorities that defines the authorization limits of various executives for various financial and legal transactions.

## Occupational risk management

Potential risks in this area are identified and controlled in accordance with Greek legislation and European and international codes of practice. The company's facilities are accompanied by written occupational risk assessment, which also contain the measures that need to be taken for removing, minimizing and controlling risk. These assessments are revised when the work environment and work conditions are modified and are made known to all employees so that each may be familiar with any risks involved and the steps that need to be taken in order to deal with them.

## Corporate regulations and standards

As part of its ongoing risk assessment procedures, INTRALOT adopts and implements international standards, codes and best practices that are aligned with its strategic goals. These include United Nations' Global Compact principles and international standards ISO 9001, ISO 27001, and the new ISO 20000, achieved in June 2013. Scheduled first- and third-party audits are carried out in order to guarantee compliance with these standards and principles and to minimize potential risk.

Based on the EBEN GR Business Ethics Excellence (BEE) Model and its corporate governance model criteria, INTRALOT performs a Corporate Governance (CG) self-assessment. The EBEN GR BEE Model self-assessments are performed over and above the European Foundation for Quality Management (EFQM) self-assessment and implementation and are conducted by expert certified personnel. The next self-assessment will be conducted in 2014 and its results will be presented in the next edition of this report.



## 5.7 Corporate Compliance

### Product Quality & Quality Management

INTRALOT has been certified according to ISO 9001: 2008. The Company is conducting business in line with its ISO 9001 Quality Manual, which sets the framework for INTRALOT's Quality Management System, presents the corporate philosophy and fundamental principles, and makes reference to documented procedures describing in detail company processes and functions.

The Company works closely with its suppliers and subcontractors, in order to communicate and share in the company's quality policy and requirements. Quality control audits are conducted by senior quality engineers to help them improve the quality of the delivered products or services.

### Product Safety

INTRALOT is committed to delivering safe, quality products to its customers. All gaming terminals supplied to a market comply with the highest safety regulations laid down for the specific market. Each terminal is labeled so that the regulation of compliance is clearly identified (CE, FCC, C-Tick).

Safety compliance is taken into consideration from the initial stage of design of the product. To test and certify product compliance INTRALOT works with internationally accredited laboratories, such as the Underwriters Laboratories.

In addition to the gaming terminals, INTRALOT develops and provides gaming software to Lottery operators. The company verifies the credibility and integrity of the games, and ensures that they are fair, secure, and can be operated correctly. Thus, the games are designed to meet the relevant standards, which are widely accepted and used by gaming regulatory agencies. The gaming products are certified by independent inspection and certification laboratories, such as the Gaming Laboratories International.

### Service Complaint Procedure

Based on the ISO 20000 certified Service Management System, a customer complaint process has been established in order to be able to capture, analyze and respond to complaints. In combination with the root cause analysis process of the service management system, continual improvement is ensured in order for INTRALOT to be able to improve its excellence in service management and delivery.

All complaints are recorded and must be solved in a timely manner. The complaint process is the subject of periodic review in order to check for patterns in the type, nature and handling of the complaint and make adjustments accordingly.

What constitutes a complaint and the process whereby it will be managed and resolved is agreed upon between INTRALOT and the customer. The Service Complaint Procedure is also leveraged as a source of service improvement.

# Certifications

Being a leading international supplier of integrated gaming and transaction processing systems in about 50 jurisdictions worldwide, information security management is critical to INTRALOT business success. The provision of secure and fair lottery games to citizens is a matter of social responsibility. INTRALOT has established a state-of-the-art framework for the governance of enterprise business processes that binds its customer and operations focused strategy to the Group Strategy of INTRALOT, as follows.

- INTRALOT Shareholder's Trust, driven by:
  - ✓ Competitive advantage through the provision of differentiated products and services with embedded security, which, in turn, drives customer acquisition and retention.
  - ✓ Brand name protection and increase of reputation by creating a corporate image which respects information protection.
  - ✓ Legal compliance through the implementation of the appropriate operational governance framework imposed by national and international legislation (e.g. Privacy Act, Security of E-transactions, Anti-Money-Laundering).
- INTRALOT Customer's Trust, ensuring:
  - ✓ Integrity of operations, service availability, protection of the confidentiality of customer information.
  - ✓ That the appropriate framework for the governance of enterprise business processes is in place for ensuring operational excellence.
  - ✓ Player trust also contributing in increasing sales by attracting players.
  - ✓ Contractual compliance.
- Intellectual Property Protection, through effective information security governance and patenting framework.
- INTRALOT Critical Information Protection, from unauthorized disclosure and from manipulation or loss.
- INTRALOT employee and partner trust, through the establishment of a privacy friendly environment and ensuring accountability is in place.



# CERTIFICATE OF ACCREDITATION WLA Security Control Standard

This is to certify that

## INTRALOT S.A.

The scope of this certificate covers the following sites: INTRALOT S.A. Business Headquarters: 64, Kifissias Ave. & 3, Premetis Str., Marousi, 15125 Athens, Greece • INTRALOT S.A. Systems Technical Division and Pos Solutions & Multimedia Technical Division: 31 Spartis Str., Metamorfosi, 14452, Athens, Greece • INTRALOT Nederland BV, Nachwachtaan 20-24, 1058 EA Amsterdam, The Netherlands • INTRALOT S.A. OPAP Operations: 2 Kolonos Str., Athens, 10437 Greece • INTRALOT S.A. Horseracing Organization: Athens Hippodrome, Markopoulo Mesogeas, 19003 Greece • INTRALOT GERMANY GmbH, Konrad-Zuse Platz 12, 81829 Munich, Germany • INTRALOT SA Scratch Tickets Operation: 21 km Markopoulou Ave., Building F-5, Koropi Athens, Greece • INTRALOT Inc., 11360 Technology Cir. Duluth, GA 30097, USA • INTRALOT Australia Pty Ltd, 299 Williamstown Rd, Port Melbourne, Victoria 3207 Australia • INTRALOT Gaming Services Pty Ltd, 299 Williamstown Rd, Port Melbourne, Victoria 3207 Australia

has met the criteria established by the

## WLA Security Control Standard: 2012

and has been granted accreditation by the World Lottery Association in accordance with the recommendation of the WLA Security and Risk Management Committee.

This certification stipulates that the requirements of ISO 27001:2013 are met, together with 111 additional security requirements set forth by the WLA, including 90 Lottery and Gaming Specific Security and Integrity controls. The 111 WLA security requirements are subject to the following scope:

The scope of the ISMS covers the business functions in order to provide a state-of-the-art integrated transaction processing systems, to host and operate lottery and betting systems, provide game content and value added services to gaming organizations and non-lottery businesses worldwide, ensuring the secure, reliable and profitable operation. The scope also includes all information assets residing at the premises within the scope. S.o.A. V12.0, dated 15/09/2014.

Assessment Service Entity: TÜV Hellas (TÜV NORD) S.A.,  
282, Mesogeion Av., 155 62 Athens, Greece  
Initial WLA-SCS certification date: August 1, 2008  
Latest WLA-SCS certification issued on: November 5, 2014  
Expiry date of the current WLA-SCS certificate: July 18, 2015  
The certified organization holds a valid and current ISO 27001:2013 certificate, reference number: 44121141012\*

Thierry Pujol  
WLA SRMC Chair

Jean Jorgensen  
WLA Executive Director

\* Details on the ISO 27001:2013 certificate number 44121141012 can be found on the reverse side of this certificate.

TÜV NORD

# CERTIFICATE

Management system as per  
ISO/IEC 27001 : 2013

In accordance with TÜV NORD CERT procedures, it is hereby certified that

**INTRALOT SA**  
64, Kifissias Ave. & 3, Premetis Str.  
15125 Athens  
Greece

with the locations / sites according to the annex

applies a management system in line with the above standard for the following scope

All business related activities, including overall management, regional/ international management, strategy, legal, communications, investor relations, organization and HR, finance, business development, marketing and lotteries, gaming solutions, internal audit and information security.

As per the latest Statement of Applicability

Certificate Registration No. 44 121 141012  
Audit Report No. 3514 7641

Valid from 2014-07-03  
Valid until 2015-07-18  
Initial certification 2008

Certification Body  
at TÜV NORD CERT GmbH

Essen, 2014-09-13

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH

Langemarkstraße 20

45141 Essen

www.tuev-nord-cert.com



# CERTIFICATE OF ACCREDITATION WLA Security Control Standard

This is to certify that

## MALTCO Lotteries Ltd.

The scope of this certificate covers the following sites: MALTCO Lotteries Ltd., Hal Mann Buildings 2nd Floor, Saint Michael Str., Iklia, IKL 1811, Malta • MALTCO Lotteries Ltd., Live Draw Studios: Public Broadcasting Services (PBS) Studios, Triq Bordin, Tal-Pieta, Gwardamanga, Malta

has met the criteria established by the

## WLA Security Control Standard: 2012

and has been granted accreditation by the World Lottery Association in accordance with the recommendation of the WLA Security and Risk Management Committee.

This certification stipulates that the requirements of ISO 27001:2013 are met, together with 111 additional security requirements set forth by the WLA, including 90 Lottery and Gaming Specific Security and Integrity controls. The 111 WLA security requirements are subject to the following scope:

All functions related to the operation, management and support of the Lottery Organization and the Lottery/ Betting System, including general management, administration, corporate communications, legal and compliance, operations, sales and marketing, information systems and finance. S.o.A. V10.0, dated 07/07/2014.

Assessment Service Entity: TÜV Hellas (TÜV NORD) S.A.,  
282, Mesogeion Av., 155 62 Athens, Greece  
Initial WLA-SCS certification date: August 11, 2014  
Latest WLA-SCS certification issued on: August 11, 2014  
Expiry date of the current WLA-SCS certificate: August 11, 2017  
The certified organization holds a valid and current ISO 27001:2013 certificate, reference number: 44 121 141012-006\*

Thierry Pujol  
WLA SRMC Chair

Jean Jorgensen  
WLA Executive Director

\* Details on the ISO 27001:2013 certificate number 44 121 141012-006 can be found on the reverse side of this certificate.

TÜV NORD

# ANNEX

to Certificate Registration No. 44 121 141012  
ISO/IEC 27001 : 2013

**INTRALOT SA**  
64, Kifissias Ave. & 3, Premetis Str.  
15125 Athens  
Greece

Certificate Registration No.	Location	Scope
44 121 141012-001	<b>INTRALOT S.A.</b> Systems Technical Division and Pos Solutions & Multimedia Technical Division 31 Spartis Str., Metamorfosi 14452, Athens Greece	All functions related to the design, development, implementation, testing and support of state-of-the-art integrated lottery, betting and generally gaming transaction processing systems. As per the latest Statement of Applicability
44 121 141012-002	<b>INTRALOT Nederland BV</b> Nachwachtaan 20-24 1058 EA Amsterdam The Netherlands	All functions related to the operation and support of the Lottery System, including gaming system operation activities, technical support, retailer management, ICT operations, HR, compliance, legal and finance. As per the latest Statement of Applicability
44 121 141012-003	<b>INTRALOT S.A.</b> OPAP Operations 2 Kolonos Str. Athens, 10437 Greece	All functions related to the operation and support of the Lottery System, including gaming system operation activities, technical support, retailer management, ICT operations. As per the latest Statement of Applicability
44 121 141012-004	<b>INTRALOT S.A.</b> Horseracing Organization Athens Hippodrome Markopoulo Mesogeas, 19003 Greece	All functions related to the operation and support of a Betting and Management Information System for Racing, including system operation activities, technical support, retailer management, ICT operations. As per the latest Statement of Applicability

TÜV NORD CERT GmbH

Langemarkstraße 20

45141 Essen

www.tuev-nord-cert.com



Page 1 of 2



Acknowledging the strategic importance of security for the company's business success, INTRALOT is the first international vendor in the gaming sector that has been certified according to the World Lottery Association (WLA) Security Control Standard in 2008. Moreover, the Company has been certified with the ISO 27001 for its Information Security Management System (ISMS).

The scope of the double WLA SCS:2012 and ISO 27001:2013 certification covers INTRALOT S.A., INTRALOT Nederland BV in the Netherlands, INTRALOT GERMANY GmbH, INTRALOT's subsidiary in Malta MALTCO Lotteries Ltd., INTRALOT Inc. in the USA, INTRALOT Australia Pty Ltd., INTRALOT Gaming Services (Australia), INTRALOT operations at the Greek National Lottery (OPAP SA), the Greek Horseracing Organization, ODIE SA, as well as INTRALOT scratch tickets operations in Greece (Hellenic Lotteries).

INTRALOT has also been certified according to ISO 9001 since 2002.

INTRALOT is also the first international vendor in the gaming sector to achieve ISO 20000 certification on Information Technology Service Management. INTRALOT's service management system covers the provision of managed IT Services such as integrated gaming and transaction processing systems & services and interactive gaming services, as provided to licensed lottery, gaming and casino organizations and entities worldwide.

Finally, in 2013 INTRALOT de Peru was awarded WLA RG certification level 3 and MALTCO, INTRALOT's subsidiary in Malta achieved certification at the highest level, level 4, both by the WLA and the EL. The certifications reward corporate policies and best practices along the main program areas of the WLA and EL's framework. Details concerning Responsible Gaming as the major corporate sustainability priority and the Maltese and Peruvian process toward certification are presented as case studies in chapter 6 of the present report.

All INTRALOT certifications are being governed by the COBIT 5 framework that the company introduced in order to ensure a holistic approach that covers its business processes end-to-end and in alignment with its business strategy.



INTRALOT is the first international vendor to receive the Gaming Standards Association (GSA) Point to Point SOAP/HTTPS Transport and Security Specification and one of the two companies that have been certified internationally according to the GSA Game to System (G2S) Message Protocol standard, both of them for its VLT Monitoring system, i-GEM.

As per its WLA SCS and ISO 27001 Information Security Management System (ISMS), INTRALOT abides by the above principles of integrity, player trust, compliance, quality and operational excellence. The company ensures that a continual security improvement framework is in place for the design, development, implementation, testing and support of state-of-the-art gaming systems. A mature ISMS and adherence to the WLA SCS enables INTRALOT to constantly identify emerging threats faced, assess the risk of each and implement appropriate security controls. All systems provided to customers ensure a trusted and socially responsible lottery experience.

INTRALOT's International Information Security Management System (ISMS) has been updated in 2012 following the recent changes in international standards as well as towards serving the emerging business needs of the INTRALOT Group. The key changes target at achieving improved security through simplicity. Furthermore, a special internal website has been created for the information of all corporate employees of the current policy framework and practices.

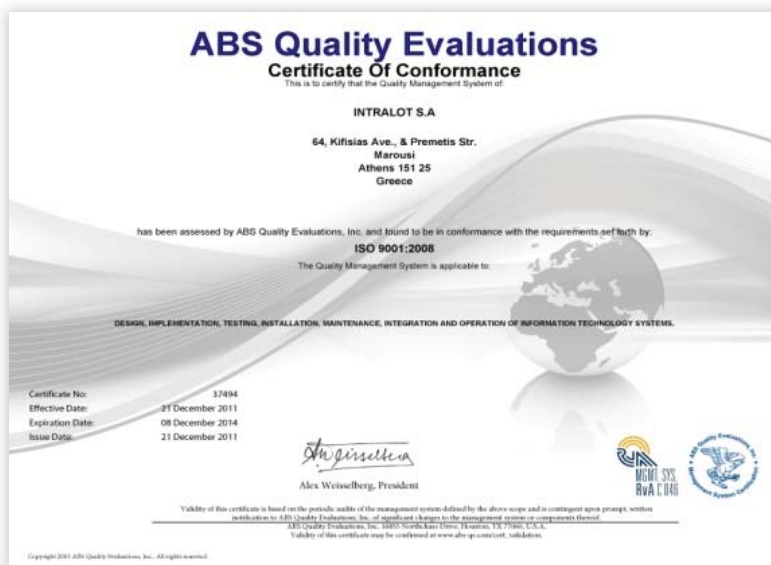
Recognizing that its use of multiple frameworks from several fields, such as quality, security, compliance and service management, needed to be managed in a simpler and more effective manner, INTRALOT introduced the COBIT 5 governance framework, in order to ensure a holistic approach that covers its business processes end-to-end and in alignment with its business strategy. A single, systemic holistic framework that helps it reduce complexity, ensure improved monitoring and information quality toward decision making, increase the value gained from technology and enable innovation.

Committed to staying ahead in the detection and management of risk, INTRALOT is currently working on the maturation of the COBIT 5 implementation by continually processing feedback from metrics and analyzing effectiveness. At the same time, the company is implementing COBIT 5 for Information Security and looking forward to subsequent COBIT products such as COBIT 5 for Risk.

## Training on Security Policies and Practices

All INTRALOT employees are required to complete corporate employee induction training upon recruitment. This training includes a module in the main security policies and best practices as well as an overview of the Information Security Management System (ISMS).

In addition, employees are required to follow security training updates on an annual basis. The training is offered to the entire Group through the Global Live Network and made available in the company's i-space intranet portal.



Countries	Certifications & Standards
Australia	<ul style="list-style-type: none"> <li>■ Responsible Gambling Code of Conduct as a Category 2 Public Lotteries License holder in Victoria.</li> <li>■ Responsible Conduct of Gaming Code as a Foreign Games Permit holder to operate lotteries in Tasmania.</li> <li>■ WLA SCS:2012 and ISO 27001:2013 certification covers INTRALOT Australia and IGS (2014).</li> </ul>
China	<ul style="list-style-type: none"> <li>■ INTRALOT became the only international company of the lottery sector to be certified as approved terminal supplier by the China Sports Lottery Administration (CSLA) among the total six (6) companies certified. By receiving the corresponding certification for its Photon terminal, certified for its high standards regarding functionality, adaptability, efficiency, reliability and security, INTRALOT will be allowed to provide Photon to the 31 provincial CSLA lottery companies in China.</li> </ul>
Cyprus	<ul style="list-style-type: none"> <li>■ Royal Highgate has received the ISAE 3402 assurance for the integrity of their systems and operations supporting financial reporting. The assurance statement regards compliance with the rules and requirements set by the National Betting Authority of Cyprus.</li> </ul>
Germany	<ul style="list-style-type: none"> <li>■ INTRALOT Germany became covered by WLA SCS:2012 and ISO 27001:2013 certification (2014).</li> </ul>
Greece	<ul style="list-style-type: none"> <li>■ ISO 20000 - Certification on Information Technology Service Management. The Certification covers the management of all technology related services provided by INTRALOT to licensed Lottery and Gaming organizations worldwide, such as integrated gaming and transaction processing systems &amp; services, as well as interactive gaming services. ISO 20000 certification complements INTRALOT's information security, quality, responsible gaming, financial integrity and product certifications under the governance and management framework of COBIT 5.</li> <li>■ INTRALOT Code of Corporate Governance.</li> <li>■ INTRALOT Code of Conduct.</li> <li>■ INTRALOT Internal Guide of Employment Policies &amp; Procedures.</li> <li>■ ISO 27001 for its Information Security Management System (ISMS), as of 2007.</li> <li>■ WLA Security Control Standard, as of 2008.</li> <li>■ INTRALOT renewed the ISO 9001: 2008 certification for its betting operations. The certification covers the design, organization, operation, risk management, operational support, training, consultancy and promotion of fixed odds betting games, and pool betting games with regard to betting on sports and non-sporting events, betting on greyhound and horse races and betting through alternative channels.</li> <li>■ Introduction of the governance and management framework COBIT 5.</li> <li>■ INTRALOT's Electronic Gaming Machine (EGM) Interface Board, the iSMIB Protocol Converter, has received the G2S 1.1-EGM Product Certification by the Gaming Standards Association (GSA).</li> <li>■ INTRALOT has received assurance for the integrity of its systems and operations at the Greek National Lottery, OPAP, for 2013. The assurance statement covers control design and effectiveness over financial reporting for the services it provides to OPAP and is based on the International Standard on Assurance Engagements (ISAE) 3402 issued by the International Auditing and Assurance Standards Board.</li> </ul>

Countries	Certifications & Standards
Holland	<ul style="list-style-type: none"> <li>■ INTRALOT has achieved an assurance report on the control design and effectiveness of the operations and systems it provides to the two Dutch Lotteries, Staatsloterij and De Lotto, according to the International Standard on Assurance Engagements (ISAE) 3402, <i>Assurance Reports on Controls at a Service Organisation</i>, issued by the International Auditing and Assurance Standards Board.</li> </ul>
Italy	<ul style="list-style-type: none"> <li>■ INTRALOT Italia has adopted the Corporate governance rules and code of conduct proposed by the guidelines of the Italian Confederation of Industries Confindustria, and in accordance with the Legislative Decree no. 231/2011. In addition to the approval of a corporate Code of Ethics, these new governance rules safeguard corporate transparency and business integrity and take it one step further by promoting these rules near all relevant stakeholders and supply chain.</li> </ul>
Malta	<ul style="list-style-type: none"> <li>■ MALTCO Lotteries Ltd. has recently added two major milestones to its portfolio, whereby it was accredited with the highest level of Responsible Gaming Certification (Level 4) by the World Lottery Association (WLA); and also received the Responsible Gaming Certification from the European Lotteries (EL) Association.</li> <li>■ MALTCO Lotteries Ltd. received certification by the Gaming Laboratories International (GLI) following a thorough evaluation of its Lottery System, including the new LOTOS™ O/S platform, the PHOTON Terminals, that incorporate the ICON digital camera technology, the Genion ticket checkers, its Games, as well as the System associated procedures.</li> <li>■ MALTCO Lotteries Ltd. received the Security Certificate (ISO/IEC 27001) awarded by TUV following a successful Audit in July 2014.</li> </ul>
Peru	<ul style="list-style-type: none"> <li>■ INTRALOT de Peru's progress in the adoption of policies and effective implementation of responsible gaming programs was rewarded with the Responsible Gaming Certification Level 3 of the World Lottery Association (WLA).</li> </ul>
USA	<ul style="list-style-type: none"> <li>■ WLA SCS:2012 and ISO 27001:2013 certification covers INTRALOT Inc (2014).</li> </ul>

Table 2 - Certifications & Corporate or Industry Standards: Highlights

# Technologies for Gaming Safety & Integrity

INTRALOT is a leader in the development of technologies and in enlisting stakeholder support toward the prevention and the fight against fraud and illegal gaming. The latest forefront technologies include:

- Eyes-On - A novel Fraud Detection System for Lotteries and Betting Companies, that enables the detection and prompt reaction to external and internal fraud scenarios in terminal-based or internet games. The system is a result of extensive Research and Development carried out in the dedicated Information Security Labs (ISL) of INTRALOT.
- iFlex – A innovative sports and non-sports betting solution that enables risk management and accelerates decision making through real-time monitoring of betting trends and potential liabilities, combining front line productivity with powerful performance, data integrity and overall security across alternative sales channels.

