

Betting on Sustainability

Sustainability
Report
2018



LOGRAND
ENTERTAINMENT GROUP

Sustainability Report 2018

—

Message from the CEO

Our third sustainability report summarizes our activities and progress in 2018 toward shared value creation for our stakeholders and sustainable operation.

In 2018, we continued to adopt the best global standards and practices, by renewing our commitment to the UN Global Compact ten principles. Also, we aligned our sustainability initiatives with the UN Sustainable Development Goals joining efforts with international and national organizations.

We fulfilled 90% of the sustainability commitments we set for 2018, driving projects and programs such as our Self-Exclusion Program to promote responsible gambling, the “Naipes Rosas” campaign to support cancer patients, and the “Aulas Abiertas” program which offers primary and middle education for our employees. Year on year, we seek to engage our stakeholders in our initiatives further, broadening their impact.

Logrand Entertainment Group is observant of the potential growth opportunities that may arise from profitability and operational efficiency, which underpin our strategy. We are pleased to see how the gaming industry in Mexico is in a transparent development process as a result of demographic growth and better acceptance and recognition of this entertainment option. We also note increased business participation in fora and industry networks, which will help implement jointly with authorities better regulations to provide certainty to investors of this growing and dynamic sector.

We strongly believe the implementation of our Sustainability Strategy will contribute to our long-term objectives, will bring shared value creation for our stakeholders, and will differentiate us from other companies within the industry.



Sergio Saide M.

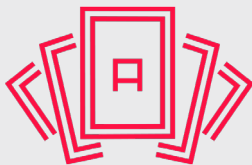
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Logrand Entertainment Group

About us

Logrand Entertainment Group is a Mexican company with headquarters in the City of Monterrey, México, focused on providing entertainment services. We began operations in 2005, and by December 31, 2018, we had 13 casinos in México, with a minority interest in 3 of them.



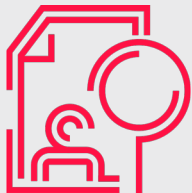
We have **6,600** slot machines and **30** gaming tables.



Only in 2018, we served **4.3 million** meals.



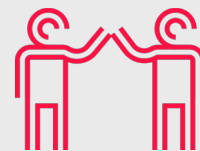
In 2018 we received more than **350,000** customers in our casinos, and more than **68,000** customers registered to our online platform.



We employed **3,449** people.



Also, in 2018, we donated more than **\$3 million pesos** to charitable organizations and projects.



In 2018 we began a self-exclusion program as part of our **Responsible Gambling Strategy**.



88% of our suppliers are SMEs. (according to results of our supplier survey 2018)



We recycled **1.1 tons** of PET and **19,696 liters** of oil.



We provided **190,000** training and education hours.

Our offer

Casinos

We have 13 casinos located in 7 Mexican states where we offer different entertainment options and food of the highest quality.



Slot machines

There are approximately 6,600 slot machines in our casinos, which are our leading service. We offer entertainment experiences through our gaming machines and receive more than 16,000 customers on a daily basis. We have gaming machines of more than 25 manufacturers, all of them certified by the Mexican Interior Ministry. We work with manufacturers from Austria, Germany, Brazil, Spain, Slovenia, Czech Republic, England, Italy, Japan, US, Australia, and Bulgaria.

All of the slot machines in our casinos are tested with the highest standards for its proper operation. Also, international certification laboratories such as BMM TestLabs and Gaming Laboratories International approves our machines' randomness.



Live gaming tables

We offer more than 15 original games patented by Shuffle Master, an international Gaming Brand. We have the latest entertainment systems, with technology and innovation in 30 table games at the two casinos where we offer this service.

Our gaming offer is the most extensive and complete in the national market. Our most popular games are Blackjack, Ultimate Texas Hold'em, Craps and American Roulette.

All shuffle machines are endorsed by the certification of Gaming Laboratories International (GLI), which validates that our products successfully passed lab test and inspections ensuring the randomness of gaming results.



Food and drinks

We provide food service in 13 restaurants of our casinos, offering a wide gastronomical range from regional dishes to on-demand international cuisine and buffet service. We serve food and beverages to satisfy any occasion both on the gaming and machine areas and at the different restaurants and bars.

Our restaurants have been recognized year on year through the Distinctive H granted by the Health and Tourism Ministries. In 2018 for the first time, we were awarded the Gastronomical Balance Distinction conceded by COFEPRIS (Federal Commission for Protection Against Sanitary Risks)

Only in 2018, we served 4.3 million meals and more than 1.1 million drinks in addition to our courtesy service of water, coffee, and soft drinks, catering in this way for 4.2 million services.

Online

The online division has a wide variety of entertainment products comprising various verticals including sports betting and casino, offered through Strendus. We have renowned international suppliers within the top 5 of the industry, all of them offering their services in the most developed and regulated markets in Europe, Asia, and America.

Currently, our online gaming offer is the most extensive and complete within the national market, with pre-game sports betting, live sports betting, slots, betting games, video bingo, gaming tables, and live gaming tables, in addition to sports events streaming and statistics of all world leagues.



Casinos



Timeline



Financial information

In 2018 we increased the Generated Economic Value of the company by 5.8% and the Distributed Economic Value by 6.2% compared to last year. We allocated 3.4 billion pesos (MXN) to operational costs, wages and benefits, tax payments and donations, generating in this way, value for our suppliers, employees, and communities.

This year, we paid more than 1.2 billion pesos fulfilling our fiscal obligations. Also, we donated more than 3 million pesos to charitable institutions that work nationally to improve the life quality of people in need.

Table 1. Economic Value Generated and Distributed (million pesos)

	2016	2017	2018
Economic Value Generated (EVG)	3,084	3,489	3,692
Economic Value Distributed (EVD)	2,932	3,243	3,446
Retained Economic Value (EVG-EVD)	172	246	246

Ethics and values



Mission

To be leaders in creating unique and exciting experiences, surpassing the expectation of our customers, employees, and the community in the gaming and entertainment industry.



Vision

Entertain, excite, and transcend.

Our values



We do the right thing even when nobody is watching



We achieve more with less



Passion is our drive



We lead by example



We provide our customers with a home feeling and the employee as a family member



We dream and create the extraordinary

Code of Ethics and Behavior Guidelines

Our Code of Ethics and Behavior Guidelines govern our behavior and the interactions among employees, the company, and its stakeholders. Both institutionalize processes based on the values underpinning Logrand Entertainment Group’s development and growth. Through our Code of Ethics, the employees commit to respect, honesty, and collaboration values, seeking a growth that generates social value for the communities around us.

In 2018, we added a specific Code of Ethics to the suppliers’ webpage. The topics of this Code include, the ten principles of the UN Global Compact covering protection and respect of Human Rights, Labor Rights, Environmental Protection and Anti-corruption.

Code of Ethics Components

Stakeholder relations

- *Customers*
- *Suppliers*
- *Authorities*
- *Community*

Operations and activities

- *Conflict of interest*
- *Gifts and hospitalities*
- *Compliance and Anti-Money Laundering (AML)*

Health and Security

- *Workplace health & safety*
- *Asset protection*
- *Data management*

Report Lines

It is essential for Logrand Entertainment Group to have the appropriate tools to detect any irregular act infringing upon our Code of Ethics. With such tools, we strengthen the principles and values underpinning the company.

If the employees identify any irregular situation, they must report it through the available means such as the report phone lines, email, and webpage, which are available 24 hours a day, 365 days of the year. Complaints are treated confidentially and anonymously if requested.

Management of complaints is carried out by external consultants and our Ethics Committee administers any issue related to the Code of Ethics and its application, including the report lines. In 2018, we received 143 complaints through the report lines of where 92% of them were closed by the end of the year.

Table 2. Number of complaints reported

	2018
Number of complaints received	143
Closed	132
In process	11

Corporate Governance

Our corporate governance serves as a decision-making framework underpinning our actions about the company’s impacts. It allows us to operate more efficiently and responsibly, to achieve a better competitive advantage, better reputation, and better business relations. Therefore, it is crucial to have a corporate government comprised of high-level experts with enough experience to resolve all situations that may arise.

The Institutional Relations Director has responsibility on matters of economic, social and environmental landscape and reports directly to the CEO.

