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INTRODUCTION

MESSAGE FROM OUR GENERAL MANAGER

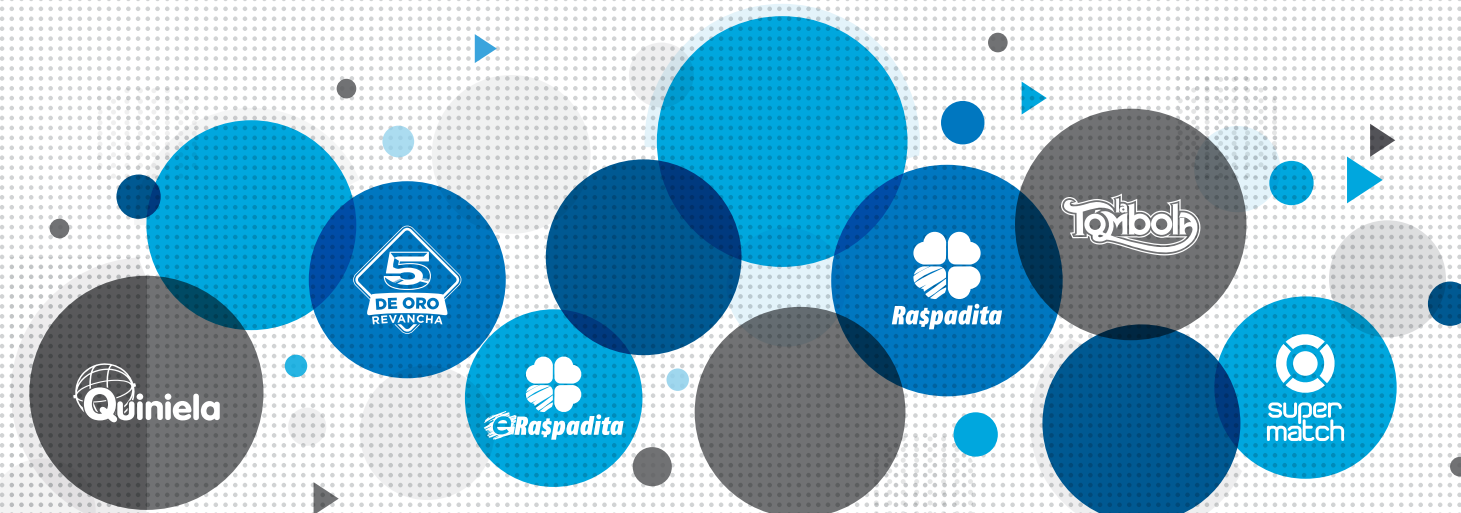
I'm pleased to submit our second Sustainability Report for the 2017-2018 period.

As our last Report (2014-2016) was the first one issued, we presented a historical account going back to the very beginnings of gambling in Uruguay, over 75 years ago, when we took on a leading role in the market. In doing so, we revisited our evolution in time and the consolidation of the Montevideo Lottery Board (La Banca) in the Uruguayan Society, offering games that are intrinsically linked to our national identity and that are widely recognized and acknowledged in the Uruguayan culture.

Nowadays, we still honor the unswerving commitment our company has taken on to sustain its position in society, strengthened by our values and the recognition of our stakeholders.

The service that we offer has certain special characteristics that set it apart from any other consumer service.

People choose their numbers based on rituals, their dreams, the dates of their relatives' birthdays, a hunch, they gamble for fun and the dream of winning one of the many hefty jackpots we have awarded. The need to distract themselves through gambling has been part of human nature ever since the beginning of times and it is also part of our culture. Our games provide entertainment and bring joy to the winners. We're fully aware that this activity might put a certain group of our population at risk. Gambling activities can lead a small group of people with certain psychological characteristics to develop problem gambling behaviors that will affect not only the person itself but also their immediate family. This is why we have adopted all the necessary measures to address this situation.



The business strategy established by La Banca's management takes into account the social impact of our operations and we have therefore undertaken a materiality analysis to identify and assess key information in terms of sustainability. Responsible Gaming measures are at the heart of all our endeavors. We have robust programs in place across all our operations, addressing game design, communication and collaborative work with gambling addiction treatment centers, among many other efforts that will be described in this report.

The purpose of our RG measures is to protect vulnerable groups from the negative effects and we also focus on problem gambling prevention by providing ample information to our clients and the general population.

Our leitmotif is to create long-term value through our operations in the society in our capacity as a private Gambling and Sports Betting operator.

Our activity is a great source of employment, not just for the direct employees at our headquarters but also for the vast retail network that operates as individual contractors, gathering over 2000 points of sale in Montevideo and almost 5000 in the rest of the country.

The tax revenues generated by our games, jackpots and operations are quite significant considering the size of our country and it is a great source of resources for the State to reinvest in society. This is why we advocate for legal gambling activities and we warn and raise awareness about the different forms of illegal gambling that harm our society. Illegal gambling harms consumers directly due to the way this activity is operated, because there are no controls in place or caution. It also affects the entire society indirectly as it causes significant loss to the State, as it operates in the so-called informal sector.

We followed the Global Reporting Initiative (GRI) standards for the preparation of this Report, just as we did in our previous report. Based on these guidelines, this report will focus on the material aspects of the organization.

These aspects are relevant to explain the economic, environmental and social impacts of the organization. These are aspects that influence the decisions of stakeholders. We will report our progress on these areas for the 2016-2018 period following these guidelines.

We have also embarked in a process that seeks to align our sustainability goals with the Sustainable Development Goals (SDGs). We began by identifying those goals that are more closely associated with our operations.

By perfecting and setting increasingly committed organizational goals we aim to attract and retain our stakeholders. We know that environmental and social issues are increasingly important in corporate assessments. Newer generations consider corporate social aspects to be a priority. La Banca has made great efforts in the past few years to analyze risks based on these aspects, measure impacts, report and take action to improve its performance in these areas.

We implement strict standards as a result of our stakeholders' expectations. Our Information Security Certifications (ISO 27001, WLA- SCS, and PCI -DSS), Quality Certifications (ISO 9001) and Responsible Gaming Certification (WLA Level 4) attest to this.

Another aspect we are addressing is accommodating the newer generations. Millennials already account for 17% of the payroll within our organization, but internationally they account for 35% of the workforce. They are challenging as they have different expectations about the companies they work for, different buying and investing habits. This is why we consider it a priority to constantly keep up to date with technology, innovation, research, game development and distribution channels.

We hope this report is an effective way to liaise with all of our stakeholders, through the different communication channels on which it will be available.

We'd like to share our Sustainability Report with you to introduce our sustainability goals, targets, performance and achievements, which are the result of the continuous improvement process we chose to embark in over a decade ago. It is also great motivation for us to keep working, evolving and upholding our leading position in the local and international markets.



Sra. Sandra Conde
General Manager

PROFILE OF THE REPORT

La Banca, the gaming operator with a longstanding history in Uruguay

As a gaming operator with a history of over 75 years, our mission is to make available a gaming and sports-betting offering that is both suitable and attractive for the Uruguayan market, and to do so in a safe and responsible manner.

Our activity entails developing, operating and promoting games that are entertaining and exciting as well as providing services to clients in a healthy environment.

Our gaming portfolio offers a wide range of products to accommodate the preferences of our clients, and they are available through the different in-person or remote retail channels, following the strict standards recommended in the most developed markets.

We are a private equity company owned by the Lottery Agents and, therefore, addressing their needs is of utmost importance and we are accountable for it.

We are committed to achieving a sustainable performance and establishing long-term relationships with our stakeholders. This is all supported by our well-established and robust brand image.

We will devote an entire chapter to reporting the activities of the Lottery Boards across the country, with which we share not only our corporate identity and games, but we also increasingly share the implementation of common practices to streamline the gambling operations nationwide.

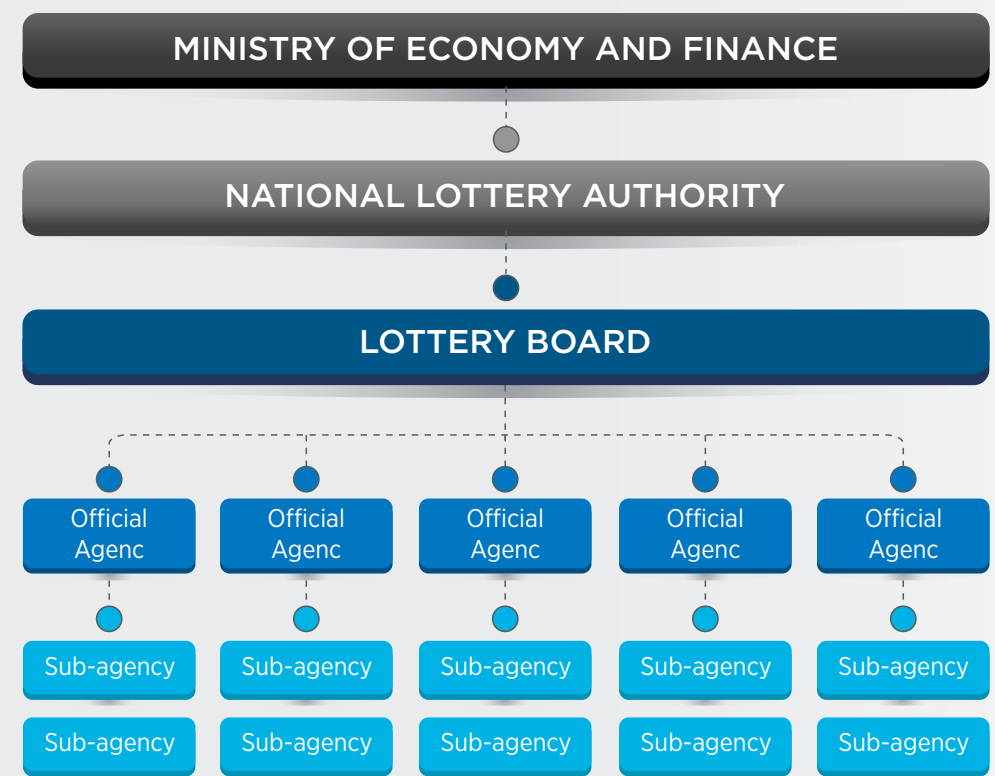
The operations of the Lottery Boards, considered as a whole, account for an important share of the country's economy, employing many people and making a substantial contribution to the State through tax revenues.

LEGAL FORM

The Lottery Boards (Bancas) are non-state, private legal entities created by Law N° 14.808 of 1978 and regulated by Decree 587/978.

They are composed of Official Lottery Agencies whose members are the Lottery Agents appointed and authorized by the State to operate such games and gaming activities.

Structure and government dependency:



Corporate Governance

The governing structure of the Montevideo Lottery Board is made up of an Executive Committee of eleven members, including the Chair, who is the highest authority and is appointed by the General Meeting every two years.

The Executive Board, comprising the Chair, Vice-Chair, Secretary and Treasurer, Deputy Secretary and Deputy Treasurer, is in charge of making the necessary decisions for regular business operations.

La Banca's organizational chart is as follows:

CHAIRPERSON:
Roberto Palermo Suárez

VICE - CHAIR:
Daniel Tirelli Ardoino

SECRETARY:
Silvia Malcuori Ebole

TREASURER:
Cr. Antonio Ollero González

DEPUTY-SECRETARY:
María Victoria Pollio Peña

DEPUTY- TREASURER:
Lic. Marcelo Ramis Caffiro

MEMBER
Miguel A. Monetti D'Orsi

MEMBER
Diego Gonda Arismendi

MEMBER
Gustavo Martino Donati

MEMBER
Martín Bustelo

MEMBER
Helena Rectorán

AG.10 REPRESENTATIVE
Carlos Paz

AG.10 REPRESENTATIVE
Cra. Lizet Stancati

AG.19 REPRESENTATIVE
Carlos Maiorano

AG.19 REPRESENTATIVE
Julio César Bava

SUPERVISORY COMMISSION

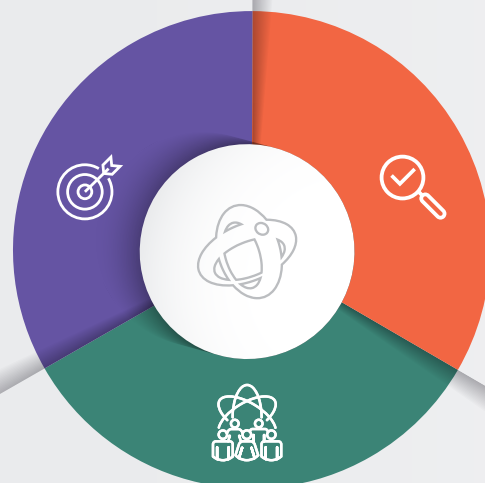
CHAIRPERSON
Dra. Alicia Marrero

MEMBER
Dra. Anahír Fazzino

MEMBER
Esc. Mª Paula Solé

MISSION

Our business is about fully meeting the demands of the sports betting and gambling market, creating added value for all stakeholders.



VISION

To be acknowledged by the community and the State for our longstanding leadership in sports betting and gambling operations.

We are customer-oriented and we seek to deliver a service that is high quality, comprehensive and responsible.

VALUES

The values that set us apart, that we protect and are appreciated by our stakeholders are:



ETHICS

Our performance is driven by strict individual and corporate integrity standards so as to earn the trust and respect of our stakeholders.



INNOVATION

We are pioneers in our region in game and service channel development. We generate value with creativity.



EXCELLENCE

We are customer-oriented and seek to achieve high-quality results.



CORPORATE SOCIAL RESPONSIBILITY

Our games are attractive and fun, but at the same time, they operate under a Responsible Gaming Framework, that aims to look after and prevent the negative impacts on the vulnerable groups in society.



SECURITY

We protect the security of the information at all times across the entire cycle of our operations to ensure transparency and accuracy.



TEAMWORK

We promote the development of our human resources' talents in an environment that is both goal oriented-oriented and also focuses on personal growth.

Good practices, everyone's commitment

Our strategy is to continue growing and sustaining our leading position through our credentials and responsibility in conducting business.

We have quality, information security and responsible gaming policies in place, which are adopted by all members of the organization.

These policies govern our activities and the certifications we have in each of these areas are proof of their implementation and every year both internal and external auditors certify compliance.

These auditors have highlighted the commitment and involvement of all members of the organization as a significant strength.

This is the result of the different awareness and training activities in which we invest so that all members of the organization are aligned under the policies defined by the company on issues that are considered pillars for the operational development: Security, Quality and Responsible Gaming.

Every employee who joins the organization has to undergo an Induction Course. We consider this course a priority, since it provides an introduction to the Montevideo Lottery Board—La Banca—and it illustrates the essential aspects to which every member of the organization must be aligned. These are the first impressions we want to transmit to new hires.

The objective of this course is for new staff to have a first approach with the Vision, Mission and Values of the Montevideo Lottery Board, the characteristics of the company and its business, its products, its quality and security policy and the policies and actions that are developed in terms of CSR and Responsible Gaming.

It is an in-person course, undertaken individually or in small groups during the first week of joining the organization, for a total of 8 hours of training distributed over 2 or 3 days.

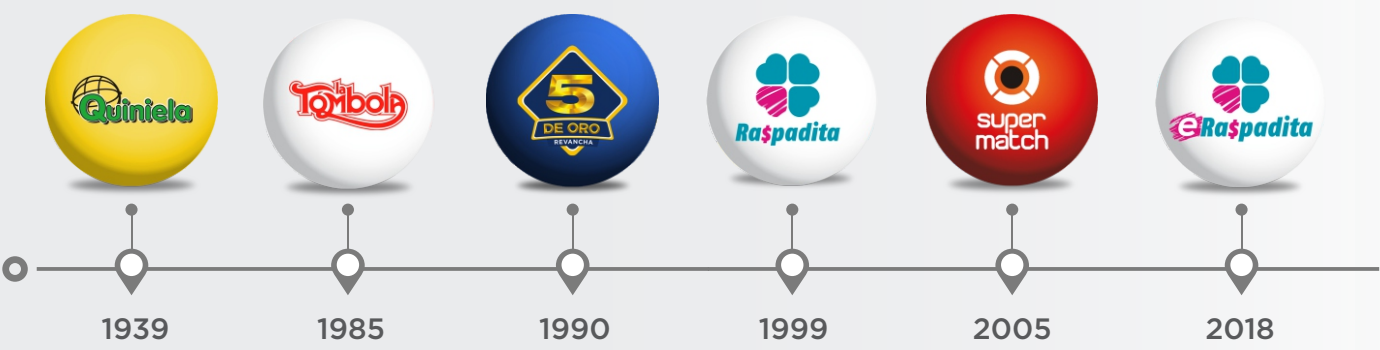
Employees are provided with a handbook containing all the information delivered in the course so they can reinforce these concepts and prepare for the subsequent evaluation. A test is undertaken a week after the induction to assess the knowledge acquired.

This is our second Sustainability Report and it covers the activities carried out in 2017 and 2018.

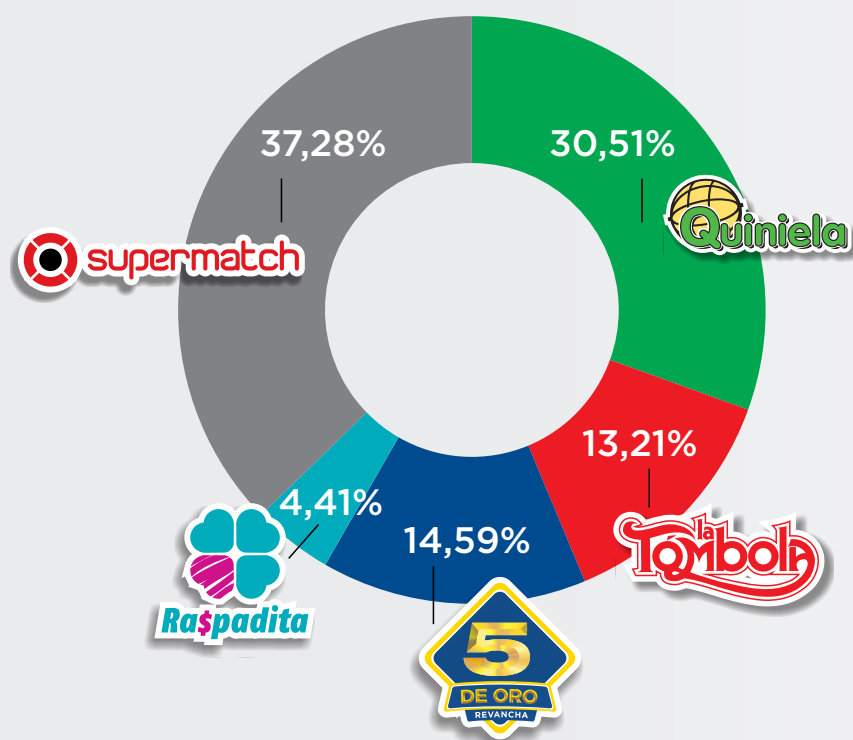
It contains consolidated information on the economic, social and environmental performance of the Montevideo Lottery Board. In terms of defining report content and quality it will focus on the following principles: materiality, Stakeholder Inclusiveness, accuracy, completeness, comparability, reliability and sustainability.