## Institutional Partnerships for Safe & Legal Gaming

According to 2013 estimates, in Greece alone illegal gambling amounts to €5 billion a year. Furthermore, legal betting has seen turnover drop from €8.7bn in 2009 to €5.5bn 2013 - a fall of about 37% - and gross profits slip from €2.5bn to €1.5bn. If online gambling is taken into account clearly the protection of the integrity of sports is a matter of the utmost importance not only for the private sector but also for gaming regulators and the public authorities due to the harmful effects on the national economy and the evasion of public resources for social causes.

INTRALOT's principal partnerships for the protection of the safety and integrity of gaming follow:

- Partnership of Betting Company, a subsidiary of INTRALOT Group, with the International Olympic Committee & International Sports Monitoring GmbH – the agreement foresees cooperation on early detection and prevention of match-fixing.
- Partnership of INTRALOT with FIFA's Early Warning System GmbH - Through the agreement with FIFA's subsidiary, INTRALOT has become a member of FIFA's global network and promptly informs EWS about betting patterns which could indicate possible manipulation of football matches or other sport events, in jurisdictions where the company offers its services.
- Partnership of Inteltek with the Turkish Football Federation – As of 2008, Inteltek supports Turkey's National Sports Lottery Spor Toto and the Turkish Football Federation in protecting the transparency of the Turkish Football Championship through the establishment of a regular open channel of communication for reporting any instances of unusual betting activity.

- Revision of the Code of Corporate Governance

Table 3 - Corporate Governance Targets





# 6

## RESPONSIBLE GAMING

*Wreath of victory*

From Ancient Macedonia



## 6.1 Policy Developments

The fast-paced progress of online technology, with the development of mobile phones and smart phones, tablets and digital TV, goes hand-in-hand with an increase in the offer and use of online gambling services in Europe. With close to 7 million EU consumers participating in online gambling services, the EU online gambling market represents 45% of the world market share.

For the majority of people in the EU who take part in online gambling, it is a recreational activity. However, there are a number of risks associated with gambling. It is estimated that between 0.1-0.8% of the general adult population suffers a gambling disorder and an additional 0.1-2.2% demonstrate potentially problematic gambling involvement. Gambling becomes a problem when it turns into dependence. Children and adolescents are also increasingly at risk, due to the wider use of the internet, for information or entertainment, where they can easily come into contact with gambling advertising or websites.

### EC Recommendation on principles for the protection of consumers and players of online gambling services

Within the context of building a comprehensive European framework on online gambling, on July 14 2014 the European Commission adopted the Recommendation on principles for the protection of consumers and players of online gambling services and the prevention of minors from gambling. The Recommendation encourages Member States to pursue a high level of protection for consumers, players and minors through the adoption of principles for online gambling services and for responsible advertising and sponsorship of those services.

The principles that Member States are invited to take up in their gambling regulations include:

- Basic information for gambling websites, in particular to ensure that consumers are provided with sufficient information concerning the risks related to gambling.
- Member States should ensure that minors are not able to gamble online, and that rules are in place to minimise their contact with gambling
- There should be a registration process to open a player account so that consumers have to provide details of age and identity for verification by the operators. This should also enable operators to keep track of player behaviour and raise the alarm if necessary.
- Ongoing support should be available to players to prevent gambling-related problems, by equipping them with tools to keep gambling under control: possibilities to set spending limits during the registration process, to get information alerts about winnings and losses whilst playing, and to take time out from gambling.
- Players should have access to helplines they can call for assistance about their gambling behaviour, and they should be able to easily exclude themselves from gambling websites.
- Advertising and sponsorship of online gambling services should be more socially responsible and transparent. It should not make unfounded statements about chances of winning, exert pressure to gamble, or suggest that gambling resolves social, professional, personal or financial problems.
- Member States should ensure that training is provided to employees of online gambling operators interacting with players to ensure they understand problem gambling issues and are able to liaise with the players appropriately.

The Recommendation is accompanied by an impact assessment and a behavioral study commissioned by the EC on behavioral responses to protection measures, seeking to determine their relative effectiveness on players and to evaluate player reaction to alternative responsible gaming technology functions.



# WLA Responsible Gaming Certification for Vendors

As a long-standing and active member of the sector's leading Lottery Associations World Lottery Association and the European Lotteries, INTRALOT is committed to these organizations' principles and standards for Responsible Gaming. The consultation initiated by the WLA near stakeholders, such as INTRALOT, towards the design of the new WLA Responsible Gaming framework for the certification of vendors, reached conclusion.

## 6.2 Strategy

Responsible gaming is natural key element of INTRALOT's corporate social responsibility strategy as it furthers both issues of compliance and the creation of value, for the company and its strategy of sustainable leadership of the gaming sector, for customers and their competitive advantage and for society through the generation of resources for good causes.

Recognizing the socially sensitive issues inherent to the gaming industry, INTRALOT is committed to conducting its business in a sustainable manner by addressing the social, economic and environmental impacts of its operations, and to being a responsible leader of the gaming sector, according to the principle of fair competition and in compliance with the legal and the regulatory framework of the sector.

The company has set clear and measurable objectives as part of its global Responsible Gaming Strategy and pursues them regardless of its role in a given jurisdiction, as either a B2B supplier or as a B2C operator. These strategies have evolved from years of experience in the Lottery and Gaming industry and are an integral part of the company's strategy to develop a sustainable business, with due diligence, integrity and propriety.

The company has the enabling technologies and the operational know-how required to develop and implement a tailored industry best-practice Responsible Gaming program in any jurisdiction globally, and regularly monitors research and integrates latest findings into technology improvements and practices. The company ensures that players have the choice of well-designed games in a secure and supportive environment, and implements strategies for preventing underage, illegal and problem gambling, and minimizing any potential undesirable impact on society. Further, INTRALOT raises awareness about responsible gaming policies and best practices near stakeholders.

As a lottery operator in several jurisdictions and/or as a supplier of games and gaming services to lotteries, INTRALOT best practices include:

- Compliance with all Laws and Regulations;
- Ensuring that the interests of players and vulnerable groups are protected;
- Continually develop or improve appropriate practices and processes by taking into account information and research conducted;
- Continually develop a better understanding of the social impact of gaming;
- Promote implementation of Responsible Gaming Practices both in our internal activities and externally with our customer's activities;
- Provide and educate the public with accurate and balanced information to enable informed choices regarding gaming activities;
- Continuously improve, and report on, responsible gaming activities annually.

## 6.3 Responsible Gaming Program

INTRALOT implements a responsible gaming program according to the principles and framework of the WLA and the compliance program of the European Lotteries, in the following areas:

Research	Employee Training	Retailer Program	Game Design	Remote Gaming Channels
Advertising and Marketing	Treatment Referral	Player Education	Stakeholder Engagement	Reporting, Measurement & Certification

Table 1 – Responsible Gaming Framework

Program Area	Activities 2013	Targets 2014-2015
Research	<ul style="list-style-type: none"> <li>■ Development of collaborative project GameLot with the gaming innovation cluster of the Corallia Clusters initiative. The purpose of GameLot is the development of tools/platforms/games in the cognitive area of interactive games.</li> <li>■ Ongoing collaboration with Hohenheim University's Research Center on Gambling.</li> <li>■ Joint research project Gamez-on with AIT, which aims to the creation of an open, collaborative gaming ecosystem empowering individuals and third parties to play, create and share new games and game ideas at all gaming verticals.</li> </ul>	<ul style="list-style-type: none"> <li>■ Conclusion of in-house research project for the development of a player card tool for tracking player behavior.</li> <li>■ Continuation of research project GameLot with the gaming innovation cluster of the Corallia Clusters Initiative.</li> <li>■ Continuation of collaboration with Hohenheim University's Research Center on Gambling.</li> </ul>
Employee Training	<ul style="list-style-type: none"> <li>■ New employee training content on Responsible Gaming policies and best practices, designed by INTRALOT's Learning Center in collaboration with the Department of Corporate Communications.</li> </ul>	<ul style="list-style-type: none"> <li>■ To continually update the RG training content into a game for learning, to be offered to employees and to customers upon request.</li> <li>■ Provide operator training reinforcement for Call Center personnel.</li> </ul>

Program Area	Activities 2013	Targets 2014-2015
Remote gaming channels	<ul style="list-style-type: none"> <li>■ Commitment to a periodic independent review of Responsible gaming functionalities of Remote Gaming Channel Platforms.</li> <li>■ Research collaboration with AIT on the development of a new gaming platform with forefront responsible gaming functionalities.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuation of research collaboration.</li> </ul>
Stakeholder engagement	<ul style="list-style-type: none"> <li>■ Inclusion of detailed reference to RG policies and best practices in INTRALOT's financial annual report.</li> </ul>	<ul style="list-style-type: none"> <li>■ Leverage corporate website and social media for dissemination of information on corporate RG programs and best practices.</li> </ul>

Table 2 –Responsible Gaming Program & Targets

## Research and Innovation

Innovation is the driving force behind INTRALOT's growth and development, earning the company its current position as a technology leader. Innovation in gaming is driven by gaming research. INTRALOT produces in-house research, facilitates research of relevance to the gaming industry and actively seeks research partnerships focused on innovation or innovation-driven new products and services' improvements.

INTRALOT leads an industry that embeds the latest in scientific research. Gaming research is interdisciplinary, drawing from fields such as mathematics, engineering, ICT, statistics and stochastic processes, etc, areas with strong potential for disruptive innovation and cross-sector synergies.

Research is a material issue of strategic importance for the company because it is leveraged in product innovations, new design and new technology functionalities, advancing business goals while offering avenues for professional development to staff and also having wider positive social impact.

The current goal of INTRALOT R&D is to leverage trends in mobile technology, multiple gaming channels, the internet, cloud computing, html5, and current European regulatory change, which are converging toward a "anytime anywhere" environment while addressing material social responsibility issues such as responsible gaming.

In addition to being an ethical and a regulatory requirement, responsible gaming is a business imperative for companies in the gaming sector as it has acquired a central role at the international, and in particular at the European level, gaining importance in the eyes of society as well as industry stakeholders. Companies are now required to implement specific protection measures and procedures and comply with applicable legal and regulatory responsible gaming frameworks. Thus, they demand high standards from their suppliers and stakeholders and their systems must have added flexibility and parameterization, to ensure easy adaptation to different operating environments.

INTRALOT is committed to engage-in, initiate, communicate research or studies, including from independent sources, in order to contribute to the understanding of problem gambling, create new technologies that prevent problem gambling, or improve gaming practices so as to enable responsible gaming. The company incorporates research results into its products or business practices and works with appropriate stakeholders to disseminate information about responsible gaming and problem gambling, through active participation in seminars and conferences globally.

## In-house Research

For the eighth consecutive year, INTRALOT has been ranked amongst the top 1,000 European organizations of the '2013 EU Industrial Research & Development Investment Scoreboard' of the European Commission. Committed to a strategy with constant focus on Innovation, INTRALOT ascended 60 places in the ranking compared to last year's R&D Scoreboard, becoming the 544th most significant R&D investor in Europe. INTRALOT was also classified 30th at the "Technology Hardware & Equipment" industrial Sector list of the Scoreboard. The R&D Scoreboard measured the total value of INTRALOT's global R&D investment financed with its own funds, irrespective of the location where the relevant R&D took place.

In 2013, INTRALOT spent 15.2m in R&D, on IT revenues of 254.3m. Further, the company held approximately 80 patents and designs worldwide and had approximately 90 additional patents at various stages of approval. INTRALOT technical R&D efforts focus on the following areas:

- Responsible gaming technologies;
- Gaming concept design/development;
- Retailer terminal design;
- Data communications;
- Data mining;
- Central Systems infrastructure;
- Software Development;
- New sales channels;
- Content Delivery and Interactive Multimedia;
- Value-added services;
- Alternative & Electronic payment methods.

2011	2012	2013
€16.6	€17.5	€15.2

Table 3 – Investment in R&D (€ millions)

In 2013 INTRALOT has continued the exploration of digital camera techniques within its ICON Digital Imaging Technology, attaining high resolution images, utilizing colour and exploring new advanced coupon decoding algorithms. All these features have been blended to a new small camera based retailer's terminal that is guaranteed to be the future best seller. INTRALOT believes strongly in its ICON Technology with its surpassed reliability and has become the global leader in this field with its camera based Photon terminal which comes fully packed with more features and has penetrated triumphantly even the most technologically inept fields of Taiwan and US.

INTRALOT's branches and subsidiaries consistently provide feedback from local markets and lottery operations and it is then up to the system experts to identify operational challenges, marketing experts to assess market trends and customer preferences, and senior management to provide the overall strategic perspective given the regulatory environment. This feedback is of fundamental importance to the corporate R&D value chain because it enables the continuous development of customer-oriented solutions.

INTRALOT R&D has either resulted in the development of technology tools that have a direct positive impact on the advancement of responsible gaming or resulted in product or system innovations that are socially responsible because they reinforce security and player protection. These are described in the next section. A full list of 2013 novel product solutions is included in section 4.2 of the current report.

# Responsible Gaming Technology

As a vendor and supplier of gaming equipment, product portfolios and management services, INTRALOT’s main tool for implementing its Responsible Gaming Program is technology.

Technology can be used to deter the participation of minors and of players with pathological behavior in gaming, and to generally prevent excessive gambling. Further, technology can support a healthy gaming environment, both in land-based and in interactive/alternative channels, so as to enable players to make informed gaming choices. Finally, technology can ensure a fair and safe gaming experience by preventing the incidence of fraud.

INTRALOT technologies and the functionalities of its IT system are based on industry best practices and are tailored to the operational needs of our customers, actively supporting their efforts and responsible gaming strategies. Moreover, INTRALOT has the necessary expertise to further develop its customer’s responsible gaming strategies under the framework of management consulting services, which it offers customers upon their request.

## LOTOS™ O/S

LOTOS™ O/S (Open System) is INTRALOT’s technologically advanced, innovative and comprehensive Gaming & Transaction Processing Platform. It enables the management and administration of all types of games, systems, terminals & services through a unified platform.

R&D activities support the LOTOS O/S platform evolution (central system, terminals and telecommunications) and offer innovative solutions in sectors such as business intelligence, financial and business data management, information security, fraud detection, electronic system and casino monitoring, betting risk management, interactive gaming, subscription services, internet sales channels & media (PCs, mobile handhelds and tablets, interactive TV, social networks) and value-added services (trade transactions, news services, etc).

INTRALOT’s LOTOS™ Operating System & integrated terminals support and enable responsible gaming by monitoring registered players’ behavior, applying gambling limits, sending warning messages, educating about gambling risks, and displaying video or multimedia animations that convey messages about responsible gaming.

The responsible gaming functions of INTRALOT’s LOTOS™ system result from the various applications/project components, such as the gaming system, the data warehouse, the portal, the main transmission system and mostly the player’s card, which indeed can work together to provide added responsible gaming capabilities to a gaming system. A brief list of functions follows.

- Age verification and verification of other data, such as home address and personal Tax Identification Number (TIN), either via online interface of the system with a third party or offline by authorized personnel and standardized procedures.
- Player warnings based on player patterns of gaming behavior.
- Set financial limits (by operators and by players) for different time periods (e.g. daily, weekly or monthly).
- Data analysis and reporting.
- Monitoring player behavior.
- Customization of gaming.
- Internet and interactive channels (e.g., definition of player limits, self-exclusion mechanisms and disconnection from the system, access to gaming history, display of messages on responsible gambling, etc.).
- Implementation of self-assessment tests for players who are concerned about their gaming behavior.
- Agent education and training.
- Player education and training.

Table 4 – Responsible Gaming: System Functions



INTRALOT's system is easily adaptable to alternative gaming channels and regulatory frameworks. Indeed, the solutions of INTRALOT can contribute significantly to operator's efforts toward obtaining responsible gaming certification from organizations like the World Lottery Association (WLA) and European Lotteries (EL) and also from other specialized certification agencies. To illustrate, Lottery Lotterywest Australia, a customer of INTRALOT that has established its LOTOS™ O/S, MALTCO and INTRALOT de Peru have been awarded certification from the WLA, and so has the Lottery LOTTO Hamburg GmbH Germany and La Marocaine des Jeux et des Sports in Morocco.

## LOTOS™ Club

The system LOTOS™ Club has built-in functions that support responsible gaming. The system provides a comprehensive range of tools and services that create a closely monitored playing environment, helping the lottery to implement Responsible Gaming policies.

The management support system of LOTOS™ Club allows the administrator to perform in-depth analysis and to identify areas of potential risk and assess the need for some action. In addition, through interoperability with other systems, such as with LOTOS Data Warehouse, Eyes-On, and so on, the system provides additional functions such as dynamic search on raw data and Abnormal Behavior Detection, based on given fraud scenarios, as well as changes in player behavior, as shown by historical data (i.e., financial transactions, losses, frequency of play, etc.). When such an event is detected, the system can display/send a message (email, pop-up, etc.) that will inform and simultaneously warn the player. Messages are composed based on experimented communication methods, thus avoiding the possibility that the player will perceive the messages in a negative way. This is a proactive approach to effectively protect the players.

In addition the system supports the full interface with external services and agencies, such as with the State Authority for the Protection of Personal Data for notification purposes, and with an external database for purposes of real time verification of personal information.

## LOTOS™ Horizon

One of the most effective means of communication with the player is advertising/targeted messaging. The LOTOS™ Horizon multimedia platform allows for the determination of messages centrally and for sending them to the Points of Sale. Messages are transmitted to displays inside points of sale. The central management of messaging allows for full control over content as well as for customization to an agency or group of agencies. Messages can also be rotated so as to achieve maximum player impact. The system allows for sending messages at predetermined dates and times and for their repetition.

The installed LOTOS™ Horizon display equipment allows the gaming organizations to manage and display advertisement spots using video streaming or multimedia animations, which are a pleasant way to pass on responsible gaming messages.

Videos can also be displayed continuously on digital signage screens as well as on self-service terminal screens. Their frequency, distribution agencies and rotating time are parametrically defined in the LOTOS™ Horizon platform.

## 6.4 New Responsible Gaming Achievements

### MALTCO's Responsible Gaming Certification Level 4

MALTCO Lotteries operates numerical, instant and sports games in Malta through a land based retail network of Agents and Sellers, offering daily and weekly entertainment to the local population and seasonal tourists. After only ten years in operation, INTRALOT's subsidiary in Malta MALTCO has contributed several milestone achievements to the INTRALOT Group. One of them is its stellar record of active engagement with stakeholders in the local community, including with researchers and treatment centers – namely with Caritas and with Sedqa - and with the Lotteries and Gaming Authority of Malta, towards developing better knowledge of the gaming sector and the socioeconomic profile of the Maltese gaming population. This has enabled the company to plan its business growth in full respect to the prevailing market conditions of Malta. The company has succeeded to have both economic and social positive impact on Malta's development.



Second, MALTCO is among the first companies of the Group to have successfully implemented an integrated program of responsible gaming policies and practices, along the main program areas defined by the European Lotteries and the World Lottery Association.

As a result of these achievements, MALTCO has become in many aspects a success story, an example to follow for other operations of the INTRALOT Group worldwide and a reference in the gaming industry. The company's efforts have been rewarded with the newly achieved Responsible gaming certification at the highest level (level 4) by both the European Lotteries and the World Lottery Association, the two leading gaming associations worldwide.

This double RG certification is a well deserved anniversary present to MALTCO. It rewards corporate excellence and motivates the company to reach for new targets. MALTCO's mission is to continue to lead the gaming market in Malta in a sustainable manner, offering the player innovative, responsible and rewarding gaming experiences while growing its contribution to economic and social development in Malta.

# INTRALOT de Peru's Responsible Gaming Certification Level 3

INTRALOT de Peru operates lottery and sports betting games upon public tender of the Public Charitable Societies of Jaén and Huancaayo, administrated by the Head Office of At-Risk populations of the Peruvian Ministry of Women and Vulnerable Populations.

In 2013, INTRALOT de Peru progressed to responsible gaming certification at level 3. The World Lottery Association rewarded the efforts of INTRALOT's subsidiary in Peru towards full-fledged implementation of policies and programs along the 10 main program areas defined by the Association.



Specifically, the new targets achieved follow below.

Research	<ul style="list-style-type: none"> <li>INTRALOT de Peru launched an epidemiological research program on gaming addiction with CEDRO-Education Center for the Prevention of Drug Abuse, a private non-profit engaged in the research, awareness and treatment of substance abuse, problem gambling and cyber addiction.</li> </ul>
Training	<ul style="list-style-type: none"> <li>INTRALOT de Peru conducted a Sales promoters Training program</li> <li>New employee training program</li> <li>Organization of a training program near the retailers and agents networks</li> <li>Conduction of training updates on the preliminary results of the joint research with CEDRO near the three above mentioned target audiences.</li> </ul>
Sales Agents	<ul style="list-style-type: none"> <li>INTRALOT de Peru included the prohibition of sales to minors as a termination clause in the contracts with sales agents.</li> <li>INTRALOT de Peru made the completion of training a prerequisite for opening a new POS.</li> <li>Mandatory Badge Use featuring the responsible gaming isotype.</li> </ul>
Game design	<ul style="list-style-type: none"> <li>INTRALOT de Peru conducted an internal game assessment, focused mainly on the protection of minors.</li> </ul>

Player Education	<ul style="list-style-type: none"> <li>■ INTRALOT de Peru included relevant information on game rules, chances of winning, problem gambling and self-exclusion programs in call centers and remote gaming channels.</li> <li>■ Launch of new player education program through CEDRO.</li> </ul>
Remote gaming channels	<ul style="list-style-type: none"> <li>■ Standard remote gaming protection measures are in place (e.g. age verification, self-exclusion, Player limits).</li> <li>■ Free helpline for information and support with treatment referral to CEDRO is in place.</li> </ul>
Advertising and Marketing Communications	<ul style="list-style-type: none"> <li>■ Communications materials were reviewed to embrace other vulnerable groups beyond minors.</li> <li>■ Organized an undercover buyer program.</li> </ul>
Treatment referral	<ul style="list-style-type: none"> <li>■ Free helpline created with treatment referral to CEDRO.</li> <li>■ Call center monitoring and evaluation tactics and referral to CEDRO.</li> </ul>
Stakeholder engagement	<ul style="list-style-type: none"> <li>■ Created a complaint and grievances service, both at POS and in remote channels.</li> <li>■ Conducted an employee satisfaction survey.</li> </ul>
Reporting and measurement	<ul style="list-style-type: none"> <li>■ Policies and Programs are reported to the mother company and included in the present Sustainability Report.</li> </ul>

Table 5 – INTRALOT de Peru RG Achievements

## INTRALOT Morocco Supports the Responsible gaming Certification of La Marocaine des Jeux et des Sports

La Marocaine des Jeux et des Sports (MDJS), whose operational services and technology are provided by INTRALOT, achieved EL and WLA Responsible Gaming (RG) Certifications becoming the first Lottery in Africa that has achieved the highest RG standards.

