codere

Responsible Gaming

Corporate Social Responsibility Report

2016



Letter from the Chairman

Dear readers:

The management exercised by Codere has historically sought to combine professionalism and transparency with an ethical perspective, implementing policies to promote responsible gaming, and respecting in each one of its decisions its commitments with its stakeholders.

One of the principal channels to put this task into practice has been the Codere Foundation, which was created at the end of 2007 in an aim to grant greater transparency to a sector which, without a doubt, suffers from opacity, in the understanding that the periodical dissemination of reliable gaming industry data is key to clearly understanding its reality, and consequently, for the suitable regulatory management of the activity, an objective which is in the general interest.

In an aim to encourage analysis, transparency and legal certainty in regard to gambling, the Codere Foundation has called on recognized specialists to collaborate in the preparation of publications of reference, among which are the Gambling Yearbook and the Social Perception Report, which have gained general recognition as reflecting the reality of the sector in Spain.

Throughout this year, we have begun efforts to extend this task to other countries in which our Company operates, such as Italy or Mexico, and in this way continue to enrich reflection on gambling and promote responsible gaming policies which ensure the stability of the regulatory framework and allow gaming operators to propose an offering to users which complies with all assurances, protects the most vulnerable groups and ensures tax collection by the public administrations.

Our vocation to permanence and our will to lead, to create wealth and employment, and to stimulate social development, guide our management; and we understand, in fact, that optimizing resources to promote the growth of an efficient business is the first act of business responsibility. In 2016 our Company finalized a long financial restructuring process which began in 2013 and which has culminated in a complete refinancing of our capital structure, reducing Group financing costs and endowing us with greater flexibility and capacity for growth.

Likewise, Codere has changed its Board of Directors, reflecting the diversity of knowledge, experiences, and nationalities required for the professional and objective development of its functions, and has continued to improve its Good Governance practices, adopting, among other measures, a modernization of the Remuneration Policy of the members of the Board of Directors, the extension of the Coordinator Director's functions, and also the creation of a Director Selection Policy, all of this in line with the CNMV recommendations.

Our customer-oriented vision requires that we constantly seek out products and services which adapt to customer needs, and that we offer them our best attention. Increasing customer satisfaction is essential for the future growth of the Group and, in this respect, analytic and CRM (customer relationship management) capacities are allowing us to promote substantial change in marketing management at all Company levels.

The development of our talent, through the constant training of our human capital and the creation of an organizational climate which favors their satisfaction and motivation, is another of the principal items on our agenda. Throughout 2016 we have provided over 120,000 hours of learning programs to improve the knowledge of our human resources.

In Codere we are also aware that we must carry out our business at the same time as we respect the rights of the local social surroundings and the environment. In this regard, the Group promotes the sustainable use of the resources in each of its units and, in its social and educational commitment, promotes the progress of the local communities in which it carried out its activities. This is the first year in which our Company has reflected these efforts to develop its business in a committed, sustainable manner under the guidelines of a CSR Policy, and gathers these achievements in a report. However, it is only fair to point out that we have not started from scratch, and that ever since we began our activities, now more than 35 years ago, we have publicly defended in all types of forums, including the Parliament, the need to consider and regulate this perspective of the activity in greater depth. We likewise recognize that we still have a long way to go in order to satisfy our ideal in this matter, and therefore, we are going to reiterate our action around the two pivots which we consider essential in order for gaming activity to be able to operate: reducing its eventual negative impact, and ensuring a social contribution. These are, on the one hand, education and user-support to prevent a possible abuse of the activity, and, on the other, cooperation with the authorities in order to adjust the regulations in those aspects which are necessary to ensure the sustainable development of the gaming offering.

Sincerely,

José Antonio Martínez Sampedro
Codere Group Chairman & CEO
and Chairman of Codere Foundation

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1. Approach to our Corporate Social Responsibility



1.1 Importance of Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a voluntary business commitment consisting of the conception of a management model which affects everyday activities and strategic planning. This commitment has its origin in a line of thought and action which reveals the conflict of interest between the maximization of the economic value of resources and the global objective of contributing to the wellbeing of society at the same time as respecting the ethical and moral principles which guarantee human dignity.

Without a doubt, this represents a cultural change within the company, and entails a new way of understanding the relationships between companies and the various social actors. The practice of CSR strategies is necessary in order to establish a sustainable economic model in which all social actors take part. The concept of sustainability expresses a new socio-cultural model which relates human beings to their environment.

The interest of CSR has been favored by the global expansion of the large multinationals which rule the international market and have a direct influence over governments, the demand for greater transparency in business, a new business culture, and the global role of emerging economies which is becoming increasingly important.

It is not a new concept –CSR began to develop in the United States (Carrol, 1999); however, today it is recognized worldwide by the principal world institutions, such as the World Bank, the OECD and the UN. However, in recent years the importance of CSR has grown, and it has become a possible solution to new socio-economic and environmental problems which the society of today must face.