This report is prepared every two years and it follows the Global Reporting Initiative standards (GRI) in its "Core" option. This methodology was chosen because it is the most widely recognized and used internationally.

OUR GAMES



SALES STRUCTURE 2018



Two tables showing lottery results for Quiniela. The first table is for "Vespertina" (Monday 12/11/2018) and the second is for "Nocturna" (Monday 12/11/2018). Each table lists 20 winning numbers in two columns.

01. 123	06. 223	11. 512	16. 964
02. 186	07. 427	12. 852	17. 676
03. 689	08. 163	13. 292	18. 288
04. 451	09. 530	14. 966	19. 088
05. 832	10. 113	15. 566	20. 763

01. 939	06. 522	11. 312	16. 346
02. 513	07. 155	12. 992	17. 891
03. 341	08. 328	13. 502	18. 074
04. 840	09. 771	14. 665	19. 646
05. 369	10. 797	15. 964	20. 972



The Quiniela lottery game is the oldest and most popular game in Uruguay.

It is a classic game of numbers, where 20 numbers are drawn.

Players have to choose a number between “000” and “999” and a position between 1 and 20 for the number to be drawn in. Players can choose from the following modalities: 3 digits with an option for the last 2 figures, 3-digit option, 2-digit, 1-digit and a Combination.

Twenty winning numbers are drawn and the number the player has chosen has to be among those drawn. The modality with an option for the “last 2 figures” means that the last two figures can be found among the list of twenty 3-figure numbers drawn. The modality known as “Combination” or “Redoblona” means players have to choose two 2-digit numbers (between 00 and 99) and two positions, one for each number. For the first number, you may pick between position 1 to 20, and for the second between 5 to 20, but it can’t be lower than the one picked for the first number.

Draws take place from Monday to Friday twice a day: afternoon draws at 3 p.m., evening draws at 9 p.m., and Saturday nights at 9 p.m.

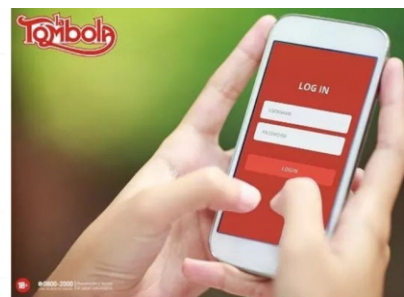
Vast information on how to play and win in the different modalities is available at the points of sale and the website.



Two tables showing lottery results for Tómbola. The first table is for "Vespertina" (Monday 12/12/2018) and the second is for "Nocturna" (Monday 12/12/2018). Each table lists 20 winning numbers in two columns.

01. 33	62	81
02. 38	66	88
12. 40	68	90
15. 41	73	92
24. 52	78	96

05. 23	62	79
11. 25	63	82
13. 26	64	93
18. 27	67	97
21. 42	71	98



The Tómbola game brought along the introduction of technology at the Montevideo Lottery Board.

This is a Keno game. You pick a set of 3, 4, 5, 6 and 7 2-digit numbers out of a universe of 100. There’s a prize scale depending on the type of combination or “Tómbola” and the number of winning numbers. The highest prize means all numbers in a 7-digit Tómbola were drawn and payout is 12.000 times the amount wagered.

The frequency of draws is the same as for Quiniela lottery games and the tens and units of the three-figure numbers drawn for this game are used as Tombola results. If any number is repeated, additional balls are drawn to put together the set of 20 different Tómbola numbers.



The game “5 de Oro” (Golden 5) was launched in September 1990 and it was the first jackpot game sold in Uruguay.

In mid-1998 it was decided to carry out two weekly draws (Wednesdays and Sundays) and implement the “Revancha” draw or “Rematch” draw. It consists of performing another draw right after the main “5 de Oro” draw, with the same total number of balls, out of which 5 will also be drawn.

As it is now, the “5 de Oro” game entails the selection of 5 numbers out of a universe of 48.

The National Lottery Authority (DNLQ) oversees and performs the draws. They are broadcast live on a national public TV channel (Channel 12) and there’s a Notary Public from the above-mentioned agency present on site.



Scratch Cards (*Raspaditas*) were launched in Uruguay in August 1999. They are sold through our network of points of sale.

We are constantly updating the scratch card offer that is made available in the market at different price levels.

We have been improving this game since its release based on the needs identified in the market in terms of design, prizes, and gameplay.

Today there are approximately 10 different games available in the market.

In December 2018 we introduced a new scratch card for the online channel called E-Scratch Cards.

This first version of the product has maintained the same look and characteristics of the physical scratch cards.



Supermatch is Uruguay’s Sports Betting Game.

This type of game combines chance with skill unlike the other games operated by La Banca.

The fixed-odd betting option was launched in April 2005, after researching the international markets and designing a product strategy.

With this step, La Banca became a pioneer in Latin America in offering this type of game. What is particularly special about this undertaking is that the company developed the technology and operating framework in-house, illustrating once again one of the long-standing principles of independence in the product offering and operations that the company has always adopted.

In the beginning, a weekly program with 60 football games was made available and player could place bets on the outcome of the game (1X2). All bets were placed in real time, through the gaming terminals installed in the network of retail Agents and Sub-agents.

In September 2005, the company started to venture into the Internet, developing a web platform for sports bets: www.Supermatch.com.uy. This new sales channel allowed customers to create a current account and manage their bets in a personalized manner.

Sports betting requires constant innovation and updates. La Banca has been developing this game with the main objective of creating value for its customers and has relied on the opportunities provided by technology, globalization and wide-spread availability.

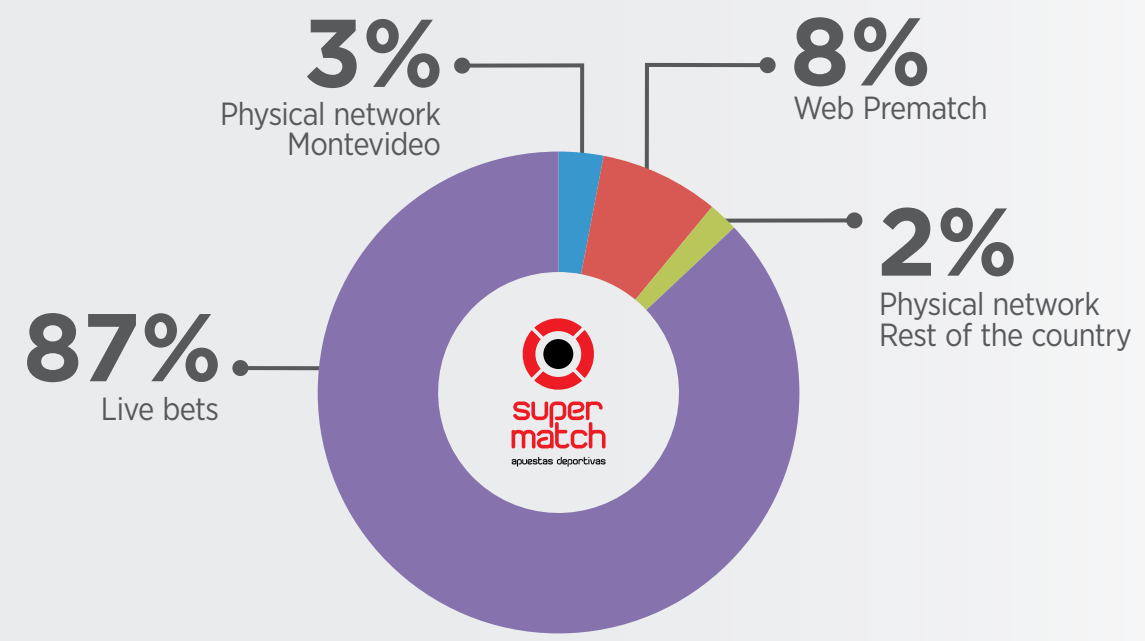
This evolution is illustrated by the number of sports, events, betting modalities and related services that have been incorporated in these 13 years that Supermatch has been in the market.

Two fundamental milestones took place around the end of 2013, and their impact is still present today. The first one was the launch of native applications for Android and IOS operating systems. This option was very well accepted by users thanks to the rise of smart devices, accessibility and a high Internet penetration in Uruguay. The second one was the incorporation of “Live Bets” to the online channel, that is, the possibility of betting on different circumstances of the match, such as the number of goals and cards, among others, while the events are being played. Since its launch, this modality has been the option preferred by the users.

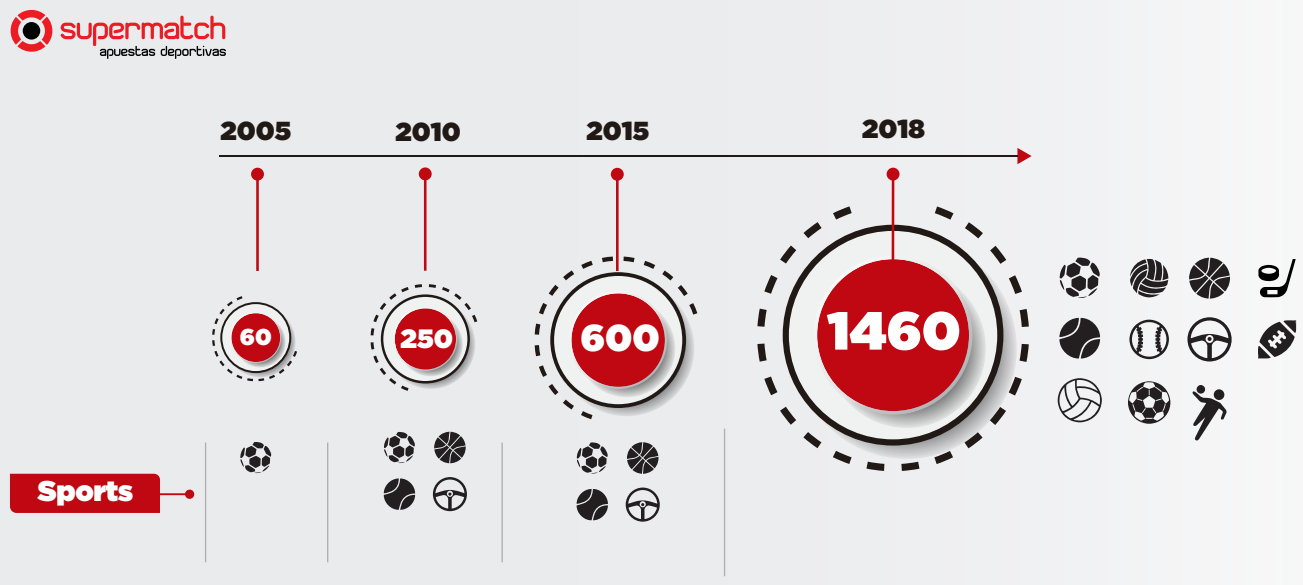
In the year 2016, in addition to improving the payout rates of the games, we began streaming the most outstanding sports events on our own website.

Some of the latest developments incorporated seek to offer a product that complies with the latest international trends, since we believe this is one of the best strategies to protect users from the illegal gaming offer. Thus, we incorporated: the Cash Out option, which allows users to cancel the wager before the actual event for a fixed payout, more sports, more streaming events and more gaming options combining live bets.

Gross sales per channel

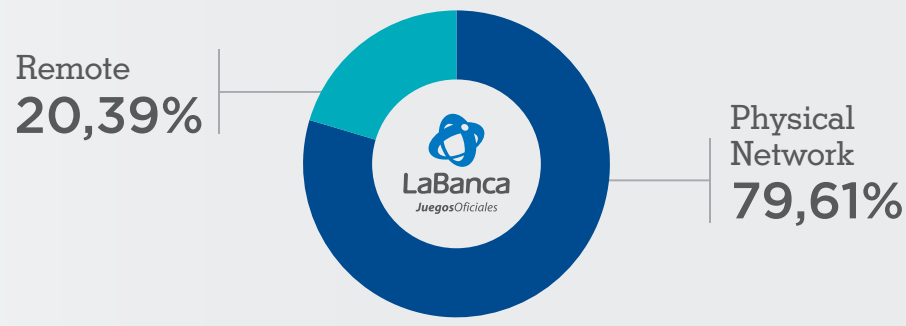


Events - sports available weekly

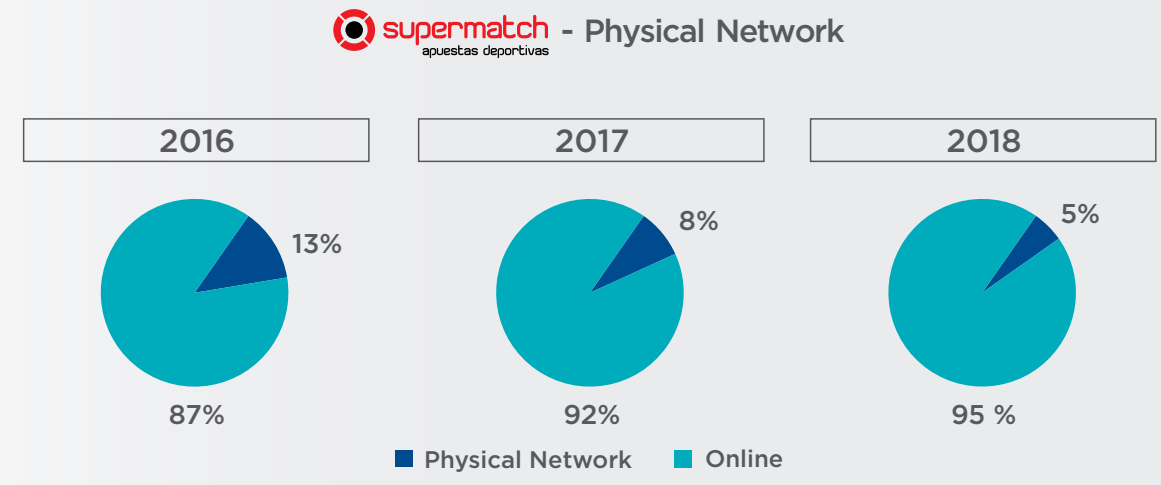
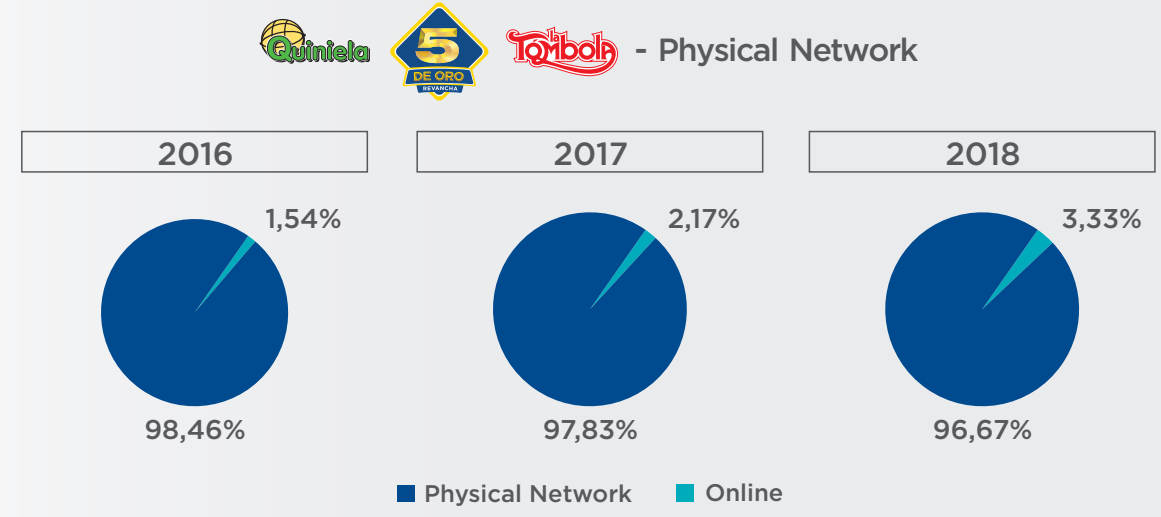


RETAIL CHANNELS

Sales of all games are distributed across the physical network and the remote gaming channels in the following way:



The share of the different channels is broken down as follows:



Retail Network

La Banca's retail network has stayed consistent with the years and it is mainly made up of 2,000 shops located across the city which are identified by La Banca Official Games corporate identity. In the rest of the country there are twice as many Subagents, for a total of 4,400 points of sale.

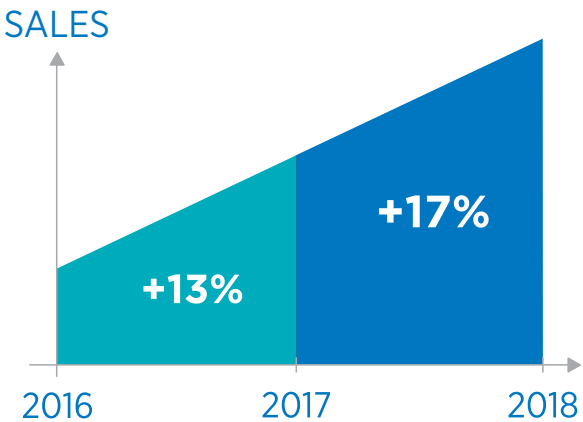
Remote channels

La Banca also operates its gaming offer online, on mobile apps, mobile phones and landlines. The online channel is constantly growing, and it increases its share in game sales every year; especially Supermatch sales. The LiveBet modality is only operated through this channel. In the 2017-2018 period LiveBet sales online increased by over 100%. Even though the share of traditional games played through this particular channel is very low (3.33%-2018), it is increasing every period.