INTRALOT, through its subsidiary, INTRALOT Maroc, has contributed to MDJS's double certification through capacity-building, by offering its state-of-the-art technology that embeds RG functionality and the operational expertise to develop and implement a Responsible Gaming strategy in the Lottery's daily operations, both in Land-based and Interactive channels.

Specifically INTRALOT:

- provided RG technology (system functions, game design tools);
- offered training and consulting services;
- transferred marketing and communication best practices;
- shared business intelligence and the latest scientific research in gaming.

## 6.5 Research Collaborations

### Hohenheim University Research Center on Gambling

Promoting the notion of responsible gaming, INTRALOT supports as of 2008 the Hohenheim University Center on Gambling, which conducts research on the various economic and social aspects of betting games and their impact on player behavior, habits and lifestyle. The Gambling Research Center was established in December 2004 and is the only academic gambling research centre in Germany. It is dedicated to research in the subject areas of regulatory and consumer policy, consumer behavior, public and private law, finance and tax, applied mathematics, statistics and econometrics, communication and marketing sciences, and theories of gaming. While gambling research centres in other countries focus mainly on either the psychological or the legal aspects of gambling, the Gambling Research Centre at the University of Hohenheim stands out due to its multidisciplinary approach to gaming research, boasting a 25-member Scientific Board with diverse scientific backgrounds and expertise.

In 2013, the research center concentrated its research efforts on the following topics: fraud and crime in gaming and gambling, social cost of gambling, responsible gambling, population attitudes towards gambling, and gambling regulation.

### Corallia Gaming Cluster

INTRALOT actively supports efforts to kick-start technology entrepreneurship in the gaming sector in Greece. Proof of this is the partnership of INTRALOT with the Corallia Clusters Initiative since 2010. Corallia is a non-profit organization created with seed money from the Greek government and the European Union whose goal is to be a facilitator of innovation.

Corallia's mission is to develop dynamic, technology-oriented innovation clusters in Greece and offer a framework of institutional support and a venue for cooperation among the highly-skilled human capital of the gaming industry. Corallia's initiative seeks to pool venture capital sources, support start-ups with legal and property rights issues and coach entrepreneurs by advising them in business planning. Corallia will cluster groups of complementary start-ups so as to foster interaction that will breed new ideas and products.

A result of the above collaboration is the establishment by Corallia and INTRALOT of a Gaming Innovation Cluster or 'gi-Cluster'. The mission of the gi-Cluster is to become a fully functional innovation and business ecosystem with substantial international market share, which will be able to support viable industry growth and competitiveness while gradually evolving into a world-class cluster and contribute towards elevating Greece in the global competitiveness chart. One of the most important traits of the gi-Cluster is that its participants all aspire to become, not only a collection of similar -either complementing or competing- businesses (like e.g. an industrial district or association) but an amalgam of commercial activity and business infrastructure that can develop superior value for all, by exploiting the focused benefits and structured guidance offered within the ecosystem.

In that respect, the participants in the gi-Cluster seek to form ties and linkages beyond those of a traditional business network, i.e. not just co-operating on joint development projects, complementing each other, overcoming common problems and achieving collective efficiency, but exploiting the full potential of clustering as a powerful framework for meeting set strategic targets, towards achieving regional economic development.

Based on the main cluster development principles, the gi-Cluster hopes to materialize the vision "Develop Regionally – Compete Globally" and help towards establishing an "Innovation Designed in Greece" positioning for Greece at a global level.



During 2013, the gi-Cluster has achieved a critical mass of large businesses, SMEs, academic and research institutions, and has significant potential for immediate expansion of its industrial members base, as it currently consists of more than forty (40) members. In addition, the gi-Cluster has presented scalable cooperation capacity with research institutions, associations and other nationwide and regional authorities involved throughout Greece, thus offering substantial business development opportunities for its members.

Last, INTRALOT Interactive together with four (4) more companies, members of the gi-Cluster, are currently implementing the collaborative project named GameLot, which has been approved by the Directorate for Support of Research Programs, Department A of the General Secretariat for Research and Technology, Operational Programs, of the Ministry of Education and Religious Affairs, Culture and Sports of Hellenic Republic in 2013. The purpose of GameLot is the development of tools / platforms / games in the cognitive area of interactive games and specifically in the creation of games on the basis of a random number generator (RNG).

## Athens Information Technology

INTRALOT co-founded, annually supports, and has a partnership with Athens Information Technology (AIT), a graduate Center of Excellence for Research and Education specialized in the fields of Information Technology and Management.

Research projects conducted or ongoing with AIT focus on Face Detection and Tracking as source of Marketing Analytics, Automated Content Authoring, and Collaborative Game development. In particular, INTRALOT Interactive is developing a research project with AIT toward the development of a gaming platform with forefront Responsible Gaming functionalities.

## 6.6 Employee Training on Responsible Gaming

INTRALOT's corporate culture highly values learning, since education and training contribute to the professional and personal development of the Company's staff. INTRALOT has established a department dedicated specifically to training – the Learning Center. The Learning Center works closely with the Organization & Human Resources Department for the provision of skills development and the advancement of knowledge among INTRALOT personnel.

As a leader of the gaming industry, INTRALOT has a full-fledged commitment to responsible gaming principles and practices. The supply of responsible gaming products and services depends to a great extent on the Company's most strategic resource, its workforce. INTRALOT corporate training policy on responsible gaming is to educate and to enable its employees to uphold the highest standards and to follow best practices in order to ensure a fair and safe gaming experience to players and protect them, as well as society in turn, from adverse consequences of gaming.

The high-quality training provided is developed in-house by content developers of the Learning Center, who work closely with INTRALOT subject-matter across different departments, including with INTRALOT's Responsible Gaming Executive.

The responsible gaming training program is designed, implemented, evaluated, and continuously improved by the training experts of the Learning Center and has steadily grown and matured into an integrated training framework. Firstly, responsible gaming awareness training is provided to all employees as part of their Induction Program. Additionally, Responsible Gaming awareness is provided to INTRALOT personnel on an annual basis. Finally, job-specific training on responsible gaming best practices and technology is also provided to specific groups, as relevant to their particular role.

The training program on responsible gaming policies and practices is comprised of the following modules, described hereafter:

Employee Training on Responsible Gaming	
Corporate Level	<ul style="list-style-type: none"> <li>■ Induction to Responsible Gaming: All new INTRALOT employees</li> </ul>
Job-Specific Level	<ul style="list-style-type: none"> <li>■ Best RG Practices for Marketing Personnel</li> <li>■ RG Technology Updates: INTRALOT Senior Technical Management</li> <li>■ RG Awareness &amp; Best Practices for Retailer Trainers (Train-the-Trainer)</li> <li>■ RG Awareness &amp; Best Practices for Business &amp; Support Personnel (Commercial/Management, Call Center)</li> <li>■ Other modules, as per job role, per product offering ( back-end/front-end training)</li> </ul>

Table 6 – Responsible Gaming: Employee Training

## Induction to Responsible Gaming

Upon recruitment, all new INTRALOT employees undergo an Induction Program. Among other, the Induction Program includes a specific module on the important topic of Responsible Gaming which is intended to:

- Educate/ Raise awareness of our employees on responsible gaming principles and policies;
- Communicate the significance of responsible gaming for the competitive advantage of the Company's core business;
- Provide examples of responsible gaming practices of INTRALOT.

The following table presents an overview of the Induction to Responsible Gaming module:

Induction to Responsible Gaming	
Objective	To introduce employees to responsible gaming principles and policies
Audience	All new employees (permanent, temporary, contract staff)
Topics	<ul style="list-style-type: none"> <li>■ Responsible gaming definitions (e.g. problem gaming, vulnerable groups); Components of a responsible gaming program (e.g. research, game design, training, advertising etc);</li> <li>■ International gaming organizations that abide by and promote responsible gaming (e.g. WLA, EL etc);</li> <li>■ Secure, safe and reliable operating environment;</li> <li>■ Examples of INTRALOT responsible gaming practices.</li> </ul>
Timeline	Once a month, based on new recruitments
Evaluation	Questionnaire at the end of the training

Table 7 – Induction to Responsible Gaming

RG Awareness & Updates	
Objective	To maintain awareness of Responsible Gaming principles and policies among INTRALOT employees and provide them with respective updates
Audience	All employees (permanent, temporary, contract staff)
Topics	<ul style="list-style-type: none"> <li>■ Understanding problem gaming</li> <li>■ Warning Signs</li> <li>■ RG Standards &amp; Principles</li> <li>■ Examples of INTRALOT Responsible Gaming practices and technologies</li> </ul>
Timeline	Annually
Evaluation	Quiz at the end of course

Table 8 – Responsible Gaming Training: Awareness & Updates

## Best RG Practices for Marketing Personnel

An important component of an effective responsible gaming program has to do with marketing operations. In jurisdictions where INTRALOT undertakes the marketing of products, the local marketing staff of INTRALOT is trained by our Marketing experts from headquarters on how to conduct marketing operations based on best responsible gaming practices, as applicable to the local jurisdiction. Moreover, members of the Game Design Department are trained on structural characteristics of games and situational risks associated with gaming.

Best RG Practices for Marketing Personnel	
Objective	To ensure that best responsible gaming practices on marketing operations are implemented, as locally applicable.
Audience	Marketing personnel of INTRALOT subsidiaries and/or Customers
Topics	<ul style="list-style-type: none"> <li>■ Responsible Gaming campaigns, including the design and provision of informational material to retailers, such as brochures/leaflets on game rules, playing/prize claiming procedures, results posters, complaint resolution process etc.;</li> <li>■ Results &amp; prizes Helpline;</li> <li>■ Protection of winners' privacy;</li> <li>■ Responsible gaming signage;</li> <li>■ Responsible Advertising (accurately representing odds of winning, no direct advertising to vulnerable groups, etc.);</li> <li>■ Treatment Referral;</li> <li>■ Code of Practice;</li> <li>■ Incentive schemes for incorporating RG principles.</li> <li>■ Game Design – examining and minimizing risk factors of games</li> </ul>
Timeline	As required per jurisdiction and on-ongoing basis at headquarters
Evaluation	Feedback questionnaires

Table 9 – Training on Best RG Practices for Marketing Personnel

## RG Technology Updates for INTRALOT Senior Technical Management

As a world leading gaming vendor and operator committed to the principles of responsible gaming, it is important for INTRALOT to always be up-to-date on all gaming-related technology developments. To this effect, sessions on the latest developments in responsible gaming technology are periodically scheduled for the Senior Technical Management of INTRALOT. The information provided is kept in a special collaborative site on the corporate portal and is easily accessible to the designated INTRALOT employees.

Responsible Gaming Technology Updates	
Objective	To keep abreast of technology developments on responsible gaming
Audience	Senior Technical Management
Topics	<ul style="list-style-type: none"> <li>■ Security of personal data;</li> <li>■ Age verification systems;</li> <li>■ Self-exclusion systems, deposit limits, time limits;</li> <li>■ Reality Checks, etc.</li> </ul>
Timeline	Annually

Table 10 – RG Technology Updates Training

## RG Awareness & Best Practices for Retailer Trainers (Train-the-Trainer)

INTRALOT places special emphasis on its Train-the-Trainer programs intended for Retailer Trainers and more specifically on how the participants can raise awareness of retailers on responsible gaming and on how RG practices and procedures can be incorporated into the retailers' daily sales operations.

RG Awareness & Best Practices Training for Retailer Trainers	
Objective	Provide Retailer Trainers with the ability to effectively raise the awareness of retailers on responsible gaming and on how to convey to them best RG practices
Audience	Retailer Trainers
Topics	<ul style="list-style-type: none"> <li>■ Credibility of Lottery, of gaming technology &amp; of gaming procedures (e.g. draws);</li> <li>■ Retailers code of practice (do's &amp; don'ts);</li> <li>■ Assisting players to make informed decisions;</li> <li>■ System functionalities and technology for averting problem gaming</li> <li>■ Applying cross-selling &amp; up-selling techniques responsibly;</li> <li>■ Offering information on treatment referral (where available).</li> </ul>
Timeline	As required per jurisdiction
Evaluation	Presentations by Trainers; Assessed on assimilation of content and on ability to effectively convey acquired knowledge on responsible gaming.

Table 11 - RG Awareness & Best Practices Training for Retailer Trainers

## RG Awareness & Best Practices for Business & Support Personnel (Commercial/Management, Call Center)

The topics included in this training module are the same as those included in the module above, but differ only in the learning objectives (which are based on the intended audience), the depth of the knowledge provided and the evaluation method. For example, in those sessions where the intended audience is Business Users (primarily Commercial/Management personnel) the objective is to train them on the same RG topics that retailer trainers are trained on but without the requirement to demonstrate their knowledge through presentations. Similarly, Service Personnel (e.g. Call Center) is also trained on the same topics but their training evaluation method is based on how to convey their knowledge to retailers over the phone. Also, in this case, there is much less emphasis on the 'sales' approach and more on the other topics.

## Other Training Modules

Since INTRALOT is both a vendor and an operator that offers a complete range of gaming services, it also provides a complete range of training modules to meet all training requirements. These requirements differ per product offering. For example, where internet gaming is implemented, front-end/back-end training is provided to different job roles respectively. An example of this is the provision of back-end training to Application Operators on the responsible gaming controls of INTRALOT's Gaming platform, which is comprised of a comprehensive suite of tools and services that create a closely supervised gaming environment, assisting the operator to enforce the policies. The back office management system also enables the operator to perform analyses and determine where a potential risk may lie and if action needs to be taken. This is both a proactive and a reactive approach to protecting the player. Moreover, front-end training (end-user interface) is also provided in those projects where INTRALOT has undertaken the development of the portals. In such case, apart from the user functionality training provided to Business Users and Service/Call Center personnel, a module on responsible gaming awareness is also included in their training.

Finally, it should also be noted that apart from the modules listed above and that relate directly to responsible gaming, INTRALOT also provides its employees with other training sessions that can be associated with responsible gaming, such as annual training on INTRALOT's Information Security Management System (ISMS), which is in accordance with WLA standards and emphasizes the importance of information confidentiality, integrity and availability.

## Training Delivery Methods

Different training delivery methods are applied, as per module and intended audience, so as to bring about the desired training result. One of these is instructor-led training (ILT), held in suitably equipped physical classrooms. With the exception of the modules intended for the Marketing and Technology personnel, which are conducted by highly-qualified specialists, all other training modules are conducted by experienced, certified trainers of the Learning Center.

In addition, a variety of e-learning methods are used, including asynchronous training – i.e. e-courses on INTRALOT's e-learning platform - and synchronous training – i.e. live, virtual classroom training sessions. The Responsible Gaming Awareness / Updates training is an example of an RG training module created in-house by the Learning Center as an asynchronous e-learning course, which is readily available (anytime/anyplace) to all INTRALOT employees around the world.



## Evaluation of Employee Training Programs on Responsible Gaming

Depending on the learning objectives of each module, discussion, questions and answers, role plays, quizzes and other training methods are employed aiming at determining the knowledge attained by the trainees from each training course. Moreover, in accordance with best international quality assurance practices and standards, a detailed course evaluation is conducted at the end of each training module. The course evaluation form provided to the participants includes multiple choice and open-ended questions regarding the course (e.g. information usefulness, points that need improvement etc.). The Training Evaluation Forms are submitted by the trainees on an anonymous basis. The trainers also provide feedback concerning the training sessions. All results are then processed by the Learning Center and a composite Training Evaluation Report is prepared. The data is also kept in the training database which is regularly audited, in accordance with all certifications the Learning Center complies with.

The principal aim of the training evaluation process is to utilize the input provided so as to ascertain where the training was effective or where extra training may be required so as to bring about the desired result – employees who are aware of and adhere to responsible gaming practices.

- Continuous update and improvement of the responsible gaming awareness training content to reflect new studies and latest best industry practices.
- Provision of further in-depth information concerning specialized groups.

Table 12 – Responsible Gaming Training: Targets

## 6.7 Marketing Standards & Research

Responsible gaming is embedded in the products, tools and systems offered by INTRALOT to its customers. In addition to having the technology that supports it, the company's marketing and advertising campaigns in all jurisdictions where it has a presence abide by responsible gaming principles and actively promote best practices.

INTRALOT's market research experts possess the professional knowledge to unlock customer insights. The research tactics range from usage & attitudes, segmentation and tracking studies, to retail field researches and data collection, utilizing all available methods up to online terminal applications.

INTRALOT is a member of ESOMAR and abides by ESOMAR's Code & Guidelines for conducting market research, including research on customer satisfaction and mystery shopping. ESOMAR is the essential organisation for encouraging, advancing and elevating market research worldwide. Since 1948 ESOMAR's aim has been to promote the value of market and opinion research in effective decision-making. ESOMAR facilitates an on-going dialogue with its 4.900 members, in over 130 countries, through the promotion of a comprehensive programme of industry specific and thematic conferences, publications and best practice guidelines. ESOMAR also provides ethical guidance and actively promotes self-regulation, in partnership with a number of associations across the globe. All ESOMAR members, as well as their company contact details, are listed in the ESOMAR Members search function. Members agree to abide by the ICC/ESOMAR International Code on Market and Social Research, which has been jointly drafted by ESOMAR and the International Chamber of Commerce and is endorsed by the major national and international professional bodies around the world.

Player satisfaction is an ongoing process, whose success largely depends on the effective translation of the latest trends into the right products and services. INTRALOT continuously deepens its understanding of the player by analysing their actual behaviour, captured

in the tens of millions of player-initiated transactions the company enables globally. The level of players' satisfaction is further monitored on a regular basis through market research commissioned and conducted in terms of the aforementioned research parameters and the data collected in over 50.000 questionnaires across all continents are processed so as to exceed player expectations for a fair, healthy and safe gambling experience.

Specifically for electronic channels, where player identification and gaming profiles can be leveraged to enforce warning and preventing mechanisms, a dedicated monitoring process triggers personalized messages informing players about potentially excessive and problematic gaming behavior.

Following are some of the responsible gaming monitoring activities:

## 1. Mystery Shopping

Mystery shopping researches are conducted regularly to test compliance of the network to Responsible Gaming guidelines. Sales inspectors visit agents to ensure that they are complying with the conditions of their license and their obligations. Specifically, their goal is to determine whether the Point of Sale staff:

- Sells tickets to or pays prizes to people under 18 years of age. Alleged players that look younger than their age but are above the age limit make shop visits to examine compliance on requesting ID when in doubt;
- Is not adequately trained to sell tickets;
- Pays on winning tickets that are obviously counterfeit;
- Sells tickets or pays prizes to self-excluded players.

Any retail outlet where any of the issues described above have occurred may have its authorization to sell products removed.

## 2. Inspection

INTRALOT takes all reasonable measures to ensure retailers do not sell lottery games to minors. In the case someone suspects that an illegal transaction is taking place, a tip-off number is made widely available at Points of Sale that enables agents to report improper conduct. Reports of misconduct trigger investigation and remedial action.

No. of Inspector Visits and/or Mystery Shopping	7.527
No. of Calls registered at Call Center/Treatment Referrals	29. 892

Table 13- Responsible Gaming Monitoring

## 6.8 Player Education and Treatment Referrals

INTRALOT implements a series of responsible gaming education activities aimed primarily at the prevention of problem gambling and at offering information to various groups of players based on their classification into low-, medium- and high-risk categories. Furthermore, the company believes that the treatment of players who develop symptoms of addictive gambling behavior must be undertaken by experts in the provision of health services to addicted gamblers. INTRALOT cooperates with such bodies in several of the jurisdictions where it operates, disseminates information about their work and refers any problem gambling incidents to these organizations.

Several of INTRALOT's lottery customers have developed collaborations with specialized organizations dealing with gambling addiction and problem gambling therapy. As a supplier, INTRALOT promotes regular information about the availability of this support line near retailers.

In jurisdictions where the company is a lottery operator it has developed treatment referral collaborations, such as in the case of INTRALOT USA with the Montana Council on Problem Gambling, and INTRALOT Italia with the Helpline initiative.