In this context, the implementation of CSR strategies guarantees the survival of companies in the long term, and is not so much focused on immediate gain. It is important to view CSR from a strategic perspective, that is, as a factor which contributes to the general creation of business value. This objective is the origin of decision making with respect to CSR policies.

Codere interprets that CSR takes on special importance in the gaming industry, in view of its highly regulated nature. We believe that companies in the sector should comply with the strictest standards of professionalism, responsibility and financial solvency to be able to guarantee maximized tax collection by the public administrations at the same time as possible harmful effects of the activity on society are minimized.

The Social Responsibility Policy and the Sustainability Report are effective, systematic and transparent communication tools to inform about Company actions in the area of development and sustainable management.

A management model which pursues the threefold objective of creating value for shareholders, society in general, and the environment.

The Codere Group states its firm commitment to the principles of Corporate Social Responsibility as a framework for integrating its policies and actions with its stakeholders, which are all those natural or legal persons which, in some way, influence or are influenced by the activities carried out by the Company and which contribute to its progress.

One of the key aspects of the Group action in CSR is the management of its stakeholders' expectations. Consequently, based on the specific characteristics of each group, a variety of objectives are established, and the various actions developed by the Group are defined in order to meet the demands of each one of them.

Codere´s Stakeholders:

- Shareholders & Investors
- Clients
- Human Capital
- Society
- Providers
- Public Administrations
- Environment
- Media

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The practice of CSR strategies is necessary for the establishment of a sustainable economic model

1.2 History of Corporate Social Responsibility in Codere Group

The Company has always shown great concern in this regard; nevertheless, the Board of Directors did not structure the activities carried out in this respect in a Corporate Social Responsibility Policy until March 2016.

Principal milestones

In 2006 work and studies began on the setting up of a Foundation for the promotion of responsible gaming.

At the meeting of the Board of Directors held **on 30 January 2007, it was resolved to set up the "Codere Foundation"**, a non-profit entity the assets of which are used to carry out the general interest objectives stated in its Bylaws. These are:

- Grant greater transparency to the gaming industry through the formation of activities aimed at the study, evaluation, regulatory development and performance of the gaming sector.
- Encourage and collaborate in both national and international initiatives which improve and develop public policies on responsible gaming, which safeguard the stability of the regulatory framework and allow gaming operators to propose an offering to users which adheres to all the safeguards and ensures tax collection by the public administrations.
- Promote, in the exercise of its social and educational commitment, the development of the local communities in which it carries out its activities.

In March 2007 the Codere Group created the Institutional Relations Management, which includes among its functions that of starting up a Corporate Social Responsibility Program in the Company, specifically in the Latin American countries in which the Group operates. In December 2007, Beatrice Rangel, the Institutional Relations Manager at that time, presented to the Board of Directors her report on the Institutional Relations Program in Latin America, which described the various programs which were to be implemented in each country, as well as the cost forecasts for each one. The various initiatives had as their ultimate aim that of contributing to achievement of the second United Nations Millennium Development goal: education.

In this way, during the following years programs related to education were begun and developed in Panama and Colombia (in 2008) and subsequently in Argentina and Mexico (2009).

In the year 2010 work was begun to draft a Corporate Code of Ethics and Conduct to develop and formalize the vision and values of the Coder Group and likewise to serve as a guide for the action of its professionals in a global, complex and ever-changing environment, in response to the growing demand for Good Governance and Corporate Social Responsibility initiatives and practices. **The Corporate Code of Ethics and Conduct was approved by the Board of Directors at its meeting held on 27 January 2011** and it binds all Codere Group employees, managers and directors. The vision of Codere – which integrates the economic, social and environmental aspects of sustainability – is based on the values of responsibility, professionalism, and transparency.

The Corporate Code of Ethics and Conduct sets out the firm commitment of the Codere Group with the principles of Corporate Social Responsibility as a framework to integrate its policies and actions with professionals, clients, service providers and suppliers, shareholders and all of the stakeholders with which the Company has a relationship.

Among other instruments for the improved application of the Code of Ethics and Conduct **a Whistleblower Channel was created** to allow and ensure the confidentiality of communications regarding the commission of irregularities or acts in violation of the law by the Codere Group, its managers, employees and directors.

As a result of the coming into force in December 2010 of Organic Law 5/2010 on the reform of the Criminal Code, which established the criminal liability of legal persons in certain crimes, **Codere began work in 2011 to draft a Crime Prevention and Detection Model**. This aimed to ensure compliance with the laws in force, and prevent any eventual criminal liability of the Codere Group companies in Spain, with regard to the commission of crimes by their directors or employees. To do so, it availed itself of the services of external advisors of recognized prestige who in September 2011 drafted a diagnosis regarding exposure to the risk of committing a crime.