Our websites are:
www.labanca.com.uy
www.supermatch.com.uy

ECONOMIC PERFORMANCE

La Banca's gross sales have seen a steady increase of 60% for the past 10 years in constant currency terms. During the 2016-2018 period they increased 32.53%. This growth can be explained by the significant growth of Supermatch sales, especially through the online channel.



La Banca and Supermatch's websites are managed by the Montevideo Lottery Board (La Banca) for the entire country. To date, we have almost 85,000 active web accounts.



Financial solvency indicators

The Lottery Boards are bound by Decree 290/997 to comply with the following solvency requirements:

- 1- To constitute a capital four times the average amount of the bets placed per draw during each semester.
- 2- To have at all times a minimum effective availability equivalent to 40% of its capital.
- 3- To constitute a guarantee in national public sector securities for the payment of the legal obligations of the Quiniela Lottery game amounting to 25% of the capital.

These requirements are fully complied with and they are audited by the National Lottery Authority (DNLQ) on a semi-annual basis through our report and on an annual basis by our external auditors.

With respect to the solvency ratios based on the December 2018 balance sheet, they are as follows:

- Current Assets account for 63.22% of total assets.
- The financial solvency indicator (current assets / current liabilities) for 2018 was 1.19.

Transactions processed

	2017	2018
Quiniela Tómbola	639 draws	640 draws
5 de Oro	102 draws	104 draws
Scratch cards	7,409,000 winning tickets	9,425,307 winning tickets
		198,426 winning e-Scratch cards (dec.2018)
Supermatch	7,460,098 wagers	10,894,840 wagers
	46,099 events through the year	75,948 events through the year

Financial responsibility

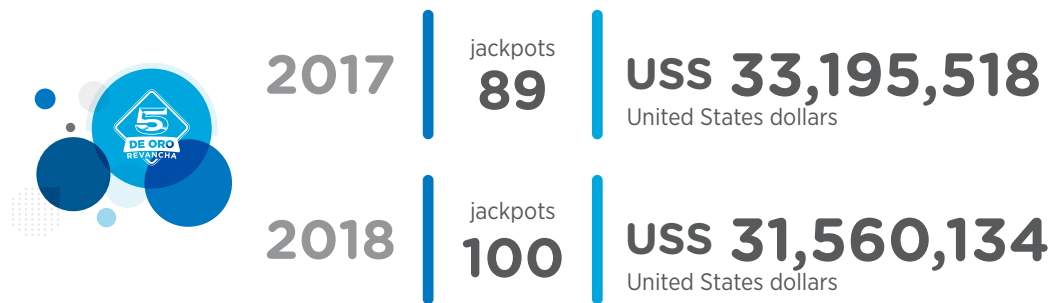
The activity of La Banca is a significant source of work for many families, since our extensive retail network is mostly made up of small independent outlets that sell a variety of products and services where gambling income has a relevant share. One of our main objectives has been to streamline synergies and efficiency to improve the income of the retail network by incorporating other related services that can be operated using the same equipment provided by La Banca such as, for example, topping up cell phones, paying for parking and Metropolitan Transport Service fees (STM).

Prizes

During the period, the Montevideo Lottery Board has awarded the following amounts in prizes:



Nationwide, the following amounts were awarded as 5 de Oro and Rematch (Revancha) jackpots:



Tax contribution

La Banca makes an indirect contribution to the community indirectly through the State by paying the taxes that apply to their activity. The Tax Contribution of the Uruguayan Lottery Boards in this last period has been the following (estimated in US dollars):



In both fiscal years the contribution accounted for approximately 17% of the amounts wagered. The contributions to the State are the following:

General Tax Directorate (DGI): VAT, IRAE, IRPF, IRNR and Wealth Tax

National Lottery Authority (DNLQ): Total amounts for unclaimed winnings, authorizations and 5% jackpot tax.

Social Security Bank (BPS): Employer contributions and social benefits on remunerations.

The game 5 de Oro is subject to a 5% Jackpot tax and the proceeds are in turn vested into the National Resource Fund (FNR). In 2017, this sum amounted to approximately USD 650.000 and in 2018 to USD 746.000.

Part of the **VAT corresponding to the game Supermatch** is allocated to the Uruguayan Soccer Association (AUF) and the Soccer Organization of the Provinces (OFI).

The rest of the taxes collected are turned over to the General Revenue.

Contribution to National Sports:

As we mentioned, part of the Supermatch VAT is allocated to the AUF and OFI to finance sports infrastructure for the training divisions of the clubs that are affiliated to those associations. The VAT amounts allocated to AUF and OFI during the period were close to (in US dollars):



Under the patronage structure established in the Sports Promotion and Development Law, La Banca has contributed to the Uruguayan Football Association for the construction of an indoor playing field at the Celeste Sports Center and it has also contributed towards the "Crear" project by investing in infrastructure at different sports clubs. This includes: building and enhancing playing fields, fitness and sports centers and different areas and service facilities such as changing rooms, etc.

Under this patronage structure the Montevideo Lottery Board has allocated USD 500,000 to the above mentioned projects.

We have also sponsored the following athletes: Santiago Urrutia, Emiliano Lasa and the Beach Handball National Team for a total of USD 50.000 every year.

Audit

KPMG audited the financial statements of the Montevideo Lottery Board, and they issued an opinion with no observations for both fiscal years.

Deloitte S.C. audits and endorses the reports submitted to the World Lottery Association covering the Responsible Gaming activities carried out.

STRATEGIC ALLIANCES

International Memberships

La Banca is a member of the international associations that bring together companies and official gaming organizations in order to keep up to date with the main trends and the highest management standards in the industry worldwide. As well as to actively participate in the dissemination of good practices at a regional level and in the protection of business ethics and integrity by protecting legal operations.

Its memberships include:



CIBELAE
(Iberoamerican Association
of State Lotteries)
www.cibela.com/



WLA
(World Lottery
Association)
www.world-lotteries.org/



GLMS
(Global Lottery
Monitoring System)

La Banca has an active and committed engagement with the aims of these international organizations taking part in their committees, work groups and participating in their events.

Currently, members of our organization are part of:

WLA - Responsible Gaming working group. Information Security Committee

GLMS - member of the Executive Committee.



WLA
RESPONSIBLE
GAMING
Committee

GLMS
Member of the
Global Monitoring
System Executive
Committee



WLA
Security and Risk
Management
Committee

National Memberships



As a member of this organization that promotes Corporate Social Responsibility in Uruguay, La Banca actively participates in its activities and working groups. Such activities include training, exchange of experiences, and promotion of good practices.

EXISTING CERTIFICATIONS

Our objective has been to achieve the certifications that accredit that our management systems are driven by excellence and taking into account the most relevant aspects in our operations: Information security, Quality and Responsible Gaming.

Information security

- 1) **ISO 27001 Standard 2016 version- British Standard Institution (BSI)**
This certification has been sustained without interruption since 2010. Compliance with this standard implies the recognition, evaluation and risk assessment of the organization's management processes. One of the main aspects that have been highlighted throughout the different auditing processes is the company's spirit of continuous improvement of our systems and procedures, which has been strengthened over time thanks to the commitment of all of our members.
- 2) **"WLA Security Control Standard: 2016" - British Standard Institution (BSI).**
La Banca has maintained this certification without interruption since 2012. This standard was specifically designed for lottery and gaming operations. To be certified under this standard it is a requirement to be ISO 27001 certified. Based on this standard, the WLA sets forth specific controls to address and manage the gaming operators' risks, processes and assets.
- 3) **PCI DSS Certification (Payment Card Industry Data Security Standard) version 3.2.**

This certification confirms compliance with the payment card industry data security standards. For the third year in a row we have complied with the requirements of this financial standard.



CERTIFIED
SECURITY CONTROL STANDARD
VALID UNTIL MAY 18, 2018



Corporate Social Responsibility:

- 4) **Responsible Gaming - WLA Level 4**
The Montevideo Lottery Board has been a pioneer in South and Central America and since 2015 have been certified by the WLA RG standard at the highest level.

As of 2019 we will apply for a certification at the same level with a wider scope, which will include the rest of the Lottery Boards across the country who have engaged through the years in the Responsible Gaming programs promoted by the Montevideo Lottery Board.



WORLD LOTTERY ASSOCIATION
CERTIFIED
WLA RESPONSIBLE GAMING
FRAMEWORK
LEVEL 4 / VALID UNTIL 2018

Quality:

- 5) **ISO 9001 - LSQA**
We have been certified under this quality standard since 2015 and it is applied to all processes. Especially with regards to its customer-centered approach and stakeholder engagement. Currently certified under the 2015 version of the standard.



MATERIALITY ANALYSIS

We’ve followed GRI guidelines to carry out the materiality analysis and determine the contents of the report:

Step 1: Identify the material aspects and boundaries considering the impact both within and outside the organization. We conducted both an internal and external assessment to define the material aspects, taking into account the opinions of our stakeholders through polls, research, interviews and meetings.

The analysis of the material aspects was made considering:

- 1) The company ´s Strategic Plan. Responsible Gaming is the cornerstone of the plan.
- 2) The responsible gaming standard of the World Lottery Association, for which we have achieved the highest level of certification.
- 3) The Stakeholder Engagement Program.
- 4) The assessment of the issues proposed by the GRI G4.

We reviewed the stakeholders map, mutual expectations, priorities and inclusiveness. We also asked their opinions in terms of the company’s responsibility. We have complied all the activities undertaken in terms of improvements, achievements and impacts of our operations with regards to the three sustainability categories: Financial, Social and Environmental aspects.

Step 2: Prioritize the relevant aspects identified. We analyzed the material aspects from La Banca’s standpoint and from that of each stakeholder concerned so as to prioritize the aspects identified in the previous step.

Step 3: Validation to make the final decisions in terms of contents. Senior management, represented by the Executive Committee and the Executive Board take the final decision and validation.

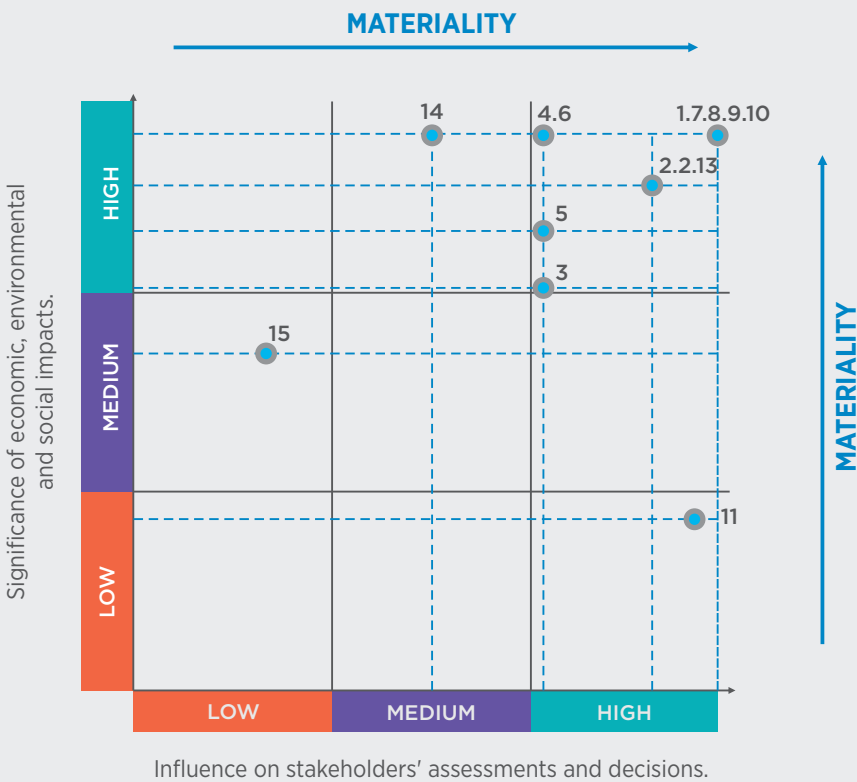
The CSR and RG Committee has complied with the 3 steps and senior management has validated it.

The Responsible Gaming Framework of the World Lottery Association (of which we are members), and the evaluations of its Certification Panel (we achieved the highest level of certification in 2015) have guided our work in defining the policies and programs we have been implementing, assessing and enhancing regarding all of the material aspects of stakeholder engagement around responsible gaming.

During the period covered by this report the Responsible Gaming programs have become more entrenched and are well established within the organization and they have spread nationwide thanks to the incorporation of these programs within the rest of the Lottery Boards across the country.

We also consider the UN Sustainable Development Goals as a priority in terms of materiality and how they align with the sustainable development goals of La Banca.

Prioritization of the material aspects



Stakeholders		Material Aspect	Assessment	La Banca Assessment
Clients	1	Juegos Attractive games.	5	5
	2	Accessibility (several retail channels).	5	4
	3	Associated services (Readiness to collect winnings).	4	5
Employees	4	Remuneration, benefits and collective bargaining.	4	5
	5	Professional development and training.	4	4
	6	Quality of working life (food, health, comfort, integration).	4	5
Agents (Partner)	7	Financial profitability and investment.	5	5
	8	Reputation and solid corporate image.	5	5
	9	Sustainability of the business.	5	5
DNLQ	10	Regulatory compliance.	5	5
	11	Game approvals.	5	2
Community	12	Juego Responsable.	5	4
	13	Prevent and refer cases of pathological gambling to treatment.	5	4
	14	Donations.	3	5
	15	Environmental conservation practices.	3	3

IDENTIFICATION OF MATERIAL ASPECTS

Stakeholders	Ref.	Material Aspect	Assessment BQM	Assessment GIE	Form of engagement	Management approach
Clients	1	Attractive games.	5	5	Satisfaction Surveys/ Claims management / Social media engagement.	The vast majority of our company's efforts are directed towards improving customer satisfaction, by providing games that are designed following the best international practices and quality service.
	2	Accessibility (several retail channels).	5	4		
	3	Responsible gaming.	5	4		
	4	Associated services (Readiness to collect winnings).	4	5		
Employees	5	Remuneration, benefits and collective bargaining agreements.	4	5	Personal Interviews/ Working environment survey/ Meetings with trade union/ Working group meetings/ Social gatherings/ Intranet/ Training.	Our people´s professional and personal development and the quality of their working life are important to us. We strive to sustain and strengthen our corporate culture which promotes service delivery based on values such as ethics and responsibility.
	6	Professional development and training.	4	4		
	7	Quality of working life (food, health, comfort, integration).	4	5		
Agents (Partners)	8	Financial profitability and investment.	5	5	Formal and informal meetings/ General meetings/ Circular and newsletter delivery system.	La Banca's senior management determines the strategies to put in place to run business operations, keeping sustainability as the main priority. To do so, we rely on technology development and we continue to work towards the renewal of our management standard certifications while complying with all the regulations in place.
	9	Reputation and solid corporate image.	5	5		
	10	Sustainability of the business.	5	5		
	11	Support to their administrative tasks.	4	4		
Retail Network	12	Sales commission.	4	5	Satisfaction Surveys/ Claims management/ Communication/ Training.	The retail network is the main sales channel for our traditional games and, therefore, it is our priority to establish a relationship of mutual commitment to the objectives of the business. The games' sales commission and the services offered through the terminals (top-ups) are a substantial part of their income.
	13	Attractive games and services.	5	5		
	14	Equipment.	4	4		
	15	Marketing and Advertising.	4	4		
	16	Support service.	4	4		
DNLQ	17	Regulatory compliance.	5	5	Formal communications with representatives. Audits and Inspections. Written communications.	Maintain a proper relationship with the regulatory body in the field complying with all the provisions concerned. We keep a proactive attitude requesting the approval of new games to be offered in the market which, in turn, results in a higher contribution to the State.
	18	Reputation.	5	3		
	19	Game approvals.	5	2		
Suppliers	20	Comply with the contracts agreed upon.	4	5	Contractual relationship/ Personal meetings/ Annual evaluation.	We fully comply with the obligations agreed upon and we require our strategic suppliers to comply with quality and safety standards.
	21	Quality and security standards.	5	4		
	22	Stability of service.	3	5		
Community	23	Responsible gaming.	5	4	Participation in local and international associations/ Collaboration with charities.	La Banca's management strategy is to run operations in a socially responsible way in keeping with the Responsible Gaming program in place which comprehensively covers all the operations and processes.
	24	Prevent and refer cases of pathological gambling.	5	4		
	25	Donations.	3	5		
	26	Environmental conservation practices.	3	4		
Pathological gambling treatment center	27	Sustain a collaborative relationship.	4	4	Interviews/ Regular meetings/ Exchange of research information/ Training.	La Banca has specific program for Pathological Gambling Treatment Center engagement within the broader Responsible Gaming program.
	28	Addiction treatment.	4	5		
Other Lottery Boards (Rest of the country)	29	Support to gaming operations.	4	3	Participation in Banquidur GIE (Economic Interest Group of all the national lottery boards)/ Meetings/ Training Committee work/ General meetings.	La Banca attempts to integrate all the Lottery Boards in the country by running operations according to best practices.
	30	Streamlined operations.	5	2		



02

OUR STAKEHOLDERS

The objectives in relation to our stakeholders are to build and strengthen relationships of trust, to exchange knowledge and relevant information as well as to identify new opportunities for cooperation to create value.

We aspire to maintain an open, proactive and committed dialogue, to develop effective and meaningful relationships.

La Banca incorporates the principles of inclusion, relevance and responsiveness associated to stakeholders into policies and processes, and they are also reflected in our mission, vision and main policies.

In the period since the last report we have worked on establishing effective programs with our stakeholders to inform and raise awareness around the principles of Responsible Gambling for all aspects of the business.

