



CORPORATE SOCIAL RESPONSIBILITY POLICY

Board of Directors, 31 March 2016



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General Corporate Social Responsibility Policy

The Board of Directors of CODERE S.A. (the “Company”) has been attributed the competency for designing, evaluating and revising, on a continuous basis, the corporate policies governing the actions of the Company and of the companies belonging to the group, whose head company -as defined by law- is “the Company” (the “Group”). These corporate policies implement the principles contained in the mission, vision and values of the CODERE group and the rest of the standards and regulations of the Corporate Governance System.

Among the corporate policies, the Social Responsibility policy has as its purpose the building of a global culture that will contribute to the creation of sustainable value for the company, citizens, customers, shareholders and the communities in which the Group engages in its business, as well as to equitably remunerate all of the groups that contribute to the success of its business project and to undertake new investments with a consideration of their social return, generating employment and wealth for society, with a long-term vision that will seek a better future without compromising the present outcomes.

Conscious of this reality, the Group contributes to the development of the communities in which it is located, through measures designed to further education and culture and to protect vulnerable groups, striving to establish strong and permanent ties, by taking into account the interests of its human resources, its shareholders and the financial community, the regulatory bodies, its customers, suppliers, the environment and society in general (the “Stakeholders”).

In this context, the Group’s social responsibility strategy seeks to place it in the forefront of the best practices in this scope, convinced that this is an essential element of its strategy of transparency, excellence and enhanced competitiveness.

The General Corporate Social Responsibility Policy is applicable to all of the companies comprising the Group, including its subsidiaries, with those particularities as may be established in each case. In the investee companies which do not belong to the Group, the Company will promote, through its representatives on the management bodies of such companies, an alignment of their own policies with those of the Company, in an effort to have them adhere to principles and guidelines coherent with those established through this General Corporate Social Responsibility Policy and its effective applications.



The Company's corporate website (www.codere.com) is one of the principal instruments for channelling its relations with its Stakeholders, together with the websites of the rest of the member companies and of its own Foundation, for the attainment of their ends.

Objectives

The Group develops its entrepreneurial project and its own business model with the objective of creating sustainable value for society, citizens, customers, shareholders and for the communities where it engages in its business activities, by providing quality service through the efficient and environmentally friendly use of its resources.

For this purpose, the Group undertakes new investments by taking into consideration their social return, promotes the growth and develops the technical and personal skills of its employees, works for people's safety and strives to build a project of entrepreneurial success, together with all of the participants in its value chain.

The awareness, dissemination and implementation of the values of the Group serve as a guide for how the Board of Directors, its Committees and other bodies of the Company are to act in their relations with its Stakeholders.

These objectives are specified as follows:

- a) Further the implementation of the Group's strategy for the purpose of offering a secure, reliable and quality business model, in addition to respecting the environment.
- b) Enhance the competitiveness of the Group through management practices based on transparency, equal opportunities, productivity, innovation, profitability and sustainability.
- c) Manage the risks and opportunities derived from the performance of the market and the immediate environment in a responsible manner, as well as maximise the positive impacts of its business on the territories in which it operates and minimise the negative impacts, as far as possible.
- d) Further a culture of ethical behaviour and enhance business transparency to generate credibility and confidence in its Stakeholders.
- e) Promote relations of trust and value creation for all of its Stakeholders, by providing a balanced and integrating response to all of them.



f) Contribute to the enhancement of the reputation and external recognition of the Group.

General Principles

For the achievement of the objectives described in the context of corporate social responsibility, the Company adopts the following general principles of action:

a) Comply with the legislation in force in the countries and territories in which it operates, adopting, on a supplementary and voluntary basis, international commitments, standards and guidelines wherever there is no adequate or sufficient legal framework, basing its relations with the competent public authorities in each jurisdiction on loyalty, trust, professionalism, cooperation, reciprocity and good faith.

b) Support the integration of international principles, particularly in the areas of human rights, labour practices, the environment and the fight against corruption.

c) Align its actions with the principles set out in the Mission, Vision and Values of the CODERE Group and follow the guidelines contained in the rest of the standards and regulations of the Corporate Governance System and, particularly, in the Code of Ethics and Conduct, which regulates the responsible conduct of all of the employees of the Group in the performance of their work.