Likewise, in 2010, Codere presented its **"Digital Bridge" program before the Clinton Global Initiative, an initiative** fostering education as the basis for permanent sustainable economic development in Latin America. In alliance with the Fundación

Compañía Social Equidad, the program was implemented in Argentina in four schools in the province of Buenos Aires, in an aim to reduce the digital gap in education, collaborating in setting up Technology Cabinets and training teachers in the use of ICTs. Prior to this, in Panama, as part of the same project, 400 computers were donated to the Panama Department of Education.

With regard to corporate governance improvement, the Codere Group has, since 2010, formed part of the **Spanish Issuers Association**, the aim of which is to:

- Promote measures to reinforce **legal certainty** in all matters related to the issuance of listed securities.
- Participate in the development of an adequate **legal framework**, both at the national as well as European level.
- Contribute to developing high corporate governance **standards**.
- Promote **communication** between companies and their shareholders.
- Maintain a relationship of **dialogue and cooperation** with the Spanish Administration, especially with the
- Spanish National Securities Market Commission (CNMV).

In 2013, the Directorate General for the Regulation of Gaming Activities (DGOJ) set up the Responsible Gaming Advisory Council, the principal function of which is to advise the DGOJ in designing a responsible gaming strategy and in determining the general lines and specific actions which are determined, serving as a forum in which the various groups involved work together to attain an ethical and responsible approach to gambling in Spain. From the outset Codere has been among the members of said Responsible Gaming Advisory Council, representing Spanish gaming operators.

In March of 2016, the Codere Group Board of Directors approved the Company Corporate Social Responsibility General Policy.

Principal milestones of Corporate Social Responsibility in Codere Group

2007
- Establishment of Codere Foundation
- Creation of Codere´s Institutional Relations Department

2010
- Codere joined the Spanish Issuers Association
- Codere´s accession to Clinton Global Initiative through its project "Digital Bridge"

2011
- Approval of Codere´s Ethics and Conduct Code
- Implementation of a complaints channel in order to prevent irregularities
- Establishment of a Model of Crime Prevention & Detection

2013
- Codere, the Spanish gambling operators representative within the General Directorate for Gambling Regulation (DGOJ)

2016
- Approval of Codere´s CSR Politics

1.3 Codere Group Social Responsibility Policy and Strategy

The Board of Directors of Codere S.A., in accordance with the provisions of article 7.2 paragraph iv) of the Regulations of the Board of Directors, is responsible for drafting the general policies and strategies of the Company, and, in particular, is in charge of approving, among other policies, the Corporate Social Responsibility Policy.

In March 2016, the Codere Group Board of Directors approved the Company Corporate Social Responsibility Policy. This policy aims to favor a global culture which contributes to creating sustainable value for society, citizens, clients, shareholders and the communities in which the Group carries out its activities, as well as to provide fair remuneration to all groups contributing to the success of its business project; additionally, it seeks to make new investments taking into account their social return: the generation of employment and wealth for society, with a long-term vision seeking a better future without compromising present results.

The specific lines for the development of the Codere Group Corporate Social Responsibility Policy are the following:

- **Responsible Gaming:** Given that our activity is not harmless, it is essential that operators in this sector commit themselves to researching, disseminating and applying responsible gaming policies in order to minimize any negative impact on society which our business might have, and maximize tax collection by the public administrations at the same time as maintaining the economic viability of the business. Consequently, the Codere Group has promoted actions for prevention, awareness and control in all of the territories in which it operates, so as to protect vulnerable groups, such as minors or persons with compulsive behavior problems.
- **Human Capital Development:** Socially responsible organizations need to pay special attention to the creation of quality jobs to contribute to a sustainable development of society and to social cohesion.
- **Transparency:** Ethical conduct and transparency are key instruments for responsible business management.
- **Protecting the Environment and People's Health:** In addition, the Codere Group commits itself to respecting the environment, as well as to sustainability in all aspects of its business. We understand that only those companies which are aware of the importance of the persons forming part of the organization, as well as of the sustainability and environmental development of the communities in which they operate, will be capable of long-term success. In this regard, Codere guarantees a safe, healthy workplace for its employees, and undertakes to protect the environment and the natural resources of the communities in which it carries out its activity.

Codere´s CSR Approach:

- Responsible Gaming
- Human Capital Enhancement
- Transparency
- Social & Environmental Responsibility

This commitment has permitted the Codere Group to position itself in the market as a responsible company, resulting in the following:

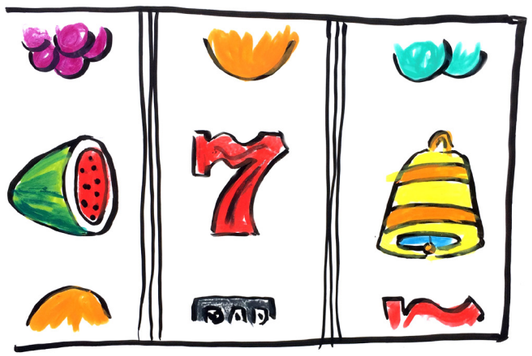
- Creation of a good corporate image, one which is consistent and believable, thanks to the internal efforts to make our internal processes more transparent. This has favored our relationships with our clients, investors, local partners and service providers.
- Adequate risk management through the creation of a portfolio of assets diversified by product and country. This management has allowed for the economic growth of the Group activities.
- Relationship of cooperation with all public administrations by providing access, though the Codere

It is essential for the gaming operators to investigate, disseminate and implement responsible gaming policies

Foundation, to the best international practices regarding responsible gaming public policy regulations in order to contribute to the responsible economic development of the countries.