As a result of the programs implemented, a general evaluation shows that the growing involvement of stakeholders has been a driving force for the development of the Responsible Gaming framework at La Banca, and these principles have taken on a relevant position at the company.

An example of this is the interest shown by all the Lottery Boards in the country, who have finally joined the Responsible Gaming plans and programs to support the Montevideo Lottery Board's work and commitment towards the WLA certification.

Stakeholder map:



Stakeholder engagement is undertaken through the different programs depending on their degree of engagement and the level of commitment.

These include: Surveys, training courses, workshops, meetings, interviews, events, general meetings, negotiations, information exchange, assessments, and joint projects.

In order to develop our stakeholder programs and in an attempt to develop quality commitments, La Banca has followed the AA1000 standard framework on Stakeholder Engagement and the ISO 9001 standard under which we are certified.



Clients

Our clients account for approximately 70% of the people over the age of 18.

We are committed to offering quality service, attractive and safe games, minimizing the risks of problem gambling.

We get in touch with clients to promote our products and provide comprehensive information.

In 2018, independent consultants carried out a client satisfaction survey to assess the degree of approval of our services. We also included question about La Banca's image. We asked aspects concerning:

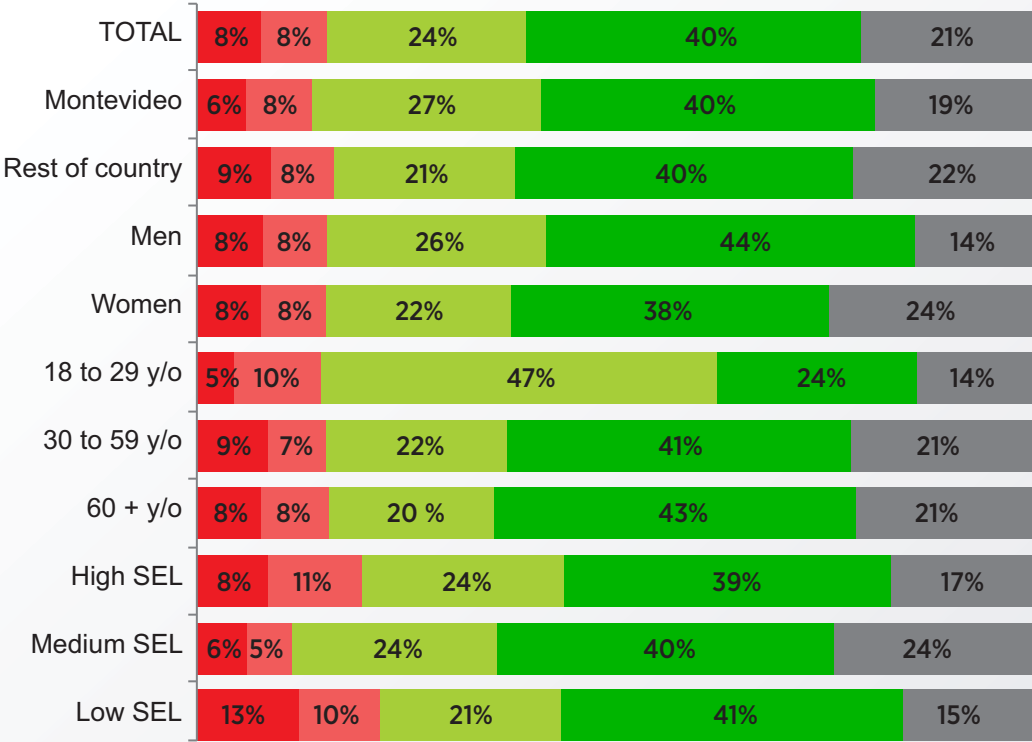
- Reliability
- Soundness
- Good image

The following charts show the survey results:



64% fully or somewhat agrees that La Banca is a reliable company

How much do you agree or disagree with the following sentences?
- La Banca is a reliable company, it keeps its promises.
(Baseline: 800 La Banca customers)

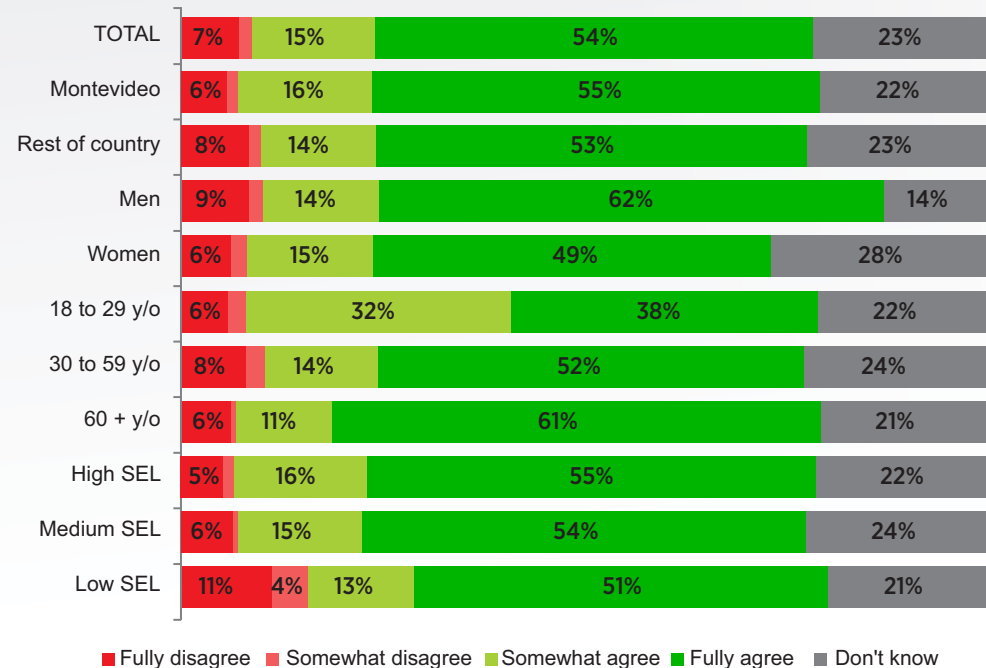


■ Fully disagree ■ Somewhat disagree ■ Somewhat agree ■ Fully agree ■ Don't know



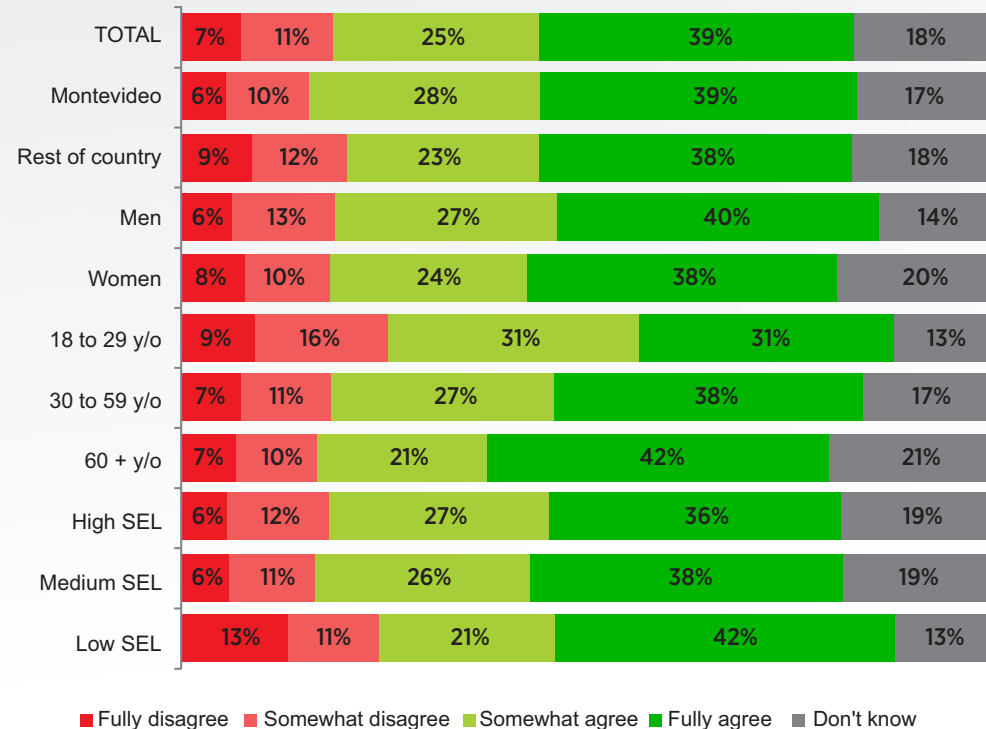
69% fully or somewhat agrees that La Banca is a sound company

How much do you agree or disagree with the following sentences?
- La Banca is a sound company, it has the funds to pay for winning tickets.
(Baseline: 800 La Banca customers)



64% fully or somewhat agrees that La Banca enjoys a good image in the market

How much do you agree or disagree with the following sentences?
- La Banca enjoys a good image in the market.
(Baseline: 800 La Banca customers)



La Banca considers these results are extremely positive and will continue working on its client programs, setting increasingly demanding targets so as to achieve even better indicators.



Employees

The annual training plans reinforce the policies that are part of our corporate culture and communicate the objectives defined by senior management.

We have promoted the Intranet as a means to communicate with our employees.

We want to host participative activities with employees so that they become more involved with the company's objectives.

In 2018, we conducted the Working Environment Survey for the second time. The results have been very valuable and have shown us that La Banca is considered a very good place to work.



Agents

The Agents are the partners of the organization and some of them hold management positions, making up the Board of Directors and other senior positions.

The commitment of the Agents to the sustainability strategies of La Banca is very important.

They receive information on these topics from the La Banca's senior management throughout different corporate processes and by participating in the Symposiums and events that are held.



Retail Network

La Banca has a large retail network that is made up of smaller outlets selling different products and services, street kiosks and also outlets for the payment of utilities and other services.

The relationship with the salesforce is formalized through the authorization granted to them by the National Lottery Authority (DNLQ) to market the games and through the contractual relationship with La Banca, but they are not under a direct employment contract.

During the 2015-2017 period, the Montevideo Lottery Board carried out an anonymous satisfaction survey among the members of the Retail Network to address important aspects of the relationship with its salesforce. In summary, we highlight the following results:

Total degree of general satisfaction with La Banca's services: **67.51%**

Reliability of the service provided by La Banca: **76%**

Understands needs: **59.09%**

The results have been satisfactory but we still plan to implement other ways of engaging with this particularly relevant stakeholder, to learn about their interests and be able to integrate them more effectively into our programs.



Pathological gambling treatment centers:

La Banca makes available information about pathological and problem gambling treatment and support centers because we consider that by having a relationship with these centers we can help in the prevention and treatment of gambling problems.

La Banca has been a pioneer in our country in organizing events addressing gambling-related problems.



Other lottery boards

All the Lottery Boards in the country come together under Banquidur GIE, which is an Economic Interest Group that facilitates the implementation of common actions inherent to the business and is a hub for the exchange of information and the dissemination of good practices. Through its participation in Banquidur GIE, the Montevideo Lottery Board has engaged and raised awareness among the other Lottery Boards in Uruguay about the issue of Responsible Gaming.

As proposed and explained in the previous report, the Montevideo Lottery Board has, since the beginning, led and promoted within Banquidur GIE different initiatives for all Lottery Boards in the country to adopt the Responsible Gaming principles. In fact, Banquidur GIE has helped and provided support in the organization of several events and in different research initiatives.

We aspire to continue developing joint efforts to strengthen the Responsible Gaming Programs for good practices to achieve a wider national reach so the vast majority of the Uruguayan population can benefit from them.



National Lottery Authority (DNLQ) - State

La Banca will continue to report illegal gambling operations and will continue to advocate for the importance of fighting it.

La Banca keeps up to date and informed about the risks of gambling and provides information and insight to the authorities so that the regulations governing this field are in line with the Responsible Gambling principles and all the important issues considered at the global level within this sector of activity. For example, by sharing the information obtained from the investigations it carries out.



Vendors

The relationship of La Banca with its suppliers is governed by its policies and procedures defined in its Management System in compliance with the ISO 9001 Quality Standard and information security standards. Its objective is to adequately manage its resources through a continuous improvement process and building long-term relationships with the suppliers.



International Gaming Associations

We actively participate in international gaming organizations.

We attend international Seminars and Congresses as a way to exchange experiences and best practices and to keep up to date on all the trends within the field. We also take part in the working groups and presentations held in the events organized by these associations.

As La Banca is a leading organization in the region, thanks to the certifications achieved at international and local level, we help other operators with our experience so that they can follow the same path in adopting good practices.

La Banca has established a strong relationship with the international associations-WLA and GLMS. This commitment has been fruitful and this is made clear by the certifications we have achieved and by the participation of our collaborators in committees and working groups on Information Security, Responsible Gaming and the formal and ethical aspects of Sports Betting.



Community

La Banca engages with the community through programs to disseminate information on Responsible Gaming.

Through the population survey we were able to confirm the effectiveness of these initiatives as we observed a high top-of-mind score and positive evaluation of the messages.

RESPONSIBLE GAMING

03



La Banca considers Responsible Gaming to be a strategic priority. It is an essential topic for decision making within the organization and over time, it has become one of the pillars of the business. It is key for the sustainability of the activity and therefore all the members are committed to it.

Each of the steps taken to adopt the WLA Responsible Gaming Framework, in which we have been working since 2010, implied important efforts, not just in terms of the design and implementation of the Responsible Gaming programs within the organization but also in terms of the cultural change that it brought along in the society, as for the first time in our country, the problems related to the game were raised in a clear and explicit way.

The standard framework used for the Responsible Gaming programs entails the following chapters:

World Lottery Association Responsible Gaming Items

1

Research

Support, carry out, take part in and disseminate RG research.

2

Employees

Ensure and support the effective implementation of RG principles by all employees.

3

Retail network

Ensure and support the effective implementation of RG principles by all vendors.

4

Game Design

Apply RG evidence-based considerations in the design and introduction of new games.

5

Remote Gaming channels

Make sure that remote gaming platforms have the necessary safeguards in place to protect players.

6

Advertising and Marketing Communications

Implementation of policies and programs that ensure continuous improvement in responsible marketing, communication and the implementation of regulatory codes.

7

Player education

Make available, integrate and disseminate information on RG good practices and treatment centers.

8

Treatment referral

To offer customers with current or potential gambling addiction problems support, guidance or referral to specialized services.

9

Stakeholder Commitment

Identify, understand and integrate stakeholders' interests into key business decisions related to responsible gaming.

10

Reporting and assessment

Evaluate and submit reports to stakeholders covering the measures, commitments and progress made in terms of RG.

CSR AND RESPONSIBLE GAMING COMMISSION

This commission is made up of The Montevideo Lottery Board members, CSR consultants and, since 2017, a representative of the rest of the Lottery Boards in the country.



RESPONSABILITIES:

- Manage the Responsible Gaming strategy for all the Lottery Boards certified under the WLA.
- Draft a General CSR and RG Plan based on the WLA Framework for the entire country.
- Get an estimate for the preparation of the plan and submit it to the authorities for approval.
- Implement the CSR and RG-specific programs.
- Coordinate the implementation of and compliance with the Responsible Gaming programs.
- Coordinate actions with the CSR and RG Commission and Banquidur in the rest of the country.
- Monitor and supervise the implementation of the RG programs across all the certified Lottery Boards.
- Evaluate the results and introduce improvements to the programs.
- Keep up to date with the good practices at international level.
- Report the CSR and RG efforts undertaken to stakeholders.
- Maintain the WLA certification.

RESPONSIBLE GAMING FRAMEWORK

1. Research

The objective of this chapter is to gather information about the Uruguayan and international markets to provide greater knowledge and understanding for decision-making purposes for La Banca and the stakeholders on subject matters relating to gambling and Responsible Gaming.

During this period we carried out, for the second time in Uruguay, a survey on the prevalence of pathological gambling and gambling disorders.

La Banca commissioned Grupo Radar, a consulting firm, to carry out the research. It consisted of a telephone sample of 803 cases and a self-administered online survey of 7,119 cases. The sample is representative of the population over 18 years of age at the national level.

This second study was carried out taking into account new methodologies and applying the findings from the analysis of the first results surveyed in 2015 and the opinions of international experts.

This time we used two different questionnaires:

The **"Problem Gambling Severity Index"** (PGSI), with 9 variables used in the United Kingdom.

And the NODS, with 17 variables, used in Spain.

Interviewees were administered both questionnaires, randomly, so half of the sample completed the NODS first and the other half of the sample completed the PGSI first.

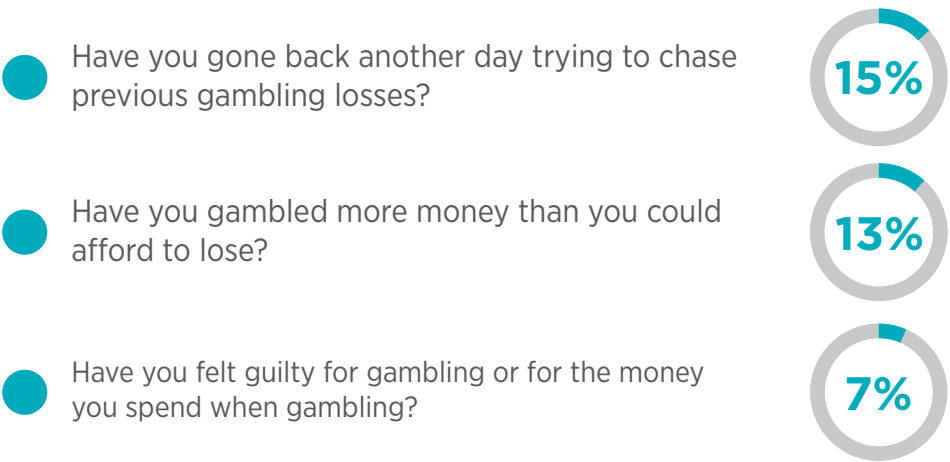
The sample was defined per department and area, in addition to gender and three age ranges. We also identified which games the survey participants play so as to be able to link problem and pathological gambling prevalence to the different types of games.