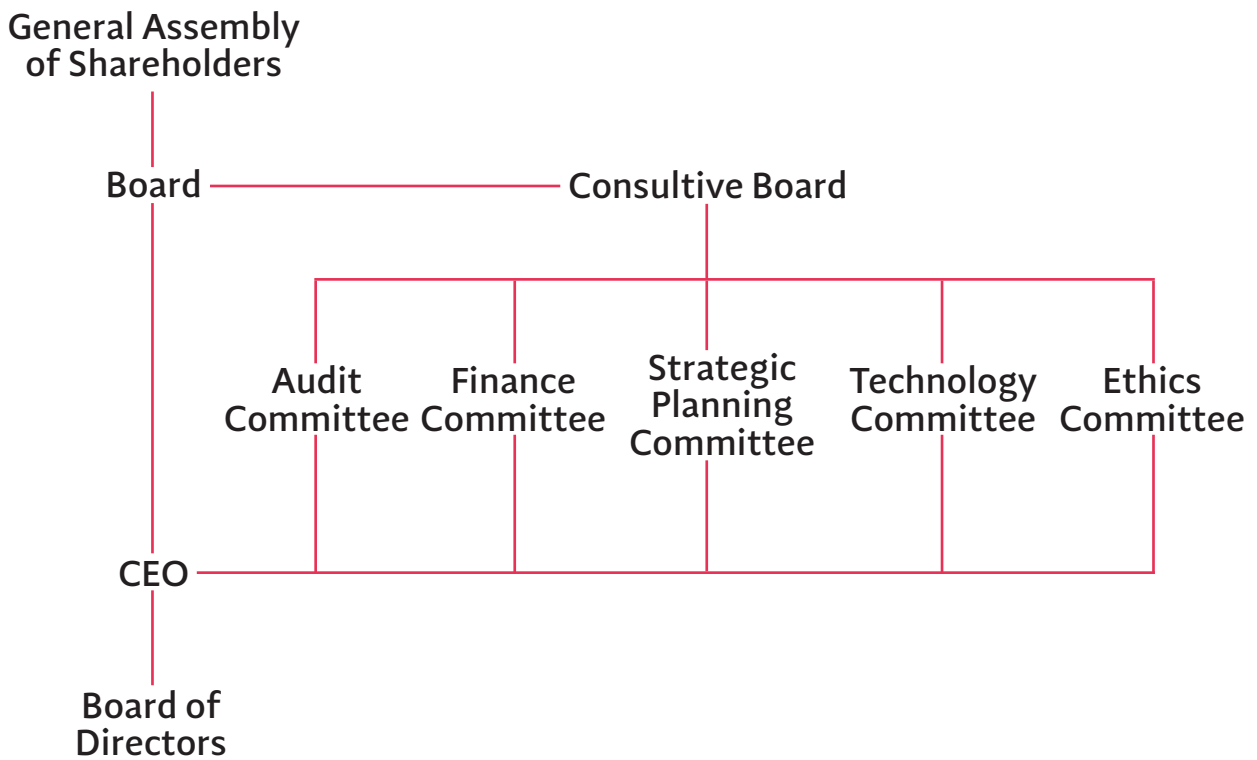


Figure 1. Corporate governance structure

External Initiatives and Associations



United Nations Global Compact

In 2017 we joined the largest global social responsibility initiative, the UN Global Compact, and in 2018, we affirmed our commitment to its ten principles. We work every day towards their fulfillment in areas such as Human Rights, Labor Rights, Environmental Protection, and Anti-corruption.



Association of Licensees, Operators and Suppliers of the Entertainment and Gambling Industry in Mexico (AIEJA)

We participate as members of AIEJA, which represents the interest of businesses in the entertainment industry. AIEJA strategic objectives include driving the country's economy, act as spokesperson with the local, state, and federal government and to promote domestic and foreign investment.



Transformation Industry Chamber (CAINTRA)

We are members of CAINTRA, Nuevo León, an association with a mission to represent, promote, and serve the interest of the industrial community of the State of Nuevo León.



National Chamber of Restaurant and Seasoned Food Industry (CANIRAC)

We are part of the National Chamber of Restaurants and Seasoned Food Industry, and we take part of the different courses and training they offer.



Valle del Campestre District (DVC)

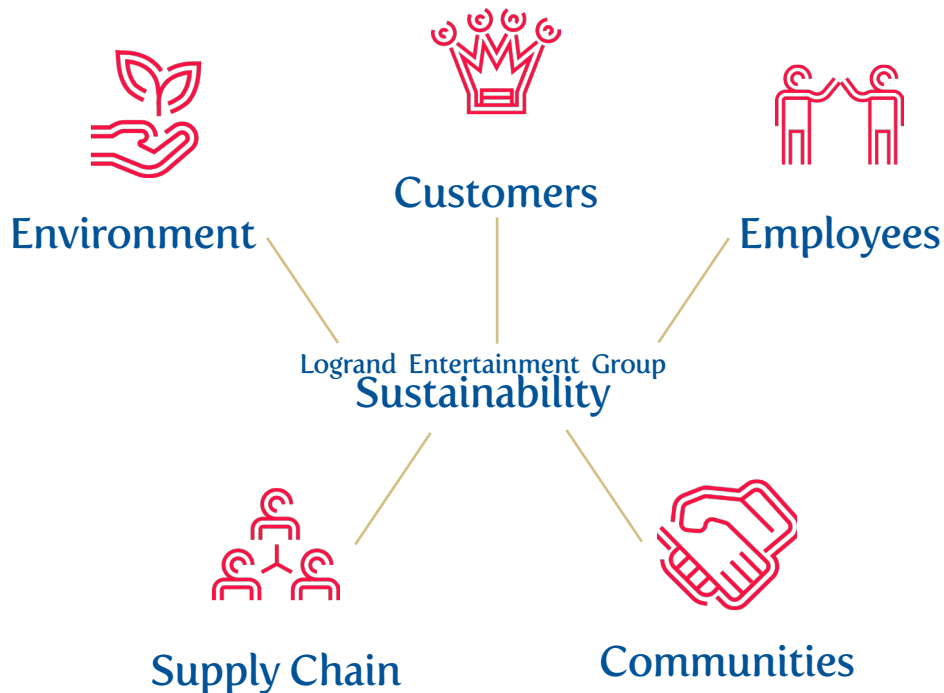
DVC is an initiative created in 2013 to improve the quality of life of the people who live, work, transit or study in the Valle del Campestre District in the municipality of San Pedro Garza García, where is located our corporate office. Logrand Entertainment Group has participated in the implementation of the sustainable comprehensive mobility project.

Sustainability

Sustainability Strategy

Five pillars comprise our Sustainability Strategy that set the structure of our economic, social, and environmental impacts and has as its objective the generation of shared value. At the same time, Material Topics comprise our sustainability pillars, which were defined by our stakeholders through a materiality assessment. They guide the company's efforts toward a sustainable operation.

As part of our commitment to the environment and stakeholders, our social responsibility projects are aligned to the UN Sustainable Development Goals, aiming to actively contribute to poverty eradication, planet protection, and prosperity for all.



Stakeholders

It is necessary to consider each stakeholder of the company to develop a sustainability strategy of broad impact. It is imperative to assess the opinion of all the stakeholders that have an impact in Logrand Entertainment Group.

- **Associations, Chambers and Control Organizations**
- **Customers**
- **Employees**
- **Potential employees**
- **External advisory board and shareholders**
- **Government**
- **Suppliers**
- **Neighbors**
- **Non-governmental organizations**

For each of these stakeholder group, we have a communication strategy focused on listening to and assisting them according to their specific characteristics and needs.



According to an interview analysis carried out for our materiality assessment, we identified critical topics for each group of stakeholders. Throughout the report, we included actions we implemented in 2018 to address each of the priority topics considered by our stakeholders.

Table 3. Priority Themes by Stakeholders

Key Topics by Stakeholders Group	Customers	Employees	Potential Employees	Suppliers	Neighbors	Chambers and Control Organizations	Government	NGOs	Board
Responsible gaming		X	X			X	X		X
Customer Health and Safety	X	X				X	X		X
Gaming transparency		X				X	X	X	
Personal data protection	X	X		X		X	X	X	X
Optimal working conditions		X	X			X	X	X	X
Diversity and equal opportunities		X				X	X		
Employee training and formation		X	X			X	X		
Supply chain		X	X	X		X	X		X
Energy consumption and emissions						X	X		X
Waste management					X	X	X	X	X
Water consumption						X	X	X	
Community engagement	X			X	X	X	X	X	X
Regulatory compliance		X	X			X	X		X
Governance				X		X	X		X
Profitability						X	X		X

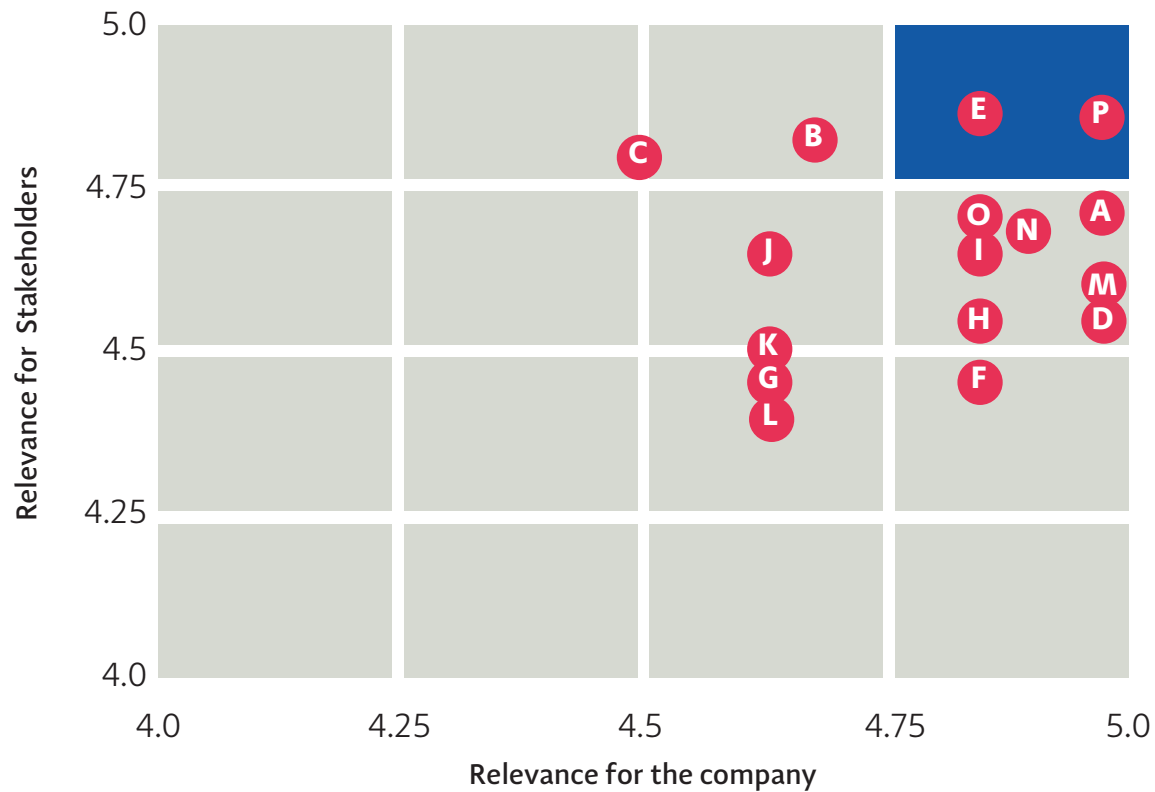
Materiality Assessment

In 2018 we updated our materiality matrix to identify and assess the most relevant topics for our stakeholders to improve our sustainability efforts. We carried out a total of 3,480 surveys answered by our customers, employees, management, suppliers, board members, neighbors, NGOs, potential employees, and regulatory bodies. These surveys represented 39.8% more than in 2017.