- Proactive internal communication with all Company employees in an aim to promote motivation towards the Codere business project. Fostering of internal promotion policies which encourage the development and talent of our human capital.

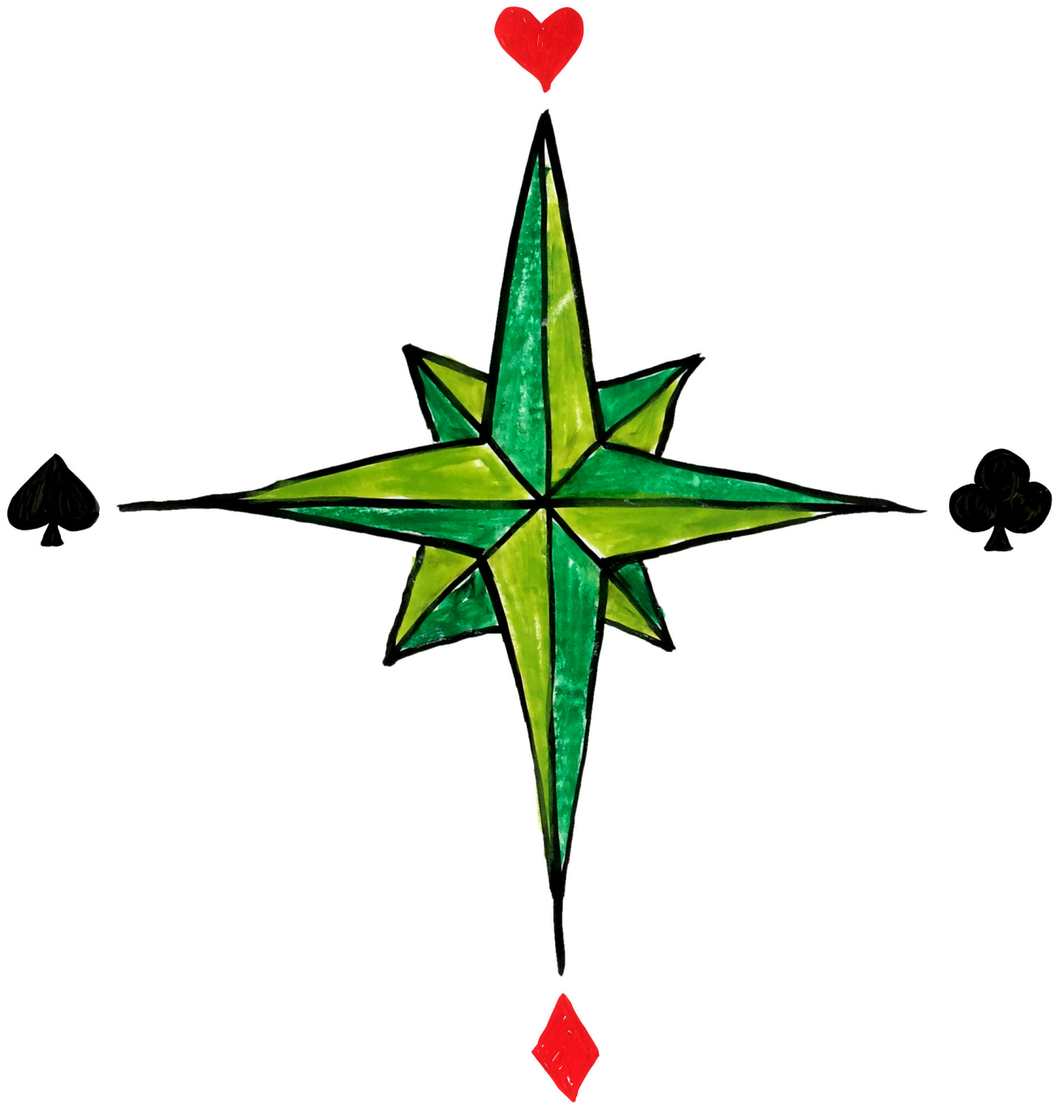
Codere Group contributes to the development of the communities in which it operates, with measures aimed at promoting education and transparency, and at protecting vulnerable groups, working to create firm, permanent bonds, taking into consideration the interests of its human team, its shareholders and the financial community, the regulatory agencies, clients, service providers, the environment and society in general. In this respect, the Group Social Responsibility strategy is a fundamental part of its policy of transparency, excellence and improved competiveness.