The following chart shows a comparison of the surveys carried out:

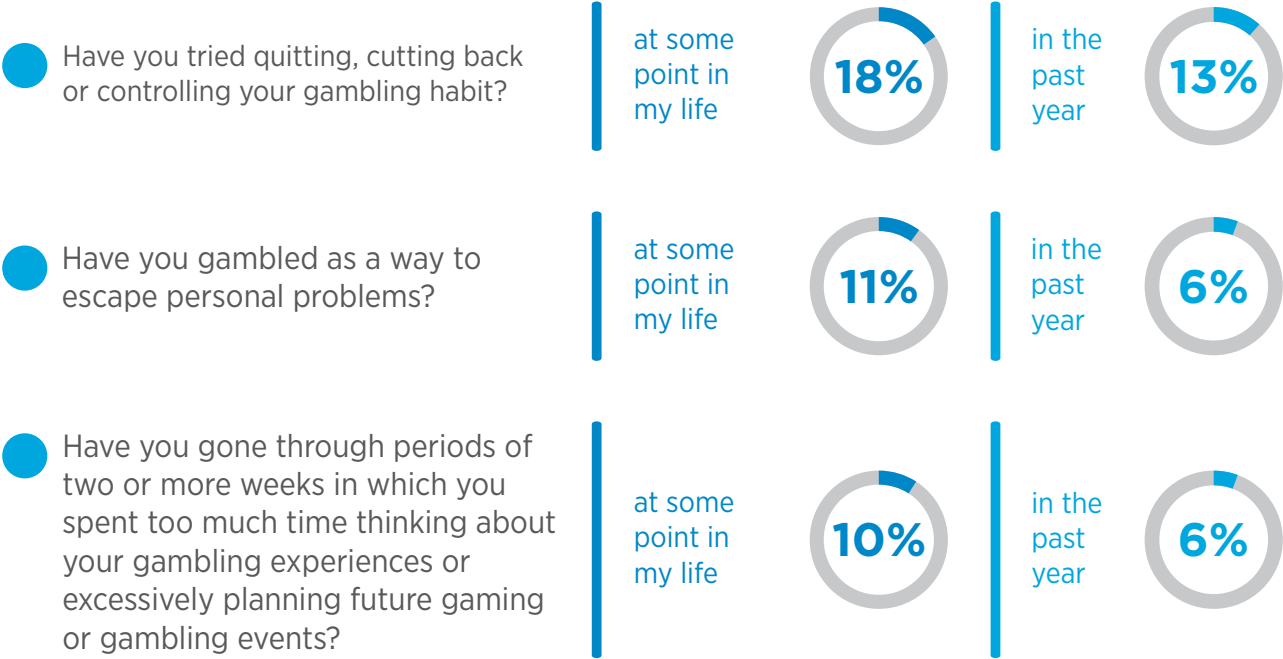
YEAR	QUESTIONNAIRE	METHOD	SAMPLE	% PATHOLOGICAL GAMBLING	% PROBLEM GAMBLING
2014	SOGS	IN PERSON	1,500	1.10%	0.90%
		ONLINE	3,114		
2018	PGSI last year	PHONE	803	0.00%	2.90%
	NODS last year			0.10%	0.70%
	NODS lifetime			0.40%	1.90%
	PGSI last year	ONLINE	7,119	1.60%	5.60%
	NODS last year			1.00%	1.50%
	NODS lifetime			2.00%	3.00%

The answers with the most affirmative answers in the questionnaires were:

PGSI:



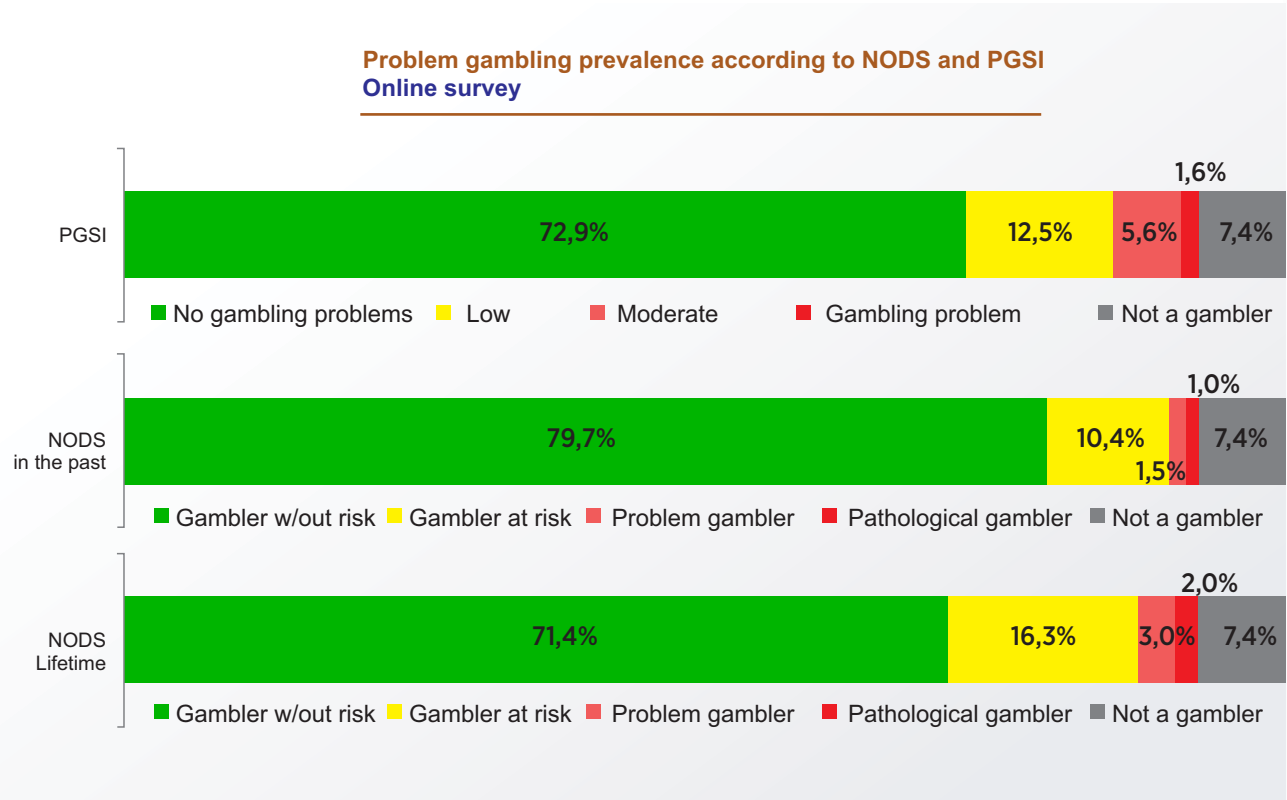
NODS:



From the research and the assessment of the results, we were able to conclude that the games with the highest incidence in people with pathological or problem gambling are:

- Online games offered from abroad and slot machines in neighborhood shops. Both options have no legal or regulatory framework in our country.
- The main profile in people with gambling problems is: male, from 18 to 29 years old and with a low socioeconomic level
- The Departments of Artigas, Maldonado and Rivera stand out as those with the highest rates of pathological gambling in the country.

The following is a graph of some of the data collected in the research carried out in 2018:

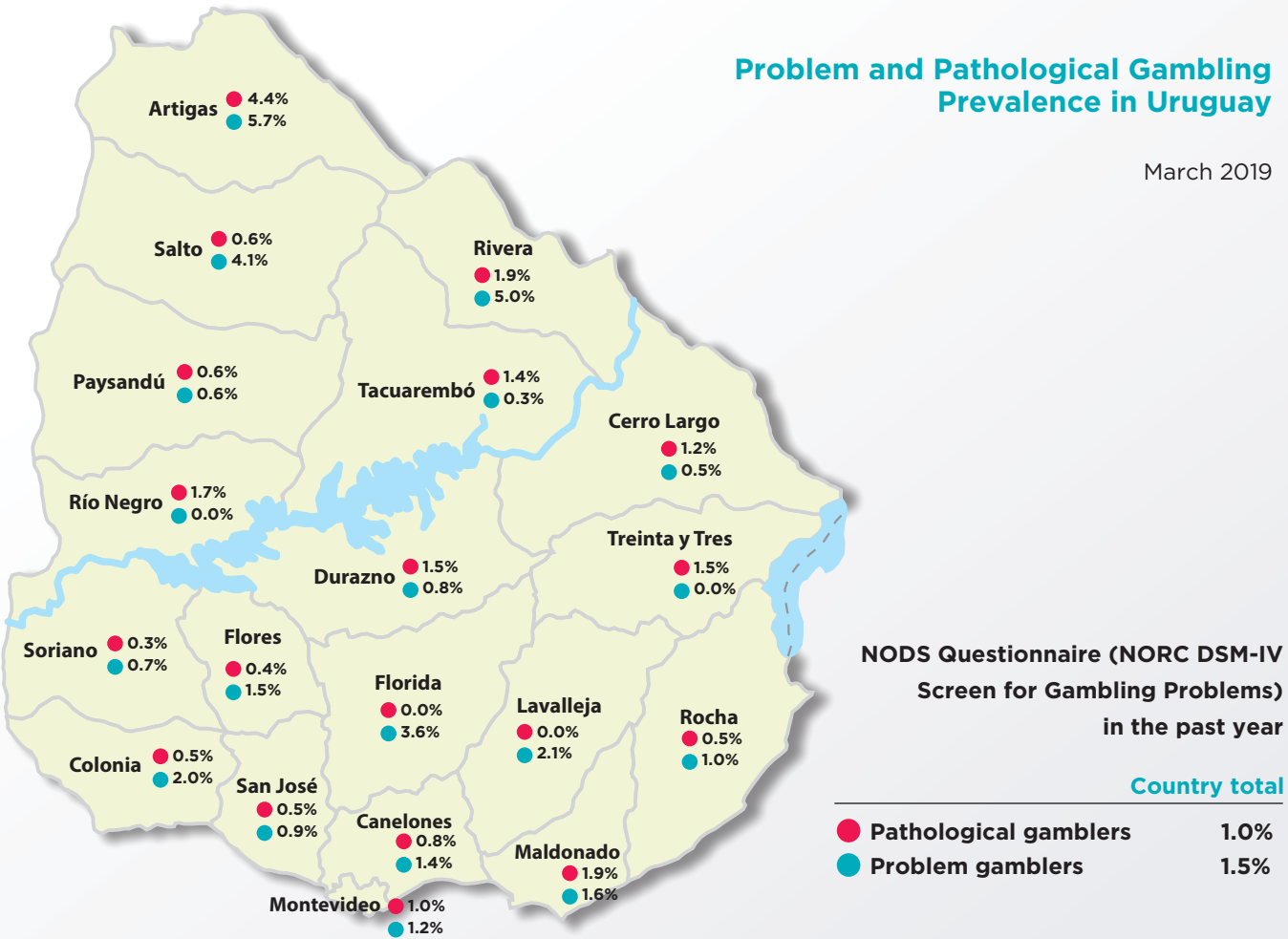


Problem gambling prevalence according to PGSI and Games played

	No gambling problems	Low	Moderate	Gambling problems	Not a gambler
Total	72.9%	12.5%	5.6%	1.6%	7.4%
Quiniela	76.7%	14.5%	6.8%	2.0%	0.0%
5 de Oro	78.2%	13.9%	6.2%	1.7%	0.0%
Tómbola	74.8%	15.8%	7.3%	2.1%	0.0%
National Lottery	78.2%	13.4%	6.3%	2.0%	0.0%
Scratch cards	73.3%	16.6%	7.9%	2.3%	0.0%
Supermatch	59.9%	23.3%	12.0%	4.8%	0.0%
Sports betting coming from abroad	63.2%	15.8%	15.7%	5.2%	0.0%
Card games at a casino	65.5%	17.4%	13.0%	4.1%	0.0%
Slots at a casino	71.6%	16.4%	9.1%	2.8%	0.0%
Slots at neighborhood shops	62.1%	19.7%	13.5%	4.7%	0.0%
Online games from abroad	61.2%	19.6%	13.8%	5.5%	0.0%
Roulette at a casino	74.2%	14.7%	8.2%	2.8%	0.0%
Cards	76.2%	14.5%	7.0%	2.4%	0.0%
Horse racing	74.5%	17.1%	8.8%	2.5%	0.0%

Problem and Pathological Gambling Prevalence in Uruguay

March 2019



2. Staff training

La Banca has duly defined each of the profiles required for every position in the organization. Such profile definition sets forth the requirements to be fulfilled by employees depending on their position and responsibilities. Responsible Gaming elements are among these requirements.

There are also Staff Rules that generally cover compliance with all established policies, programs, manuals and procedures.

The Training Plan is prepared every year. The plan involves a general annual course for all staff members and targeted training initiatives addressed to certain departments, employees or groups of people depending on their specific needs.

The following training courses are set forth:

- a) Induction course for new staff
- b) General annual training for all staff members

a) Induction course for new staff

The objective of this course is for new staff to have a first approach with the Vision, Mission and Values of the Montevideo Lottery Board, its quality and security policy and the policies and actions that are developed in terms of CSR and Responsible Gaming.

This course targets all new employees who are joining the company.

It is an in-person course, undertaken individually or in small groups during the first week of joining the organization, for a total of 8 hours of training distributed over 2 or 3 days.

Employees are provided with a handbook containing all the information delivered in the course so they can reinforce these concepts and prepare for the subsequent evaluation.

A test is undertaken a week after the induction to assess the knowledge acquired. The induction course covers the following topics:

- Introduction of the company.
- Procedures and activities based on the job description
- In-house staff rules
- General policies of the Management System, processes and specific instructions.
- Policies, procedures and existing controls whether generic or related to information security.
- Information security incidents and events report (including product non-compliance).
- **Responsible gaming at La Banca: Corporate Social Responsibility Policy and Responsible Gaming Programs.**

This program is reviewed every year and updated every time it is reviewed or whenever an important change, improvement or specific programs requires so. The questions that are part of the assessment are also updated at the same.

b) General annual training for all staff members

This training course covers all core elements La Banca wishes to share with staff members for the fulfillment of their goals.

This event is developed and organized at senior management level.

It is mandatory to cover the following topics: Responsible Gaming, Information security, Quality and other strategic topics within the organization.

Other topics included are: Quality of life of employees, Communications, Corporate Social Responsibility, Motivation, etc.

The objective of these workshops is to raise awareness and get all employees to commit to La Banca's main objectives and we consider it an opportunity to build our corporate culture.



3. Retail Network

Salespeople are in direct contact with our customers so it is very important that they understand and are committed to applying the RG programs carried out by La Banca.

Our objectives in terms of Responsible Gaming with the Sales Network is for all members to be aware, to be informed and committed to the Responsible Gaming programs required by La Banca and that they implement such measures in their day-to-day operations.

Responsible Gaming training is mandatory for all salespeople.

Our salespeople undergo training so they'll be able to:

- 1- Refuse selling to minors.
- 2- Assist a customer who is seeking to get help due to gambling problems.
- 3- Assist a family member, friend or person who is close to a problem gambler and is seeking to find help for them.
- 4- Recognize symptoms of problem gambling and offer help.

Responsible Gaming training program.

Induction

The Induction Program is mandatory and it must be completed prior to being granted the authorization to have gaming terminals. It is an in-person course, carried out in the Training Room at the La Banca's headquarters.

These courses address all the key issues for the proper functioning of the point of sale. They include information on the games to be sold, on customer service, legal aspects, on the use of the terminals, on information security and on Responsible Gaming.

At the end of the course participants receive a manual containing all the information delivered for further study and to be kept as future reference material.

After finishing the course and as a requirement to be granted the authorization to operate, participants must take an exam where we evaluate the knowledge acquired.

In order to pass the exam, a minimum score of 90% is required. If they do not pass, they will have to take the courses again.

Targeted training

This program consists of specific activities such as training and informative meetings and also visits to the points of sale.

These activities are carried out regularly and the training involved is on prevention of underage gambling and referral to treatment.

In-person training for the sales network in August 2017 - the entire sales network was invited to this event where we provided information on different aspects of the activity and we included a Chapter on Responsible Gaming.


4. Game design

Games in our country are State property. The Lottery Boards are authorized to manage lottery-type games and gambling, sports bets and online games, under a strict control imposed by the regulatory agency.

The commitment assumed by La Banca is to respond to the demand for games in the Uruguayan market in an adequate manner with quality products, strictly complying with the existing regulations and with the Responsible Gaming principles.

The design of the games rigorously follows a procedure evaluated under the ISO 9001, LSQA, and Quality Austria quality standard.

Our customer-centric service takes into account the needs identified in the market to design attractive games that strictly follow the Responsible Gaming principles.



As part of the game design procedure we use GAMGARD software (Gaming Assessment Measure - Guidance about Responsible Design) a testing tool to identify how risky the game is for vulnerable players.

All the games of La Banca are tested with this software. It performs an evaluation of the different risk variables of a game based on some of its main features, for example:

- Frequency of draws or events
- Number of plays and prizes per bet
- Amount of the fixed and variable prizes
- Payout percentage
- Size of the jackpots
- Continuity of the game
- Accessibility to play
- Payment options









By providing the scores for each variable to be analyzed this software shows risk weightings for each game and this, in turn, are classified according to the following scale:

Very low	Low	Medium	High	Very high
20 or under	21-40	41-60	61-80	81-100

It was decided not to pursue games which despite the responsible gaming measures show a high risk, scored in red. If the Gamgard test shows a high level of risk, the design process indicates that the scope will have to be reviewed to either disregard or modify the game or apply Responsible Gaming measures to mitigate the risk.

The process goes on if warnings are green or yellow. If the warning about the potential risk is high or very high (orange/red) we apply measures to mitigate the risk and reduce the score.