Program Area	Country	Initiatives
Treatment referral	Peru	<ul style="list-style-type: none"> <li>INTRALOT de Peru formally established a partnership agreement with CEDRO-Information and Education Center for the Prevention of Drug Abuse, to provide assistance to consumers exhibiting symptoms of gambling addiction. CEDRO is a Peruvian, private non-profit organization that was founded in 1986. As per the agreement, INTRALOT de Peru provides its customers relevant information about gambling addiction and the treatment offered by CEDRO. Further, the company's web site and all print materials include information about problem gambling and CEDRO help lines. (more information on INTRALOT de Peru's RG program and WLA certification achievement on section 6.4 of the present report).</li> </ul>
	South Africa	<ul style="list-style-type: none"> <li>A proportion of the annual Gross Gambling Revenues (GGR) of Just Bet is contributed to the National Responsible Gaming Program of South Africa, a public-private sector organization, one of its kind organization in Africa, devoted to awareness, prevention, research, training and treatment of problem gambling.</li> </ul>

Program Area	Country	Initiatives
Stakeholder Engagement	Australia	<ul style="list-style-type: none"> <li>■ Member of the Gambling Industry Group (GIG) in Tasmania.</li> <li>■ Participation in the Responsible Gaming Awareness Week, with INTRALOT Gaming Services (IGS).</li> <li>■ Participation in the quarterly fora of Bethany, a venue support program for problems gamblers.</li> </ul>
	Malta	<ul style="list-style-type: none"> <li>■ MALTCO Lotteries implemented a stakeholder consultation process, as part of its process towards EL/WLA certification (more information in section 6.4 of the present report).</li> </ul>
Remote Gaming Channels	Croatia	<ul style="list-style-type: none"> <li>■ RG Training Module included at the end of Internet Player Functionality training course for Lottery Personnel of Hrvatska Lutrija.</li> </ul>
Player Education and Protection	Australia	<ul style="list-style-type: none"> <li>■ Player information-Through its Retail Service Officers (RSOs), INTRALOT Australia ensures that all information material is made available to the player from retail outlets, helping players identify problem gaming. These materials include information about problem gambling services, lottery rules, and the laws relating to the sale of products to minors. Furthermore, complaint resolution forms are available at all POS.</li> <li>■ Signage-Relevant advertising content is displayed on screens and an age warning concerning players under 18 is displayed in all Points of Sale while the responsible gaming message “Think smart. Play smart” is included in all printed material and coupons and across all pages of the Internet gaming site.</li> </ul>
	Turkey	<ul style="list-style-type: none"> <li>■ Prevention of underage play through prohibition to play the Iddaa game to those under 18 (as of 2004).</li> </ul>

Program Area	Country	Initiatives
Retailer Program	Australia	<ul style="list-style-type: none"> <li>■ Retailer Training-All retailers are trained on the responsible gaming policies of the Victorian state and on the strategy followed by INTRALOT Australia. The retailer training program includes, but is not limited to, information on the prevention of the sale of lottery products to minors, responsible gambling and available services for problem gambling.</li> <li>■ The Point of Sale Environment- INTRALOT Australia's Code of Practice Our Pledge to You is displayed at all retail outlets. This Code provides details of the retailer's responsibilities, including sales to minors, gambling help services, and prohibition on credit purchases. Furthermore, retailers are provided with INTRALOT Australia's responsible gambling pamphlet "Think Smart. Play Smart." This information is also included in the company's retail procedures manual.</li> <li>■ Prizes and prize pay-outs: a restriction on the payment of winnings is followed such that retailers do not pay prizes over a certain amount while retailers are not allowed to cash cheques for prizes. Further, for all games where the option to select a bet value is offered, special care has been taken by not offering high stake of participation so as not to drive players into excessive gaming.</li> <li>■ Under-age sign prominently displayed.</li> <li>■ Regular visits of Maltco's inspectors to POS to ensure compliance with underage rules.</li> <li>■ Monitoring of U*BET bets toward the prevention and control of problem gambling.</li> </ul>
	Malta	<ul style="list-style-type: none"> <li>■ Sales Agent Training Programme-the training ensures that all agents and their representatives are made aware of the gaming regulations dictated by the Lottery and Gaming Authority (LGA), as well as offering guidelines on how to enforce responsible gaming policy in their retail environments.</li> </ul>
	Russia	<ul style="list-style-type: none"> <li>■ Retailer Training Program on RG practices and advertising code of conduct.</li> </ul>



Program Area	Country	Initiatives
Employee Training	Peru	<ul style="list-style-type: none"> <li>■ INTRALOT de Peru has established a training program for its employees and sales agents seeking to further a responsible gaming environment and culture.</li> </ul>
Advertising & Marketing Communications	Azerbaijan	<ul style="list-style-type: none"> <li>■ The age warning concerning underage customers is displayed by Azerintellek in all printed materials and coupons, and sticker displays at retailer shop network or warning tags on the virtual agent's internet page are made available.</li> <li>■ Each coupon has a maximum playing limit, set at 2.500 AZN.</li> <li>■ While playing the games on the virtual agent's system that rejects the underage customer's application through checking of the National Identity number entered during the registration phase.</li> <li>■ If a bet by an underage player is accepted by an agent, the agent's licence is cancelled by the legal betting authority.</li> </ul>
	Italy	<ul style="list-style-type: none"> <li>■ INTRALOT Italia renewed the Gioconsapevole advertising campaign, seeking to promote the Gioconsapevole initiative of the Italian Gaming Regulatory Authority (AAMS) to prevent and reduce gaming-related addictions. The advertising campaign was run at nationally, through print and broadcast media, and at local level, through print materials placed in all INTRALOT POS.</li> </ul>

Program Area	Country	Initiatives
	South Africa	<ul style="list-style-type: none"> <li>■ The age warning and the play responsibly signs are displayed in all GIDANI printed materials and coupons. Stickers of these signs are displayed at all retailer shops while the TV commercials of the Lottery and the games always display the two signs at their ending scene. The internet site of the South African National Lottery also includes relevant signage in all pages.</li> <li>■ GIDANI has also prepared three Codes of Practice, namely, Participants, Sales and Advertising Codes of Practice, adhering to the main principle of protection of players' rights. These are readily available at POS and can also be downloaded from GIDANI's internet site. As a preventive measure, if a retailer permits a player under 18 years old to play the National Lottery's games, he/she receives a warning, after which if the action still continues the contract with the dealer is ended.</li> </ul>
	Turkey	<ul style="list-style-type: none"> <li>■ The age warning concerning underage customers is displayed by Inteltek in all printed materials and coupons, and sticker displays at retailer shop network or warning tags on the virtual agent's internet page are made available.</li> <li>■ Each coupon has a maximum playing limit, set at 2.500YTL.</li> <li>■ While playing the games via the Internet, INTELTEK also developed a system that checks the age from the National Identity Number entered during the registration phase. If the player is younger than 18, his/her registration is not accepted.</li> </ul>

Program Area	Country	Initiatives
Treatment Referral	Italy	<ul style="list-style-type: none"> <li>■ Once again INTRALOT Italia renewed the “Gioconsapevole” initiative, a practical measure to prevent and reduce gaming-related addictions. INTRALOT Italia and the Italian Organization for the Treatment of Compulsive Disorders (S.I.I.Pa.C) have launched a free telephone line to assist players who are affected by pathological gaming behaviour. INTRALOT Italia has been promoting the activation of the free phone line (800.589.372) since 2010. Skilled operators provide players with potential risk of gambling addiction for the support of players with useful information and health service referrals.</li> </ul>
	USA	<ul style="list-style-type: none"> <li>■ INTRALOT USA is a supporter of the Montana Council on problem Gambling, a non-profit agency dedicated to alleviating gaming-related social and personal distress.</li> </ul>

Table 14 – INTRALOT Group Responsible Gaming Best Practices

# 7

## CONTRIBUTION TO LOCAL COMMUNITIES

*Fortune* and *Wealth*







## 7.1 Introduction

In the local community, INTRALOT operates in full respect to the local context of the countries that host its operations and abiding by all local laws and gaming regulatory framework. INTRALOT's program of contribution to local communities, INTRALOT-We care a Lot, is an integrated and targeted CSR program that seeks to create partnerships with relevant stakeholders and be a substantive contributor to the local communities where it operates through the transfer of technology and know-how and through the employment, the occupational safety and the specialized training of its local workforce and sales network.

INTRALOT GROUP

€5million

Table 1- Investments in Local Communities 2013

Further, INTRALOT contributes to the enhancement of the quality of life and community development through social responsibility initiatives that aim at advancing education and human capital; supporting social welfare and human development; and preserving cultural heritage.

## 7.2 INTRALOT We Care a Lot Program

The program supports a series of activities in three main areas: education; social welfare; and sports & culture. In the year 2013 the initiatives in this program area were many, both at the level of the parent company and in its subsidiaries across the globe. The table that follows presents the most significant, according to the structure outlined above.

Program	Area	Country	Activities 2013
Contribution to Local Communities	Education and Human Capital	Australia	<ul style="list-style-type: none"> <li>INTRALOT Australia sponsorship program 2013 included the provision of economic support to Lottery Agents Association of Victoria (LAAV), renamed in early 2014 Lottery Retailers Association (LRA) and to the Victorian Association for Newsagents (VANA).</li> <li>INTRALOT Australia was a Sponsor, Exhibitor and Speaker at the 2013 Clubs + Hotels Australia Conference and Exhibition held in May in Melbourne.</li> </ul>
		Bulgaria	<ul style="list-style-type: none"> <li>In the framework of Eurofootball Scholarship program 2013, a total of nine (9) scholarships for students and orphan children were awarded.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Education and Human Capital	Greece	<ul style="list-style-type: none"> <li>■ INTRALOT co-founded and annually supports the Centre for Research and Higher Education Athens Information Technology (AIT).</li> <li>■ INTRALOT annually supports the University of Hohenheim's Center for Research on Problem Gambling.</li> <li>■ Support of the Fulbright Foundation.</li> <li>■ Award Sponsor of the Graduate Scholarship Program of the University of Piraeus.</li> <li>■ INTRALOT sponsored the 19th Economía National Student Competition, organized by the Economía Business Tank with the aim to advance the relationship between innovative research and entrepreneurship. The theme of the year 2013 competition was The Role of Social Media in the Economy.</li> <li>■ Sponsorship of Niki Awards 2013, held in Athens, Greece, which distinguishes prominent Greeks, or personalities of Greek descent, who are internationally recognized for their contribution to science and technology and for inspiring a new generation of scientists to follow in their footsteps.</li> <li>■ Support to the Scholarship Fund of the Society for the Promotion of Education and Learning-Arsakeia and Tositseia Schools, Greece.</li> </ul>
		Peru	<ul style="list-style-type: none"> <li>■ United Way Match Fund – INTRALOT de Peru matches the donations made by its employees to United Way Peru (UWP) towards the advancement of education.</li> <li>■ Donation of educational and teaching support materials to Peruvian public schools.</li> </ul>
		South Africa	<ul style="list-style-type: none"> <li>■ Financial and in-kind support to Adopt-A-School Foundation.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Education and Human Capital	USA	<ul style="list-style-type: none"> <li>■ INTRALOT, Inc. participated in several fund raisers for the public schools, colleges and daycares in the local communities where its offices are located. These contributions go toward helping supplement various educational areas that are often not funded or under funded by the school systems.</li> <li>■ INTRALOT, Inc. participated in fund raisers to support local education and children in Idaho. The contributions support student scholarships and need-based tuition.</li> <li>■ INTRALOT, Inc. sponsored 20 different Upward bound programs across Arkansas, a series of college grant programs for high school students, usually available for under privileged students through tutoring, advising, and students' preparation for college.</li> <li>■ Support to the civil rights cause of the Washington DC Urban League, a major interracial, nonpartisan, nonprofit social services and civil rights organization with headquarters in the United States District of Columbia.</li> <li>■ INTRALOT, Inc. and its partner in the District of Columbia, DC09, supported several local charities and communities groups and activities, including the United Negro College Fund (UNCF) and Fight for Children, Inc.</li> </ul>
Contribution to Local Communities	Social Welfare and Human Development	Australia	<ul style="list-style-type: none"> <li>■ Donation to the Koala Foundation/Children's Care Centre Foundation, supporting clinical care, research and providing resources to families of patients of the Children's Cancer Centres.</li> <li>■ Donation to the Salvation Army.</li> </ul>
		Bulgaria	<ul style="list-style-type: none"> <li>■ Eurofootball was the sponsor of the 2013 Football Game organized in benefit of children with Leukemia by Bulgarian footballer Stelian Petrov.</li> <li>■ Eurofootball was the sponsor of the 2013 Deaflympics competition, held in Sofia.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Social Welfare and Human Development	Greece	<ul style="list-style-type: none"> <li>■ Annual Blood Drive, which registered a 10% donor increase.</li> <li>■ Christmas Donation to the Greek non-profit Together for the Children.</li> <li>■ Support to the Nikaia - Athens Diocese of the Orthodox Church of Greece.</li> <li>■ Donation to Transparency International Greece.</li> <li>■ Support to the Avon Walk for Breast Cancer, held in Washington DC, USA.</li> </ul>
		Italy	<ul style="list-style-type: none"> <li>■ INTRALOT Italia supported the Telethon Foundation by participating at the annual fund raising initiative Walk of Life, which aims to raise funds toward the advancement of scientific research in the fight against genetic diseases. The Telethon Institute of Genetics and Medicine (TIGEM) was founded in 1994 by the Telethon Foundation, one of Italy's major non-profit organizations, to promote the advancement of research aimed at the diagnosis, prevention and cure of human genetic diseases.</li> <li>■ INTRALOT Italia supported the Telethon Foundation by organizing a fundraising initiative at its 500 POS, where players had the opportunity either to make a donation to Telethon directly or to donate a portion of their winnings to the foundation. INTRALOT Italia also displayed information material at its retail network and allowed Telethon to display its brand on the perimeter advertising boards of the Olympic Stadium field.</li> </ul>
		Jamaica	<ul style="list-style-type: none"> <li>■ Supreme Ventures Limited (SVL) makes annual contributions to the Culture, Health, Arts, Sports and Education (CHASE) Fund set up by the Government of Jamaica.</li> </ul>
		Malta	<ul style="list-style-type: none"> <li>■ Donation of MALTCO Lotteries Ltd. to the National Lotteries Good Causes Fund. The fund was created under the Lotteries and Other Games Act, 2001 Section 50 (7) in order to enable the social, cultural, educational, sport, philanthropic or religious activity of various agencies, organizations or individuals.</li> <li>■ Donation to Id-Dar tal-Providenza, a network of care homes for persons with disabilities.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Social Welfare and Human Development	Peru	<ul style="list-style-type: none"> <li>■ INTRALOT de Peru participated in United Way Peru's Calentando Corazones (Warming Hearts) program, aimed at offering in-kind goods to disadvantaged communities affected by weather conditions during winter season in Peru. The communities targeted included Huanuco, Ayacucho and Ventanilla.</li> <li>■ Fund raiser campaign and distribution of school supplies as well as food supplies to Fuente de Vida shelter of children with cancer.</li> <li>■ Joint organization with UWP of a Christmas Kermesse for 750 school children of disadvantaged communities.</li> <li>■ In-kind donation to Fraternity Virgen de la Luz, in support of earthquake restoration efforts.</li> <li>■ In-kind Christmas donation to Conadis, a Peruvian non-profit organization devoted to social inclusion of persons with disabilities.</li> <li>■ In-kind Christmas donation to the Virgilio Espinoza School, attended by approximately 300 children.</li> <li>■ Sponsorship of paediatric surgery of disadvantaged children in need</li> <li>■ Donation to Huancayo Charity, which provides food and shelter to members of disadvantaged communities</li> <li>■ Donation to Jaén Charity, which provides food and shelter to members of disadvantaged communities</li> </ul>
		Turkey	<ul style="list-style-type: none"> <li>■ Donation to the Turkey Handicapped Sports, Education and Assistance Foundation (TESYEV).</li> <li>■ INTELTEK supports the Turkish Sports Writers' Association.</li> </ul>



Program	Area	Country	Activities 2013
Contribution to Local Communities	Social Welfare and Human Development	USA	<ul style="list-style-type: none"> <li>■ Support to Atlanta Cancer Center – Each year INTRALOT Inc. makes in-kind donations to the Atlanta Cancer Center toward helping the children of cancer patients. The company also participates in the fundraisers hosted by the center.</li> <li>■ Appalachian Scottish Rite Children’s Hospital – Each year a donation is made to the hospital, towards a fund that helps Appalachian parents meet the cost of their sick children. The Appalachian area of the US is among the most impoverished of the country.</li> <li>■ Samaritan’s Purse/Operation Christmas Child – Each year in the fall, INTRALOT, Inc. contributes toward packing and shipping gift boxes to children in countries that are less fortunate.</li> <li>■ Operations Smiles – Intralot, Inc. has provided monetary donations to this nationwide organization whose primary aim is to help children who are born with a cleft lip or cleft palate.</li> <li>■ Habitat for Humanity - Intralot has partnered with Habitat for Humanity by helping its social mission either financially or through employee volunteering in the charity’s programs.</li> <li>■ Breast Cancer Prevention/Susan B. Koman Breast Cancer Research - Employees of various Intralot locations throughout the United States, participate in the Breast Cancer Prevention Walks and the Susan B. Koman Breast Cancer Walks that are held annually to raise money for breast cancer awareness, screenings and research on preventing the disease. Intralot makes monetary contributions, often supplementing donations made by the employee teams represented.</li> <li>■ Support to various charities and communities groups, such as Knock Out Abuse against Women, Boys &amp; Girls Clubs of Greater Washington DC, and the FOPDC-Fraternal Order of Police of the District of Columbia.</li> <li>■ Support to DC Fire Fighters.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Sports and Culture	Brazil	<ul style="list-style-type: none"> <li>■ INTRALOT Brazil was a sponsor of Brazilian country musicians João Lucas e Diogo, who also star at the annual corporate TV advertising campaign.</li> <li>■ INTRALOT Brazil sponsored the Inimá de Paula Museum, an ex-libris of the state capital city of Belo Horizonte and a historical landmark reference the state of Minas Gerais.</li> </ul>
		Bulgaria	<ul style="list-style-type: none"> <li>■ In the framework of its CSR Programme Win and Help, Eurofootball launched “Sports Talent,” an initiative that seeks to enable the practice of sports by all youths, financing the cost of sports competitions and/or sports equipment. In the outcome of the 2013 nationwide competition, twenty-three (23) young athletes, including athletes with various disabilities, were selected for sponsorship support.</li> <li>■ For the seventh year in a row, Eurofootball was the sponsor of the 2013 Pavel Pavlov Annual Athletics Tournament.</li> </ul>
		Greece	<ul style="list-style-type: none"> <li>■ Participation of INTRALOT team in the Classical Athens Marathon, on behalf of the Greek Society for the Protection of Autistic Persons.</li> </ul>
		Malta	<ul style="list-style-type: none"> <li>■ Sponsorship of the Malta Football Association U*BET F.A. Trophy.</li> <li>■ Sponsorship of Malta’s Football Association football awards.</li> </ul>
		Peru	<ul style="list-style-type: none"> <li>■ Sponsorship of the 2013 European Film Festival, co-organized by the Hellenic Embassy in Peru.</li> </ul>
		Turkey	<ul style="list-style-type: none"> <li>■ INTELTEK is the main sponsor of the “iddaa Rakipbul League.” The league offers a professional football experience on artificial pitches to 100.000 members, 7.000 teams, in 18.000 matches a year.</li> </ul>

Program	Area	Country	Activities 2013
Contribution to Local Communities	Social Responsibility Toward Employees	Brazil	<ul style="list-style-type: none"> <li>■ INTRALOT Brazil launched a program of training in the English language for all employees whereby it funds 50% or, in the case of employees whose functions require the use of English, 100% of its cost.</li> <li>■ INTRALOT Brazil organized a Sales Convention, a 3-day gathering that featured presentations, training and networking for 45 participating Sales corporate employees.</li> </ul>
		Bulgaria	<ul style="list-style-type: none"> <li>■ Eurofootball organized a corporate employee Christmas party.</li> <li>■ The 2013 Employee Discount Club program includes new gas vouchers at selected partner gas stations.</li> <li>■ In 2013 Eurofootball distributed Easter bonuses to top performing employees.</li> </ul>

Table 2- INTRALOT We Care a Lot: Contribution to Local Communities

## 7.3 Corporate Volunteerism

INTRALOT seeks to drive social change and give back to society by leveraging corporate skills, resources and by engaging its workforce in fulfilling and worthy initiatives in the support of non-profits, government agencies and universities. Not only do INTRALOT volunteers make positive social and environmental impact through the good causes they support, the company also benefited by added brand reputation, improved competitiveness and stronger capacity to attract the brightest talent and to retain high-value employees.

Highlights of corporate volunteer actions in 2013 follow.

Brazil	<ul style="list-style-type: none"> <li>■ Divulagation of the Bone Marrow Donor program and related employee awareness program;</li> </ul>
Greece	<ul style="list-style-type: none"> <li>■ Blood Drive, in cooperation with the Athens hospital Aghia Sofia, where INTRALOT holds a blood bank;</li> <li>■ Volunteer contribution to reforestation programs;</li> <li>■ Aluminium and battery recycling programs;</li> <li>■ Participation in sports events, such as the Annual Athens Classical Marathon, that raise funds for various social causes;</li> <li>■ Extended access to information and electronic platform and facilitating employee engagement;</li> <li>■ Sharing and disseminating information about the activities of other stakeholders near all employees.</li> </ul>

Peru

- INTRALOT de Peru funded the infrastructure improvements made at the Pronoei Rayitos de Sol School, located at San Juan De Lurigancho, and corporate employees participated in the execution of the improvements.
- INTRALOT de Peru employees volunteered in the 2013 Peruvian public school program “Read me a Tale.”
- INTRALOT de Peru volunteers participated in the Peruvian Society of Down Syndrome’s Race in benefit of children with Down syndrome. Twenty-five employees participated in the 5-km race.

Table 3 – Corporate Volunteerism: Highlights

“Eurofootball’s Sports Talent programme deserves great recognition because it represents a long term engagement towards solving various social problems and advancing Bulgarian sports. The programme is now running for the third year in a row and that makes the company a sustainable investor in our society, with clear priorities and goals.”

– *Iliana Nikolova, Executive Director, Workshop For Civil Initiatives Foundation, Bulgaria*

“The Public Charities of our country have a significant role in the fight against poverty, activity compatible with the principles and policies of Social Inclusion. There are no other governmental entities involved in solving the problems of the most vulnerable population in extreme poverty, such as abandoned children, abandoned mothers and abandoned elderly. The Huancayo Charity does not receive funds from the State, it develops its activities with its own resources and the support of companies like INTRALOT. Therefore we are deeply grateful to INTRALOT for its business activities in our country.”

– *Maritza Cáceda Reza, Huancayo Charity, Peru*

“A non-profit institution of public law member of the Populations at Risk System of Peru, the mission of the Jaén charity, located in the city of Jaén, Cajamarca, is to provide care and support to children, adolescents, youth, women, abandoned elderly, persons with disabilities and in general all persons at risk. Thanks to the support of the leading lottery of Peru, INTRALOT de Peru, and the company’s growing commitment to our country’s welfare, today Jaén Charity is successfully implementing eleven (11) social programs, seven (7) single-handedly and four (4) in cooperation with other institutions at the local and the national level.”

– *Armando Cieza, Jaen Charity, Peru*

“For over a year INTRALOT has supported economically the Asociación Fuente de Vida (Source of Life Association). Fuente de Vida is a shelter that hosts children with cancer and their parents when they come to Lima for treatment. INTRALOT’s social impact in Peru is very positive as without this support our mission could not be made possible. Today Fuente de Vida’s occupancy reaches 15,070 and we have provided more than 75 billion servings of healthy food to patients in need.”

*-Ricardo Pun, Fuente De Vida, Peru*

“What started out as a vision to enhance the education landscape for previously disadvantaged children in South Africa, has today surpassed our wildest expectations. This is all due to INTRALOT, our loyal supporters, and its committed belief in our vision that good education is a critical driver of social and economic development.”