1.4 Objective of the Corporate Social Responsibility Report

This report aims to be a strategic communication channel responding to the expectations of the various Company stakeholders, allowing them to gain a detailed knowledge of the Group annual performance with respect to Corporate Social Responsibility. Its contents are supplemented by other reports prepared by the Company, such as the Annual Report, the Annual Accounts, the Annual Corporate Governance Report, etc., and likewise by the contents of its corporate web page and the Codere Foundation web page.

2. Codere Group



2.1 Institutional Profile

Professionalism, responsibility and transparency are the core values that guide Codere Group´s activities and behavior.

Mission

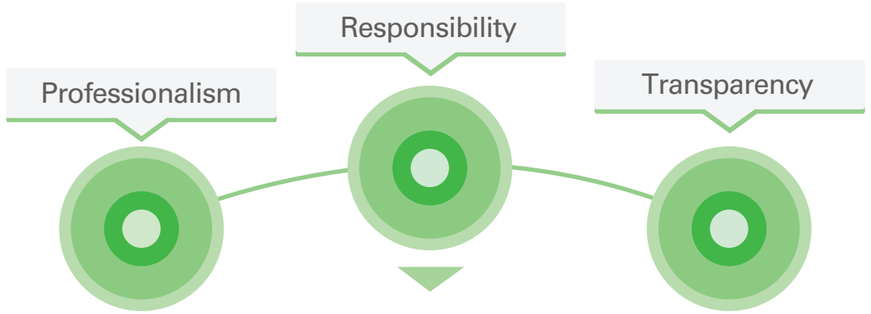
People want to enjoy themselves playing and betting on games in which chance and skill play a role. There is a growing demand for this activity in today's society. Codere sees it as a mission to be able to attend to this demand in a professional, transparent, and responsible manner in order to be able to generate economic growth sustainably.

Vision

To be a reference in professional, transparent and responsible management in gambling for regulators and customers alike in the markets in which we have a presence.



Values



Professionalism

- We understand that doing things right requires:
- Qualified teams having continual training and development.
- Customer-oriented, creating appreciable competitive advantages.
- Innovation which takes advantage of the evolution of technology.
- Respect for and adaptation to the diverse cultures and sensibilities of our markets.

Transparency

Our activity requires that we handle a large quantity of outside resources, such as player prizes and special taxes. This characteristic calls for and warrants great administrative intervention. Transparency is the only way to attain the trust and credibility from regulators and customers. We have been the leading Spanish gaming company to trade on the Securities Market.

Responsibility

Excessive gambling is not harmless, and gives rise to socially worrisome effects on the most vulnerable groups. To help Regulators and Public Administrations reduce this possible social impact to a minimum is to help us all.

2.2 Principal magnitudes

Codere is a leading private gaming operator having a professional track record of over 35 years in the sector. It has more than 13,000 employees and develops its activity in various areas: gaming terminals, gaming halls, betting shops, race tracks, and online activity in eight countries in Europe (Spain and Italy) and Latin America (Argentina, Mexico, Colombia, Panama, Uruguay and Brazil).

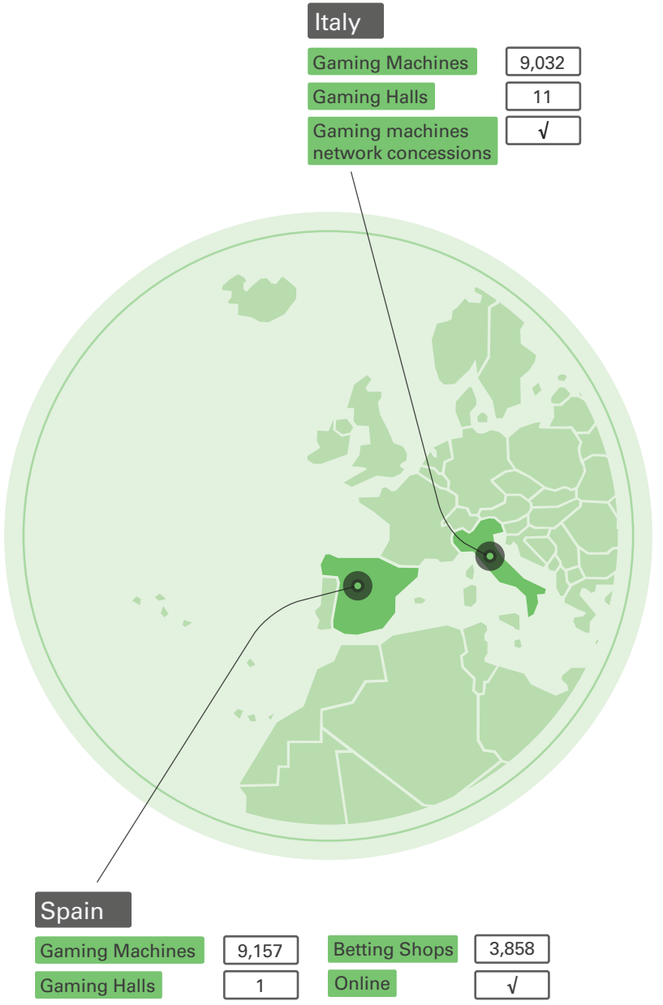
Codere is the only Spanish gaming company which **trades on the Madrid Stock Exchange**, doing so since 19 October 2007, and carries out its activity in this complex sector with total transparency and responsibility.