The chart below shows a summary of the test scores:

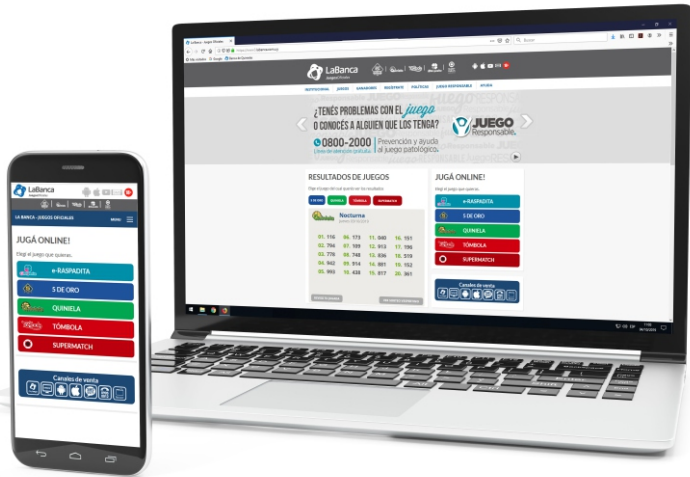
	Basic score without RG	Final score with RG measures
	37	28
	35	26
	33	24
	49	49
	70	56
	53	41
	63	54
	69	60

5. Remote Gaming Channels

La Banca is the only operator authorized in Uruguay to sell games online (Law No.17, 453, art. 19 of February 2002).

Our goal is to offer games based on the needs of our clients and this is why we consider the development of the online gaming channel to be extremely important. This sales channel has unique characteristics and it demands the implementation of certain measures to make sure operations are conducted in a responsible manner.

These measures seek to prevent and reduce the unwanted effects of pathological gambling and also to inform about how to play for recreational purposes, taking care of vulnerable groups and preventing underage gambling. Given the significant growth this gaming channel has shown during the period (past three years), we have implemented important Responsible Gaming Programs enhancing the self-regulating tools for gambling, making available pop-up warnings and introducing more controls and mandatory thresholds.



Identity and age verification

Only people who have a valid Uruguayan identity card over the age of 18 can access our sites to gamble.

We consider it to be extremely important to make sure minors cannot access our websites to gamble, this is why we implement all the necessary measures to achieve this purpose.

The controls imposed are linked to the service provided by the State through the National Civil Identification Office (DNIC) with whom we have an online service agreement.

La Banca has designed and developed its own software solutions for the design of self-regulation and self-exclusion tools in its online gaming sites.

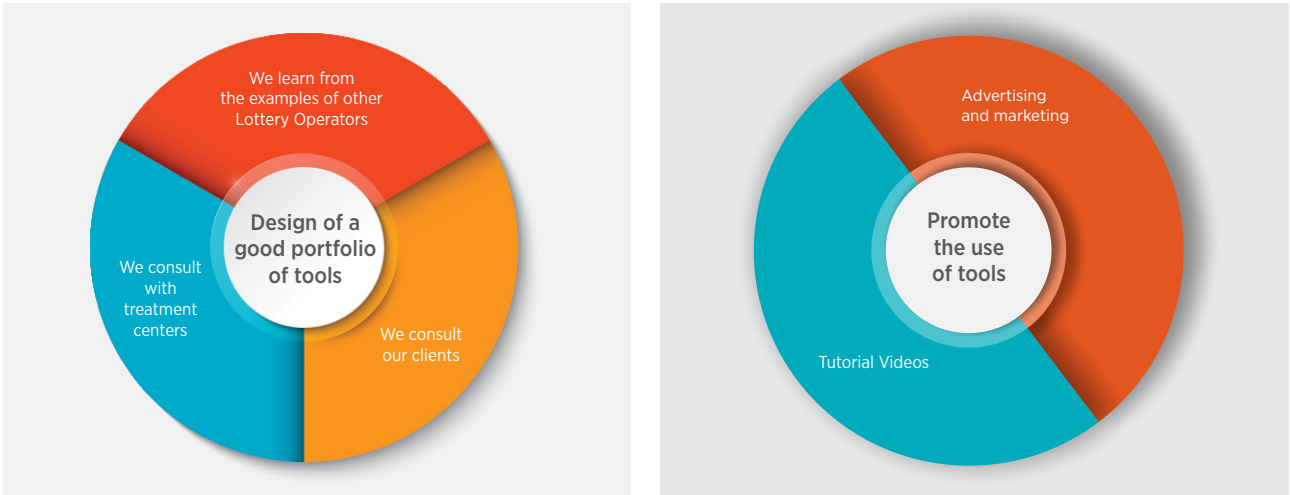
This software is custom-made to suit the needs identified in our market and it is also the result of a study of the other IT systems available in other markets, of the surveys administered to our web users and the behaviors of the players studied (Analytics) and their remote gaming habits.

Self-regulation tools

By using this tool, gamblers can willingly self-regulate their gaming behaviors whether by self-limiting or self-excluding.

Self-regulation tools require money and time thresholds to be set in advance, considering a non-emotional gaming mood.

During the past three years we have dedicated substantial efforts in: **designing an interesting portfolio of tools and teaching the public how to use them and promoting their adoption.**



Self-exclusion tools

La Banca's websites make available different time frames to be selected by the customers to self-exclude from gambling.

The can opt to self-exclude for the next 7, 30, 90, 180 days or indefinitely. Self-exclusion is activated immediately.

Customer won't be allowed to gamble at all—or modify the time frame selected—for the amount of time they indicated and confirmed.

If the client opts for indefinite self-exclusion, they may request new access privileges only after 2 years.

Self-limitation tools:

- A) Self-limitation of the amounts to be wagered
- B) Self-limitation of losses

This tool allows the user to cap the amount of money to bet or the amount they are willing to lose and the period in which this limit should apply. It could be daily, weekly or monthly.

The tool is activated from the moment the change is confirmed, and users are not allowed to modify the amount or the time frame.

- C) Self-limitation of time spent online

Users can preset a maximum amount of time for the duration of the session for a given period (daily/weekly/monthly). The changes operate in the same way as the other restrictions.

Mandatory Limits Virtual Scratch Cards



With the recent launch (December 2018) of the Virtual Scratch Cards Game we implemented a mandatory limit. As a result of the game design analysis we considered that it was appropriate to implement special restrictions for this game, since this game has particular features that could harm vulnerable players.

For this reason, when the user begins a gaming session, a pop-up message suggests the use of these tools to control their gambling behaviors. However, if users do not want to use them, they are still informed that mandatory limits established by La Banca will be in place regardless. These limits are linked to the daily and monthly amounts of money lost (bets placed-winnings). Users will not be able to keep on gambling if they go over the amounts established.

Also available on our website:

Self-assessment test and information

This is a self-administered questionnaire based on the South Oaks Gambling Screen, an international psychological survey that helps users define their relationship towards gambling. This is not a diagnosis, but rather it tries to provide elements that could be useful to raise awareness and for users to think about their relationship with gambling.

La Banca does not process information from these answers, it is just a tool to provide insights to those users who self-administer the test.

Links to treatment centers and specialized literature on the matter are available on our website.

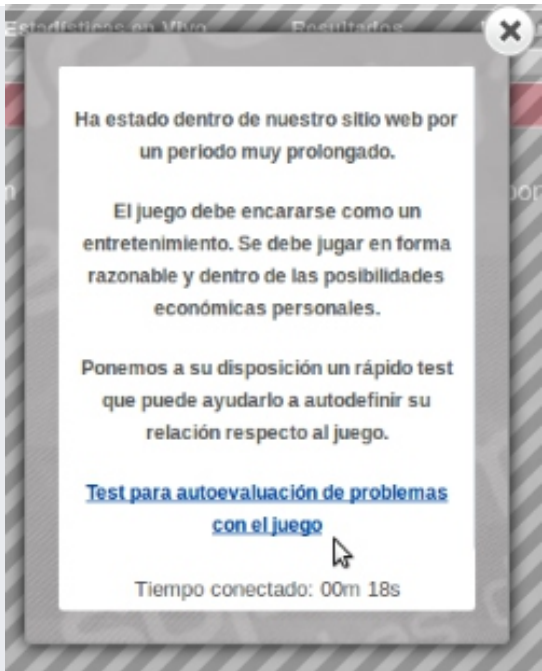
Pop-up messages

Warnings on excessive time spent online.

The amount of time users spend online is controlled. After one hour, a pop-up message will let users know how long they've been online, and the same message is repeated every hour showing the aggregate time spent online.

Current amount of time spent online.

At login, users will see a timer showing how much time has passed. The timer will keep running until users log-out or their session expires. Users can hide it if they want.



This message, and other similar ones, pops up after every hour spent online.

6. Advertising and Marketing

Our customer's interests and providing service excellence are our main concerns, this is why we pay special attention to the quality of marketing communications and advertising.

The Marketing and Advertising strategy aims to communicate La Banca's messages with respect to the institution itself, the products, services and social responsibility actions in an effective and timely manner in order to meet the overarching objectives of fulfilling the company's mission and meeting specific targets.

To do so, we implement the following **Marketing and Advertising Policy**:

All La Banca's Marketing and advertising communication pieces must be socially responsible, take into account the Responsible Gaming objectives and must comply with national laws and the company's Marketing and Advertising Code.

The main goal of our Marketing and Advertising communications is to establish high-quality and effective communications with customers, taking into account the Responsible Gaming goals.

Our Marketing and Advertising Code sets forth all the requirements that must be followed in all La Banca's communication products.

The essential messages that govern the institutional and gaming products advertising contents are:





All staff involved has been trained and has been informed about the importance of socially responsible communications and, in particular, in all matters relating to Responsible Gaming and the Advertising and Marketing Communications Code (**Marketing and Advertising Executives, Product Managers, Graphic Designers, Community Managers and Influencers**).

We have also organized workshops for La Banca's staff members (account executives, creatives and designers) and the directors of the **Advertising Agencies** that promote our gaming products with the same purpose. They are requested to comply with the Code and such compliance is formalized by signing an agreement.

Responsible Gaming Awareness Campaign

Approach:

-  Prevention
-  Support for problem gamblers

Objective

Research had not been conducted in our country nor had the community received any information about gambling problems until the initiatives undertaken by La Banca. Considering this, we thought there was a need to act and inform the population in order to shed light on a subject that has been overlooked and ignored within society as it is not generally acknowledged as a social problem.

We carried out a major multimedia campaign (TV, Radio, press releases and ads, digital media and social networks, retail network) nationwide targeting the community to provide information, warn about and prevent gambling problems as well as to disseminate information about treatment options.

Significant resources were allocated for this campaign. The campaign focused on the following contents:

1. Responsible Gaming messages that are thoughtful and call for reflection without judging personal behaviors and people's relationships with gambling.
2. Recommend the use of the self-regulation online tools.
3. Promote the toll-free helplines and treatment centers.







7. Player education

Our goal is to inform our users and the population in general about Responsible Gaming. We think it is important that people learn about gambling-related problems, the prohibition of underage gambling and the disorders caused by excessive gambling. It is also important they can identify the signs to recognize the problem and seek professional help to adopt preventive measures.

Based on the studies we have had access to and the opinion of experts, the role **information** plays in **preventing** gambling problems is undeniable.

This is why we have carried out programs that focus on providing information to the population and on raising awareness about gambling problems, on how to play in a responsible manner and on how to proceed in case of actual or potential gambling addictions.

We used the following channels to communicate directly with **players**:

-  Retail network.
-  Website.
-  Social Media.
-  Mass Media.

Videos providing information about Responsible Gaming are displayed⁴ across our retail network.

All the shops in our retail network have on display stickers informing the underage gambling prohibition, information about problem gambling treatment centers and La Banca's help-line.

All shops have flyers available to the public, showing Responsible Gaming recommendations, information about treatment centers and La Banca's 08002000 help-line.

Our team of Retail Network Supervisors conducts visits to the shops to check if they have all of the information and if it is properly displayed.

The links to Gamblers Anonymous and Manantiales Foundation can be found at La Banca's website.

Responsible Gaming Day

On February 17th, 2018 we celebrated Responsible Gaming Day for the first time in Uruguay. As it is done in other countries, we carried out the following actions:

- 1- The entire Agent and Subagent network nationwide was involved and they were provided with informational brochures to distribute to clients.
- 2- Radio ads featuring RG messages were run throughout the week.
- 3- RG messages and videos were posted on social media.
- 4- During the Thursday and Sunday 5 de Oro drawings on national TV the host mentioned the celebration of the day and made reference to gambling-related problems.
- 5- The entire set of TV ads mentioned the celebration of the Responsible Gaming Day throughout the week.
- 6- Commemorative posters were distributed nationwide.
- 7- La Banca's websites featured RG gaming banners throughout the week.
- 8- We ran ads on the press referring to the RG Day.

In 2019, we celebrated this special date for the second time. This time we included direct interventions on the streets, handing out information about Responsible Gaming among which we included the self-assessment SOGS Questionnaire. This was carried out in strategic, popular locations in Montevideo and in the rest of the country.



Video about Pathological Gambling.

We produced materials to make information available to gamblers and the population in general. Dr. Oscar Coll, representing the Clínicas Hospital treatment center and the Psychologist Nancy Alonso representing Manantiales Foundation took part in this production contributing important information about gambling disorders.

This video has been posted on our websites, La Banca's YouTube channel and social media.

Tutorial video on the use of the Tools

We've recently produced a tutorial video on the use of the Responsible Gaming tools. In this video, the host of the 5 de Oro drawings, who is very well known in our field and the media, recommends the use of these tools and explains how to use them and what steps to take.

In addition to being available on our websites, the video will automatically play for every new user who registers online to play.

We will also use this video for the induction courses for new staff and retail network members.

It will be made available to staff through the Intranet, particularly focusing on the retail network supervisors and customer service representatives.

We have made available information about RG on our social media and we have also organized different activities to engage the public.

We've organized contests to assess how receptive and knowledgeable the public is about this subject matter.

8. Treatment Referral

La Banca carries our programs in collaboration with the pathological gambling treatment centers and the problem gambling help groups (Gamblers Anonymous) to help reduce the social damage caused and protect vulnerable groups. The goal of these programs is to spread information about these organizations and the treatments they offer, facilitate the better performance of their activities, exchange information and knowledge to improve our Responsible Gaming programs and treatment referral practices.

Clinical workshop on treatment practices led by Professor Robert Ladouceur

Professor R. Ladouceur visited our country and trained professionals in the field of Pathological Gambling, generating a high level meeting and enabling opportunities for an enriching exchange with Uruguayan specialists.

The purpose of this initiative was to provide Uruguayan professionals with more tools for the treatment of pathological gambling. It is about bringing the vision and experience of internationally recognized experts closer to our professionals to expand their knowledge with the different proposals, studies and international models. Thanks to these events we are also able to establish links between foreign and Uruguayan experts in order to exchange experiences on the implementation of treatment options.

La Banca, within the framework of its Responsible Gaming policy, considered that it could make a significant contribution by making the international knowledge, experiences and best practices available to our community.

In November 2018, we held the Clinical Workshop led by Prof. Robert Ladouceur, a renowned Canadian expert specialized in the treatment of pathological gambling. This event was sponsored and organized by La Banca.

The activity took place on November 29th at the Hyatt Centric Hotel in Montevideo. Members of the team of experts from the prevention and treatment of pathological gambling programs of the Clínicas hospital, Manantiales foundation and Gamblers Anonymous, as well as other professionals in the field and Lottery Agents from Montevideo and the rest of the country and La Banca staff participated in the workshop. It was a full-day workshop where we discussed important issues related to the treatment of this disorder.

Invitations to the workshop were sent to all the institutions in the country involved in Pathological Gambling treatment.

WORKSHOP Clínico



9. Stakeholder Commitment Programs

National Basketball Association (NBA)

In November 2018, La Banca signed an agreement with the NBA for its SUPERMATCH game.

This partnership is, without a doubt, very important to generate value to our customers, not only with regards to the betting options but also to provide a different type of NBA experience.

Our WLA Responsible Gaming certifications and La Banca's commitment to this issue and to integrity in the sport were key aspects for the NBA to consider when signing this partnership. Without this, as it was publicly expressed by NBA authorities, this agreement would not have been possible.

This is an excellent example that clearly shows how we can generate value by working and engaging our stakeholders around Responsible Gaming.



Good Causes:

We support several institutions within the Community.
We contribute directly to good causes, especially those related to: education, health, child protection and national sports, as detailed below.

a) SOS Children's Villages Uruguay



When evaluating the contributions to be made, one of the main concerns of La Banca is to prioritize the welfare of children and adolescents in our country.

That is why we have been supporting SOS Children's Villages for several years now, so that it can carry out its purpose, which is to protect children who are at risk and/or whose rights have been violated.

La Banca is a SOS Children's Village Friend and collaborates by providing resources for the activities developed by this institution for the protection of children, so that each child and adolescent can live and grow in a healthy and safe environment.

b) Telethon - Child rehabilitation

Every year La Banca supports the Telethon and makes a contribution to its rehabilitation centers.

La Banca's employees and partners also take part in the activities and support the contribution made to this institution for the rehabilitation of children and adolescents.



c) Los Pinos Educational Center



La Banca supports this institution by contributing funds to Los Pinos, an educational center that promotes the comprehensive development of children, adolescents and young people in the Casavalle neighborhood, seeking social inclusion through their academic, professional, human and spiritual growth.

It provides quality education through different learning programs and innovative proposals, strengthening their identity, capacities and life skills.

This foundation, committed to the objectives of the Educational Center and the reality of the neighborhood, seeks the participation and engagement of families in the education of their children.



d) Supporting Sports - Uruguayan Football Association (AUF)



Under a Patronage structure, La Banca has contributed resources for the development of infrastructure projects, sports fields, sports clubs facilities and the Celeste Sports Center.

Under the "Crear" Program of the Uruguayan Football Association (AUF), the Executive Branch has promoted projects to improve the infrastructure conditions at different sports facilities and institutions and La Banca has participated as a Patron, contributing resources for their implementation, making a contribution for the improvement of sports conditions in our country.

We have sponsored Uruguayan athletes (Santiago Urrutia, Emiliano Lasa) through the game Supermatch, both as a tool for promotion of the game and to meet a second objective: to collaborate with national sports.

e) Environment and Social Assistance



As part of our policy of responsibility towards the environment, we not only work on carefully repurposing the paper that we discard, but we have also made an agreement with the Institution **Repapel** and the **School Number 31 Grupo Escolar Jacobo Varela**, a school located close to our headquarters with which we carry out different activities and make donations. Over 350 students attend this public school on a full-time basis.