d) Further free market practices, rejecting any and all kinds of illegal or fraudulent practices, by implementing effective mechanisms of prevention and vigilance and penalising irregularities. In particular, assume the commitment to take effective action against and to report any corrupt practice or fraudulent behaviour as may come to light in the Group in any of the territories in which it operates.

e) Adopt advanced corporate governance practices in line with the good governance recommendations in the international markets, based on business transparency and mutual trust with Stakeholders.

f) Promote channels of communication and dialogue, as well as further the relations of the Group with its shareholders, investors, employees, customers, suppliers and, in general, with all of its Stakeholders, in order to achieve a harmony between the corporate values and the social expectations and to adapt, as far as possible, the policies and strategies of the Group to their interests, concerns and needs, using all of the instruments of communication available, such as direct contact, the Company's



corporate website and the websites of the companies belonging to the Group, as well as any new channels of communication or interaction as may be eventually established.

Specific Principles of Action

The specific principles of action of the Group in relation to a number of aspects of Corporate Social Responsibility are described below.

1. Creation of Sustainable Value

The creation of sustainable value is the fundamental value which pervades the policies, the strategy and the operations of the Group and brings with it the equitable remuneration of all of the groups that contribute to the success of its business project and the consideration of the social return of new investments, generating employment and wealth for society with a long-term vision that will seek a better future without compromising the present outcomes.

Its basic principles of action can be synthesised as follows:

a) Further the sustainable use of resources and contribute, to the best of its ability, to the fight against climate change, by promoting the minimisation of impacts originating from the activities of the Group, strengthening respect for the natural environment and providing information and training in this culture.

b) Reinforce the social dimension of the Group's business activities and contribute to sustainable development through, among other measures, raising the awareness of the citizenry in terms of the responsible consumption of goods and services.

2. Transparency

Transparency is fundamental for transmitting confidence and credibility to the markets, investors, employees and to the rest of the Stakeholder groups. The Company undertakes to:

a) Disseminate relevant and reliable information on the Group's performance and activities.

b) Work in favour of transparency, assuming the commitment of preparing and publishing financial and non-financial information yearly for the proper follow-up of its activity.



3. Protection of the Intellectual Capital

The intellectual capital constitutes the primary differentiating element of competitive companies. For this reason, the Company pursues the development and the protection of its intellectual capital and promotes the human resources management policies and corporate security policies through:

- a) Furthering initiatives, procedures and tools that will make it possible to take real and effective advantage of the Group's intellectual capital.
- b) Developing specific defence plans capable of ensuring the adequate protection of the Group's intellectual capital, particularly in terms of cybersecurity and of the fight against industrial espionage.

4. Innovation

The Company considers that innovation constitutes a strategic variable which affects all of the businesses of the Group and all of the activities that it carries out. Taking the lead in innovation, within the leisure and entertainment sector, must be achieved by means of:

- a) Giving impetus to the activities of research, development and innovation (R&D&I), based on sustainability and on the emerging technologies.
- b) Create or adopt innovations that will favour the sustainable growth and efficient management of resources and that will contribute to the social and economic development of the immediate environment where the Group engages in its business.

5. Responsible Taxpaying

The various taxes which the Group pays in the countries and territories in which it operates constitute the Group's principal contribution to the sustaining of the public burdens and, therefore, to the governance of society.

In the framework of the provisions contained in its Corporate Fiscal Policy, the Group assumes the following general commitments:

- a) Compliance with the legislation in force in fiscal and taxation terms in the various countries and territories in which it operates.



b) The adoption of decisions on fiscal and taxation matters on the basis of a reasonable interpretation of the laws applicable and closely related to the activity of the Group.

c) The strengthening of a relationship with the authorities based on trust, good faith, professionalism, cooperation, loyalty and reciprocity, without prejudice to any legitimate controversies which, with due respect for the foregoing principles and in defence of the corporate interest, may arise with such authorities insofar as the application of the rules.

d) Not to create or acquire shareholdings in companies domiciled in countries or territories considered to be tax havens, with the exception of an examination and express decision by the Company's Board of Directors.