A long professional track record

Codere, which began its activity in 1980 in the Autonomous Community of Madrid (Spain) as a gaming machine operator, has progressively diversified its activity in the gaming industry, becoming a company of reference in the various markets in which it operates. **Codere has built leadership positions sustained over time in the majority of its markets.**

From the outset of its business activity, it has not stopped growing, and maintains a noteworthy position in the principal business areas and countries in which it is present. Currently, it is one of the principal AWP machine operators in Spain. It is the leading company in the operation of gaming halls in the province of Buenos Aires (Argentina), Mexico and Uruguay, with its activity in Italy being worthy of mention, and in addition it is the principal casino operator in Panama.

Throughout these years, the Company has known how to adapt to market circumstances at any given time, adapting its activity to the va-

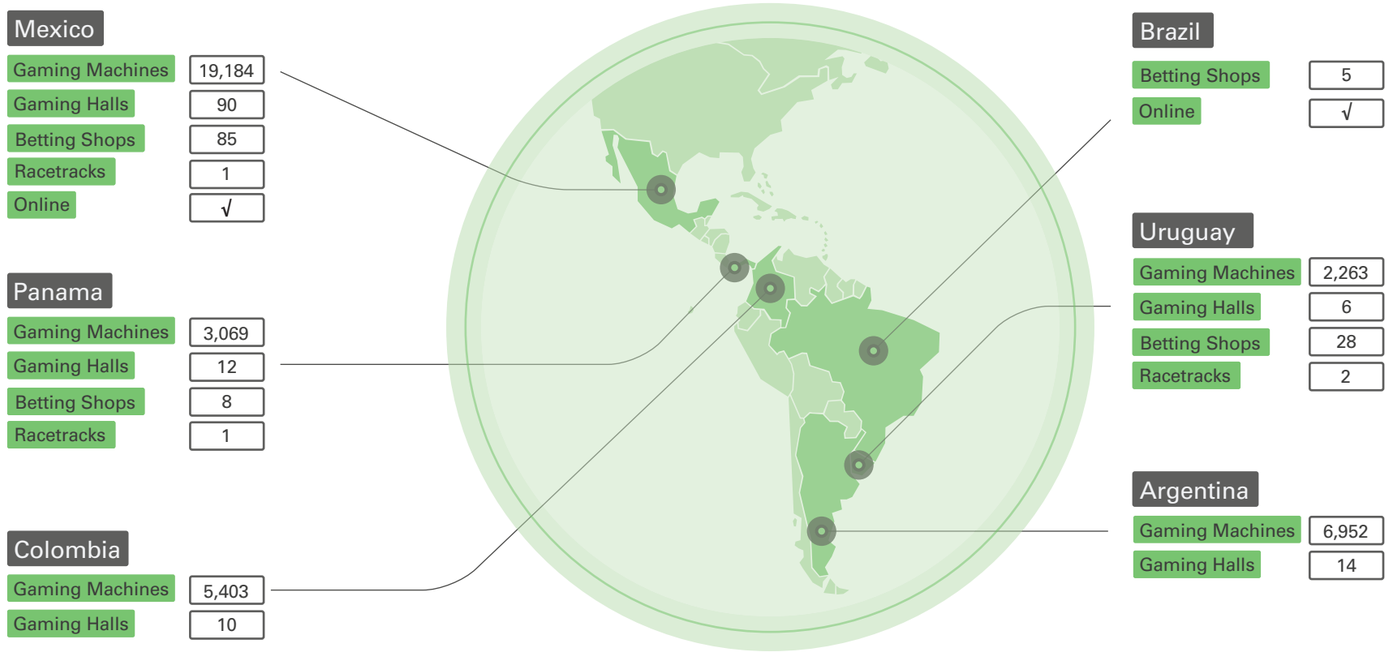


At year-end 2016, the Company operated 55,060 gaming terminals, 144 gaming halls, 3,984 botting shops and 4 racetracks, in addition to its online activity in Spain, Mexico and Brazil

rious countries, and reinvesting its profits in new business opportunities with a view to the customer.

In global terms, **the total consolidated income of the Codere Group in 2016 rose to 1,527 million euros** at the blue dollar comparable exchange rate, a 6.1% increase over the previous year. Adjusted gross operating income (Adjusted EBITDA) has risen to 262 million euros, a 3.9% increase over the previous year, reaching the levels it was at prior to the financial restructuring.

At year-end 2016, the Company operated 55,060 gaming terminals, 144 gaming halls, 3,984 betting shops, and four race tracks, in addition to its online activity in Spain, Mexico and Brazil.