Repapel is an organization devoted to Education for Sustainable Development that seeks to generate substantial changes in how we consume, what we discard, our patterns and habits, to achieve environmental and social impacts.

This organization collects paper to recycle and produce supplies to supplement its educational project.

In this opportunity, we undertook a paper recycling program with this School for two years, which includes an interesting agenda of activities.

This ongoing program has included training talks for teachers and employees of the institution, the delivery of cardboard bins to store waste paper, paper recycling workshops with students and paper recycling kits so that teachers can continue teaching these practices in the classroom.

We also provided the school with supplies produced with recycled paper: notebooks, reams of paper, packages of recycled poster board paper and toilet paper packs. All of these materials are very useful for the school.

The aim of this initiative was to integrate two very important social aspects: on the one hand, the vision of a society that is aware of the environmental and social impacts generated by its consumption habits, a society that is and actively committed to solutions that will improve our living conditions and habitat. And on the other hand, to bring environmental education and material resources to the public school that is closest to our organization.

This environmental education project will also be in place in 2019, seeking to incorporate new habits in paper use and recycling practices.

According to the annual report submitted by this Institution, our Organization is among the companies that make the largest contributions of paper for recycling.





04

LA BANCA AND THE SUSTAINABLE DEVELOPMENT GOALS

On September 25th, 2015, the UN adopted the 2030 Agenda for Sustainable Development, setting forth priorities and aspirations for sustainable development at the global level and providing an opportunity for countries and their societies to pursue a shared goal: improving the lives of all. The Agenda sets forth 17 Sustainable Development Goals, and 169 specific targets that range from the elimination of poverty to the fight against climate change, education, equality, the defense of the environment and the design of our cities.

To achieve these goals, everyone has to do their share, the governments and the private sector have to help minimize the negative impacts and maximize the positive impacts on people and the planet.

"The business sector is a key partner to achieve the Sustainable Development Goals. Companies can contribute through their core business activity, so we ask companies around the world to assess their impact, set ambitious targets and report on their results in a transparent manner".

Ban Ki-moon
Secretary-General of the United Nations

During this period, La Banca has taken the Sustainable Development Goals into account in all of its operations, responding to the awareness activities and events attended regarding this subject matter organized, at international level, by the World Lottery Association (WLA) and European Lotteries and, at a national level, by Deres.

We have used the SDG Compass as a guide (Sustainable Development Goals Compass), which is a guide for business action within the SDG framework.

As a first step, we became familiar with the Sustainable Development Goals, understanding the opportunities and responsibilities they represent for the business.

Then, using this guide we began to align our CSR strategies around the SDGs.

To this end, we needed to identify which SDGs we are able to focus our efforts on as part of our operations and measure their impacts.

Below are the SDGs that La Banca has decided to prioritize as part of its operations:



Secondly, we carried out activities aimed at those SDGs identified to contribute to the achievement of the targets. For this reason, we mapped these objectives in our CSR activities and have also included them in our materiality analysis.

We also participate in Deres, a leading organization in Social Responsibility and Sustainability, with different proposals about good business practices, as well as in different working groups addressing the development of value proposals around the SDGs.

SDG 3 Health and Wellbeing:



Target 3.4

By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

Target 3.D:

Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

We consider that our Responsible Gaming programs, which contribute to gambling addiction prevention and treatment align within this SDG.

In addition, and also associated to the targets of this SDG, we are carrying out the "Bet on your health" program, which addresses the health of our employees (Chapter V).

Aligning ourselves with SDG 3, and within our Responsible Gaming programs, we have set out to improve the care and treatment of pathological gamblers in our country and we want to work on the prevention of gambling-related problems.

To this end, we have carried out activities to share the best practices at international level with our local experts.

This process started in 2014, when La Banca and Banquidur GIE organized the first "International Symposium on Pathological Gambling" at the Sheraton Hotel in Montevideo. We described this event in the last report. Leading international experts in the field participated in the event: Dr. Fernando Fernández-Aranda and PhD Susana Jiménez-Murcia (Spain), PhD. Henrique Lopes and Dr. Antonio Alegria (Portugal), Dr. Christian Bucher (France), Dr. David Forrest and Dr. Mark Griffiths (United Kingdom).

The objective of these activities was to bring the vision and experience of internationally recognized experts closer to our professionals to expand their knowledge with the different proposals, studies and international models. These events also helped establish connections between the foreign and Uruguayan experts in order to exchange experiences on the implementation of treatment options.

Later on, in June 2016 (also described in our past report), we organized at the Congress Building a conference on pathological gambling addressing of similar aspects, called:

"Gambling: Policies and Problems". This conference was organized by the National Gambling Federation and supported by COFE and PIT-CNT. International and national experts participated in the event and La Banca's President, Roberto Palermo participated as a speaker sharing the company's knowledge in this particular matter. He also invited and facilitated the participation of the international speakers: Dr. Psych. Susana Jimenez Murcia (University of Barcelona), Dr. Psych. Mariano Cholz (University of Valencia), Ec. David Forrest (University of Liverpool).

In November 2018, we held the Clinical Workshop led by Prof. Robert Ladouceur, a renowned Canadian expert specialized in the treatment of pathological gambling, as mentioned in the previous Chapter.

This practice contributes to the above mentioned SDG since it provides training, updates and strengthens the knowledge of the experts who look after the population at risk (problem gamblers). This allows a better and earlier diagnosis of the patient's behavior, it improves their treatment and mitigates the impact of addiction, resulting in better population health.

Gambling is an addiction that affects the health of a part of the population (the gambler, his/her family and friends). International studies indicate that a pathological gambler affects other people in his or her environment, this means that about 5 to 8 people will be directly affected. In Uruguay, studies indicate that between 1% and 1.6% of the population suffer from this disorder, around 25,000 people. So, if we consider all the people who are affected by this disorder we would be talking about around 128,000 people.

The research carried out shows that Pathological Gambling cases are mainly linked to casino games, not to the games marketed by La Banca.

We believe that La Banca has contributed with substantial information about pathological gambling, a disorder the population didn't know much about in the past, or about the negative effects for those who suffer it, their families and relatives.

For this reason, early diagnosis, knowledge about warning signs to identify in common situations, and strengthening the capacity of those who have to provide treatment are inspiring contributions, so that, both in this area and in others related to human health, companies can make a contribution that helps develop further knowledge and to prevent illnesses and improve the health and well-being of their population.

This practice was recognized and awarded by DERES as one of the "Best Practices DERES 2018".

The programs developed by La Banca help to address the social problems of pathological gambling, in line with the goals of this SDG.

We also carry out other programs that are in line with the same SDG: Bet on your health - described in Chapter 5 and Social aid program to the Telethon Rehabilitation Center, Chapter 2.



SDG 4 Quality Education:



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Target 4.3

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

With regards to this SDG, La Banca regularly provides resources to educational centers that provide quality education in underserved contexts. These centers are: Los Pinos Educational Center and Providencia Center. Both centers have reported very positive results in the evolution of the young men and women who attend.

We have also established a close relationship with the full-time school that is located in the same neighborhood as our HQ, School No. 31, which has over 350 students, where we promote activities and contribute with resources for the better fulfillment of their tasks.

SDG 8 Decent work and Economic Growth



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Target 8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Staff at La Banca has benefits that were reached through a Bargaining Agreement, there is no discrimination and equal pay for work under the same category.

We are studying an internship initiative to put in place next year that seeks to integrate young people from critical contexts, who attend the Centers we are linked to, so as to provide them with the opportunity to have their first employment experience.

SDG 12 Responsible Consumption



Ensure sustainable consumption and production patterns.

Sustainable consumption and production is about promoting the efficient use of resources and energy, building environmentally friendly infrastructure, improving access to basic services and creating green, fairly paid jobs with good working conditions. All of this translates into a better quality of life for all and, moreover, helps to achieve overall development plans that lower economic, environmental and social costs, increase competitiveness and reduce poverty.

As a socially responsible company, La Banca is concerned with finding new solutions that offer sustainable consumption patterns. It makes efforts to better understand the environmental and social impacts of products and services. It works to identify the "critical points" in the value chain where interventions have the greatest potential to improve the environmental and social impacts of the system as a whole.

Given its role in the business sector the company attempts to design solutions, thanks to its capacity to innovate, that can inspire and motivate people to lead more sustainable lifestyles, reducing impacts and increasing well-being.

We carry out initiatives that seek to reduce energy and material resource consumption, as well as others that recycle paper, plastic and organic waste for the production of humus.

From the social point of view, we carry out structured Responsible Gaming programs that address the social impact of the company's activity.

ENVIRONMENTAL RESPONSIBILITY

As part of our commitment to the environment and in line with SDG 12, Responsible Consumption, we continue to add measures on waste management, waste recycling and consumption reduction.

Courses have been delivered to raise staff awareness about different ways to recycle and dispose of waste, and we have been applying them ever since at La Banca.



Paper Recycling

We renewed our agreements with REPAPEL, to whom we give all the paper waste for the production of resources for the Public School. During this period we contributed almost 3,700 kg. On pages 39-41 we provide further detail of activities carried out with Repapel and School N° 31.



Reduction of power consumption

We implemented an energy saving plan by replacing traditional lighting with LED technology at the La Banca facilities, which has led to a reduction in consumption of almost 30%. In the next stage, for the 2019-2020 period, we plan to continue with other measures that include diving into solar energy generation through the installation of panels.



Recycling of compostable waste

We have hired the "Lombriz Urbana" (urban worm) initiative for the recycling of our organic waste of yerba, coffee and tea.

With the collaboration of all our employees, we collect this type of waste and send it to this company to be processed into "compost", a useful and valuable product that is put back into the soil as a natural fertilizer, improving the structure of the soil and generating benefits for the environment.



05

OUR PEOPLE

VALUES OF OUR CORPORATE CULTURE:

Respect and politeness
Inclusion **Teamwork** **Creativity**
Belonging **Personal development**
Professional development **Motivation**

Our teams work around the objectives of the organization in a climate of respect, politeness and commitment that promotes the best personal and professional development.
La Banca's corporate culture is based on human value and is promoted by senior authorities and the leaders of the different working teams.

The human resources management practices are certified under ISO 9001 and there are no discriminatory practices based on sex, sexual orientation, age, race, religion or political beliefs. We are governed by the principle of equity, and there is no gender-based salary gap.

There are no cases of discrimination, violation of human rights, forced or child labor, corruption, extortion or bribes.

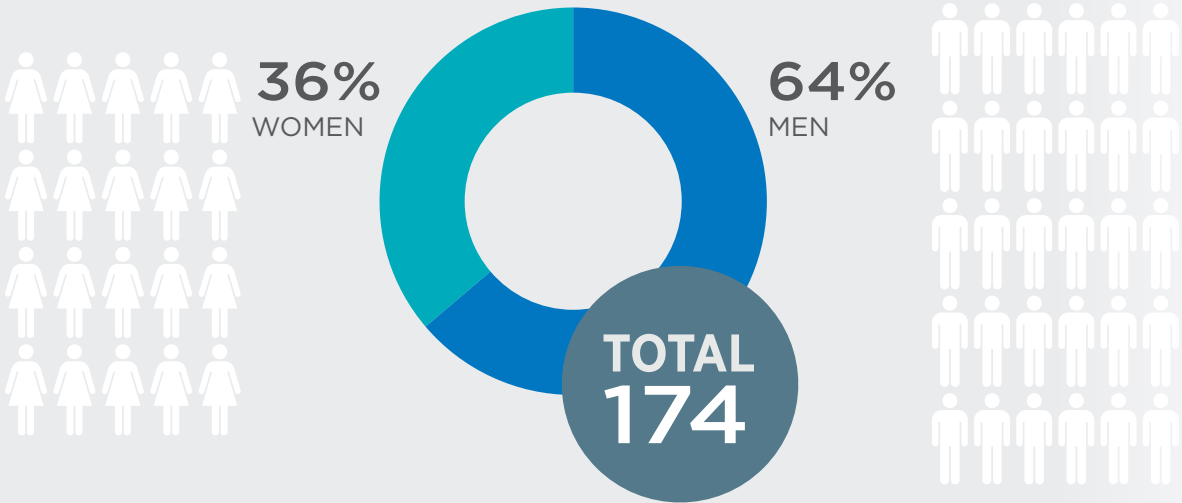
HUMAN RESOURCES

Evolution in the number of employees during the 2016-2018 period:

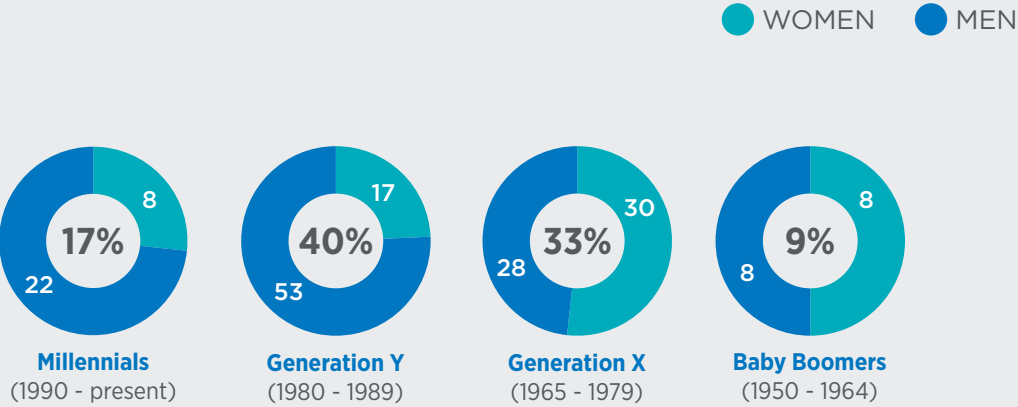


Characteristics of our Human Resources:

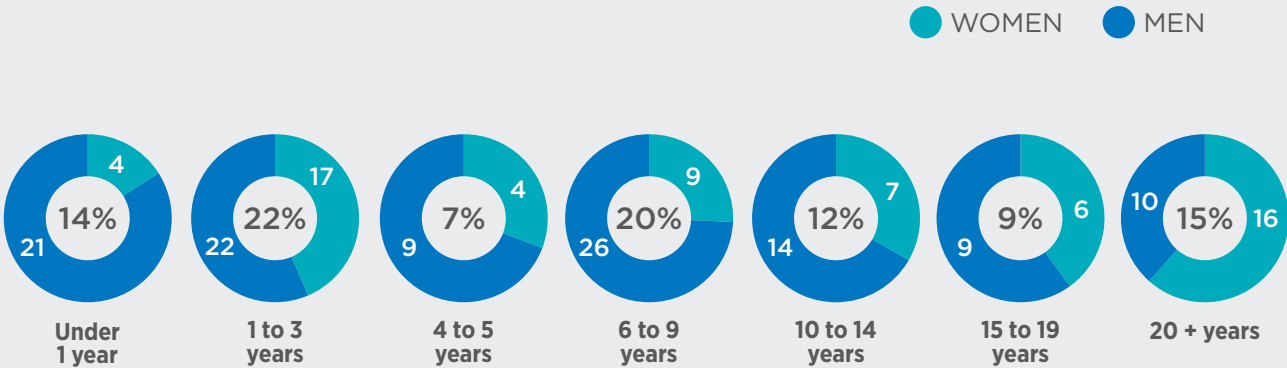
Distribution by



Distribution by gender and age:



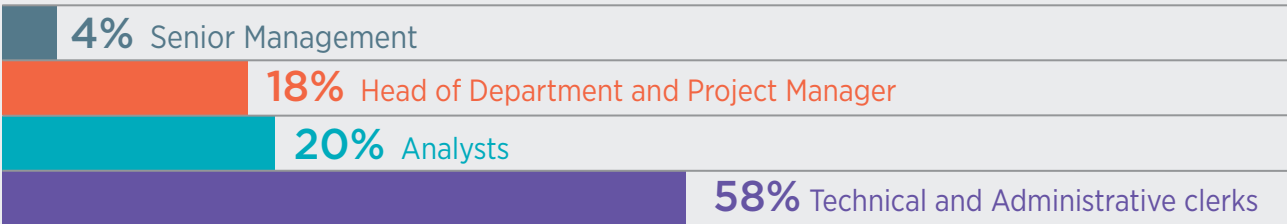
Distribution by seniority and gender



Our teams are conformed both by men and women and they share the same responsibilities and remuneration levels.
Although by looking at our payroll we can say women account for 36%, when considering the key staff in our organization women's participation increases to 50%.

Almost 60% of our staff is under the age of 40 and Millennials already account for 17% of our workforce.

Hierarchical



TRAINING



We design a training plan that includes an annual plan for all staff members and targeted training initiatives for certain departments, employees or groups of people depending on the specific needs.