*-Cyril Ramaphosa, Chairman, Adopt-a-School Foundation, South Africa*

- Reinforcement of incentives to innovation
- Implementation of GameLot, a collaborative project with the gaming cluster of the Corallia Clusters Initiative, on the development of tools / platforms / games in the cognitive area of interactive games, which has obtained National Strategic Reference Framework funding in May 2013

Table 4 – Main Targets



8

OUR PEOPLE

*Victorious Horseracing Athletes*







## 8.1 Human Resources Facts & Figures

INTRALOT's human resources are the company's most important competitive advantage. INTRALOT's goal is to recruit qualified and talented professionals and to offer its staff a stable and favorable working environment that maximizes the talent of company professionals, motivates them to excel in their functions, and supports their professional and personal development. Toward this end, the Company has established, and continuously develops, policies and procedures as far as recruitment, training and development is concerned, has developed an integral employee performance review system, and has built a well structured and fair compensation and benefits policy.

A people-centered approach to management, whereby vital managerial, technical and administrative positions are carefully assigned to match personnel's diverse abilities and talent, is the key for an organization to operate on its full potential and succeed in its mission. Furthermore, to succeed in the gaming industry a company must garner not only business, technology and commercial skills, but also have a deep understanding of the social and cultural environment of the different markets where it operates.

INTRALOT's human resources strategy focuses on building long-term, mutually-beneficial relationships with its employees. A stable and secure working environment has positively impacted the motivation and performance of the company's personnel and, in turn, company growth.

In order to create a collaborative and rewarding environment where new ideas can flourish and employees can develop, INTRALOT has built upon excellent work conditions and top-quality human resource practices in its subsidiaries all over the globe. Our efforts are showcased by INTRALOT de Peru, INTRALOT's subsidiary in Peru, which was voted among the "Top 50 Workplaces in Latin America," in the survey of the leading institution "Great Place to Work". INTRALOT de Peru was also voted "Best Workplace" in Peru and was awarded a special prize for being the company with the most impressive growth rate in the country.

INTRALOT operates all over the globe, offering employment opportunities in an excellent working environment and providing its people with prospects for professional development and personal growth. About 54% of the senior management of INTRALOT subsidiaries is hired locally. The distribution of employees across different regions and by age segment follows:

INTRALOT GROUP		Total Workforce	
Region	2011	2012	2013
Europe	2.671	2.598	2.320
The Americas	2.550	2.489	2.579
Middle East & Africa	213	224	481
Asia & Oceania	78	230	305
Total Staff	5.512	5.541	5.685

Table 1 - Evolution of Employee Breakdown by Region

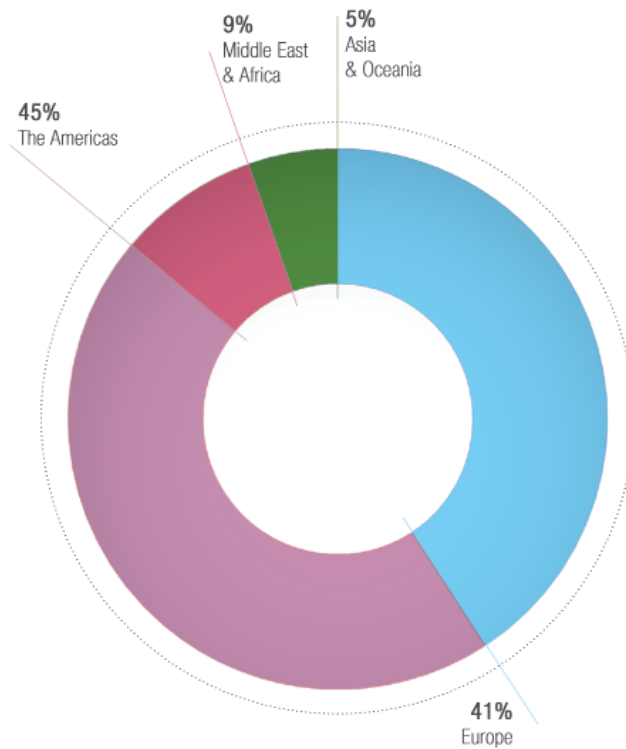


Fig. 1 - Employee Breakdown by Region 2013

2013	54%
------	-----

Table 2 – Senior Management Hired Locally (%)

Age	Up to 30	From 31-40	From 41-50	Over 50
	29.5%	38.3%	21.8%	10.4%

\*Data based on 70% of INTRALOT Group.

Table 3 - Age Distribution of Employees 2013 (%)\*

INTRALOT has devoted considerable time and resources to strengthening the means and the infrastructure supporting its employee global mobility program. Every employee is given the opportunity to develop personally and professionally by having the experience of working in one of our subsidiaries. In this way, we transfer knowledge from the headquarters to the subsidiaries and vice versa.

Workforce turnover	2010	2011	2012	2013
	3.7%	2.5%	4.1%	3.9%

Table 4 - Workforce Turnover (%)

## Human Resources Targets

- To further strengthen Human Resources group role via the holistic review of the Human Resources procedures globally.
- To automate Human Resources function via the global implementation of SAP.
- Enhance the Benefits Scheme provided to the employees.

Table 5 – Human Resources Targets

## 8.2 Equal Opportunities and Diversity

INTRALOT sources its human capital from the local and international markets, in an effort to establish a diverse workforce comprising local and international managerial expertise with a deep understanding of lottery systems and business functions.

INTRALOT is an Equal Opportunity Employer and implements a strict policy against any form of harassment in the workplace, as described in the company's Code of Conduct. The purpose of the Company's Code of Conduct is to help maintain the respect of laws, rules and regulations, to help prevent any conflict of interest or other inappropriate activity, and to foster a spirit of honesty and integrity not only among employees but also in relation to stakeholders, business partners and all other third parties. All INTRALOT employees, directors and officers are required to comply with this Code of Conduct at all times.

INTRALOT has also adopted an Internal Guide of Employment Policies & Procedures, ratified by the Hellenic Ministry of Employment and Social Protection through the ministerial decision no. 792 of May 17, 2005.

### Extract from the Code of Conduct: "Equal Employment Opportunity and Harassment Policies"

INTRALOT is committed to a policy of equal employment opportunity for all employees and candidates in accordance with the appropriate employment laws. INTRALOT is against child labor. The procedures for hiring and evaluating candidates and employees are based on their respective qualifications, skills and performance. Additionally, both as a matter of law and as a matter of common decency, each employee of INTRALOT is entitled to pursue his or her employment free of unlawful discrimination and harassment with regards to sex, race, color, nationality, ancestry, citizenship, sexual orientation, religion, age, physical or mental disability, medical condition or marital status. Accordingly, unlawful discrimination or harassment of any employee by a co-worker or by a member of management will not be tolerated. Reporting discrimination and harassment is necessary for INTRALOT to maintain a respectful and egalitarian work environment.

According to corporate policy every employee is encouraged to report, to his/her supervisor and to the Organisation & Human Resources Department, any event which he/she considers to be discriminating. No incident referring to discrimination has been reported or noted up to end of December 2013. Data on workforce distribution follows:

Total Workforce INTRALOT Group (%)	2011	2012	2013
Men	35.2%	37%	38%
Women	64.8%	63%	62%
Employment category (%) Level	2011	2012	2013
General Management	2.9%	3.43%	3.33%
Finance & Administrative	9.7%	9.65%	6.20%
Sales & Marketing	8.9%	10.86%	7.87%
Technical & Operations	78.5%	76.06%	82.60%
Gender Diversity in Management 2013(%)		General Management	
Male		84%	
Female		16%	

\*Data based on 70% of INTRALOT Group.

Table 6 – Evolution of Workforce Distribution by Gender and Functions



## 8.3 Human and Labor Rights

INTRALOT is a signatory to the United Nations Global Compact since 2009, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

INTRALOT is against child labor and forced or compulsory labor. INTRALOT observes the relevant labor legislation which includes the prohibition of child labor, forced labor set by the International Labor Organization (ILO), and the provisions related to human rights and working conditions in compliance with agreement and rules of employment.

The safety and security of all employees is of vital importance for INTRALOT. In order to maintain a safe work environment, INTRALOT does not tolerate violence or threats of violence in, or related to, the workplace.

The company respects labor rights and the rights of unions, and it imposes no constraints to employees' rights, or to the exercise of their right to freedom of association and participation in professional unions. There is a Workers' Union, to whom employees may communicate all issues, which are taken directly to company management.

## 8.4 Internal Communication

Effective internal communication in INTRALOT promotes employees' collaboration and creates a functional environment. For this reason, the company maintains an open door policy facilitating the information flow with all employees. The company has a grievance mechanism that employees may use to voice complaints, report incidents, and raise issues that impact or can potentially impact any aspect of corporate performance.

An indicative list of regular means of communication follows:

- Personal communication through respective managers or department heads;
- Intranet/inspace internal internet portal (available in three (3) languages - English, Spanish and Chinese);
- INTRALOT Global Live Network;
- Regular meetings;
- Corporate and social events;
- Employee surveys;
- Induction courses.

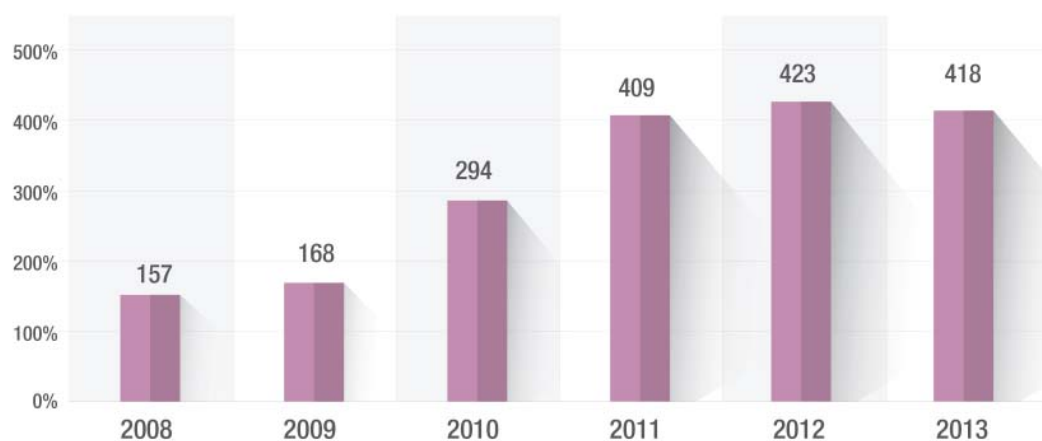


Fig. 2 – Average Monthly Number of Distinct Portal Users

## 8.5 Collective Bargaining Agreements

All INTRALOT personnel (100%) are covered by the Local National Collective Labor Agreement, where applicable. The following table depicts the Company's human resources in relation to their employment category and type of employment agreement.

Human Resources – Labor Agreements (%)	
Employment type of agreement	2013
Long-term	64,20%
Fixed-term	35,80%
Full-time	100%
Part-time	0%

Table 7 – Human Resources by Type of Employment

## 8.6 Employee Performance Evaluation

INTRALOT conducts an Employee Talent Management & Performance Evaluation Review during December of each year concerning performance in the preceding July to June period. The primary purpose of the Employee Performance Evaluation Review is to assist personnel in professional development and in achieving corporate goals. Through the review, key elements in the employee's behavior are identified and assist in making suggestions for improvement and highlight maximum performance aspects.

The performance evaluation consists of three modules with different weights:

1. Skills, including job duties, attitude and managerial skills;
2. Commitment to principles;
3. Evaluation of contribution to projects.

The evaluation performance is conducted for all employees (100%) and is linked to the reward strategy, determining the distribution of salary increases and defining the needs for further training development and personal improvement.

## 8.7 I-game

As of 2011 INTRALOT organizes a competition annually, entitled i-game, aiming to encourage employees to identify issues for improvement or corporate needs and come up with innovative ideas to address them. The employee competition's goal is to distinguish ideas based on their innovation and creativity.

In 2013, INTRALOT has developed a new program, entitled Innovation program. The program targets the global business landscape of the gaming sector, and seeks to develop and deliver innovative gaming technology and solutions. The main goal of the program is to enable cooperation, the exchange of ideas and knowledge towards maximizing the utilization of creativity that is evident among INTRALOT management and personnel.

The 2013 i-game contest was incorporated in this program and served as a peer to peer channel between employees and the innovation team.

The participating employees submitted ideas on the following four (4) categories: Technology, Products, Services and Procedures.

Applications were examined by an evaluation committee composed of top management executives, according to the following criteria:

- Relevance according to the definition of innovation provided at INTRALOT portal:
- ✓ Innovative nature – uniqueness;
- ✓ Applicability;
- ✓ Relevance to INTRALOT’s mission.
- Timing relevance in accordance to INTRALOT business strategy.

From this contest, three (3) ideas excelled and received an award: “Proximity Based Lottery Games” (by Nikolaos Diamantis), “Smart terminal” (by Nontas Masalis) and “Dynamic VLT Tournaments” (by Athanasios Zamos and Petros Tsiavaliaris).

## 8.8 Benefits Policy

INTRALOT’s Benefits Policy has been established in the framework of social policies for its employees as well as their families. The purpose of these benefits is:

- To increase the long-term prosperity of the employees of the Company;
- To attract new employees, while retaining existing personnel;
- To increase productivity;
- To enhance job satisfaction.

The benefits concern permanent employees (long-term employment agreements). An indicative list of INTRALOT benefits follows:

EMPLOYEE BENEFITS*	<ul style="list-style-type: none"> <li>■ Private Medical &amp; Life Insurance</li> <li>■ Stock Options</li> <li>■ Company Cars &amp; Gas Card</li> <li>■ Parking</li> <li>■ Mobile Phone or Mobile Allowance</li> <li>■ Blackberry</li> <li>■ Free Home Internet Connection</li> <li>■ Corporate Laptop</li> <li>■ Low Interest Company Loans</li> <li>■ Extensive Training</li> </ul>
FRINGE BENEFITS	<ul style="list-style-type: none"> <li>■ Special Corporate Discounts: Mobile Services, Dental treatment, Restaurants, Cleaning Services, and Athletic Centers.</li> <li>■ Memberships in Professional Associations</li> <li>■ Christmas &amp; Easter Appreciation Gifts</li> <li>■ Blood Bank</li> </ul>
FAMILY BENEFITS	<ul style="list-style-type: none"> <li>■ Medical Insurance for Family Members</li> <li>■ Annual Kids Party</li> <li>■ Scholarships at BA/BS level and MA/MSc level</li> <li>■ Gift Vouchers for Newborns</li> </ul>

\*According to the level of their position.

Table 8 - Employee Benefits

## 8.9 Training and Development

INTRALOT's corporate culture highly values learning, since education and training contribute both to the professional and personal development of each employee and to Company growth overall. The Company offers a multitude of learning programs aimed at effectively meeting the learning requirements of all our employees worldwide. As a result, the learning cycle is continually in motion while our people actively contribute to the Company's prosperity.

The Company's yearly training plan takes into consideration organizational needs and aligns them with the professional and individual needs of the staff, resulting in a rich portfolio of programs offered via varied training methodologies.

The Organization and Human Resources Department works closely with INTRALOT's Learning Center, a specialized department dedicated specifically to training, for the provision of personnel development and the advancement of knowledge for all INTRALOT personnel. Among the services provided is training on gaming-industry topics, on INTRALOT-specific topics (e.g. products and services) and on business, technology and professional development skills. The high-quality courses offered are either developed in-house by the Learning Center's skilled content developers, in collaboration with INTRALOT's subject-matter experts, or selected from among the best-of-breed in the market.

A comprehensive Induction Program, offered to all employees upon recruitment, aims at giving valuable insights into the competitive advantages of the Company's core business and at facilitating the adjustment of new employees to INTRALOT's working environment and corporate culture. Moreover, employees hired for specific positions, also attend a two-week orientation program conducted by senior executives. Finally the Program also includes training on corporate responsible gaming policies and practices and on INTRALOT's WLA certified Information Security Management System training (ISMS). Following the Corporate Induction, intensive job-specific training is

provided to each employee, involving both theoretical and on-the-job training. A 'mentoring' technique is also applied so as to best bring about the desired result.

INTRALOT's Training Program is comprised of numerous and widely-varied training courses and activities, indicatively listed below:

- As a leading provider of state-of-the-art integrated gaming systems, INTRALOT provides its people specialized in-house business training (e.g. Sales & Marketing for Gaming Sector, Gaming Business Overview, Responsible Gaming Practices, IT Management tools, INTRALOT Games, Training Skills for Trainers, Information Security Management System, Quality, Change Management and ERP) and cutting-edge technology training focusing on new technologies;
- The Company's worldwide presence makes acquiring proficient knowledge of foreign languages an imperative (i.e. Spanish, English, Romanian, Italian and Chinese). Consequently, a series of foreign language courses are endorsed and offered by qualified teachers;
- Since our company has realized the challenges and opportunities that Social Media can offer in many business aspects such as Marketing, Communication and HR, we have included in the yearly training plan courses pertaining to the referred topic;
- As a listed Company with subsidiaries and business offices around the globe, INTRALOT highly supports financial training. For this purpose, many employees from both Headquarters and Subsidiaries' financial divisions attend relevant open seminars and tax related training (e.g. International Financial Reporting Standards (IFRS), Transfer Pricing and ACCA);
- Besides functional employee skills required by each job description, soft skills are equally important and can determine professional success or failure. In association with the Athens Information Technology Center of Excellence for Research and Education (AIT), the Company has implemented soft skills training (e.g. negotiations, communication, and presentation skills). INTRALOT's collaboration with AIT also includes a number of scholarships for Bachelor and Master's degree programs,

awarded to our employees following an evaluation procedure by the Admissions Committee. Furthermore, in association with Harvard Kennedy School, AIT organizes Harvard Executive Education programs that INTRALOT employees participate in. The Art and Science of Negotiation and the Public Leaders in Southeast Europe programs, held regularly at AIT, prepare Company executives for new levels of leadership in their careers and include training on crisis management, bargaining and strategic management;

- Employee affiliation in international organizations (e.g. Project Management Institute-PMI, International Institute of Business Analysis-IIBA, American Society for Quality-ASQ) as well as professional certifications and the acquisition of diplomas (Project Management Professional-PMP, Cisco, Oracle, JAVA and Red Hat certifications) are highly encouraged and create a competitive advantage for INTRALOT, both at the corporate and the professional development levels. To this effect, INTRALOT also offers a reputable project management training program, in collaboration with the Project Management Institute, which aims to sharpen and enrich the skills of the Company's project managers;
- INTRALOT keeps its employees up-to-date on the latest developments in our sector by enabling them to participate in gaming and technology-related conferences, including conferences organized by Lottery and Gaming Associations.

Apart from instructor-led classroom training, a variety of e-learning methods are used to effectively train our personnel. These e-learning methods include asynchronous training on INTRALOT's Corporate e-learning platform as well as synchronous training-live, virtual training sessions. All training sessions are conducted in accordance with best industry training practices and all training services are subject to ISO 9001, ISO 27001 /WLA SCS and EFQM certifications.

## Global Live Network

The departments of Organization and Human Resources and the Learning Center organize monthly webcasts via INTRALOT's Corporate Global Live Network. Their aim is to enhance corporate communication and the sharing of corporate knowledge across all of INTRALOT's operations around the globe.

From January to December 2013 twenty five (25) webcasts of different topics were organized. All webcasts were presented by INTRALOT Executives from various HQ Divisions/Departments of the Company and from INTRALOT Subsidiaries worldwide.

Indicative curriculum of the Global Live Network were topics on new products and games, innovative technologies, and new generation services, in which almost 430 INTRALOT employees participated and interacted globally.

## Training Indices 2013

The training data that follows concerns year 2013 training programs organized by INTRALOT S.A. for employees of INTRALOT S.A. headquarters and/or employees of selected Subsidiaries. It also includes information concerning training organized by INTRALOT subsidiaries locally. In 2013, the average number of hours of training per employee was 153 (excluding e-learning).



Classroom Training Indices 2011-2012-2013				
Training indices	2011		2012	2013
Number of training programs carried out	106		182	88
Number of hours devoted to employee training	6.610		7.951,5	2.720
Number of participations	534		797	280
E-Learning Training indices 2011-2012-2013				
Training indices	2012	2012 total	2013	2013 total
Total number of e-learning courses	Asynchronous: 16	34	Asynchronous: 7	32
	Synchronous: 18		Synchronous: 25	
Number of hours devoted to employee training	Asynchronous: 798	1.789	Asynchronous: 540.25	917.25
	Synchronous: 991		Synchronous: 377	
Number of participations	Asynchronous: 774	1.358	Asynchronous: 644	999
	Synchronous: 584		Synchronous: 355	
Employee Training Organized Locally by Subsidiaries 2013				
Total man hours				111.983

Table 9 – Training Indices

Male	62.5%
Female	37.5%

Table 10 - Employee Training: Breakdown by Gender

	Upper Management	Middle & Lower Management
INTRALOT SA	25%	75%
Subsidiaries	10%	90%

Table 11 - Employee Training: Breakdown by Management Function

INTRALOT SA	93.3%
Subsidiaries	92.7%

Table 12 - Employee Training: Aggregate Satisfaction Rates

## 8.10 Occupational Health and Safety

INTRALOT is committed to complying with all relevant health and safety laws and to conducting business in a manner that protects the safety of its employees. Health and safety are integral parts of a broader environment and workforce sustainability strategy that reduces the risk of harm to employees and helps them remain healthy and productive. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs.

The Company encourages training programs and certification on First Aid held by the Red Cross for small groups of employees, in order for each premise to have its own trained First Aid Team.

The Company also trains selected representatives from all premises on the Evacuation Policy and Procedures and conducts Evacuation Drills. In this way, INTRALOT's employees remain informed and prepared for any emergency. Both training courses are conducted by INTRALOT's Learning Center.

Workforce participation in H&S Training and/or Exercises (%)	60%
All Injuries Frequency Rate (AIF)	0.9

Table 13 - Occupational Health and Safety

INTRALOT uses the services of an external prevention agency for health and safety, whose specialized safety engineers and occupational physicians evaluate workplaces, offer advice, make suggestions on preventive measures and resolve any problems that may arise.

Upon signing their contract, all employees are informed about the Internal Guide of Employment Policies & Procedures, which the Company submitted by law for ratification by the Ministry for Employment and Social Protection, and are requested to comply with the regulations on employee conduct stipulated therein.

The company puts continuous effort on improving its performance on Occupational Health and Safety issues and on preventing incidents. The INTRALOT Group 2013 all injuries frequency rate (AIF) is 0.9.

# 9

## ENVIRONMENTAL SUSTAINABILITY

*The Three Tyches*

One of the Goddesses in the relief



## 9.1 Product Contribution to Sustainability

Due to the nature of the services it offers, INTRALOT is among the companies that have low impact on the environment. Nevertheless, it has adopted an eco-friendly policy, operating with total respect for sensitive environmental issues at all stages of the product chain. INTRALOT is committed to producing energy efficient and durable products, to increasing the use of recyclable materials, and to designing products with no restricted substances.