Thanks to the survey results, we can focus our attention on projects around topics considered relevant by our stakeholders, impacting positively our sphere of influence.



Materiality Matrix



- A. Governance
- B. Regulatory compliance
- C. Transparency
- D. Supply chain
- E. Economic performance
- F. Energy and emissions
- G. Water
- H. Waste management

- I. Work conditions
- J. Workplace Health and Safety
- K. Employee training and development
- L. Diversity and equal opportunities
- M. Community
- N. Personal data protection
- O. Health and safety of customers
- P. Responsible gaming

Customers

“There are two reasons why sustainability is fundamental for Logrand Entertainment Group, the first one, is to give credibility to the industry. In our society, gambling is a sensitive industry, and therefore, it is our responsibility to implement programs and activities aiming at making the sector more transparent to become more responsible toward our customers and their families. The second reason is that as part of the entertainment industry, we want to give back to society through activities focused on solving societal problems.”



–Egber Hernández D.
Marketing and Commercial Director

Responsible Gambling

One of the priorities of our Social Responsibility Program is to promote responsible gambling. Our mission is to create exciting and unique experiences, and we do it by developing a non-addictive gaming environment. We are committed to promote responsible gambling as an entertainment activity and to provide our customers with protection tools in cases when their gambling is no longer enjoyable.

In Mexico there are no in-depth studies about compulsive gambling, however, we note that our self-exclusion cases are consistent with the rates published by the

European Commission on its Recommendation dated 14 July 2014, wherein recital 12, estimates that between 0.1% and 0.8% of the adult population suffers some kind of disorder linked to gambling. Similarly, according to research by the Swedish health authorities, in Sweden, 0.45% of the population suffers an addiction to gambling.

Concerned about the wellbeing of our customers, in 2018, we started a Responsible Gambling Program which included the deployment of the Voluntary Self-Exclusion Procedure. To this end, we have trained more than 900 employees on Responsible

Gambling and made available educational information including contact information of organizations that give free advice nationally, on all our casinos and our webpage.

We provided 1,150 hours of training on responsible gambling to our employees.

Voluntary Self-exclusion Program

In 2018, we implemented a voluntary self-exclusion program in all our casinos nationally, as well as on our online platform, aiming to guide customers that believe they can use a break from gaming. When voluntarily subscribing to this program, the access to any slot machines or gaming tables in the casino is restricted for as long as the client decides.

Health and safety of our customers

A key aspect for us is to provide a safe and healthy environment for our customers. We have strict protocols focused on the customer health and safety, as well as complementary programs that allow us to improve their experience; from healthy meals to benefits of our loyalty programs.

In all our casinos and corporate offices, we provide emergency and accident prevention training to all our employees. Only in 2018, we reached a total of 8,199 training hours on these areas provided to 1,549 participants.

We carried out 48 desk drills in 12 business units and as in previous years, all our customers actively participated guided by our trained and certified brigades.

“Through our safety brigades, we organized emergency drills for customers and employees, as safety is essential for Logrand Entertainment Group. We want our customers to feel safe and protected in our facilities”.



**-José Antonio Jácome C.,
Risk Management Director**

Comprehensive Assistance

Comprehensive assistance is one of the benefits that has positioned us as the preferred choice of our customers. We reward our customer's loyalty through The One Rewards program but also through a wide range of services. The comprehensive assistance benefit is available since May 2018 to the four levels of our loyalty program; it includes services such as ambulance and telephone assistance or a comprehensive support package.

Depending on their level within the program, customers can benefit from telephone medical and emotional assistance, ambulance, general check-ups, nurse service, among others. Another advantage of this benefit is that customers can use it in any city of Mexico (even in places where the Group has no presence) with telephone assistance available 24 hours a day.

“The comprehensive assistance service was created with our customer's health and safety in mind. We wanted to provide an extra benefit beyond their casino experience. We are the only company nationally within this industry that offers that kind of benefit.”



**-Fernando Martínez M.,
CRM Specialist**

Advanced Emergency System

In the casinos located in Monterrey and Guadalajara we have an Advanced Emergency System to assist in emergencies of our employees and customers. If a customer is not feeling well, we can provide medical onsite assistance by certified doctors and paramedics who can treat, provide medication and if necessary, transfer to specialized care facilities.

Also, we implemented a Pre-hospital Emergency Care Protocol, communicated to the relevant staff, besides the compulsory training. This protocol includes all the steps to follow in the event of a pre-hospital emergency. In this way, we assess and classify the attention needed by the customer promptly.

Distinctive H

At Logrand Entertainment Group we work to provide service with the highest food handling standards, which allows us to ensure quality in everything we do. For this reason, 12 of our food consumption centers have the certification Distinctive H, which is awarded by the Ministry of Tourism of Mexico (SECTUR as per its acronym in Spanish) to companies with high quality and hygiene standards. We have obtained this distinction for ten years in a row with an assessment of 100% compliance.

92% of our food consumption centers have the Distinctive H

“Gastronomical Balance” Distinction

In 2018 we obtained the Gastronomical Balance Distinction, an award granted by the Ministry of Health (SSA as per its acronym in Spanish) to establishments that contribute to the National Strategy for the Prevention and Control of Overweight, Obesity, and Diabetes, when including healthy and balanced gastronomical options in their menus.

Personal Data Protection

The information of our customers, employees, candidates, and suppliers is one of our main assets,” as part of our regulatory framework; we are aligned to the Federal Law of Personal Data Protection in Possession of Private Entities and the standard on information security, ISO27001. To keep the trust of our stakeholders, we protect the privacy, confidentiality, and safeguard of such information to avoid leaks or the misuse of it.

Our Security Policies, Procedures, and Practices including confidentiality, integrity, and availability of information are executed by the Department of Information Security jointly with our Legal Compliance Department who also develops training plans. During this reporting period, no complaints or incidents related to steal or loss of data occurred.

In 2019 we plan to develop training on the security of information and on the use of personal data to raise awareness among our employees about these issues and the legal obligations regarding the Law of Personal Data Protection in Possession of Private Entities.

Transparency in gaming

The trust of our customers is the key to remain as the leading company in the market. For that reason, we continuously work to provide tools that guarantee transparency in gaming.



On Slot Machines:

- *100% of the machines and titles are tested in a laboratory for its appropriate operation.*
- *All our machines have documentation certifying that we operate them legally in Mexico.*
- *All our game titles are original from the software manufacturers.*
- *100% of our slot machines suppliers are legally incorporated in Mexico.*
- *We fulfill all the regulatory requirements of information of the Interior Ministry on a monthly basis.*
- *All customer complaints are 100% validated with the manufacturers.*
- *All the prizes and (card) loads over the permitted limit go through processes concerning regulations for anti-money laundering.*

On Gaming Tables:

- *For an impeccable gaming we follow the Official Guidelines for Gaming Tables Product Responsibility which contains relevant standards and requirements.*
- *For clarity and customer trustworthiness we have payment calculators developed under international standards.*
- *We use original patented games with official payment tables.*
- *We standardized our processes and procedures following international best practices.*
- *In 2018, we provided more than 1,500 training hours to dealers on the official procedures of live gaming tables.*
- *Our dealer personnel were trained on high-performance academies attaining more than 67,000 training hours.*

Customer Satisfaction

As a strategic initiative, we implemented a Customer Centric Management and Culture. This approach will allow us to understand their experience and level of satisfaction and to improve our product and service offering.

We opened different channels of communication to receive customer's comments and perceptions. By doing this, we seek not only to improve our operation but to maintain and develop our employees' talent and culture so they can provide exceptional service.

Some tools to achieve the above include satisfaction surveys regularly carried, suggestion boxes placed at every casino, social media, and telephone, satisfaction and loyalty indicators, as well as our customer management relation system. Also, all the processes and staff within the Customer Experience Department are subjected to regular audits.

Communities

Logrand Entertainment Group supports the development of the communities where it operates and aims to generate shared value in collaboration with many organizations and institutions working on community issues. We support development through different activities such as donations, volunteering, sale of goods supporting social causes and charity races, in which we jointly promote awareness on social issues.