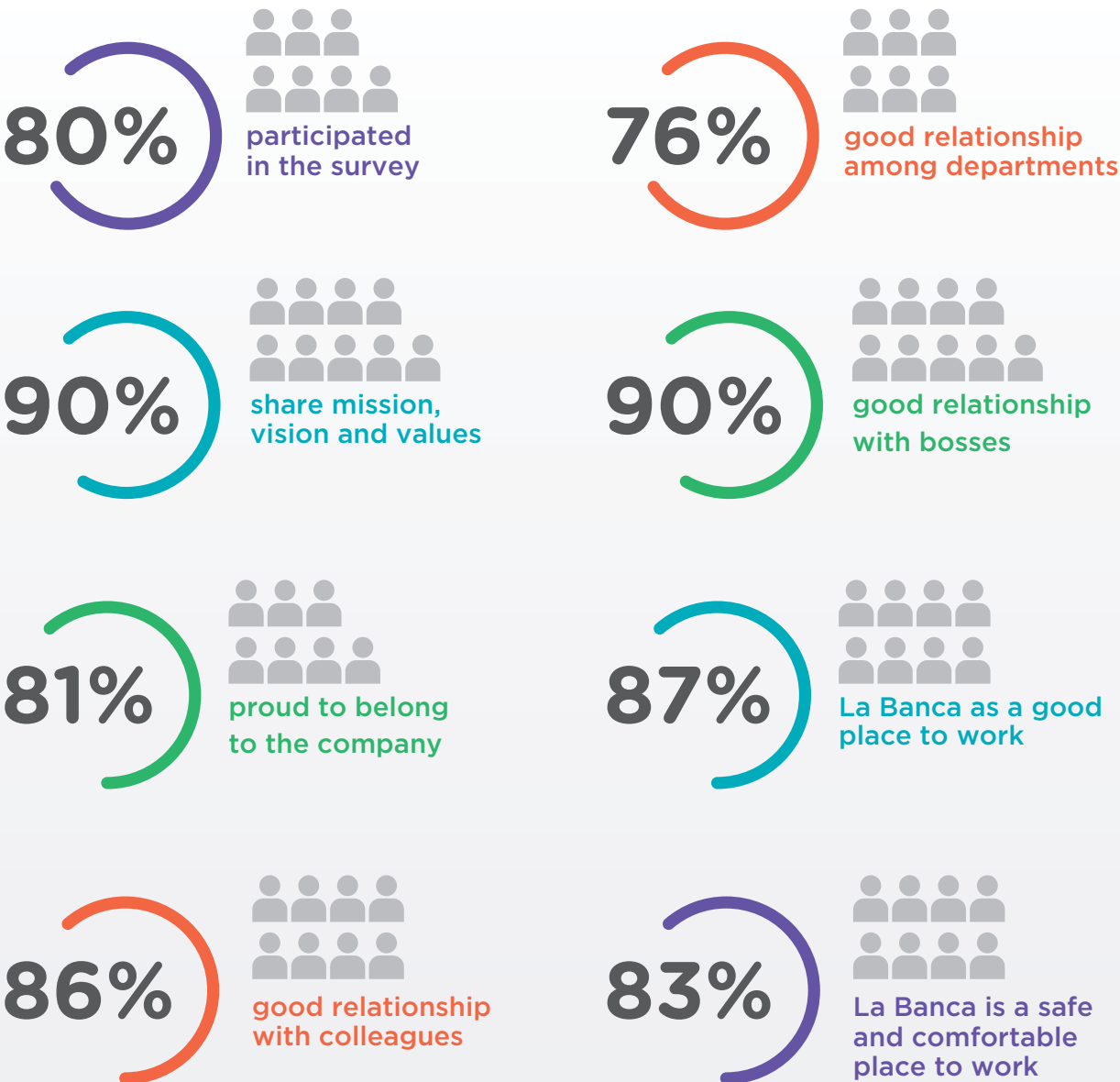
The main purpose of this plan is for participants to stay up-to-date, develop technical skills and knowledge, train on topics that are important within the strategy and objectives of the company and to provide training on more general aspects and for personal growth.



WORK ENVIRONMENT SURVEY

In 2018, we carried out the second work climate survey, for which we hired an external consulting company and adopted the necessary measures to ensure anonymity and objectivity in its implementation.

Some results:



The levels of satisfaction are similar to those surveyed in 2015.

COLLECTIVE BARGAINING AGREEMENT

The relationship between the union representatives of La Banca (AEBA) and the Labor Committee (Senior Management representatives), is one of open dialogue, mutual respect and the main aim is to collaborate for the well-being of the employees, taking into account and addressing all the needs and proposals submitted.

La Banca has in place a wage and benefits agreement with 100% of its employees.

Some of the benefits are:

Health:	
	Sick pay supplement
	Emergency services covered within La Banca premises.
	Agreement with La Española hospital for employees and immediate family of La Banca employees and Agencies.

Economic:	
	Baby Bonus
	Marriage Bonus

Personal hours:	
	Time off to run personal errands or take care of formalities.
	Time off to care for sick family members.
	Time off to study.

BET ON YOUR HEALTH

The "Bet on your health" program consists of health promotion and prevention aimed at the La Banca community.

Throughout the year, specialized personnel check the blood pressure and blood sugar levels of our staff and follow up on people's levels and provide recommendations as to any relevant medical referrals to consider, healthy living, etc.

We also host special days where each employee can get their anthropometric measurements checked by a clinic specializing in quality of life, and they can schedule a personalized appointment so that each employee knows his or her personal situation and receives the appropriate advice to improve their quality of life.

As part of the same program to promote healthy eating, every Wednesday we distribute fruits to all employees.

In addition, we made an agreement with a Healthy Eating Clinic to help our staff change bad eating habits and, at the same time, improve their physical condition.



Fruit Wednesday

This practice has been in place since 2015, providing seasonal fruits to the staff in order to promote healthy eating. Fruit Wednesdays are very well received by all.

SOCIAL EVENTS

Every year we celebrate Children's Day and the New Year, to promote integration in a relaxed and enjoyable atmosphere.

Children's Day celebration

This celebration brings together employees and managers of La Banca with their children and grandchildren to share lunch, games and gifts in an environment that is fully devoted to the children.

This social event is highly regarded by all and is good opportunity for the integration of employees of the different sectors and senior management.



End of the year party

To mark the end of the year, we host a party for all employees where they enjoy dinner, musical shows and a raffle. This is also an opportunity for recreation and companionship where we celebrate with joy a full year of shared work.





06

BANQUIDUR GIE AND THE LOTTERY BOARDS ACROSS THE COUNTRY

BUILDING ROADS FOR NATIONAL UNITY

CORPORATE PROFILE

Banquidur GIE

Introduction and Authorities

There are 28 Lottery Boards in the country, as the map below shows.



Banca N° 1 Montevideo	Banca N° 8 Cerro Largo	Banca N° 15 José B. y Ordóñez	Banca N° 22 Lascano
Banca N° 2 Artigas	Banca N° 9 Rosario	Banca N° 16 Maldonado	Banca N° 23 Salto
Banca N° 3 Canelones	Banca N° 10 Carmelo	Banca N° 17 Paysandú	Banca N° 24 San José
Banca N° 4 Las Piedras	Banca N° 11 Durazno	Banca N° 18 Fray Bentos	Banca N° 25 Soriano
Banca N° 5 Santa Lucía	Banca N° 12 Flores	Banca N° 19 Young	Banca N° 26 Tacuarembó
Banca N° 6 Pando	Banca N° 13 Florida	Banca N° 20 Rivera	Banca N° 27 Paso de los Toros
Banca N° 7 San Ramón	Banca N° 14 Lavalleja	Banca N° 21 Rocha	Banca N° 28 Treinta y Tres

Banquidur is an **Economic Interest Group** made up by the 28 Lottery Boards of Uruguay. It was set up on August 2nd, 1999.

Banquidur GIE, defined its corporate purpose in its bylaws as follows: "The Economic Interest Group will be non-profit and will not have its own capital. **Its main purpose is to promote the development of the economic activities of its members and to improve and increase the results of the administration and operation of the different types of games available in the market and those that may be operated in the future**".

Therefore, the purpose of the EIG is not to replace its members in their own specific activities, but to facilitate and enhance their economic activity.

This first purpose has evolved since then, developing greater synergies and covering a wider scope within the business. **Through this organization, we promote the implementation of standards and good practices among all members.** We also carry out joint research and social contributions, as well as shared future projections.

This type of partnerships, Economic Interest Groups (GIE), are regulated under Law No. 16,060, articles 489 to 500.

Banquidur GIE is a legal person separate from the member Lottery Boards. Each Lottery Board holds the power to manage its own business and full autonomy in its own activity. Its incorporation is formalized by its bylaws, which define its membership, competences and all legal aspects.

Below are some of the aspects defined under the bylaws:

The Economic Interest Group will be directed and managed by an Administrative Commission of eleven members: five representatives of the Montevideo Lottery Board and six representatives of the Lottery Boards in the rest of the country. The position of chairperson will be held by a representative of the Montevideo Lottery Board and the positions of Treasurer and Secretary by representatives of the other Lottery Boards in the rest of the country. Daily operations are managed by the Executive Board, made up of the three authorities previously mentioned. A Fiscal Commission is also designated in the bylaws, made up of three members, one representative of the Montevideo Lottery Board who presides over it and the remaining two will be representatives of the other Lottery Boards in the rest of the country. The reason for setting it up was the launch of the Scratch Cards game (1999) which was rolled out nationwide. This game, due to its characteristics, required a special arrangement.

Authorities

Banquidur GIE Authorities - Corporate chart

EXECUTIVE COMMITTEE



SECRETARY:
Ing. Alvaro Pasó
Representative of the Pando
and Lascano Lottery Board



CHAIRPERSON:
Daniel Tirelli
Montevideo Lottery Board



TREASURER:
Alejandro Salaberry
Representative of the Florida, Flores, Durazno,
San Ramón and Carmelo Lottery Board



MEMBER
Accountant Antonio Ollero
Montevideo Lottery Board



MEMBER
María Victoria Pollio
Montevideo Lottery Board



MEMBER
Kepler Barbato
Montevideo Lottery Board



MEMBER
Carlos A. Baffa
Montevideo Lottery Board



MEMBER
Verónica Leicht
Representative of the Lavalleja,
Canelones, Santa Lucía, Rosario,
Paysandú and Rocha Lottery Board



MEMBER
Public Notary José Luis Piczenik
Representative of the Salto,
Soriano, Fray Bentos, Young,
Batlle y Ordoñez,
Artigas, Treinta y Tres and
Paso de los Toros Lottery Board



MEMBER
Engineer Eduardo Palacios
Representative of the
Las Piedras, Cerro Largo, Rivera
and Tacuarembó Lottery Board



MEMBER
Public Notary Eduardo Barbieri
Representative of the Maldonado
and San José Lottery Board

Therefore, Banquidur GIE has been set up to fulfil the following functions for the benefit of all Lottery Boards:

- a) To centralize the Scratch Cards game, managing two common funds set up by the Lottery Boards, one to pay for the winning tickets and the other to pay for the specific expenses of operating the game.
- b) To pay for the advertising expenses of the advertising campaigns to promote all the games.

But the role of this organization, which gathers all the Lottery Boards in the country, has evolved over time and has included more tasks that help streamline activities nationwide. With the launch of the Sports Betting game, Supermatch, it also acted as the facilitator in order to be able to distribute the game to all the Lottery Boards in the country from Montevideo.

Gradually, as the Lottery Boards across the country acknowledge how important and beneficial it is to carry out actions together, Banquidur has been used as an enabling vehicle to implement activities with a national scope. Among these activities we can find: marketing and advertising communication campaigns, market research and, above all, the joint development of the online channel.



At present, Banquidur GIE is the organization through which the good practices adopted by the Montevideo Lottery Board are shared and disseminated.

In particular, the Montevideo Lottery Board has raised awareness among the members of Banquidur GIE about the importance of Responsible Gaming practices as part of the strategic vision of the business.

These actions were very successful and the Lottery Boards across the country agreed to the implementation of the WLA Responsible Gaming Framework in a joint and centralized manner, led by the Montevideo Lottery Board.

The Montevideo Lottery Board underwent a five-year process for the incorporation of the Responsible Gaming Framework, passing through four stages of implementation, and the corresponding submission for certification in each stage before the World Lottery Association (WLA).

In terms of the incorporation of Lottery Boards in the rest of the country, the proposal was to join the Montevideo Lottery Board in their submission for the highest level certification (Level 4), as they share common business aspects that are centralized by the Montevideo Lottery Board and applied by all the Lottery Boards in the country. This considerably reduces the points of the Responsible Gaming Framework to be addressed by the Lottery boards in the departments alone.

Significant resources and efforts were invested to widen the scope for the implementation of the Responsible Gaming management system developed in Montevideo across the rest of the departments, and to develop specific programs to meet the requirements for each jurisdiction. We were able to successfully implement it in the following Lottery Boards: Las Piedras, Santa Lucía, East of Canelones (Pando), San Ramón, Cerro Largo, Carmelo, Batlle y Ordóñez, Maldonado, Young, Lascano, Salto, San José, Tacuarembó, Rivera, Durazno, Colonia, Rosario, Canelones, Paysandú, Florida, Flores, Paso de los Toros, Lavalleja and Rocha. In this way, we reached over 90% of the gaming offer of the Lottery Boards in Uruguay.

The above mentioned Lottery Board committed themselves to the adoption of the WLA Responsible Gaming Framework and agreed to implementing the programs carried out by the Montevideo Lottery Board by signing an agreement with the Montevideo Lottery Board as it is the company who holds the core certification and therefore centralizes the implementation of the Responsible Gaming programs to be carried out in all Lottery Boards nationwide.

Thus, the submission for the Level 4 Responsible Gaming certification was made jointly by: The Montevideo Lottery Board and Banquidur GIE in representation of the Lottery Boards that adopted the Responsible Gaming principles and fulfilled the necessary requirements to be able to access a Level 4 certification.

It was a successful submission and we achieved the certification and the WLA Panel granted a special recognition to the programs implemented in Uruguay.

Therefore, with the purpose of applying, disseminating and sharing good practices at the national level, today we can highlight as an important achievement, that the operations in Uruguay are run under the highest level of the Responsible Gaming international standards: Continuous Improvement.





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GRI G4 GENERAL STANDARD DISCLOSURES (core conformity)

General Standard Disclosures	Description	Page:	Omissions
STRATEGY AND ANALYSIS			
G4-1	Statement by the main authority.	Pg. 4-6 Message from the General Manager	
ORGANIZATIONAL PROFILE			
G4-3	Name of reporting organization.	Pg. 7	
G4-4	Main brands, products, and services of the company.	Pg. 12-17	
G4-5	Location of organization's headquarters.	Back cover	
G4-6	Countries of operation.	Pg. 84	
G4-7	Nature of ownership and legal form.	Pg. 8	
G4-8	Which markets it serves (breakdown by region, sectors, types of clients and beneficiaries).	Pg. 17-18/84	
G4-9	Size of the company: number of employees, number of operations, net sales, capitalization, number of products and services offered.	Pg. 18-21/74	Net sales and capitalization are not disclosed for confidentiality purposes.
G4-10	Workforce structure.	Pg. 74-75	
G4-11	Percentage of employees covered by collective bargaining agreements.	Pg. 78	
G4-12	Supply Chain.	Pg. 32-37	
G4-13	Significant changes regarding the organization's size, structure, ownership or its supply chain.	There were no significant changes during the 2017-2018 period.	
G4-14	Explain how the precautionary principle is address, if applicable.	Pg. 42-71	
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Pg. 22-25/ 64-66	
G4-16	List memberships of associations and/or national or international advocacy organizations in which the company: • has positions in the governance bodies; • participates in projects or committees; • provides substantive funding beyond mandatory membership fees; • views membership as strategic decision.	Pg. 22-24 Pg. 22-24	
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the financial statements.	Pg. 8/82	

GRI G4 GENERAL STANDARD DISCLOSURES (core conformity)

General Standard Disclosures	Description	Page:	Omissions
G4-18	a)Describe the process for defining the report content and the aspect boundaries. b)Explain how the principles were implemented for defining the content.	Pg. 7/27	
G4-19	List all the material aspects identified in the process for defining report content.	Pg. 27-29	
G4-20	Boundaries for each material aspect within the organization.	Pg. 42-60	
G4-21	Boundaries for each material aspect outside the organization.	Pg. 42-60	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There are no restatements.	
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries.	There were no significant changes	
STAKEHOLDER ENGAGEMENT			
G4-24	List stakeholder groups.	Pg. 32-40	
G4-25	Basis for identification and selection of stakeholders.	Pg. 31	
G4-26	Approach to stakeholder engagement.	Pg. 31	
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	Pg. 61	
G4-28	Reporting period.	Pg. 7	
G4-29	Date of previous report.	Year 2016	
G4-30	Reporting cycle.	Pg. 7	
G4-31	Contact point for questions regarding the report or its contents.	Back cover	
G4-32	a) Indicate the 'in accordance' option selected. b) GRI Index of the option chosen. c) Reference to external assurance if applicable.	Pg. 7 Pg. 87 Does not apply.	
G4-33	External assurance.	This report was not submitted to external assurance.	
GOVERNMENT			
G4-34	Governance structure of the organization, including committees under the highest governance body. Indicate who is responsible for decision-making in terms of economic, environmental and social aspects.	Pg. 8-9/84	
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Pg 10-11	

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GRI G4 SPECIFIC STANDARD DISCLOSURES

#	Material aspects La Banca	Material aspects GRI	Chapter:	Page:
1	Remuneration, benefits and collective bargaining agreements.	Employment/Equal pay among men and women.	Chapter 5	74
2	Professional development and training.	Training and education Diversity and equal opportunities.	Chapter 5	76
3	Quality of working life (food, health, comfort, etc.).	Occupational safety and health No discrimination.	Chapter 5	74/79
4	Attractive games.	Does not specify.	Chapter 1	12-15
5	Accessibility (several retail channels).	Does not specify.	Chapter 1	17-18
6	Claiming prizes (ease).	Does not specify.	Chapter 1	19
7	Profitability.	Economic performance.	Chapter 1	18-21
8	Reputation and solid corporate image.	Fight against corruption.	Chapter 1	33-34
9	Regulatory compliance.	Regulatory compliance.	Chapter 1	10
10	Sustainability of the business.	Indirect economic implications.	Chapter 2	42-67
11	Investment.	Economic performance.	Chapter 1	18-19

GRI G4 SPECIFIC STANDARD DISCLOSURES

#	Material aspects La Banca	Material aspects GRI	Chapter:	Page:
12	Retailer training.	Does not specify.	Chapter 3	47
13	Compliance.	Regulatory compliance.	Chapter 1	4-5/8-11
14	Reputation.	Fight against corruption.	Chapter 1	4-5
15	Comply with the contracts agreed upon. To comply with quality and safety standards.	Does not specify.	Chapter 1	10-11
16	Stability of service/Vendors.	Does not specify.	Chapter 2	37
17	To act in a socially responsible way.	Local communities.	Chapter 2	60-63
18	Prevent and refer cases of pathological gambling.	Local communities.	Chapter 3	56-57
19	Donations.	Local communities.	Chapter 2	60-63
20	Environmental conservation practices.	Energy Water Emissions	Chapter 2	62-63/71
21	Relationship with gambling disorder treatment centers.	Does not specify.	Chapter 3	56-57
22	Support to the Lottery Boards in the rest of the country for business operations.	Local communities.	Chapter 6	83/88

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SUSTAINABILITY REPORT

2017 | 2018
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