INTRALOT implements policies for protecting the environment in line with the current legislation and terms relating to the environmental and operational licensing of its activities. To this effect, the company has implemented various monitoring systems according to the requirements of competent authorities and takes into consideration relevant environmental impact assessments.

Environmental protection management practices are incorporated into work culture and in their daily activities employees have adopted energy conservation practices and adhere to the company's recycling program.

INTRALOT suppliers fully comply with specifications aimed at conserving natural resources. Furthermore, INTRALOT requires its suppliers to comply with the Restriction of Hazardous Substances Directive (RoHS) 2002/95/EC and the Waste Electrical and Electronic Equipment Directive (WEEE) 2002/96/EC, so as to ensure their compliance with corporate environmental policy.

INTRALOT is a member of the Hellenic Recovery Recycling Corporation (HE.R.R.Co), being listed in the organization's registry of companies that have recycled materials in 2013.

Furthermore, in compliance with Law 2939/2001 and Presidential Decree 117/2004, the company is also a member of Appliances Recycling S.A., the agency responsible for the operation of the Alternative Management of the Waste of Electrical and Electronic Equipment (WEEE) in Greece. The role of the company is to organize, control and coordinate all the stages of the WEEE management, which includes collection, transport, temporary storage and processing of WEEE.

INTRALOT's environmental management system applies several of the standards and requirements of ISO 14001. These are described in the section that follows.

Even though INTRALOT operates in a low-impact production sector, its products embrace eco-efficiency from the design phase through to production, operation and de-commission stages. The manufacturing of gaming terminals complies with the RoHS Directive (Restriction of Hazardous Substances).

Using 3D design techniques and simulation software products, the company aims to minimize the prototype re-design stage, thereby reducing costs and the utilization of materials. Some of the company's product features and best practices include:

- The development of Interactive Services allowing the remote game participation of the player as well as remote access to a series of peripherals and gaming services;
- INTRALOT terminals are being gradually equipped with contactless NFC technology readers. NFC technologies are currently changing our everyday lives and have opened a new era for the gaming sector. It is expected that most smart phones will incorporate this technology in the next couple of years.
- The reduction of paper consumption through the use of digital solutions, including LOTOS™ Horizon for content/information delivery to the retailer, Icon Digital Imaging Technology, Stylot, Gablet, and self-service terminals;
- INTRALOT develops ways for game participation in a total paperless environment, where neither coupons nor tickets will be needed. In this respect, it has introduced and promoted the Coronis MP self-service



terminal, as well as the Gablet multifunctional player device for retailer shops, that allow the player to enter his bets without the use of paper coupons;

- Delivery of information, from jackpots, results, betting event programs and odds, to digital signage displays inside the retailer shops, through INTRALOT's LOTOS™ Horizon multimedia platform, which allows the players to have access to constantly updated information, without the need for printing;
- As per its commitment to business excellence and customer satisfaction, INTRALOT continuously re-evaluates and makes product and service improvements. Currently INTRALOT is gradually developing a new frontline generation of efficient and reliable terminals by utilizing low power components. The selection of low power components is a decisive factor for efficiency and reliability and when it comes to the systems' core nothing beats the ARM family of processors. Fast, efficient, scalable with multi-core capabilities, these processors deliver exceptional computational power with the minimum consumption, resulting in even more reliable, long lasting and environment friendly terminals. In the coming years, the ARM family of processors will expand and will eventually cover most, if not all, INTRALOT products.
- The company is also gradually introducing external power supplies that comply with Commission Regulation (EC) No 278/2009 of 6 April 2009, implementing Directive 2005/32/EC of the European Parliament regarding ecodesign requirements for external power supplies;
- Most of the gaming terminals are designed fan-less and are shut down automatically during prolonged periods of terminal inactivity. Like all mechanical systems, fans are subject to failure, so a fan-less product is preferred due to higher reliability;
- The Extended Mean Time between Failures and long life-time of terminals;
- The adoption of the use of camera technology in terminals replacing the page scanners, which leads to the use of fewer materials and parts;
- The gradual replacement of conventional monitors, which use CCFL (Cold cathode fluorescent lamp) technology, with LED monitors. LED monitors are energy-efficient, using 30 to 50 percent less power than conventional monitors. Furthermore, unlike CCFLs, LED monitors contain no mercury, halogen or lead, which makes them safe for the environment when recycling.
- INTRALOT has designed a new combined printer/scanner, which merges two distinct functions into one self-contained unit. The new unit reduces footprint, power packs and cable clutter, all at the same time. It is also the most friendly and powerful micro product solution for small gaming premises.

## LOTOS™ Horizon IRD, LOTOS™ Horizon Duo3D

Following the introduction of the LOTOS™ Horizon Multimedia Controller (LHMC), two more media players for the LOTOS™ Horizon multimedia platform have become reality, LOTOS™ Horizon IRD and LOTOS™ Horizon Duo3D, both of which support full high-definition content, multi-zone and multi-layer graphics, high quality sound and IP connectivity for direct connection to the LOTOS™ Horizon central system. LOTOS™ Horizon IRD also supports content delivery over satellite. LOTOS™ Horizon Duo3D supports display in dual independent screens. Also it includes large permanent storage (up to 1Tbyte), and can be used as a local server for multiple media players inside the retailer shop, providing local content management.

## LOTOS Horizon Content Publisher

LOTOS™ Horizon Content Publisher, is a new addition in the LOTOS Horizon management environment, meant for automatically targeting videos/images to multiple different display devices, with a "create once – publish many" philosophy, while retaining unified look and feel.

# Paperless

INTRALOT is the first company in the lottery sector to incorporate the Paperless concept to the lottery business and allow its customers to enjoy its numerous advantages. Paperless is an environment where both paper play slips and paper tickets are eliminated.

INTRALOT leads this Lottery business change by providing the relevant technology and streamlining the wagering processes. The key ingredient is the use of smart phones, which players utilize for both filling-in of electronic play slips as well as receiving the electronic ticket in an email account, yet preserving anonymity. Lotteries may enter paperless environment in steps or go straight to paperless.

## Paperless Lottery - Benefits

- Reduces costs, increasing revenues for good causes
- Speeds up the selling process
- Attracts younger demographics
- Introduces an interactive way of playing within the retail environment
- Reduces the environmental footprint

## 9.2 Impact of INTRALOT Cloud NEFOS

The transition to a mature virtualized environment, replacing standalone servers, for some IT and development services, is progressing at a steady pace. The roll-out of INTRALOT's cloud solution NEFOS (Novel, Extensive, Flexible, On-Demand, Secure) since the beginning of 2013 has been a success. A solution that integrates international best practices & standards on Information security for cloud computing in the gaming sector, NEFOS has had significant positive impact on INTRALOT's environmental footprint, through both energy and carbon dioxide savings, while enabling significant cost savings for the company.

Already used for the new corporate wide applications (IT Services), INTRALOT's IT department has moved the testing of new software configurations, development, and consolidation of production servers to the virtualized environment.

As of 1 January of 2013, INTRALOT has replaced a total of 44 physical servers by moving their environments to virtual infrastructure, reducing the current total number of servers in Greece to 192 (including the 9 servers procured to support the new virtual environment). The resulting savings and reduction in the environmental footprint follow in the table below.

Number of Physical Servers	2013
INTRALOT Group	701
INTRALOT SA	192

Cloud Roll Out INTRALOT SA	2013
Number of servers moved to Cloud (private)	44
Approximate Power Savings (KWh)	105.120
Approximate Heat Dissipation (BTU/h)	41.000

Table 1 - INTRALOT Cloud: Environmental Impact

## Dream Touch™

In 2013, INTRALOT developed DreamTouch™ a self-service and stylish gaming station that uses a 42" touch screen interactive display to offer a wide portfolio of Lottery gaming products as well as a new retail channel offering advertisement and digital signage services. Feather touch smart phone-like operation makes product selection appealing, fast, and simple. DreamTouch™ lowers the cost of operation and streamlines procedures required by retailers to maintain self-service machines.

### 9.3 Materials, Waste Management and Recycling

INTRALOT has adopted policies toward environmental protection and has adopted practices in order to further minimize its environmental footprint, such as the efficient use of natural resources and energy.

The main materials that the Company utilizes for its operational needs are:

- Paper;
- Toners;
- Electrical & electronic supplies;
- Batteries.

INTRALOT is sensitive towards waste management issues that result from its operations. Waste is not sent to landfills but rather it is collected systematically and sent to a licensed recycling partner, which handles waste disposal in an appropriate and environmentally friendly manner.

INTRALOT fully complies with the requirements of RoHS regulations concerning hazardous waste.

As per safety regulations and corporate policy, all technical and maintenance requirements of petrol tanks used for central heating of corporate premises are regularly met and, as a consequence, the risk of a fuel spill is nil. To date there is no record of spills (oil, waste and, in general, fuels).

INTRALOT's expenditures and investment on environmental protection cover the following:

- Costs related to the processing and to Shipping & Handling of electric and electronic equipment towards recycling facilities;
- Costs related to the processing and to Shipping & Handling of toners towards recycling facilities;
- Annual cost of membership in the Hellenic Recovery Recycling Corporation (H.E.R.R.Co) and in Appliances Recycling S.A..

#### Paper

Paper is collected into special recycle bins placed on each floor of all company buildings. Specialized personnel are responsible for paper handling and regular shipping to a partner recycling company. In 2013, paper recycling has remained stable at 75% of total paper procurement. The data concerning paper recycling follows.

Paper Recycling	2010	2011	2012	2013
Paper procurement (Kg)	3.600	9.600	9.800	9.500
Recycling %	65%	75%	75%	75%
Filing %	25%	20%	20%	20%
Sent via mail to others %	10%	5%	5%	5%

Table 2 - Paper Recycling

INTRALOT is a member of the Hellenic Recovery Recycling Corporation (HE.R.R.Co), which has listed the company on their registry of companies that have recycled materials in 2013.

## Toners

INTRALOT systematically recycles toners used for printing. After collecting a significant number of empty toners, INTRALOT forwards them to a specialized partner firm, which processes them to produce new toners.

Toners Recycling (units)	2010	2011	2012	2013
Purchased	1.115	840	930	960
Recycled	946	716	815	820
Recycled (%)	84.8	85.2	88	85.4%

Table 3 – Toners Recycling

## Batteries and other materials

In order to minimize negative impact on the environment, INTRALOT collects batteries and aluminum cans and forwards them for recycling. The quantities that were recycled in the period between 2011 and 2013 are as follows:

Other Materials Recycling	2011	2012	2013
Batteries (Kg)	498*	93	33
Aluminum cans (Kg)	82	105	10
Electrical & Electronic Equipment (pieces)	102	n/a**	720**

\*450 kg were car batteries. \*\* Collected from 1/1/2012 to 22/5/2014.

Table 4 – Other Materials Recycling

## 9.4 Energy Conservation and Natural Resources

Toward energy conservation practices and the improvement of building efficiency, INTRALOT is committed to protecting the world's natural resources and to conducting business operations in a responsible manner. The company has taken actions, including:

- Installation of inverter-type air conditioning (lower power consumption);
- Systematic maintenance of air conditioning (summer-winter, filter cleaning or replacement);
- Use of non-Freon technology;
- Replacement of light bulbs to LED (x10 energy conservation);
- Motion sensor light switches in communal areas.

Furthermore, INTRALOT product design follows the following best practices:

- Avoids the use of hazardous materials (such as Pb, Cr, etc.), in compliance with RoHS regulations;
- Designs low power electronic circuits;
- Takes advantage of power management techniques (such as fan-less, screen savers, automatic shut down when idle);
- Implements high reliability and long life product design (Icon Technology, MTBF 25yrs);
- Designs self-service terminals that drastically reduce the use of paper coupons and tickets.

In 2013, INTRALOT took a series of measures in order to minimize and use effectively electric energy. Indicative actions include:

- The expansion of the Building Management System – BMS energy saving system, installed in corporate premises in Metamorfosi;
- Conclusion of implementation of the LED replacement programme in corporate headquarters, according to which incandescent lamps are replaced by new technology LED lamps, which enable a x10 energy conservation rate and have a longer life span;
- All employees have been issued specific guidelines on switching off (not stand by) all electronic equipment (PCs, photocopiers, monitors, etc.) before leaving corporate premises.

INTRALOT is committed to continuously researching innovative products or tools that will enable it to operate more efficiently, waste less and reduce negative ecological impact across the entire spectrum of its operations.

As operation requirements, electricity and petrol are consumed wisely and efficiently. A high priority on the Company's agenda, INTRALOT promotes energy conscientious behavior near all employees. The total yearly electricity and petrol consumption follows:

Electricity consumption (KWh)	2011	2012	2013
Headquarters	3.018.400	3.140.000	3.280.400
Subsidiaries*	-	-	5.897.771
<b>Total</b>	<b>3.018.400</b>	<b>3.140.000</b>	<b>9.178.171</b>

\*Data based on 32.4% of subsidiaries.

Table 5 – INTRALOT Group Energy Consumption

Petrol consumption (heating) (lt)	2011	2012	2013
Marousi building	30.000	22.100	19.450
Metamorfosi building*	n/a	n/a	n/a
<b>Total</b>	<b>30.000</b>	<b>22.100</b>	<b>19.450</b>

\*Metamorfosi facilities do not use fuel oil for heating purposes. Central air conditioning provides heating to building premises.

Table 6 – Consumption of Heating Fuel

The target set for year 2013 concerning a 5% reduction of consumption of heating fuel was reached and largely surpassed, as the company achieved a low consumption level of 19.450lt in 2013, down from 22.100lt in 2012.



## Green House Gas Emissions

Because of direct (heating petrol) and indirect (electricity) energy consumption, green house gas emissions are released. INTRALOT undertakes several measures in order to minimize its environmental footprint by reducing energy consumption and green house gas emissions.

In 2013, total carbon dioxide emissions (direct and indirect) reached 7,026 tons, stemming for the most part from indirect emissions. The reason for the 2013 increase in green house gas emissions, as shown in the table below, is the inclusion of data concerning indirect emissions, collected for the first time from subsidiaries, in the estimation.

Green House Gas Emissions (in tons CO <sub>2</sub> )*	2011	2012	2013
Due to electricity consumption (indirect emissions)	2,342.3	2,436.7	6,975.4
Due to petrol consumption (direct emissions)	93	57.6	50.7
<b>Total</b>	<b>2,435.3</b>	<b>2,494.3</b>	<b>7,026.1</b>

\* According to the methodology of the annual Climate Change Emissions Inventory of Greece (2013), submitted by the Hellenic Ministry of Environment, Energy and Climate Change to the United Nations Framework Convention on Climate Change, under the Convention and the Kyoto protocol for greenhouse and other gases.

Table 7 –Green House Gas Emissions

Energy Intensity (GJ)	2013
	22 GJ /€ mil. sales
Emissions Intensity	2013
	5.31tCO <sub>2</sub> eq /€mil. sales

Table 8 - Eco Intensity of Operations

## Water

Drinking water reserves are a global issue and a significant concern in Greece, as a result of the impact of climate change.

INTRALOT is sensitive to the value of water and its relative scarcity in the Mediterranean region and therefore strives to reduce water consumption, where feasible.

Water Consumption (m <sup>3</sup> )	2011	2012	2013
Maroussi main building	3.193	3.425	3.815
Metamorfosi main building	1.495	1.354	1.455
Metamorfosi common area	1.689	1.470	1.513
<b>Total</b>	<b>6.377</b>	<b>6.249</b>	<b>6.783</b>

Table 9 –Water Consumption

## 9.5 Air Travel

Air travelling is a significant cause of atmospheric pollution while also depleting fossil fuel reserves; therefore INTRALOT considers the quantification of these indirect emissions (GRI G4 Scope 3 emissions) as a good means of developing a more comprehensive view on its climate impact.

The estimation methodology is based on US Environmental Protection Agency EPA430-R-08-006 (for reasons of comparison) and the results are presented in Table 10. For 2013 the total CO<sub>2</sub>-equivalent emissions (i.e., CO<sub>2</sub>, CH<sub>4</sub> & N<sub>2</sub>O) were 1146 tons CO<sub>2</sub> -eq.

2012		
Base Year 2011	Air miles	CO <sub>2</sub> (kg)
	-14.6 %	-16 %
	2013	
	Air miles	CO <sub>2</sub> (kg)
	+ 14 %	+ 24 %

Table 10 - Evolution of Air Miles & CO<sub>2</sub> Emissions from Air Travel

INTRALOT has taken the following initiatives with regards to workforce transportation in order to achieve a significant reduction in the Company's environmental impact:

- Use of teleconferencing to reduce the number and frequency of business travel;
- Establishing our facilities in locations with access by public transportation;
- Extensive use of e-learning.

## 9.6 Awareness Raising Actions

For the 5th consecutive year, INTRALOT actively participated in Earth Hour 2013, a global endeavor of WWF to protect the climate. This event constitutes a practical and symbolic measure against climate change.

INTRALOT and subsidiaries and affiliates on all 5 continents participated by switching off the lights on their premises, both in offices and in production units, for one hour. In addition to corporate-level participation, INTRALOT encouraged its partners and clients and all its employees, including their families and friends, to join the initiative.

INTRALOT continues to support the efforts of its Corporate Volunteer Group, created in 2005. The Volunteer Group actively engages in various social causes and outreaches near stakeholders and the wider public on matters of environmental protection. The Volunteer Group has created GREEN SITE, an electronic platform that supports their mission and publicizes their activities. In 2013 INTRALOT supported the development efforts of corporate volunteers toward disseminating their activities in the electronic platform GREEN SITE and toward sharing the initiatives of other volunteer groups and enlisting new supporters through this platform.

Country	Activities
Brazil	<ul style="list-style-type: none"> <li>■ Reutilization of paper: the Marketing department of INTRALOT Brazil collects scratch paper to later transform it into notebooks for employee use.</li> <li>■ Collection of batteries: INTRALOT Brazil collects used batteries and forwards them to the official collector authority for recycling.</li> </ul>
Bulgaria	<ul style="list-style-type: none"> <li>■ Launched in 2010, Eurofootball successfully implemented its 2013 paper and other waste recycling program.</li> </ul>
Greece	<ul style="list-style-type: none"> <li>■ Replacement of physical servers by virtual infrastructure.</li> <li>■ INTRALOT participated in the “EARTH HOUR 2013,” the single, largest, symbolic mass participation global energy-saving initiative against climate change.</li> </ul>
Malta	<ul style="list-style-type: none"> <li>■ Continuation of MALTCO Lotteries’ waste management program.</li> </ul>
Peru	<ul style="list-style-type: none"> <li>■ The paper recycling program Recícла, Cumple tu papell is a collaborative initiative of INTRALOT de Peru with Fundación para el Desarrollo Solidario (FUNDADES-Foundation for Social Solidarity) and Aldeas Infantiles S.O.S Peru (SOS Children Villages Peru) that furthers environmental sustainability and generates funds to finance scholarships and food banks for disadvantaged children. In the course of 2013 the program generated funds to cover the nutritional needs of 10 children monthly.</li> </ul>

Table 11 –Environmental Sustainability Initiatives: Highlights

<ul style="list-style-type: none"> <li>■ The design of a supplier questionnaire, to include section on environmental standards to be required from all new suppliers.</li> <li>■ Further development of the corporate platform Global Live Network, designed to share corporate knowledge across all subsidiaries and to minimize air travel.</li> </ul>
--

Table 12 –Environmental Targets





# APPENDIX

## KEY PERFORMANCE DATA TABLE



Economy	2010	2011	2012	2013
Sales (in thousand €)	1.115.721	1.202.354	1.374.021	1.539.430
Other income (in thousand €)	26.288	28.452	18.602	17.361
Finance income (in thousand €)	12.037	9.972	11.460	8.591
Total Revenue (in thousand €)	1.154.046	1.240.778	1.404.083	1.567.395
Operating costs (in thousand €)	894.769	979.946	1.106.423	1.247.155
Payments to providers of funds (in thousand €)	76.549	44.206	53.929	54.457
Dividends paid (in thousand €)	53.280	16.755	20.320	16.645
Interest paid (in thousand €)	23.269	27.451	33.609	37.812
Operating income (in thousand €)	152.662	153.806	177.536	194.831
Earnings before taxes and minorities (in thousand €)	80.690	57.038	58.422	53.551
Earnings after taxes and minorities (in thousand €)	36.626	17.701	6.116	-4.567
Payments to government bodies (taxes paid) (in thousand €)	23.904	22.358	23.602	35.493
Total assets (in thousand €)	1.097.531	1.086.162	1.114.807	1.135.170
Invested capital (Equity plus Debt) (in thousand €)	867.404	882.245	899.462	874.837
Marketplace	2010	2011	2012	2013
Payments to suppliers (Consolidated P&L and Capex)* (in thousand €)	323.305	279.139	342.100	389.012
Employees	2010	2011	2012	2013
Total employees	5380	5512	5541	5685
Workforce turnover (%)	3.7	2.5	4.1	3.9
Employee wages and benefits (in thousand €)	98.261	104.965	113.436	117.774
Total man-hours of employee training	-	-	-	872.983
Environment	2010	2011	2012	2013
Total water consumption (m3)	3.722	6.377	6.249	6.783
Petrol consumption for heating (lt)	36.000	30.000	22.100	19.450
Paper recycling (% of purchased)	65	75	75	75
Toners recycling (% of purchased)	84.8	85.2	88	85.4

#### Key Performance Data INTRALOT Group



# APPENDIX

## LIST OF TABLES & FIGURES

## Chapter 1. About INTRALOT Group

Table 1	Strategic Memberships
Figure 1	Global Presence
Figure 2	Products & Services
Figure 3	Contracts Breakdown
Figure 4	Key Geographies by Contract Role
Figure 5	Products & Services Categories (% revenues)
Figure 6	Shareholding Structure
Figure 7	Cumulative Number of National & International Awards

## Chapter 2. Sustainability in INTRALOT Group

Table 1	Sustainability Priorities by Contract Role
Table 2	Gaming Market Value Chain
Table 3	INTRALOT Achievements by Material Issue
Figure 1	Drivers toward Implementing Responsible Business Practices
Figure 2	The Value of Sustainability Reporting: Survey Results (% respondents)
Figure 3	Sustainability in INTRALOT
Figure 4	INTRALOT Group Materiality Assessment: Results