These activities differentiate us before the industry and among potential investors and support our community involvement by promoting stakeholder engagement and developing projects that generate value.



“At Logrand Entertainment Group we are committed to improve the quality of life in our communities. We aim to achieve it through initiatives targeted at the creation of shared value.”

**-Francisco J. Gutiérrez C.
Director of Institutional Relations**



“Naipes Rosas”

In October 2018, we launched our “Naipes Rosas” campaign that sold pink playing card decks and donated 100% of the profits to associations supporting Cancer patients such as the Cancer Center at the Hospital of the Autonomous University of Nuevo Leon, the Association of Women of Yucatán against Cancer and Grupo Reto in Tabasco.

In addition to raising awareness among our employees and customers, we raised 439,119 pesos through the sale of these cards. This amount was destined to support causes of those prestigious institutions.



Our Lady of Guadalupe Project

In May 2018, we joined the Project of Our Lady of Guadalupe in Monterrey. We collaborated through the Casino Hollywood Valle Alto in a fundraising event organized by Cáritas in benefit of the Parrish of Our Lord of Mercy. Thanks to this effort, this community will benefit from the construction of a church, a football pitch, a community center, and a medical dispensary.



Adopt a Tree

Our employees' children adopted green and red oak trees during a family event of the company. These trees originated from seeds of our gardens, and were looked after by our employees while they were growing. Finally, they were adopted to be planted on areas in need of reforestation. Through activities and games, participants learned how to cultivate this type of tree. A total of 100 oak trees were donated for this activity.

“We developed an innovative model supporting a worthy cause. In such a challenging market it is important to undertake this type of initiatives. Without any doubt, we are at the level of the best international companies and in México, we are setting a trend.”



**-H. Marcelo Silva M.,
Tables Product Manager**



Mexican Association Supporting Children with Catastrophic Diseases (AMANEC)

Logrand Entertainment Group supports AMANEC who provides comprehensive medical care and the support of highly specialized doctors and professionals to patients of cancer, kidney disease, diabetes and other catastrophic diseases and their families. In 2018, Logrand Entertainment Group donated more than 1 million pesos to this organization.

AMANEC 5K Race

On October 6th, 2018, we organized the First AMANEC 5k Fundraising Race. Five hundred twenty runners supported this cause participating in the race, including employees, their families, customers, suppliers, among others. The race raised \$158,245.50 pesos for this association.

Christmas Party for Senior Citizens

In December 2018 the Dubai Palace Casino helped the State Federation for Senior Citizens in Quintana Roo State, A.C. (FEDHAM) to organize their traditional Christmas Party. FEDHAM is a nonprofit organization aiming to improve the quality of life of senior citizens. More than 350 senior citizens enjoyed the Christmas Party bringing back some Mexican traditions. At the event, they spent quality time with their friends and our staff.

“These events strengthen the company’s culture and daily values, fostering teamwork, and looking to innovate and contribute to our community.

This race allowed us not only to support the medical treatment of AMANEC children, but also to have a wholesome convivial event with our colleagues. We will be looking forward every year to get set, run together, and support a good cause.”

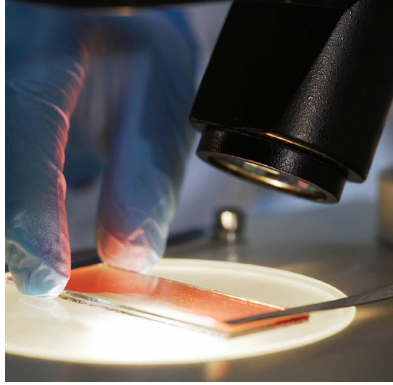


**-Luz Andrea Díaz K.,
Procurement Regional Head and 5k Project Leader**



Maria Cristina Specialized Center

As every year, we continue to provide a monthly donation to the Specialized Center Maria Cristina, which offers special education to children, young people and adults in vulnerable situations with Down Syndrome. The objective of this organization is to empower, rehabilitate, form, and support people with Down Syndrome, improving their integration and helping them achieve a better quality of dignified and independent life. At the Center, beneficiaries undertake recreational, sport, cultural and occupational activities. In 2018, we donated 180,000 pesos, which were allocated to cover fixed overheads.



Nuevo Leon University Hospital Cancer Research Center

In 2018, we granted 1.2 million pesos to the Hematology Service of the Nuevo Leon University Hospital Cancer Research Center. With our contribution, this center provides free diagnostic studies to people with leukemia who are unable to pay for medical expenses. We also help drive the cancer research efforts of the Center.



Top Grades Students

Every year in Tabasco we support an event rewarding children enrolled in primary education with outstanding grades. On this occasion, we donated 1,700 backpacks to motivate students to continue their studies with excellence.



Casa Indi

In October we supported the Normative Institution for Homeless Casa INDI, A.C in Monterrey, Nuevo Leon, by donating food destined to people with difficulties to satisfy their basic needs.



Christmas Toys Donation

To recognize the extraordinary work of Mexican Military Forces, during Christmas we donated 1,500 toys to children of soldiers of the State of Nuevo Leon.



Linares Diocese

In July 2018, we donated furniture such as tables and desks to equip the offices of the Diocesan Curia of Linares.

Bonanza Park

We continue to support the maintenance of Bonanza Park adjacent to our casino Taj Mahal in Villahermosa, Tabasco. In previous years, we refurbished the surveillance booth, football pitch, and social spaces in the neighborhood.

Through the local government program 'Adopt a Park,' we committed to upkeep and maintain the park. We went even further and organized social events to build trust between our company and the neighbors. In addition, we provided free meals to the neighborhood guards as well as a temporary resting spot.

As it is a tradition in December 2018, the staff of the Taj Mahal Casino organized a Christmas Party for neighbors, offering dinner, music, and presents and gathering more than a thousand people including children, youngsters, parents, and grandparents.



“Comedor de los Pobres”

In May and June 2018, twenty-two employees of our casinos and corporate offices participated as volunteers in the Priest Roberto Infante Soup Kitchen. The volunteers attended to the Community Center “Bicentenario de la Independencia” located in Monterrey and to the soup kitchen located in the municipality of Guadalupe where they participated serving food to people in situation of vulnerability in celebration of Children’s day.

“Our involvement in volunteering activities is an excellent opportunity to contribute to the different needs existing in our society. Participating in volunteering activities has always a positive impact for the organization receiving such support, for participating staff –as it strengthens their values–, and for Logrand Entertainment group –as it transcends and generates a model of contribution to society”.

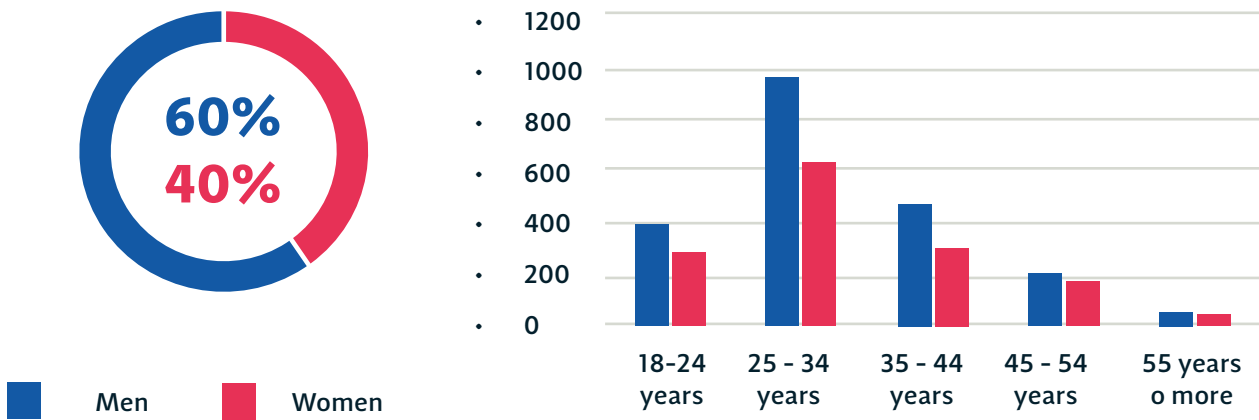
**–Martha E. del Campo P.,
Volunteer and Project Portfolio Manager**

Our Employees

Diversity and Equal Opportunities

At Logrand Entertainment Group we value the diversity of our employees and we offer equal opportunities for all. 40% of women and 60% of men comprise our workforce. All our employees have permanent contract and 99.6% work full-time. We also have staff coming from Spain, Italy, Colombia, Uruguay, and Venezuela, making our team even more diverse.

Employees by Age and Gender



As part of our objective to recruit more women and provide equal opportunities for all, this year, we hired women for positions traditionally occupied by men, for example, in the valet parking.

“We believe our employees serve as a bridge to customers, and for that reason, our goal is their wellbeing. We want our employees to be strong and prepared for all what the company wants to achieve, which will be accomplished only with their support.”

– Guillermo Varela R.,
Director of Human Resources





Women @ Work Forum

To promote a work culture focused on gender equality, this year we invited 20 women employees to participate in the Forum Women@Work: Breaking Ground which took place in the EGA-DE Business School at the Tecnológico de Monterrey. The Forum provided a space to inspire women and drive them to action through conferences, workshops, and community work.



Engaging People With Disabilities

The objective of this program is to promote a culture of inclusion by hiring people with disabilities. In 2019, we plan to carry out a diagnostic that allow us to define the positions where we could start this program, as well as profiles, legal requirements, recruitment sources, and assessment mechanisms.