Principles of Action in relation to the Principal Stakeholder Groups

1. Shareholders and Investors

The principles of action guiding this relationship are:

a) Shareholders must exercise their rights with respect to the Company and with the rest of the shareholders and fulfil their duties with loyalty, good faith and transparency, in the framework of the Company's interest as the priority interest over the individual interest of each shareholder and in accordance with the Company's Corporate Governance System.

b) The Company facilitates and promotes the responsible exercise of their rights and the fulfilment of their duties by the shareholders and the holders of rights or interests on shares, subject to the principle of equal treatment.

c) The Company furthers the informed participation of the shareholders at the General Shareholders' Meeting and adopts appropriate measures to facilitate the effective exercise by the Meeting of the functions and competencies which pertain to it under the Law and in accordance with the Corporate Governance System. For this purpose, on the occasion of each General Shareholders' Meeting, the Company makes a



Shareholder Guide available to the shareholders together with a set of standards pursuant to the Guide, which systematise, adapt, develop and specify the provisions of the Company's Corporate Governance System with respect to the exercise by the shareholders of their rights in the context of the General Shareholders' Meeting.

d) The Company's Board of Directors maintains a number of lines of communication and contacts with shareholders, institutional investors and proxy advisors in which it develops its relations with them and recognises, as a strategic objective, ongoing attention to the transparency of information for both shareholders and the markets in general.

2. Customers

The companies belonging to the Group strive to learn the needs and expectations of their customers with a view to offering them the best solutions, defending the proper functioning of the market and making a continuous effort to care for and increase their satisfaction, reinforce customer ties with the Group and encourage the responsible consumption of the services offered and, for these reasons, they adhere to the following principles of action:

a) Ensure the protection of the health and safety of their customers in all of the life cycles of the products they market, through compliance with the legislation applicable in each case and the provision of consumer information by means of the appropriate instruments.

b) Respect and comply with the rules that regulate the activities of communication and marketing, and adhere to the voluntary codes that give transparency and truthfulness to such actions.

c) Provide information to their customers that will enable more rational and responsible consumption in each country where they develop their products and operate their leisure and entertainment services.

d) Inform, with particular care, those customers who are in a situation of vulnerability by putting into place specific protection procedures and by cooperating in consonance with the policies established by the competent Public Authorities in each case, together with others of a voluntary nature established by the Group, for promoting responsible leisure and entertainment consumption.

e) Facilitate the effective access of customers with language or sensory difficulties to the information they need in relation to the services provided by the Group, by means



of the implementation of the instruments appropriate for such purposes.

f) Take the necessary measures for ensuring the confidentiality of their customers' data, in accordance with the provisions contained in the laws applicable in terms of data protection, and in the Group's own Code of Ethics and Conduct.

g) Promote continuous improvement in all of the countries in which the Group operates. Among other measures, by monitoring the quality of the products and services provided to customers, through the customer care channels and by means of other instruments that measure customer satisfaction.

h) Facilitate the channels and instruments necessary for reporting, confidentially, the commission of irregular actions, of illegal acts and other acts contrary to their principles of ethics and conduct. The existence of these channels will be made known both to the customers, as well as to the employees, partners and suppliers of the Group.

3. Employees

The Group considers its employees a strategic asset and offers them a good work environment, furthering their development and training, with measures of reconciliation of work and private life and of risk prevention, in addition to ensuring equal opportunities.

For this reason, the companies of the Group strive to attract, promote and retain talent and to further the personal and professional growth of all of those who belong to its team, making them participants in its business project and guaranteeing them decent work and job security.

The interrelation of the companies of the Group with their employees adheres to the following principles:

a) Respect the human rights and workers' rights recognised in local and international legislation and, in particular, those rights which, when infringed, degrade workers as a group, rejecting child labour and forced or compulsory labour, with respect for the freedom of association and collective bargaining as well as for the rights of minorities in those places where the Group engages in its business.

b) Recruit, select and retain talent in a favourable framework of labour relations based on equal opportunities, non-discrimination and the consideration of diversity in all of



its variables, facilitating measures for the integration of less fortunate groups and with different capacities and for the reconciliation of work and private life.

c) Establish a remuneration policy capable of attracting the best talent and thereby reinforce the Group's human capital.

d) Promote the training and qualification of the employees, favouring career promotion and adapting the human resources to a diverse and multicultural work environment.

e) Ensure a safe and healthy work environment in the Group, as well as in its sphere of influence.