## Chapter 3. Stakeholder Engagement

Table 1	Stakeholder Communication: Channels and Issues
Table 2	INTRALOT Group Stakeholder Mapping
Table 3	INTRALOT Group Suppliers
Table 4	Customer Training
Table 5	Customer Training: Breakdown by Management Level
Figure 1	Supplier Breakdown by Category
Figure 2	Supplier Breakdown by Region
Figure 3	Production Units: Key Geographies
Figure 4	Society Satisfaction Index

## Chapter 4. Economic Sustainability

Table 1	New Products
Table 2	Financial Results
Table 3	Key Economic Indicators
Figure 1	Gaming Market Trends
Figure 2	Innovation Segments
Figure 3	Sales Breakdown by Region
Figure 4	INTRALOT Group Social Product 2007-2013
Figure 5	INTRALOT Social Product Greece 2007-2013
Figure 6	INTRALOT Group Social Product Breakdown

## Chapter 5. Governance & Compliance

Table 1	The Board of Directors
Table 2	Certifications & Corporate or Industry Standards: Highlights
Table 3	Corporate Governance Targets
Figure 1	Board Committees

## Chapter 6. Responsible Gaming Program

Table 1	Responsible Gaming Framework
Table 2	Responsible Gaming Program & Targets
Table 3	Investment in R&D (€ millions)
Table 4	Responsible Gaming: System Functions
Table 5	INTRALOT de Peru RG Achievements
Table 6	Responsible Gaming: Employee Training
Table 7	Induction to Responsible Gaming
Table 8	Responsible Gaming Training: Awareness & Updates
Table 9	Training on Best RG Practices for Marketing Personnel
Table 10	RG Technology Updates Training
Table 11	RG Awareness & Best Practices Training for Retailer Trainers
Table 12	Responsible Gaming Training: Targets
Table 13	Responsible Gaming Monitoring
Table 14	INTRALOT Group Responsible Gaming Best Practices

## Chapter 7. Contribution to local Communities

Table 1	Investments in Local Communities 2013
Table 2	INTRALOT We Care a Lot: Contribution to Local Communities
Table 3	Corporate Volunteerism: Highlights
Table 4	Main Targets

## Chapter 8. Our People

Table 1	Evolution of Employee Breakdown by Region
Table 2	Senior Management Hired Locally (%)
Table 3	Age Distribution of Employees 2013 (%)
Table 4	Workforce Turnover (%)
Table 5	Human Resources Targets
Table 6	Evolution of Workforce Distribution by Gender and Functions
Table 7	Human Resources by Type of Employment
Table 8	Employee Benefits
Table 9	Training Indices
Table 10	Employee Training: Breakdown by Gender
Table 11	Employee Training: Breakdown by Management Function
Table 12	Employee Training: Aggregate Satisfaction Rates
Table 13	Occupational Health and Safety
Figure 1	Employee Breakdown by Region 2013
Figure 2	Average Monthly Number of Distinct Portal Users

## Chapter 9. Environmental Sustainability

Table 1	INTRALOT Cloud: Environmental Impact
Table 2	Paper Recycling
Table 3	Toners Recycling
Table 4	Other Materials Recycling
Table 5	INTRALOT Group Energy Consumption
Table 6	Consumption of Heating Fuel
Table 7	Green House Gas Emissions
Table 8	Eco Intensity of Operations
Table 9	Water Consumption
Table 10	Evolution of Air Miles & CO2 Emissions from Air Travel
Table 11	Environmental Sustainability Initiatives: Highlights
Table 12	Environmental Targets

## Appendix I. Key Performance Data Table

## Appendix III. About the Report

Table 1	Cross reference table of UNGC Principles, GRI Indicators and the relevant sections of this Report
Table 2	GRI G4 General Standard Disclosures
Table 3	Disclosure of Management Approaches
Table 4	GRI G4 Specific Standard Disclosures (Indicators)





# APPENDIX

## ABOUT THE REPORT

## Report Content & Boundaries

The "Sustainability Report 2013" is INTRALOT's third corporate social responsibility report. This Report contains, mainly, information related to our social and environmental actions and practices.

In the context of improvement of sustainability disclosures according to GRI G4, INTRALOT gathered new data near Group subsidiaries. The scope of the disclosures made in the present report refers to INTRALOT SA and a sample of 22 subsidiaries, and covers the calendar year 2013 unless otherwise noted. The sample of subsidiaries was chosen on the basis of the following criteria:

- Contribution to Group revenues;
- Balanced representation of three main corporate contract types: licensed operations, technology supply and Management contracts (as per section 1.3 above);
- Significant potential economic, social and/or environmental impact (positive and/or negative) of corporate presence on the local communities;
- Financial consolidation.

Further information about the INTRALOT Group, including financial, product or services information is presented in the corporate Annual Financial Report, available at [www.intralot.com](http://www.intralot.com).

This report was prepared in accordance with the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines, published in May 2013, which provide a generally accepted framework for reporting social, economic and environmental performance.

This Report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines for Sustainability Reporting and is prepared in order to satisfy the requirements of G4 Core Option. This Option provides the background against which INTRALOT communicates the impacts of its economic, environmental and social and governance performance.

## Sustainability Context & Stakeholder Inclusiveness

The scope of the Sustainability Report is to depict the impact of the business activities of INTRALOT on the

economy, the society and the environment, in order to inform institutional investors, employees, suppliers, society, regulatory authorities, business partners, stockholders, as well as those who are interested in Corporate Responsibility and Sustainable Development issues.

INTRALOT actively seeks the engagement of relevant social groups, both informally through focus groups and formally via opinion surveys, in the identification of issues, policies and appropriate strategies promoting responsible gaming practices, and the company strives to incorporate these views into its products and services.

As a signatory of the United Nations Global Compact, INTRALOT is committed to the implementation and dissemination of the organization's principles. The GRI G4 guidelines have provided a sound basis for the selection of the material issues that are presented in the Sustainability report so as to meet its purpose of offering an effective communication tool (COP) with its stakeholders.

## Materiality & Completeness

During the preparation of the Report, INTRALOT takes into account the dialogue with its stakeholders, conclusions drawn from survey research conducted in local communities and near customers, suppliers and employees, requests for disclosures from financial analysts and the wider public as well as observations made by inspection and auditing bodies. With this approach, the Group endeavors to continue to implement activities under its commitment to Sustainable Development.

Materiality assessments are used to help the company to focus its sustainable development report on those issues that are most important to its external and internal stakeholders. The process is developed in line with the GRI guidance on materiality and completeness. It involves identifying issues affecting the company's business and its stakeholders, and prioritizing these issues considering internal and external perspectives.

INTRALOT gathers information and views from a wide range of stakeholders, including institutional investors, employees, suppliers, society, regulatory authorities, business partners, stockholders, NGOs and the media.

From this data, it assesses the impact that sustainable development issues have externally, in terms of society and the environment, and corporate compliance with policies and commitments. INTRALOT also considers the importance of the issue for its stakeholders when they're making judgments about the company's sustainable development performance.

In line with the G4 requirements, a materiality assessment was conducted to identify and prioritize the issues most important to stakeholders – defined by G4 as “material issues,” issues which influence them when making a judgment about INTRALOT Group.

Following this process, INTRALOT evaluates how important an issue is internally to its operations. The company examines the potential impact of the issue(s) on its financial performance, brand and reputation, on stakeholder relationships, on production and ability to meet customers' needs, and evaluates the risks and possible ramifications from non-compliance.

All material aspects (management approach disclosures & indicators), sufficient to reflect significant economic, environmental and social impacts, are presented analytically in Appendix to the Sustainability Report.

## Report Balance & Comparability

The Report covers INTRALOT Group activities worldwide, including its subsidiaries, but not joint ventures, suppliers or any other third party related to the Company. The expectations of stakeholders as well as the importance of specific issues to the Company are taken into consideration in order to determine which issues should be included in the Report.

This Report covers the complete range of Economic, Social and Environmental issues that stem from the Company's activity, without limiting the scope and boundary of the report.

The company's corporate commitment to the guidelines of GRI and UNGC support the presentation of information in a manner that enables the reader to identify changes in policies and performance.

Using the report, stakeholders can easily compare information reported on economic, social and environmental performance against Group's past performance (previous reports) and, to the degree

possible, against the performance of the sector.

## Accuracy & Clarity

Qualitative approaches to economic, environmental and social issues (Disclosures on Management Approach) and detailed quantitative measurements (Indicators) used for Sustainability reporting assure the accuracy of the provided information.

The report's structure aims to facilitate the reader in accessing information. Graphics and tables assist in making information in the report accessible and understandable.

## Timeliness & Reliability

The information, facts and data in this report refer to the period between January and December 2013, unless where noted. Sustainability reporting has been set by the company to an annual cycle.

The data and information presented in this Report are collected on the basis of monitoring procedures of the Company, as well as on the basis of informational databases of various systems. In some areas, where unedited non-primary data are presented, the information follows the estimation method using the relevant GRI guidelines, indicated in the text.

## External Assurance

For this sustainability report, INTRALOT has not assigned verification to a third party. However, INTRALOT recognizes the significance, usefulness and added value that an external verification of the Report's data can offer, and will for this reason consider the external verification service for a next edition.

## Contact

Feedback from stakeholders is of great significance to our Group.

INTRALOT welcomes any question, enquiry, clarification or proposal for improvement of its sustainability reporting.

Comments, enquiries or suggestions can be sent to:

**INTRALOT S.A.**

**Department of Communications**

Attn:

Ms. Persa Kartsoli

Group Director of Corporate Communications

Ms. Chryssa Amanatidou

Senior Manager of Public Relations & CSR

64 Kifissias Ave. & 3 Premetis Str.

GR-151 25 Athens, Greece

Tel: (+30) 210 615 6000 Fax: (+30) 210 615 6093

E-mail: amanatidou@intralot.com

## UNGC Principles & GRI Index

INTRALOT has adopted and incorporated the principles of the United Nations Global Compact in its business operations and works to disseminate and promote these principles near its stakeholders.

As the UNGC expands its reach, national and local networks play an important role, rooting the initiative in different cultural contexts. INTRALOT is a signatory of the UNGC since 2009 and is an active participant in the national network for social responsibility through its membership since 2004 in the Hellenic Network for Corporate Social Responsibility, a national partner organization of CSR Europe.

INTRALOT's commitment to sustainable development is a result of the Group's business principles and strategy, and is visible in its policies and corporate culture. The Group and its employees commit to the constant care for the environment, the creation of a healthy and safe workplace and the advancement of socially responsible behavior.

In the above context, this report also covers the requirements of the "Communication on Progress" (active level) report, presenting the integration of the principles of the UNGC in the strategy, activities and programs that the Group supports and participates in.

Table 1 lists the UNGC principles & GRI indicators, respectively, and makes corresponding references to the relevant sections of the Report.

Table 1 - Cross reference table of UNGC Principles, GRI Indicators and the relevant sections of this Report

UNGC principles	Relevant GRI indicators	Relevant sections of this Report
HUMAN RIGHTS		
Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	EC5, LA4, LA6 – 9; LA13 – 14, HR1 – 9, SO5, PR1-2, PR8	3.2, 6.6, 8.2, 8.3, 8.5, 8.9
Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	HR1 – 9, SO5	3.2, 8.2, 8.5, 8.3, 8.9
LABOR		
Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4 – 5, HR1 – 3, HR5, SO5	3.2, 8.2, 8.3, 8.9
Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR1 – 3, HR7, SO5	8.3
Principle 5 – Businesses should uphold the effective abolition of child labor.	HR1 – 3, HR6, SO5	3.2, 8.3
Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA13 – 14, HR1 – 4, SO5	7, 3.2, 8.2, 8.3, 8.5, 8.8, 8.9
ENVIRONMENT		
Principle 7 – Businesses should support a precautionary approach to environmental challenges.	EC2, EN18, EN26, EN30, SO5	9, 9.1, 9.2, 9.4, 9.6
Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	EN1 – 30, SO5, PR3 – 4	9.1, 9.2, 9.3, 9.4, 9.5, 9.6
Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN 5 – 7, EN 10, EN 18, EN 26 – 27, EN30, SO5	9.1, 9.2, 9.4



**Table 1 - Cross reference table of UNGC Principles, GRI Indicators and the relevant sections of this Report**

UNGC principles	Relevant GRI indicators	Relevant sections of this Report
<b>ANTI-CORRUPTION</b>		
Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	SO2 – 6	Code of Corporate Governance available at: <a href="http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf</a> (Englishversion), <a href="http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf</a> (Greekversion)

Note: Further information concerning the GRI indicators in the 2nd column is provided in following Tables 2-4 which present the General and the Specific Standard Disclosures (DMAs & Indicators) with the corresponding references to the relevant section of this report and/or links addressing the respective aspects.

<b>Table 2 - GRI G4 General Standard Disclosures</b>		<b>Comments/Links</b>	<b>Report's Section</b>
<b>Strategy &amp; Analysis</b>			
G4- 1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Message from the Chairman  Message from the CEO	
G4-2	Provide a description of key impacts, risks, and opportunities.		2.2   5.6
<b>Organisational Profile</b>			
G4- 3	Report the name of the organization	INTRALOT SOCIETE ANONYME INTEGRATED LOTTERY SYSTEMS AND SERVICES	
G4- 4	Report the primary brands, products, and services		1.3   4.2
G4- 5	Report the location of the organization's headquarters	INTRALOT S.A. 64 Kifissias Ave. & 3 Premetis Str., GR-151 25 Athens, Greece Tel: (+30) 210 615 6000 Fax: (+30) 210 610 6800 <a href="http://www.intralot.com">www.intralot.com</a>	
G4- 6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report		1.1   1.2   1.3 (Fig. 4)

Table 2 - GRI G4 General Standard Disclosures		Comments/Links	Report's Section
G4- 7	Report the nature of ownership and legal form		1.4
G4- 8	Report the markets served		1.1   1.2   1.3
G4- 9	Report the scale of the organization		1.1   1.4   4.3   8.1   Appendix I
G4- 10	Report the total number of employees by employment contract and gender. Report the total number of permanent employees by employment type and gender. Report any significant variations in employment numbers (such as seasonal variations)		8.1   8.2 There are no seasonal variations
G4- 11	Report the percentage of total employees covered by collective bargaining agreements		8.5 (Table 7)
G4- 12	Describe the organization's supply chain		3.2
G4- 13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, its supply chain, etc.	No significant changes in 2013	
G4- 14	Report whether and how the precautionary approach or principle is addressed by the organization	The awards & distinctions (section 1.6), the public opinion surveys (section 3.4), the employees' satisfaction surveys, the risk assessment (section 5.6), the market surveys (section 6.7) confirm the proactive approach.	5.6   5.7 The regular audits through a certification scheme constitute a precautionary approach 6.4
G4- 15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses		5.1   5.2   5.7   6.4 Appendix III (GRI, UNGC)
G4- 16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: Holds a position on the governance body, Participates in projects or committees, Provides substantive funding beyond routine membership dues, Views membership as strategic		1.5   2.4   5.7 (Partnerships for Safe & Legal Gaming) 6.5

Table 2 - GRI G4 General Standard Disclosures		Comments/Links	Report's Section
<b>Identified Material Aspects &amp; Boundaries</b>			
G4- 17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by this report</p>	INTRALOT Group composition available at <a href="http://www.intralot.com/content/527/financial-statements">http://www.intralot.com/content/527/financial-statements</a>	<p>Appendix III</p> <p>(INTRALOT S.A. and 22 subsidiaries are the subject of this report, according to criteria specified in the section Report Content &amp; Boundaries of Appendix III)</p>
G4- 18	<p>a. Explain the process for defining the report content and the Aspect Boundaries</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content</p>		<p>2.3   2.5</p> <p>Appendix III Report Content &amp; Boundaries</p>
G4- 19	List all the material Aspects identified in the process for defining report content		2.3 (Table 3, Fig. 4)
G4- 20	For each material Aspect, report the Aspect Boundary within the organization		2.3 (Table 3, Fig. 4)
G4- 21	For each material Aspect, report the Aspect Boundary outside the organization		2.3 (Table 3, Fig. 4)
G4- 22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements		No restatements of information
G4- 23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries		No significant changes occurred in 2013
<b>Stakeholder Engagement</b>			
G4- 24	Provide a list of stakeholder groups engaged by the organization		3.1
G4- 25	Report the basis for identification and selection of stakeholders with whom to engage		3.1
G4- 26	Report the organization's approach to stakeholder engagement		2.2   3   7
G4- 27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns		2.2 (Table 1, Fig. 3)   2.5
<b>Report Profile</b>			
G4- 28	Reporting period (such as fiscal or calendar year) for information provided		Jan – Dec 2013
G4- 29	Date of most recent previous report (if any)		Dec 2013, concerning year 2012
G4- 30	Reporting cycle (such as annual, biennial)		Annual

Table 2 - GRI G4 General Standard Disclosures		Comments/Links	Report's Section
G4- 31	Provide the contact point for questions regarding the report or its contents		Ms. Monica Carlos Department of Communications INTRALOT S.A. 64 Kifissias Ave. & 3 Premetis Str., GR-151 25 Athens, Greece Tel: (+30) 210 615 6000 Fax: (+30) 210 615 6093 e-mail: carlos@intralot.com
G4- 32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option Report the reference to the External Assurance Report, if the report has been externally assured		This Report contains Standard Disclosures from the GRI-G4 guidelines  The GRI Content Index is in Appendix III  No external assurance as adoption of G4 is voluntary
G4- 33	Report the organization's policy and current practice with regard to seeking external assurance for the report		INTRALOT recognizes the significance, usefulness and added value that an external assurance can offer and in future edition shall assure it
<b>Governance</b>			
G4- 34	Report the governance structure of the organization, including committees of the highest governance body		5.3   5.4   5.5
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	The Group's Executive Committee has responsibilities on sustainable development issues	The management of the Group's companies reports directly to the Group's BoD.  The Group's Corporate Communications Department reports directly to the Group's CEO  The Group CFO reports directly to the Group's CEO and is a member of Group's Executive Committee

Table 2 - GRI G4 General Standard Disclosures	Comments/Links	Report's Section
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	The position of Group's Corporate Communications Director is a position with responsibilities on planning, recommendations and implementation on social topics. The group CFO is a member of Group's Executive Committee.
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	3.1   8.4
G4-38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> <li>■ Executive or non-executive</li> <li>■ Independence</li> <li>■ Tenure on the governance body</li> <li>■ Number of each individual's other significant positions and commitments, and the nature of the commitments</li> <li>■ Gender</li> <li>■ Membership of under-represented social groups</li> <li>■ Competences relating to economic, environmental and social impacts</li> <li>■ Stakeholder representation</li> </ul>	5.3   5.4
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	The Chairman of the Board and the CEO are both executive board members. Their role, functions and related responsibilities are outlined in the Code of Corporate Governance, which is approved by the Board.



Table 2 - GRI G4 General Standard Disclosures		Comments/Links	Report's Section
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members		This information is not currently available as the Code of Corporate Governance is undergoing revision.
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders		5.4 (conflicts of interest) The current ratio of 2 executive and 7 non-executive board members assures avoidance of conflicts of interest. The BoD subscribes to the principles and best practice provisions of the Corporate Governance Code of the Hellenic Federation of Enterprises ( <a href="http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf">http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf</a> ). Also, in the Group's Code of Conduct there is specific provision aimed at preventing conflicts of interest.
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.		This information is not currently available as the Code of Corporate Governance is undergoing revision.
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.		This information is not currently available as the Code of Corporate Governance is undergoing revision.

Table 2 - GRI G4 General Standard Disclosures	Comments/Links	Report's Section
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	5.3 (Assessment of the BOD members)
G4-48	<p>Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.</p>	<p>The CEO approves and signs this Sustainability Report.</p> <p>The Group's Corporate Communications Director is authorized to ensure that all material issues are presented with clarity and objectivity.</p>
G4-51	<p>a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration:</p> <ul style="list-style-type: none"> <li>■ Fixed pay and variable pay</li> <li>■ Sign-on bonuses or recruitment incentive payments</li> <li>■ Termination payments</li> <li>■ Clawbacks</li> <li>■ Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees</li> </ul> <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	<p>5.4</p> <p>(Nomination and Remuneration Committee)</p>

Table 2 - GRI G4 General Standard Disclosures		Comments/Links	Report's Section
Ethics & Integrity			
G4- 56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	INTRALOT is committed to operate under the principles of integrity, reliability and business ethics. Further, the company has adopted a code of corporate governance as well as other codes of conduct and trains all employees on the rules and corporate best practices through induction training, conducted upon recruitment. INTRALOT has been distinguished by the Greek Chapter of the European Business Ethics Network for 6 consecutive years.	1.1   1.6   5  Code of Corporate Governance available at: <a href="http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf</a> (Englishversion)  <a href="http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf</a> (Greekversion)
G4- 57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help-lines or advice lines.		Group's Code of Conduct  2.4

Table 3 - DMAs		Comments/Links	Report's Section
EC	Economic Performance	INTRALOT has adopted a corporate strategy of sustainable leadership. After the successful completion of its expansion plans, business operations focus on innovation, the advancement of existing projects and opportunities arising from developments in selected markets, so as to deliver added value to our shareholders and to create shared value for all stakeholders.	4.3   2.2 Appendix I
	Market Presence	INTRALOT's responsible operations around the globe contribute to the development of local human capital and employment, to infrastructure development, to the transfer of knowledge and technological know-how to local communities in areas related to its operations. International operations set standards of compliance in local jurisdictions, and generate government wealth used toward social goals.	1.1   1.2   1.3   2.4   6.5
	Indirect Economic Impacts	The impact of INTRALOT corporate activities on local economic output of gaming or gaming related businesses, on local income levels, and on employment is positive.	
	Procurement Practices	As an ISO 9001 certified company, INTRALOT business processes follow standardized procedures throughout the entire product chain, and the company enforces these same quality requirements, non-discrimination principles, and the respect for human rights near its suppliers.	

Table 3 - DMAs		Comments/Links	Report's Section
EN	Materials	INTRALOT's products follow forefront environmental specifications and embrace eco-efficiency from design through production, operation and de-commission stages.	
	Energy	INTRALOT seeks to minimize its environmental footprint through adopted policies including its energy saving program in all facilities.	
	Water	INTRALOT is sensitive to the value of water and its relative scarcity in the Mediterranean region and therefore strives to reduce water consumption.	9.4
	Biodiversity	The company does not have a separate policy on biodiversity because the issue is immaterial to the company, as its operation sites are far away from protected areas and ecosystems and there are no impacts from its operations.	
	Emissions		9.4
	Effluents and Waste	INTRALOT has adopted a policy of regular recycling of waste and equipment.	
	Products and Services	INTRALOT products embrace eco-efficiency from design through production, operation and de-commission stages.	5.7   9.1   9.2
	Compliance	INTRALOT's procedures fully comply with national and international environmental regulations and standards. The company has adopted an eco-friendly policy, operating with total respect for sensitive environmental issues at all stages of the product chain. INTRALOT is committed to producing energy efficient and durable products, to increasing the use of recyclable materials, and to designing products with no restricted substances. INTRALOT's gaming equipment complies with the RoHS Directive (Restriction of Hazardous Substances).	