Optimal Working Conditions

In order to have a valuable workforce, we believe is essential to offer optimal conditions for their professional development. For this reason, one of our material topics is related to the provision of adequate tools and a pleasant working environment that favors their wellbeing.

Through the Logrand's Standard of Working Conditions we guarantee our employees that services, facilities, and other factors at their disposal meet world-class standards. With clearly defined criteria for tangible and intangible factors as well as their assessment and measurement, we can develop action plans to correct, improve or maintain the working conditions we offer.

In the New York Casino, we began a project called Puertas Abiertas in which we invite our employees' families to get to know the company, its facilities, its products as well as the services we offer. In sum, we encourage them to experience being part of the Logrand family.

Health and Safety of Our Employees

At Logrand Entertainment Group, we have a dedicated team that monitors Health and Safety compliance implementing tools aligned to the relevant laws and regulations. The team is responsible for health and safety matters of all the company's employees from the moment of hiring to the end of their contract, including their respective benefits, personal protection equipment, and risk communication and training.

The Civil Protection, Safety, and Hygiene Management Unit guarantees our compliance with the corresponding regulatory framework. Each regulation guides the unit that manages our specific requirements. Every year and according to the General Law of Civil Protection, we analyze internal and external risks, including physical, natural, and chemical dangers in the workplace. With our Accident Report and Control System, we investigate incidents to identify its cause/root, which then is handled by the Civil Protection, Security, and Hygiene Unit for its immediate remediation. The unit informs the outcomes to the Safety and Hygiene Commission.

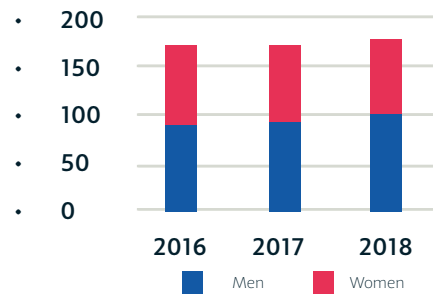


In 2018, we had 178 work accidents representing 3% more than in 2017. We are working to reduce this number through communication campaigns on care and health prevention with the support of the Instituto Mexicano del Seguro Social (Social Security Mexican Institute).

In the Jubilee Casino, we established an infirmary with healthcare staff who provides medical care and deploys healthcare campaigns. In 2019 we will extend this program to the rest of the casinos.

In December 2018, we provided safety training for our corporate staff so they are prepared to face any risk scenario that may arise. We offered 8,199 hours of instruction in areas such as first aid, search, and rescue brigades, evacuation, prevention, and firefighting.

Work Accidents



1,549 employees participated in brigade training during 2018

Training and Education

Aware of the importance of having a well-informed staff, one of the strategic initiatives to reach our objectives for 2021 is Talent Attraction, Retention and Development. It comprises of six projects including Open Classroom and Logrand University. We aim to develop and prepare staff for future positions, ensuring business continuity and the company’s future.

The objective of the departments Training and Development, Technical Training, and Human Resources Planning is to develop talent within the organization. We offer organizational training focused on competency development, executive management, and business culture; we also provide technical training, focused on specific skills for staff such as service assistance, cashiers, valet parking, dealers, among others.

We train all our employees to provide an added value to their post and the organization, resulting in better customer service.

Aulas Abiertas Program

One of the most significant employee development projects is Aulas Abiertas. During the first phase, its objective is to define and develop a structure to offer basic and middle education to employees who require it, backed by official education institutions. Initially, it will be deployed in two casinos in Monterrey. In 2019, we will implement the program at the national level. Finally, in a third phase, we envisage participation our employees’ immediate family members.



Logrand University

Logrand University contributes to our strategy of Talent Attraction, Retention and Development. We aim to establish Logrand University as a strategic element that allows us to have the best talent available and to achieve our business strategy. Logrand University ensures that competencies, organizational abilities, behaviors, and values are aligned to Logrand’s culture. In 2019 the objectives of this program include adding a bachelor’s degree and three technical university degrees as well as to implement “development stairs” in 7 operational positions.



Talent Bank

Talent Bank is a program seeking a comprehensive development for employees in middle-management positions. We want to foster their development within our company helping them become the future successors or candidates to executive positions and our main agents of change. In 2018, 52 employees participated in this program.



Middle Management Leadership Program

This program aims to enhance competencies, abilities, attitudes, and tools to improve managerial and operational practices of our business leaders, in line with our business culture, strategies, and objectives.

In 2018, the program reached 182 middle-management employees nationally. Six modules, including Logrand Leader, Training Leader, Leader and its team, Execution Focused on Customers, Communication Leader, and Logrand’s culture and values, comprise this program.



CHIISPA

Our CHIISPA program contributes to the fulfillment of our employees within the company. In 2018, we implemented this model in 6 casinos of Monterrey, in the corporate offices and with the Operator Class. We provided 87 workshops and achieved an annual retention of 90% of employees that concluded the workshop. The program has seven management tools:

- **+70,600 training hours.**
- **+930 employees certified in CHIISPA.**



Mentors and Pupils



Round Discussion Tables



Focus groups



Events and Competitions



Motivational Talks



CHIISPA Workshop



CHIISPA Space

Socially Responsible Leaders

For a second consecutive year, 13 Logrand employees took the course “Socially Responsible Leaders”, organized by SELIDER, a civil society organization in Mexico and Latin America, aiming to promote a culture of inclusion and civil participation for the benefit of society.

Every year this training course brings together around 100 Mexican leaders of different industries, to positively influence companies, politics and Mexican society in general. The sessions lasted two and a half months and some of the topics included: Corporate Social Responsibility, Leadership Abilities, Ethics and Values, and Current Needs in Mexico.



Lifelong learning

In 2018 we continued to invest in the education of our employees and their families by providing scholarships up to 47% in prestigious universities for undergraduate and postgraduate studies. Thanks to this initiative more than 50 employees and their family members have continued their studies at Tec Milenio, Universidad de Monterrey, Universidad Regiomontana, Universidad del Valle de Mexico and Centro de Formación Académica de Monterrey.



Performance management

100% of our executive positions are assessed through performance management reviews that consider results against objectives of each position, as well as behaviors, competencies and service agreements through a 360° Assessment. In this way, we drive the professional development of our employees and encourage them to reach their objectives and contribute to the company's growth.



Competency-based Certification

This year, 50 employees from different operational positions obtained a competency-based certification related to their job competencies. Logrand continues to strengthen its employees' competencies and seeks to become a certification entity that provides training to other companies. In September 2018, we started working in standards for operational positions including cashiers, service assistance, waiters, and dealers, where we assessed approximately 800 employees. Our objective is to implement the certification in other casinos of the group and continue the assessment of 6 additional positions.



“The results of this assessment allowed us to identify the strengths and opportunity areas of each casino in order to improve and carry out internal certifications.

In this way, our employees are prepared to be certified by an external body, ensuring a performance aligned to specific standards”.

**-D. Zayda Enríquez S.,
Technical Training Officer**

Supply Chain

“Sustainability is an essential factor in our supply chain that helps us achieve a better customer service, efficiency, profitability, and to support our suppliers and the community. Achieving this is what makes us a socially responsible company.”

-Nereo A. Cantú S.,
Director of Finance

We aim to generate value to society and to suppliers through the procurement of sustainable products and services and by promoting a responsible culture at all levels of our supply chain. We foster alliances with our business partners and serve as link between them and other stakeholders. Our business partners range from small food producers to international companies selling casino products.

Managing our supply chain with a sustainable approach helps us to have suppliers committed to a continuous improvement of their internal processes and to the community. Also, such suppliers are inclined to work with standardized processes, ensuring the quality, regulatory, and product compliance sought by our organization.

The company’s supply chain is managed through:
When selecting a supplier, we take into consideration their sector

Automatization of indicators	Incorporation of sustainability requirements in tenders and supplier assessments
Procurement Policies	
Procurement tender proposal	Standardized processes in all bussines units

certifications and their fulfilment of all product and service requirements allowing us to comply with our own certifications such as Distinctive H and other legal regulations (Ministry of Health, Ministry of Labor).

Also, we offer our suppliers a transparency mailbox so they can express their concerns, reports, and proposals.

In 2018, for the first time we carried out a supplier census aiming to inform our plans to diversify our supplier base. The results of this

census guide our supply chain sustainable strategy as they provide information on opportunity areas on which we could work together with our suppliers.

Our suppliers are*:

Micro and Small Enterprise:
78% are micro and small enterprises.

Responsible:
50 % of our suppliers develop socially responsible policies or initiatives.

Environmentally friendly:
60% carries out recycling or waste recovery activities.

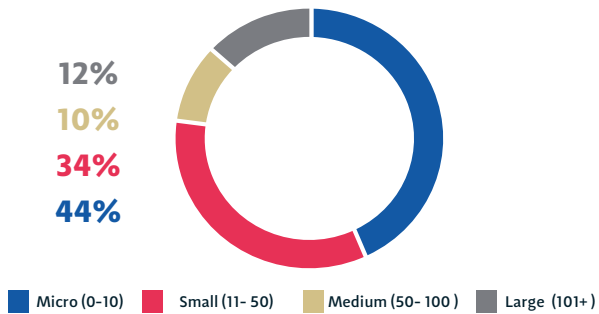
Inclusive:
19% of our suppliers have employees with disabilities and **36%** has accessibility plans for people with disability. **72%** of our supplier companies have leadership positions occupied by women.