4. The Communities

The Group is characterised by its international presence. In its operations the Group observes the following principles of action, depending on the various territories and communities where it carries out its activities and in which it operates:

a) Build strong ties with the community and, in this way, generate trust and forge an image of a committed company with excellent performance in its business activity.

b) Harmonise the activities of the Group in the countries in which it operates with the different social and cultural realities.

c) Reinforce the relations of trust with the communities with which it interacts, through communication, cooperation and support to the various Public Administrations and the reference social organisations and, especially, with those associated directly with its sector of activity and business strategy, in line with its social commitment and with responsible gaming.

d) Promote respect for the rights of the national, ethnic, cultural, linguistic and religious minorities or minorities of any other kind, in all of the communities where the Group is present.

f) Carry out corporate volunteering programmes, promoting the participation of the Group's employees in solidarity actions, for the purpose of putting into practice the provisions contained in the Mission, Vision and values of the CODERE Group in relation to the improvement of people's quality of life, respect for the environment and



sustainable development, including campaigns for collecting funds for projects that seek to provide a response to social needs.

g) Support the promotion and the conservation of the cultural and artistic heritage of the territories and communities in which the Group operates.

5. Suppliers

It is absolutely indispensable to ensure that all of the participants in the value chain of the companies in the Group observe the legislation in force and, in addition, the Corporate Governance System and the generally accepted principles of ethics and of corporate social responsibility.

For this reason, the principal plank of action is to ensure that all of the participants in the value and supply chain comply with the principles and values set out in the CODERE Group's Code of Ethics and Conduct with respect to business ethics and transparent management, as well as labour practices, health and safety, the environment, quality and the safety of the products and services marketed, in addition to promoting strict respect for human rights and workers' rights recognised in domestic and international legislation in the performance of their business activity.

6. The Environment

The Company aspires to be a sustainable company, among other things, through its respect for the environment. This is reflected in the following fundamental lines of action:

a) Preserve, where applicable, the biodiversity of the ecosystems and other environments in which the Group carries out its business activities, both in the operating phases of its products and services, as well as in the construction and dismantling of its infrastructures.

b) Prevent pollution by using renewable sources, as far as possible, and by gradually introducing the most efficient technologies in its products and installations.

c) Optimise the management of hazardous and non-hazardous waste through systems implemented for facilitating, among other aspects, the reduction of such waste, the use of recycled materials and the application of best practices for making progress in achieving this objective.

Adaptation to the Corporate Structure

To achieve the objectives set, the Group will be guided by the principles of action contained in the Corporate Governance System reflected in this General Corporate Social Responsibility Policy and in its supplementary policies.

The implementation, the follow-up and the supervision of the principles, in line with the corporate structure of the Group and its governance model as defined in the Corporate Governance System, is the responsibility of the individual companies in the Group.

Their application will be the responsibility:

a) Of the Board of Directors of the Company: the establishment of the policies and strategies of the Group and the basic guidelines for its management, as well as the general supervision of its performance.

b) Of the Chairman of the Board of Directors of the Company and CEO: the function of organisation and strategic coordination of the Group.

c) Of the Boards of Directors of the companies comprising the Group: to disseminate, implement and ensure adherence to the general policies and guidelines of the Group in each of the countries in which they operate and in relation to the businesses carried out by each, taking into account their characteristics and particularities.

The exercise of these responsibilities will be put into practice through the various Committees assuming functions in the areas of corporate social responsibility and reputation, specifically, through the:

a) Corporate Governance Committee, which has, among other functions, those of defining the basic corporate lines of the evolution of social responsibility and reputation in the Group; approving and monitoring the development plans in both areas; keeping abreast of the most relevant advances and collaborating in the preparation of the public information to be reported by the Company in these scopes.

b) Steering Committees in each of the countries where the Group engages in its business, with the aim of driving compliance with the policies and guidelines approved; coordinating the corporate strategy among the businesses in each country and informing the Corporate Governance Committee of the results obtained.