Table 3 - DMAs		Comments/Links	Report's Section
EN		Further, the company requires its suppliers to comply with the Restriction of Hazardous Substances Directive (RoHS) 2002/95/EC and the Waste Electrical and Electronic Equipment Directive (WEEE) 2002/96/EC, so as to ensure their compliance with corporate environmental policy.	
	Transport	INTRALOT has established a travel web tracking system and aims to reduce emissions levels resulting from transportation needs.	9.5
	Overall	Due to the nature of the services it offers, INTRALOT is among the companies that have a low impact on the environment. INTRALOT's products follow forefront environmental specifications and its operations worldwide comply with best practices in the sector.	
	Supplier Environmental Assessment	The selection of suppliers is subject, among others, to quality specifications, including the environmental effects of the products or services offered.	3.2
	Environmental Grievance Mechanisms	Environmental grievances as well as voluntary proposals for minimizing the environmental impact of operations can be submitted to corporate management through the open door labor practice mechanism in place near department heads. The company has also established an external Service Complaint Procedure, according to ISO 20000 requirements.	

Table 3 - DMAs	Comments/Links	Report's Section
LA	Employment	<p>INTRALOT's human resources policy is to recruit qualified and talented professionals and to offer its staff a stable and favorable working environment that maximizes the talent of company professionals, motivates them to excel in their functions, and supports their professional and personal development.</p>
	Labor/Management Relations	<p>The company strategy is to follow best practices in labor relations and shape compensation and benefits policy towards improving employee loyalty and motivation while achieving operational goals.</p>
	Occupational H & S	<p>INTRALOT is committed to complying with all relevant health and safety laws and to conducting business in a manner that protects the safety of its employees. Health and safety are integral parts of a broader environment and workforce sustainability strategy that reduces the risk of harm to employees and helps them remain healthy and productive. To date, there is no record of work-related injuries or occupational diseases.</p>
	Training and Education	<p>INTRALOT's corporate culture highly values learning, since education and training contribute to the professional and personal development of employees and ensure operational efficiencies and growth for the company. INTRALOT has established a department dedicated specifically to training - the Learning Center, which cooperates with the human resources department toward skills development and the advancement of knowledge for all INTRALOT personnel. The company also adopts a policy of web training over IP that facilitates information-sharing and access to training to subsidiaries worldwide.</p>

6.6 | 8.9

Table 3 - DMAs		Comments/Links	Report's Section
LA	Diversity and Equal Opportunity	INTRALOT is an Equal Opportunity Employer and implements a strict policy against any form of discrimination or harassment in the workplace, as described in the Company's Code of Conduct. INTRALOT strictly follows a policy of non-discrimination on the basis of race, color, sex, sexual orientation, gender identity, religion, disability, age, genetic information, veteran status, ancestry, or national or ethnic origin.	
	Equal Remuneration for Women and Men	INTRALOT is an Equal Opportunity Employer and implements a strict policy against any form of discrimination.	
	Supplier Assessment for Labor Practices	Corporate labor policies and practices are enforced near company suppliers. Further, they are used as a supplier selection criterion.	3.2
	Labor Practices Grievance Mechanisms	The company has adopted an open door policy and has an employee grievance mechanism in place near respective managers or department heads.	
HR	Investment	INTRALOT business practices worldwide conform to universally accepted principles in the areas of human rights, as set by the United Nations and the International Labor Organization, and abide by the legislative framework of every jurisdiction where it operates.	
	Non-discrimination	INTRALOT is an Equal Opportunity Employer and implements a strict policy against any form of discrimination. As per the adopted corporate code of conduct, the company is against and does not use child labour, forced labour or compulsory labour, respects human rights as well as labor rights and is an equal opportunity employer. Further, INTRALOT has a policy of intolerance toward any form of discrimination or harassment in the workplace and offers all employees a safe and meritocratic working environment, nurturing professional development and the work life balance.	8.2

Table 3 - DMAs		Comments/Links	Report's Section
HR	Freedom of Association and Collective Bargaining	There is a Workers' Union, to whom employees may communicate all work-related issues, which are taken directly to company management.	8.5
	Child Labor	INTRALOT is against child labour and forced or compulsory labour. INTRALOT observes the relevant labour legislation which includes the prohibition of child labor, forced labor set by the International Labour Organization (ILO), and the provisions related to human rights and working conditions in compliance with agreement and rules of employment.	8.3
	Forced or Compulsory Labor	INTRALOT is against forced or compulsory labour. INTRALOT observes the relevant labour legislation which includes the prohibition of child labor, forced labor set by the International Labour Organization (ILO), and the provisions related to human rights and working conditions in compliance with agreement and rules of employment.	8.3
	Security Practices	The security and the physical and moral integrity of INTRALOT employees and management is fundamental for an effective workplace. INTRALOT has developed and implemented a set of Corporate security procedures so as to minimize security breaches.	
	Indigenous Rights	INTRALOT abides by relevant legislative framework of the local jurisdictions where it operates.	
	Assessment	INTRALOT regularly identifies, predicts and responds to the potential human rights impacts of its business operations worldwide. The Human resources Department applies a due diligence process to human rights assessment.	
	Supplier Human Rights Assessment	The Department of Contracts and Procurements applies a due diligence process to Human Rights assessment as part of the supplier selections and evaluation process.	

Table 3 - DMAs		Comments/Links	Report's Section
HR	Human Rights Grievance Mechanisms	INTRALOT has a grievance mechanism that employees may use to voice complaints, report incidents, and raise issues that impact or can potentially impact any aspect of corporate performance.	
	Local Communities	INTRALOT is committed to conducting its business in a sustainable manner by addressing the social, economic and environmental impacts of its operations, and to being a responsible leader of the gaming sector, according to the principle of fair competition and in compliance with the legal and the regulatory framework of the sector. The company actively seeks to be a substantive contributor to the local communities where it operates through the transfer of technology and know-how and through the employment and specialized training of its local workforce. Further, it contributes to the enhancement of the quality of life and the development of its workforce and of local communities through social programs that aim at advancing education and human capital; supporting social welfare and human development; and preserving cultural heritage.	7
SO	Anti-corruption	INTRALOT is committed to conducting business in compliance with the highest ethical standards and all applicable laws.	Corporate Code of Conduct, available at: <a href="http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(ENG).pdf</a> (English version) <a href="http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf">http://www.intralot.com/sites/default/files/KEΔ%20(GR).pdf</a> (Greek version)
	Public Policy	INTRALOT believes that in the current changeable economic environment, it is imperative for businesses, community organizations and other stakeholders to jointly contribute to advancing education, technology, R&D and infrastructure that will ensure sustainable economic growth and prosperity.	

Table 3 - DMAs	Comments/Links	Report's Section
SO	Anti-competitive Behavior	INTRALOT operations conform to the principle of fair competition and comply with competition laws and regulations preventing anti-competitive or market distorting practices.
	Compliance	INTRALOT Group operations and management procedures are subject to international laws and regulations as well as to the governmental oversight and regulatory framework of each jurisdiction where it operates.
	Supplier Assessment for Impacts on Society	INTRALOT business processes follow standardized procedures throughout the entire product chain. INTRALOT has adopted a quality management system (QMS) that supports the effective management of partnerships by ensuring consistent quality standards and keeping regular contact with suppliers, exchanging feedback and implementing product or service improvements. INTRALOT's QMS is based on an open-channel of communication between the Department of Contracts and Procurements and the Technical Support Department through the company's intranet portal, where input on subcontractor performance is shared. This input also serves as the basis for recommendations for new or continuing partnerships.
	Grievance Mechanisms for Impacts on Society	INTRALOT has a grievance mechanism that employees may use to voice complaints, report incidents, and raise issues that impact or can potentially impact any aspect of corporate performance. Further, as per the requirements of ISO 20000, INTRALOT has established a Service Complaint Procedure for external complaints.



Table 3 - DMAs		Comments/Links	Report's Section
PR	Customer Health and Safety	INTRALOT is committed to delivering safe, quality products and services to customers. The Company's quality management system adopts an integrated approach and monitors the health and safety requirements of its products throughout their entire lifecycle. The company has also established an external Service Complaint Procedure, according to ISO 20000 requirements for IT service management.	
	Product and Service Labeling	INTRALOT adopts and works closely with its suppliers and subcontractors in order to communicate and share in the company's quality policy and requirements. Quality control audits are conducted by senior quality engineers to assist the company in continuous improvements in the quality of delivered products or services.	6.7
	Marketing Communications	INTRALOT marketing communications in all jurisdictions where it has a presence abide by responsible gaming principles and actively promote best practices. The company further conducts market research across all countries where it has presence, including usage & attitude surveys, segmentation and tracking studies, retail field, and online researches. Intralot is a member of ESOMAR and abides by ESOMAR's Code & Guidelines for market research.	6.7
	Customer Privacy	INTRALOT products and IT tools and systems offer customers a healthy and safe gaming environment. Player registration and other data monitoring systems follow strict security standards and comply with relevant legislation on the protection of personal data.	
	Compliance	INTRALOT has established a state-of-the-art framework for the governance of enterprise business processes that abides by the relevant national and international legislation (e.g. Privacy Act, Security of E-transactions, Anti-Money-Laundering).	

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

GRI Index	Economic	Comments/Links	Report's Section
G4-EC1	Direct economic value generated and distributed	<p>In the year 2013, INTRALOT Group revenues amounted to €1,54 billion.</p> <p>The Group's social product was €724 million. The lotteries that the INTRALOT Group operates or supplies, manages and supports in the framework of contracts in jurisdictions worldwide, raised on a combined basis in 2013 approximately €4.4 billion for good causes.</p>	4.3   4.4 (Figures 4-6) Appendix I
G4- EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Research is underway in order to collect relevant data with the goal to disclose relevant information in future editions.	
G4-EC3	Coverage of the organization's defined benefit plan obligations	Defined contribution plan in accordance with relevant legislation of local jurisdiction.	
G4-EC4	Financial assistance received from government	No direct financial support from the State.	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	<p>At all significant locations of operation, the entry level wage is higher than the local minimum wage.</p> <p>There is no differentiation between genders as INTRALOT implements a strict policy against any form of discrimination.</p>	
G4- EC6	Proportion of senior management hired from the local community at significant locations of operation.	In 2013 average % of subsidiaries' senior management hired locally was 54%	8.1 (Table 2)
G4-EC7	Development and impact of infrastructure investments and services supported	In Peru, corporate employees volunteered in the infrastructure improvements made at the Pronoei Rayitos de Sol School (located at San Juan De Lurigancha), while INTRALOT de Peru paid for all renovation materials and equipment requirements.	7

**TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)**

G4-EC9	Proportion of spending on local suppliers at significant locations of operation	INTRALOT advances the development of local communities through the adoption of a minimum 50% rate of use of local suppliers, where the quality criteria of supplier selection are not compromised.  2013 Average of % local suppliers: 92%  2013 Average of % payments to local suppliers: 82%	3.2
<b>GRI Index</b>	<b>Environmental</b>	<b>Comments/Links</b>	<b>Report's Section</b>
G4-EN1	Materials used by weight or volume		9.3
G4-EN3	Energy consumption within the organization		9.4 (Tables 5 & 6)
G4- EN5	Energy Intensity		22 GJ per €m sales
G4-EN6	Reduction of energy consumption		9.1   9.2 (energy savings due to transition from physical servers to cloud: Power and Heat Dissipation Savings 0.315 TJ) 9.6
G4- EN7	Reductions in energy requirements of products and services		9.1   9.2 (Table 1)
G4-EN8	Total water withdrawal by source	The only source is water utilities.	9.4 (Table 9)
G4-EN9	Water sources significantly affected by withdrawal of water	No such significantly affected water sources	
G4- EN10	Percentage and total volume of water recycled and reused	Immaterial issue	
G4- EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None of the Group's facilities is near protected areas (NATURA, RAMSAR). All installations are in established industrial or residential areas.	
G4- EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4- EN13	Habitats protected or restored	Not such habitats. None of the Group's facilities is near protected areas (NATURA, RAMSAR). All installations are in established industrial or residential areas.	
G4- EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		zero
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		9.4 (Table 7 50.7 tCO <sub>2</sub> )
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		9.4 (Table 7 6975.4 tCO <sub>2</sub> )
G4- EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		9.5 (1146 tCO <sub>2</sub> eq)
G4- EN18	GHG emissions intensity		5.31 tCO <sub>2</sub> eq per €m sales
G4-EN19	Reduction of greenhouse gas (GHG) emissions		9.1   9.2   9.4 - 9.6
G4-EN23	Total weight of waste by type and disposal method	Waste disposal method follows the Greek legislative framework.	9.3
G4-EN24	Total number and volume of significant spills		zero
G4- EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	There are no hazardous waste	
G4- EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		none
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		9.1   9.6
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No relevant fines or sanctions.	

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	INTRALOT largely utilizes local suppliers for the manufacturing of gaming equipment, where product quality is not compromised. As a result, the environmental impact of the transportation of products and other goods and materials is minimized.	9.5 (Table 10)
G4-EN31	Total environmental protection expenditures and investments by type	<p>INTRALOT's expenditures and investment on environmental protection cover the following:</p> <p>Costs related to the processing and to Shipping &amp; Handling of electric and electronic equipment towards recycling facilities;</p> <p>Costs related to the processing and to Shipping &amp; Handling of toners towards recycling facilities;</p> <p>Annual cost of membership in the Hellenic Recovery Recycling Corporation (HE.R.R.Co) and in the Appliances Recycling S.A..</p>	9
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	INTRALOT will design a supplier questionnaire, including on environmental standards, to be required from all new suppliers.	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	To date, there is no report of environmental grievances.	
<b>GRI Index</b>	<b>Labor Practices and Decent Work</b>	<b>Comments/Links</b>	<b>Report's Section</b>
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region		8.1 (Table 4) Appendix I, Employee turnover 3.9%
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		8.8
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective Agreements	The company abides by relevant legislation applicable.	

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4- LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Average of the percentages of workforce participating in H&S tasks group wide is 60%	8.10 (Table 15)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	AIF: All injuries frequency rate or incidence rate	8.10 (AIF=0.9)
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Employees have free consultation from qualified health professional on first-aid procedures, seasonal diseases and prevention, as well as health and safety guidelines. This information is also posted regularly in announcement boards/ internal website or sent to employees electronically.	There are no workers with incidence or high risk of diseases related to their occupation.
G4-LA9	Average hours of training per year per employee by gender, and by employee category	153 hours of training per year per employee on average (excluding e-learning)	6.6   8.9
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		6.6   8.9
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		8.6
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		5.3   8.1   8.2
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	INTRALOT is an equal opportunities employer.	8.2
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	100%	3.2 (Supplier Selection & Management)
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	No negative impacts recorded	3.2



**TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)**

G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	No grievances were reported to date.	
GRI Index	Human Rights	Comments/Links	Report's Section
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	All corporate staff is informed about the company's code of conduct and labor relations policies, through a mandatory induction training program, conducted by INTRALOT's Learning Center.	8.4   8.9
G4-HR3	Total number of incidents of discrimination and corrective actions taken	The Human Resources Department monitors such phenomena and acts accordingly. No incidents reported to date.	8.2
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Immaterial aspect – There are no operations or suppliers whose workers' rights to exercise freedom of association and collective bargaining may be violated or at significant risk.	3.2   8.3   8.5
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	INTRALOT does not select suppliers who utilize child labour or pose significant risk for incidents of child labor. The Human Resources Department, the Department of Contracts and & Procurements and the Subsidiaries department monitor such phenomena in cooperation with employee representatives. No reported incidents to date.	3.2   8.3
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	INTRALOT does not utilize suppliers who utilize forced or compulsory labour or pose significant risk for incidents of forced or compulsory labor.  The Human Resources Department, the Department of Contracts and & Procurements monitor such phenomena in cooperation with employee representatives. No reported incidents to date.	3.2   8.3

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	INTRALOT management develops workplace security policies and training programs to familiarize employees with the ways to maintain a safe workplace. INTRALOT also contracts security services and requires private security providers to train their workforce on the company's security policies and procedures.	
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	No incidents reported.	
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	INTRALOT will design a questionnaire, including on human rights standards, to be required from significant locations of operation.	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	No actual or potentially negative human rights impacts have been reported to date.	3.2   8.3
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	There is no report of human rights grievances.	
GRI Index	Society	Comments/Links	Report's Section
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		6.8 (Implementation of Responsible Gaming Practices in all operations)
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	All business units are controlled for risks associated with corruption, following standard internal auditing procedure. The procedure is consistent with the Group's Code of Conduct. No relevant report or complaint in 2013.	
G4-SO4	Communication and training on anti-corruption policies and procedures	Communication and employee awareness through the Code of Conduct and Code of Corporate Governance.	

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4-SO5	Confirmed incidents of corruption and actions taken	<p>No actions planned in 2013 (apart from relevant training) to address incidents of corruption as there are no reported incidents.</p> <p>However, there is provision for administrative and legal measures in accordance with Internal Regulations.</p> <p>Regular audits are planned by the relevant auditing departments.</p>	
G4-SO6	Total value of political contributions by country and recipient/beneficiary	No such contributions	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	none	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No incidents of non-compliance and no fines or sanctions	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society		3.2
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	None reported	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	None reported.	
<b>GRI Index</b>	<b>Product Responsibility</b>	<b>Comments/Links</b>	<b>Report's Section</b>
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents of non-compliance.	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents of non-compliance.	
G4-PR5	Results of surveys measuring customer satisfaction		3.3   3.4   6.8
G4-PR6	Sale of banned or disputed products	No sales of such products.	

TABLE 4 - GRI G4 Specific Standard Disclosures (Indicators)

G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No incidents. There is full compliance with relevant rules & codes of conduct (including on unfair competition and consumer protection).	6.2   6.7
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints. Records of personal customer data fully comply with relevant legislation and are fully harmonized with national & EU law	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision & use of products and services	No such fines	

## Glossary

### GRI

The international organization Global Reporting Initiative (GRI) has developed a framework of sustainability indicators in order to standardize sustainability reports that organizations publish. GRI aims at making sustainability reports a useful tool and a standardized procedure, just like a financial report. The GRI framework includes company economic, environmental and social performance indicators ([www.globalreporting.org](http://www.globalreporting.org)).

### Sustainability

Sustainability or Sustainable Development is defined as the manner in which an Organization operates to the extent that it meets the needs of the present without compromising the ability of future generations to meet their own needs (Rio Declaration on the Environment and Development, United Nations Organization, 1992).

### Corporate Social Responsibility (CSR)

Corporate Social Responsibility is a concept whereby companies integrate voluntary social and environmental concerns into their business operations and relationships with stakeholders, and understand that responsible behavior leads to sustainable business success (Green Paper on Corporate Social Responsibility, European Commission, 2001).

### Abbreviations

ACCA	Association of Chartered Certified Accountants
AGEM	Association of Gaming Equipment Manufacturers
AIF	All Injuries Frequency
AIT	Athens Information Technology
APLA	Asia Pacific Lottery Association

B2B	Business to Business
BEE	Business Ethics Excellence
BOD	Board of Directors
CCFL	Cold Cathode Fluorescent Lamp
CEDRO	Information and Education Center for the Prevention of Drug Abuse
CIBELAE	Corporación Iberoamericana de Loterías y Apuestas del Estado (Iberian-American Gambling Association)
CO2	Carbon Dioxide
COBIT	Control Objectives for Information and Related Technology
Cr	Chromium
CSR	Corporate Social Responsibility
DMA	Disclosures on Management Approach
EAT	Earning After Taxes
EBEN	European Business Ethics Network
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EFQM	European Foundation for Quality Management
EGM	Electronic Gaming Machine
ESOMAR	European Society for Opinion and Marketing Research
EL	European Lotteries and Toto Association
FIFA	International Federation of Football Associations
FTSE	Financial Times and London Stock Exchange
GCI	Global Competitiveness Index
GHG	Greenhouse Gas
GSA	Gaming Standards Association
IOC	International Olympic Committee
ISO	International Organization for Standardization
HE.R.R.Co.	Hellenic recovery Recycling Corporation
HR	Human Resources
ISMS	Information Security Management System
ISO	International Organization for Standardization
Kwh	Kilo Watt per Hour
LED	Light-Emitting Diode

MTBF	Mean Time between Failures
M <sup>3</sup>	Cubic Meters
NASPL	North American Association of State and Provincial Lotteries
NFC	Near Field Communication
NSRF	National Strategic Reference Framework
OTB	Off-Track Betting
Pb	Lead
PC	Personal Computer
POS	Point of Sale
RFP	Request for Proposal
RG	Responsible Gaming
RoHS	Restriction of Hazardous Substances
SA8000	Social Accountability 8000 (A Social Accountability Standard)
S.A.	Société Anonyme
SCI	Sustainability Competitiveness Index
TSD	Technical Support Division
VLT	Video Lottery Terminal
WLA	World Lottery Association



# Corporate Responsibility and Sustainability

## Report 2013 Feedback Form

### Your opinion helps us improve

We invite you to share your opinion with us and help us to improve INTRALOT's Sustainability Report, by submitting your answers to the following questionnaire:

### Which stakeholder group do you belong to?

☐ Employee

☐ Stakeholder / Investor

☐ Media

☐ Supplier

☐ Local Community

☐ Research Organizations

☐ Customer

☐ NGO

Other: \_\_\_\_\_

### What is your overall impression of the Report?

	Very Good	Good	Average	Bad
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	Bad
About INTRALOT Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability in INTRALOT Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder Engagement	<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"/>
Governance & 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"/>
Contribution to Local Communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our People	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Are there any sections that need to be extended?

## Do you have any comments or suggestions that you would like to make?

**Personal Details (optional):**

Full Name: \_\_\_\_\_

Company/organization: \_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

Tel./Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Please return this form to:

**INTRALOT S.A.**

**Group Corporate Communications**

64 Kifissias Ave. & 3 Premetis Str.,

GR-15125, Athens, Greece

Fax: (+30) 210 615 6093

E-mail: [contact@intralot.com](mailto:contact@intralot.com)

Report evaluation information will be statistically processed toward the sole purpose of making reporting improvements.

All personal data are treated as confidential and are protected as stipulated by law.



This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact**.

We welcome feedback on its contents.