**According to the results of the Supplier Census 2018, applied to 500 suppliers.*

In order to know our impact, we need detailed information of our supply chain. Hence, in 2018 we started to gather supplier data which has helped us to get to know them better, particularly in regard of their sustainability efforts and opportunity areas.

In 2019 we will develop supplier relationship strategies to drive the sustainability of our supply chain based on those results and the supplier census.

Size of our suppliers by employee number



Letters of Commitment to Social Responsibility

Since 2016, we request from our suppliers a letter of commitment to the ten principles of the UN Global Compact. In 2018 we extended our own commitment to protect Human and Labor Rights, the Environment and to Fight Against Corruption to 28 additional suppliers of our supply chain. This contributes to our efforts to promote a more responsible business environment.

100% of our new suppliers in 2018 are committed to protect human, labor and environmental rights and to fight corruption.

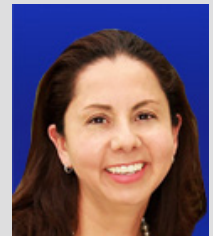
Teamwork

Uno a Uno: Taller Protegido

Logrand Entertainment Group aims to develop quality suppliers committed to sustainability. The supply of bottled water is essential to our business units; therefore, it is important to have suppliers with high commercial and quality standards. When assessing the bottled water market, we found *Uno a Uno, Taller Protegido*, which is a company offering not only an excellent product at competitive prices but also an alternative to support the community through the employment of vulnerable groups.

By purchasing this product, Logrand Entertainment Group contributes to solve the issue of unemployment of people with disabilities. Currently, our company buys customized bottled water for two of its casinos, ¡Viva Mexico! and New York, with an estimated monthly consumption of 48,000 water bottles.

“By purchasing our products, Logrand Entertainment Group becomes part of this inclusion project. At Uno a Uno, all our employees are people with disabilities who are responsible for labeling, packing, and stocking the product. With this job, they can support their families.”



**- Susana Rodríguez
Uno a Uno Taller Protegido,
Supplier**

Environment

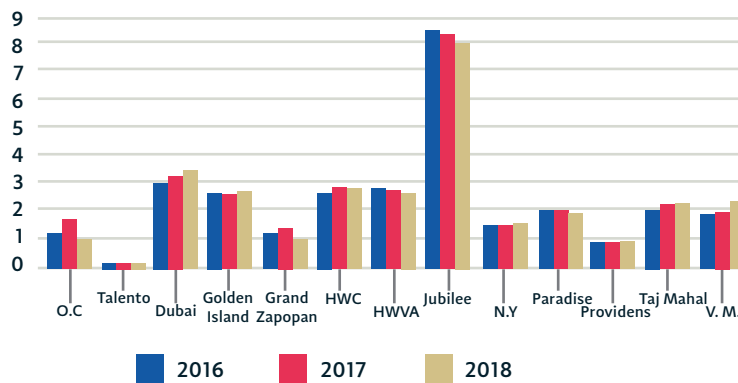
As one of our sustainability pillars, we aim to minimize the environmental impact of our operations by implementing projects focused on energy and water efficiency as well as an appropriate management of waste.

Energy

Due to the nature of our services, our energy consumption derives one of our impacts on the environment. For that reason, we monitor increasingly in more detail the energy consumption of each business unit while exploring and implementing energy-saving alternatives.

From January to December 2018, we consumed a total of 29.33 GWh in our casinos and corporate offices. We managed to reduce our energy consumption by 1% compared to the same period in 2017.

Energy Consumption (GWh)



We designed and built new premises for our corporate offices based on regulatory LEED requirements to obtain LEED certification. Now, we use fewer resources and have higher energy and environmental efficiency. Increased cognitive abilities, increased productivity, better collaboration, and better quality of life reflected some of the results of this change. In addition, thanks to this change we reduced by 43% the energy consumption in our offices compared to 2017.

We reduced by 43% the energy consumption in our corporate offices

We are committed to replace every light fitting that needs to be changed to LED technology, so we are increasingly moving to greener technologies. To date, we have achieved an 88% of LED lighting in our casinos and 65% in their offices.

88% of the lighting in our casinos has LED technology, reducing our environmental footprint

At Golden Island Casino, we installed 22 slot machines with LED lighting in order to reduce their energy consumption, extend their life cycle, and help protecting the environment by using new technology. We will continue to integrate this technology to all the machines MK5 and MK6 in our casinos.

We integrated LED lighting into our slot machines

As part of the Valle del Campestre District initiative, we invited all our corporate employees to use the services of Bussi and SPLT shared transport platforms which are part of the “Muévete Libre” program. The objective of this program is to reduce transit and air pollution provoked by cars. In December 2018, Logrand Entertainment Group was recognized as the Top #2 company in the area working for a better mobility culture and because of our use of these platforms.

“The initiatives focused on protecting the environment strengthen our culture and values. As a company, we have a commitment with our customers, employees and shareholders, as well as with society.”

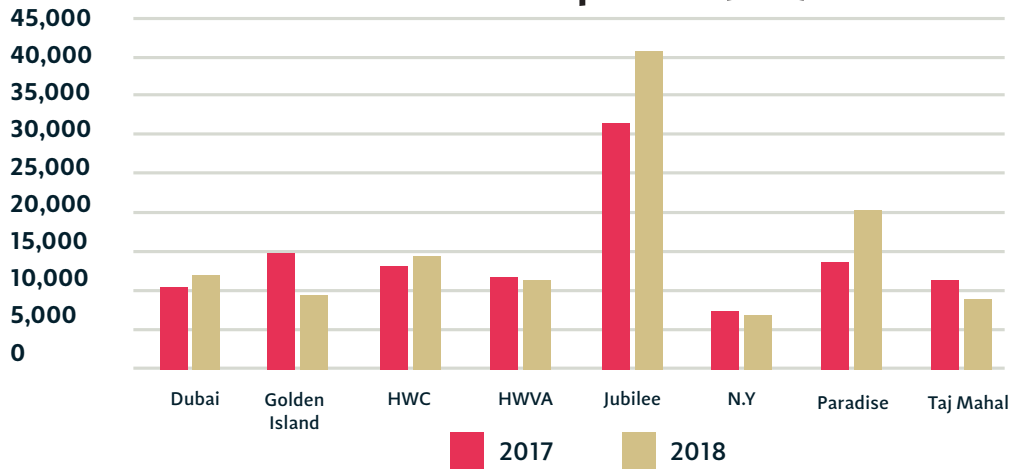


–Raúl J. Sueiro V.
Director of Operations

Water

We aim to develop projects and initiatives promoting savings and efficient use of water, as well as to raise awareness among our customers and employees of the importance of this resource. In 2018, we consumed approximately 124,500 cubic meters of water. We obtained water from the municipal system, excluding the Providens Casino and Viva Mexico which are located on shared premises. Also, our water discharges follow the applicable regulations through the drainage system at each of the locations where we operate.

Water Consumption (m³)



**The Casinos Providens and Viva Mexico are not included as they are located within shared premises.*

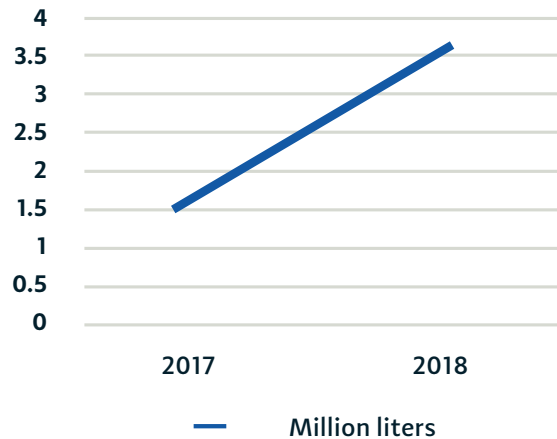
This year, we joined the program ¡No te la bañes! ¡Cuida el agua!, launched by the Nuevo Leon State Government to raise awareness about the importance of preserving this resource. The project arises from the water scarcity problem in the state due to lack of rain and high temperatures. For this project, we placed 48 cards with tips to promote proper use of water and water-saving culture in strategic places of our casinos in Nuevo Leon.

We joined the water saving and awareness raising campaign launched by the Nuevo Leon State government.

Also, as part of our water-saving initiatives we expanded our air-con water-recovery project to the casinos located in the southern area of Mexico. In 2018, through a system that harnesses water from condensation, we recovered 3.75 million liters in the casinos Dubai Palace (Cancun), Taj Mahal (Villahermosa) and Golden Island (Merida). This water is used to clean some machines and for watering our gardens.

In 2018 we recovered 3.75 million liters of water against 1.5 million recovered in 2017

Recovered Water



Waste Management

Aware of our impacts as a service company, we have implemented initiatives to help us reduce the environmental footprint of the organization. Increasingly we are moving to more ecological product choices, and we will continue working to be more environmentally responsible.



Moving away from single-use plastic products

In our casinos Viva Mexico and Taj Mahal, we have eliminated single-use plastic cups and bought reusable cups and glasses to promote responsible consumption. In this way, we avoid generating waste of 1.86 million plastic cups yearly.