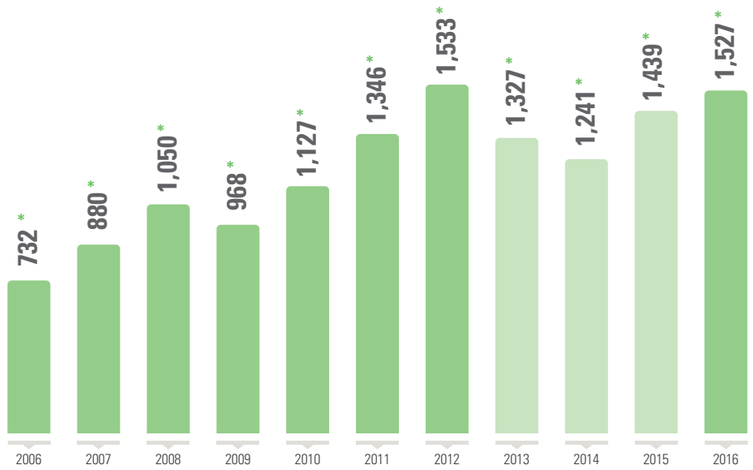


Note:

PANAMA: Betting shops do not include the 41 horseracing betting associated agencies.
COLOMBIA: Data include only gaming halls holding more than 50 gaming machines.
URUGUAY: Data reflect Carrasco Nobile and HRU operating income.
SPAIN: Betting shops in Spain reflect SSTs number, in other markets betting shops units are reflected.

Codere´s Group principal magnitudes graphics

Revenues @Blue Rate



* Millions of euros

2013-2015 Restructuring process

7.6% CAGR 2006-2016

CAGR: Compound Annual Growth Rate

Gaming machines

- Argentina - **6,952**
- Mexico - **19,184**
- Italy - **9,032**
- Spain - **9,157**
- Panama - **3,069**
- Colombia - **5,403**
- Uruguay - **2,263**

55,060

Betting shops

- Mexico - **85**
- Spain - **3,858**
- Panama - **8**
- Uruguay - **28**
- Brazil - **5**

3,984

Gaming halls

- Argentina - **14**
- Mexico - **90**
- Italy - **11**
- Spain - **1**
- Panama - **12**
- Colombia - **10**
- Uruguay - **6**

144

Racetracks

- Mexico - **1**
- Panama - **1**
- Uruguay - **2**

4

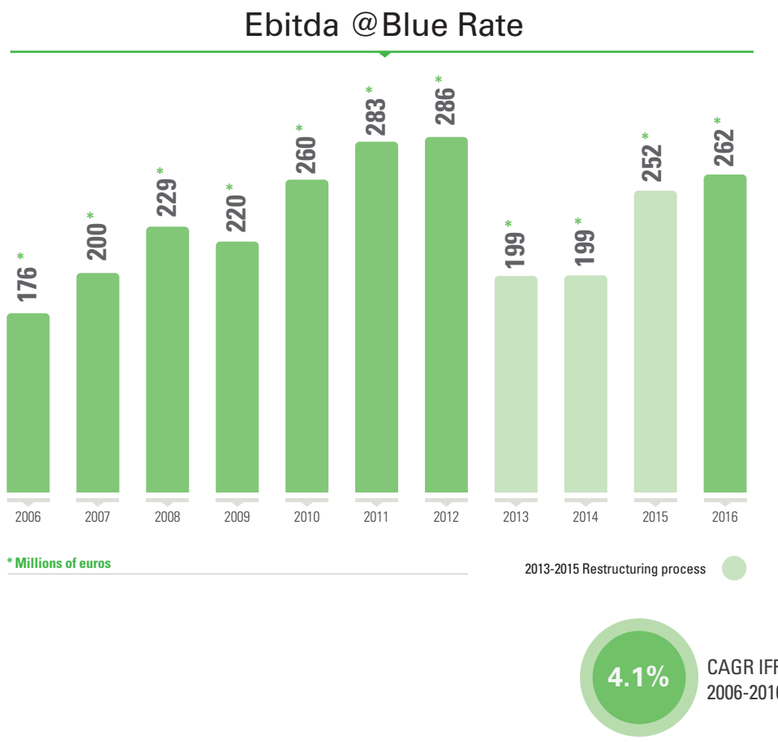
Online gaming

- Mexico - √
- Spain - √
- Brazil - √

3

Note:

PANAMA: Betting shops do not include the 41 horseracing betting associated agencies.
COLOMBIA: Data include only gaming halls holding more than 50 gaming machines.
URUGUAY: Data reflect Carrasco Nobile and HRU operating income.
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Tax contribution to the Public Administrations

Codere Group actively contributes to the creation of economic value for the Administrations of the communities in which it operates through the payment of direct and indirect taxes, and in its role of tax collector for the public treasury.

Codere Group generated a total tax contribution of 822,4 million euros in 2016.