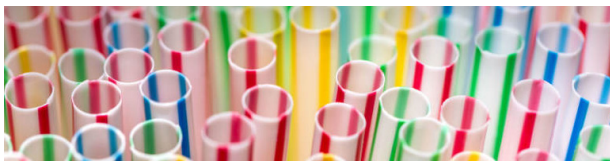


Removing disposable cups in our corporate offices

In 2017, we removed the disposable cups in our corporate offices and thanks to the excellent response and commitment of our employees, in 2018 we also eliminated the rest of single-use plastic items including plates and cutlery. Aware of their environmental impact, each employee committed to this initiative and as result, we are avoiding waste of 130,000 plates and cutlery on a yearly basis plus the 76,000 plastic cups that we stopped using yearly since 2017.

We avoided wasting 200,000 single-use plastic items* in our corporate offices.

**Per year*



No straws campaign

We limit the use of straws at restaurants in our casinos by offering them only when customers request them. By doing this we have reduced in 85%, the consumption of straws avoiding that more than 100,000 straws end up in the landfill every month, which will take at least 100 years to decompose.

We reduced the use of straws in more than 1,200,000 units per year.



PET recycling

This year we implemented a pilot recycling program in our casino Hollywood Valle Alto. During the year we managed to recycle 1,181 kilos of PET which is equivalent to 84,357 water bottles, saving 46,366 liters of water and 2,624 kg of fuel that would have been used to produce more plastic. In 2019 we plan to expand this program to all our casinos in the region.

We recycled 1.1 ton of PET equivalent to 84,357 water bottles.



Cooking oil recycling

We continue harnessing the cooking oil used in our kitchens and in 2018 through one of our suppliers we recycled 19,696 liters of cooking oil for biodiesel generation, increasing its life cycle.



From Coffee to Compost

At our casino Hollywood Valle Alto we reuse the coffee waste as compost, which acts as natural fertilizer providing nutrients to our gardens. With this practice we collect 5 kg of coffee per day, adding up to 150 kg monthly.

Regulatory Compliance

“A strict regulatory compliance underpinned by our determination and professionalism is what positions us as a responsible company within a controversial industry.”



–Luis A. Gutiérrez C.,
Legal Director

It is very important for us to be a referent of transparency and adherence to legal frameworks as well as to maintain the values and culture of the company. Regulatory Compliance is one of the topics relevant to our stakeholders. Therefore, it is at the base of our Sustainability Strategy and gives credibility to our efforts to create shared value.

It is our responsibility to promote and monitor a strict adherence and compliance to the applicable laws and regulations. To succeed, The Legal Department develops robust Internal Policies and Processes that ensure our business continuity as a responsible company. Our operation fully complies with the Federal Law of Gambling and Raffles, which regulates every activity of gaming and entertainment companies, as well as with all the applicable regulations.

In addition, our Legal Department supports all areas of the organization to ensure business continuity, safeguard internal interests and indirectly promotes compliance among our stakeholders. The company’s legal team is comprised by staff specialized on regulatory matters who has documented and implemented processes and systems to continuously monitor our overall level of compliance.

Regulatory compliance objectives

One of the company’s commitments is to maintain legal compliance as licensee in regard to the Federal Law of Gambling and Raffles and the Federal Law of Prevention and Identification of Operations with Illegal Resources, as well as to undertake appropriate and timely actions to avoid any fines and sanctions by the authorities.

In 2018 we invested \$180,000 in training for our legal department and operational employees on regulatory compliance and money laundering prevention.

Some of our tools and best practices to mitigate the risks associated with regulatory compliance of the operation are:

Handbook of regulatory compliance and Money Laundering Prevention Policies

Official compliance guidelines

Regulatory compliance in MetricStream

Regular training

Compliance file in every casino

Procedure to provide notices of vulnerable activities to the authority

Use tools such as Lexis Nexis

Regularly our casinos are subjected to internal and external audits as well as reviews and checks by the authorities to monitor the company’s regulatory compliance.

As a result of our strict compliance and the 2,825 hours of training provided to 565 employees, no fines or sanctions on social, economic or environmental matters were issued to the company in 2018.

Anti-corruption

At Logrand Entertainment Group, ethics and values guide any activity carried out in its name. We reject corruption, bribery, fraud, or any other illegal act.

In 2018, we created an Anticorruption Policy and presented it to administrative staff and directors. The objective of this policy is to reinforce our Code of Ethics and the standards and values governing our behavior in order to comply with the applicable anticorruption regulations in Mexico and abroad. Senior Management and the Ethics Committee communicate and monitor full compliance to all the regulations and laws.

Any violation to the Code of Ethics including corruption acts, can be reported through our report lines. Such reports are externally and internally verified.

As members of the UN Global Compact, we are committed to adopt a clear position against corruption by incorporating strong principles and anticorruption practices in our operation and business strategies.



Commitments 2018

Pillar	Material Topics	Commitment	A	P	U
Customers	Responsible Gambling	Implement a self-exclusion procedure in the casinos.	●		
		Initiate the self-exclusion pilot program and extend it to all the casinos of the group.	●		
	Health and Safety of our Customers	Obtain the Distinctive H in 92% of our casinos.	●		
		Add customers to our Accident Control and Registration System to identify causes and prevent accidents.		●	
		Broaden the scope of our health campaigns to include customers.			●
	Personal Data Protection	Create guidelines to manage vulnerabilities in the IT infrastructure.	●		
		Ensure the appropriate information of our customers through the Master Data department .	●		
		Develop training and an awareness raising program on use of personal data and the Federal Law on Personal Data Protection.		●	
Employees	Training and Education	Double the number of Prepa Logrand scholarships (Logrand highschool program)	●		
		Implement Talent Bank training plans for middle management staff	●		
		Implement Logrand University training programs on management competencies for middle management and managers.	●		
		Implement Logrand University training and education programs for operational and middle management levels.	●		
	Diversity and Equal Opportunities	Organize talks on women empowerment and leadership for our employees.	●		
		Strengthen our Talent Bank with more women leaders.	●		
		Organize talks on Human Rights and Diversity.	●		
		Internal communication campaigns to promote our Code of Ethics.	●		
		Update our Recruitment and Operational Staff Selection Policy.	●		
		Implement Logrand's Standard of Working Conditions in all our casinos.	●		
	Optimal Working Conditions	Perform corrective and preventive initiatives based on results from the Accident Investigation and Monitoring System.	●		
		Complete a compliance analysis to obtain the Certificate of Health and Safety Self-management in the Workplace awarded by the Ministry of Health and Social Prevision.	●		

Community	UN Global Compact Communication of Progress.	●		
	Develop and implement community initiatives.	●		
Supply Chain	Perform environmental assessments of the products more used in the company.	●		
	All our new contracted suppliers will sign a letter of commitment to the 10 UN Global Compact Principles.	●		
	Carry out a supplier census.	●		
Environment	Each lighting change will use LED technology.	●		
	Implement energy saving campaigns in our corporate offices.	●		
	Install thermal insulation or 100% of LED lighting in our new casinos.	●		
	To expand the water recovery system to all our casinos located in the southern region of Mexico.	●		
	Develop waste management procedures.			●
	Implement PET recycling pilot program.	●		
	Expand the PET recycling program to at least two more casinos.		●	
	Explore replacing single-use plastic items with more sustainable alternatives.	●		
Offer training in our casinos on Money Laundering Prevention topics.	●			
Compliance	Implement internal processes in advance of potential changes in the guidelines, regulations and the law of Gambling and Raffles.	●		
	Automatize issuance of fiscal proof.	●		
	Automize compliance self-assessments in our casinos.	●		
	Actively participate in SEGOB consultations and committees.	●		
	Ongoing verification processes ensuring an appropriate regulatory compliance.	●		
	Issue an anticorruption policy.	●		

A = Achieved
P = In process
U = Unachieved

About this report

In our third Sustainability Report, we captured the economic, social and environmental impacts of our daily operations. Our reporting period covers from January 1 to December 31, 2018, excluding information on casinos with a minority interest. Our last report was published in July 2018, reporting information of 2017. From now on, the reporting development cycle will be annual. This report has not been part of an external assurance process.

This report has been prepared in accordance with the GRI Standards: Core Option. The GRI Standards are the most internationally recognized sustainability reporting standards.

We appreciate your feedback and invite you to send your comments about the report to responsabilidadesocial@logrand.com



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

UN Global Compact



Human Rights

PRINCIPLE 1: Support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2: Make sure that we are not complicit in human rights abuses.

Our Commitment

Logrand Entertainment Group adheres to the Universal Declaration of Human Rights and promotes the respect of Human Rights among its employees, suppliers and business partners.

Policies, Processes, and Guidelines

- Code of Ethics
- Report lines
- Specific clauses in supplier contracts
- Supplier Letter of Commitment to the UN Global Compact

Actions 2018

Diversity and equal opportunities: Pages 26-27
 Supply Chain: Page 33
 Code of Ethics: Page 9
 Report Lines: Page 10

Labor Standards

PRINCIPLE 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4: Elimination of all forms of forced and compulsory labor.

PRINCIPLE 5: Effective abolition of child labor.

PRINCIPLE 6: Elimination of discrimination in respect of employment and occupation.

Our Commitment

We are committed to the respect of labor rights based on the Declaration of the International Labor Organization and extend such commitment to our supply chain.

Policies, Processes, and Guidelines

- Health and Safety Procedures
- Report lines
- Specific clause in supplier contracts
- Supplier Letter of Commitment to the UN Global Compact

Actions 2018

Optimal working conditions: Pages 27-28
 Diversity and equal opportunities: Pages 26-27
 Report lines: Page 10
 Supply chain: Page 33



Environment

PRINCIPLE 7: Support a precautionary approach to environmental challenges.

PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.

Our Commitment

At Logrand Entertainment Group we are aware of the environmental impact of our operations, and we aim to reduce it by integrating technology and processes for a better resource utilization.

Policies, Processes, and Guidelines

- Report lines
- Supplier Letter of Commitment to the UN Global Compact

Actions 2018

Energy: Page 34
Water: Page 35
Waste: Page 36



Anticorruption

PRINCIPLE 10: Work against corruption in all its forms, including extortion and bribery.

Our Commitment

Logrand Entertainment Group is committed to acting according to the applicable laws. It is a priority for us to comply with anti-bribery and anticorruption international standards fully. Our Code of Ethics affirms our intention and obligation to act honestly and ethically in all our business activities.

Policies, Processes, and Guidelines

- Anticorruption Policy
- Code of Ethics
- Report lines
- Guidelines for Gifts Reception
- Procurement Policies
- Supplier Letter of Commitment to the UN Global Compact

Actions 2018

Anticorruption: Page 38
Code of Ethics: Page 9
Report Lines: Page 10

United Nations Sustainable Development Goals

Goal	Page
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	25
3. Ensure healthy lives and promote well-being for all at all ages.	22, 23, 24, 25
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	24, 28, 30
5. Achieve gender equality and empower all women and girls.	10, 27
6. Ensure access to water and sanitation for all.	35
8. Promote inclusive and sustainable economic growth, employment and decent work for all.	12, 27, 33
9. Build resilient infrastructure, promote sustainable industrialization; and foster innovation.	34
11. Make cities inclusive, safe, resilient, and sustainable.	25
12. Ensure sustainable consumption and production patterns.	32, 36
16. Promote just, peaceful and inclusive societies.	10, 27, 38
17. Revitalize the global partnership for sustainable development.	12

GRI Content Index



Standard	Disclosure	Page/Information
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization.	Page 6
102-2	Activities, brands, products and services.	Pages 7, 8
102-3	Location of headquarters.	Page 6
102-4	Location of operations.	Page 8
102-5	Ownership and legal form.	Sociedad Anónima de Capital Variable (S.A. de C.V.)
102-6	Markets served.	Page 8
102-7	Scale of the organization.	Page 6
102-8	Information on employees and other workers.	Page 26
102-9	Supply chain.	Page 32
102-10	Significant changes to the organization and its supply chain.	In 2018 the Grand Zapopan casino was sold.
102-11	Precautionary Principle or approach.	Page 34
102-12	External initiatives.	Page 12
102-13	Membership of associations.	Page 12
Strategy		
102-14	Statement from senior decision-maker.	Page 3
102-15	Key impacts, risks, and opportunities.	Page 3
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior.	Page 9
102-17	Mechanisms for advice and concerns about ethics.	Page 10
Governance		
102-18	Governance structure.	Page 11
102-20	Executive-level responsibility for economic, environmental and social topics.	Page 11
Stakeholder Engagement		
102-40	List of stakeholder groups.	Page 14
102-41	Collective bargaining agreements.	70% of our employees belong to a union, and 100% of them are covered by a collective contract.
102-42	Identifying and selecting stakeholders.	Page 14
102-43	Approach to stakeholder engagement.	Page 14
102-44	Key topics and concern raised.	Page 15
Reporting Practice		
102-45	Entities included in the consolidated financial statements.	JEYV de Nuevo León, S.A. de C.V., Operadora de Salas de Juego y Entretenimiento, S.A. de C.V., Operadora Megawin, S.A. de C.V., New Ads, S.A. de C.V., Administradora

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

de Talento Ejecutivo, S.A. de C.V., Talento Institucional, S.A. de C.V., Operadora Loma Larga, S. de R.L. de C.V., Consorcio Integral Internacional, S.A. de C.V., Administradora de Bingo Cancún, S. de R.L. de C.V., Administradora de Entretenimiento Guasave, S.A. de C.V., Centro de Entretenimiento de la Laguna, S.A. de C.V., Newdrinks, S.A. de C.V., Alimin Sureste Cancún y Villahermosa, S. de R.L. de C.V., Operadora Class, S. de R.L. de C.V., Egaming México, S.A. de C.V., Marsa Platinum, S. de R.L. de C.V., FC Desarrollos, S.A. de C.V., Operadora CADYS, S.A. de C.V., STORM International Latin America S.A.P.I. de C.V., Hollywoodgames, S.A. de C.V., S.I.L.A. Monterrey Sur, S.A. de C.V., S.I.L.A. Santa Bárbara, S.A. de C.V., Grupo RGSA, S. de R.L. de C.V., Montevalores, S.A. de C.V., Operadora de Bingo San Agustín, S. de R.L. de C.V., Alimin Sureste Mérida, S. de R.L. de C.V.

102-46	Defining report content and topic boundaries.	Page 16
102-47	List material topics.	Page 16
102-48	Restatement of information.	Page 41
102-49	Changes in reporting.	Page 41
102-50	Reporting period .	Page 41
102-51	Date of the most recent report.	Page 41
102-52	Reporting cycle.	Page 41
102-53	Contact point for questions regarding the report.	Page 41
102-54	Claims for reporting in accordance with the GRI Standards.	Page 41
102-55	GRI content index.	Page 45
102-56	External assurance.	Page 41

Economic Performance

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 9
103-2	The management approach and its components.	Page 9
103-3	Evaluation of the management approach.	Page 9

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed.	Page 9
201-4	Financial assistance received from government.	We did not receive any financial aid from the government.

Responsible Gambling

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 17
103-2	The management approach and its components.	Page 17
103-3	Evaluation of the management approach.	Page 17

Customer Health and Safety

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 18
103-2	The management approach and its components.	Pages 18,19
103-3	Evaluation of the management approach.	Page 18

GRI 416: Customer Health and Safety 2016

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	The organization has not identified any non-compliance with regulations and/or voluntary codes.
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Personal Data Protection

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 19
103-2	The management approach and its components.	Page 19
103-3	Evaluation of the management approach.	Page 19

GRI 418: Customer Privacy 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Page 19
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Transparency

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 20
103-2	The management approach and its components.	Page 20
103-3	Evaluation of the management approach.	Page 20

Customer Satisfaction

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 20
103-2	The management approach and its components.	Page 20
103-3	Evaluation of the management approach.	Page 20

Community

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 21
103-2	The management approach and its components.	Pages 21 - 25
103-3	Evaluation of the management approach.	Page 21

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs.	Page 21 - 25
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Diversity and Equal Opportunities

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 26
103-2	The management approach and its components.	Pages 26, 27
103-3	Evaluation of the management approach.	Page 26

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees.	Page 26
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GRI 406: Non-discrimination 2016

406-1	Incidents of discrimination and corrective actions taken.	No discrimination incident was reported through our report lines.
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Optimal Working Conditions

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 27
103-2	The management approach and its components.	Pages 27, 28
103-3	Evaluation of the management approach.	Page 27

GRI 403: Occupational Health and Safety 2018

403-1	Occupational health and safety management system.	Pages 27, 28
403-2	Hazard identification, risk assessment, and incident investigation.	Pages 27, 28

403-3	Occupational health services.	Page 28
403-4	Worker participation, consultation, and communication on occupational health and safety.	Pages 27-28
403-5	Worker training on occupational health and safety.	Page 28
403-6	Promotion of worker health.	Page 28
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Pages 27-28
403-8	Workers covered by an occupational health and safety management system.	Page 28
403-9	Work-related injuries.	Page 28

Training and Formation

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 28
103-2	The management approach and its components.	Pages 28 - 31
103-3	Evaluation of the management approach.	Page 28

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee.	In 2018 we provided an average of 55 hours of training (administrative and technical) per employee.
404-2	Programs for upgrading employee skills and transition assistance programs.	Pages 24 - 31
404-3	Percentage of employees receiving regular performance and career development reviews.	Page 30

Supply Chain

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 32
103-2	The management approach and its components.	Pages 32, 33
103-3	Evaluation of the management approach.	Page 32

GRI 408: Child Labor 2016

408-1	Operations and suppliers at significant risk for incidents of child labor.	Page 33
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GRI 409: Forced or Compulsory Labor 2016

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	Page 33
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GRI 412: Human Rights Assessment 2016

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Page 33
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Energy

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 34
103-2	The management approach and its components.	Page 34
103-3	Evaluation of the management approach.	Page 34

GRI 302: Energy 2016

302-1	Energy consumption within the organization.	Page 34
302-4	Reduction of energy consumption.	Page 34

Water

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 35
103-2	The management approach and its components.	Page 35
103-3	Evaluation of the management approach.	Page 35

GRI 303: Water 2016

303-1	Water withdrawal by source	Page 35
303-3	Water recycled and reused	Page 35

Waste

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 36
103-2	The management approach and its components.	Page 36
103-3	Evaluation of the management approach.	Page 36

GRI 306: Effluents and Waste 2016

306-1	Water discharge by quality and destination.	Page 35
306-2	Waste by type and disposal method.	Page 36

Regulatory Compliance

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary.	Page 37
103-2	The management approach and its components.	Pages 37, 38
103-3	Evaluation of the management approach.	Page 37

GRI 307: Environmental Compliance 2016

307-1	Non-compliance with environmental laws and regulations.	Page 37
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GRI 419: Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area.	Page 37
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GRI 205: Anticorruption 2016

205-2	Communication and training about anti-corruption policies and procedures.	Page 38
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