2.3 Corporate Governance

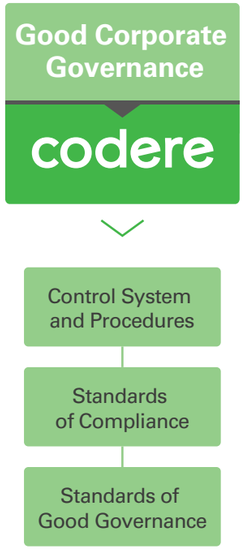
Codere complies with the Standards of Good Corporate Governance aimed at protecting Company interests and those of its principal stakeholders, and at monitoring the creation of value and the efficient use of its resources.

Codere considers that the establishment of Standards of Good Corporate Governance is essential for Group development and growth, centering its Corporate Good Governance practices around three basic aspects:

- **Control and Procedures System:** This aims to provide the Group with a fixed organizational structure and corporate culture, applicable to all of the entities regardless of their area of influence, setting up formal action mechanisms, which, rather than bureaucratize, aim to establish guidelines for controlled delegation, and to consolidate a culture of effective management, consequently achieving the strategic cohesion of the Group.

The Critical Operations Committee was the first tool developed within the System to ensure the flow of information, from the peripheral centers to senior management, allowing for coordinated and cohesive decision making. The Committee is comprised of the executive directors of the corporation, who analyze and approve transactions which are considered critical, consequently establishing effective financial and legal control over the handling of Company assets. From its creation, the Committee has audited and verified over 1,600 significant transactions.

The Procurement Office is the second tool introduced in an aim to provide a concrete structure for the purchasing and contracting processes, establishing an action mechanism which promotes transparency, ensures the concurrence of suppliers and results in a reduction of acquisition costs for the Company at the same time that it promotes Good Corporate Governance. From the time it was created, in mid-2009, the Procurement Office has managed over 650 sig-



nificant procurement transactions at the corporate level, with a reduction in purchasing costs of over 14% with respect to the established budgets. In 2011 its implementation was completed in the various geographical areas in which the Company operates, and an International Procurement Office is scheduled to be created for 2018.

- **Standards of Compliance:** These Standards play an essential part in showing the special commitment the Group has to good business practices, in a sector as regulated and sensitive as is the gaming industry. The Group strategy in this respect is to go beyond what is called for by regulations and specific laws and make an impact on the true spirit of fair play and responsible gaming. Specifically, the Group is especially committed to strict compliance with all anti-money laundering and anti-terrorist financing laws, as well as the applicable gaming regulations.

To supervise these aspects, the Company has a Corporate Security and Compliance Department which has, among its duties, that of monitoring and controlling the application of the Codere Group Code of Ethics and Conduct, managing and supervising the whistleblower channel of the company and its Group, a mechanism created to communicate the commission of irregularities or any type of acts in violation of the law or the performance standards of the Ethics Code. During 2016, the whistleblower channel registered 116 denouncements, processing and resolving a total of 108, with only eight of these still pending. The Corporate Security and Compliance Department periodically reports to the Compliance Committee of Codere S.A. the principal risks detected regarding compliance, in each one of the countries, to subsequently forward said information to the Board of Directors.

- **Standards of Good Governance:** During the year 2016, the Codere Group engaged in intense in-depth activity in the sphere of Corporate Good Governance. In this way, the Board approved a Corporate Social Responsibility Policy and a Director Selection Policy, with these two regulatory texts forming an addition to the Group collective Corporate Governance Standards. Moreover, the Board resolved to amend the Regulation governing its own functioning, and to redraft the Internal Regulations for Conduct in the Securities Markets, so as to bring them in line with Regulation (EU) 596/2004. In addition, the Board resolved to propose to the General Meeting of Shareholders the approval of a Directors' Remuneration Policy and the amendment of the Regulations of the General Meeting of Shareholders, with both texts being approved by the General Meeting.

Up until the year 2015, the series of Standards, Internal Regulations and Policies which were applicable in Codere S.A. and its Group were the following:

- Articles of Association
- Regulations of the General Meeting of Shareholders
- Regulations of the Board of Directors
- Code of Ethics and Conduct
- Internal Regulations for Conduct in the Securities Markets
- General Compliance Plan
- Corporate Fiscal Policy

Nevertheless, during 2016, in an aim to explore in greater depth and improve matters of Good Corporate Governance, the Company has incorporated the following into its Good Governance Standards:

- **Corporate Social Responsibility Policy:** After having been favorably informed by the Good Corporate Governance Committee (currently the Appointments, Remuneration and Corporate Governance Committee), the Board of Directors, at its meeting of 30 March 2016, in the exercise of its powers resolved to approved the Corporate Social Responsibility Policy. This Policy aims to favor a global culture which contributes to creating sustainable value for society, citizens, clients, shareholders and the communities in which the Group carries out its activities, as well as to provide fair remuneration to all groups contributing to the success of its business project.

- **Directors' Remuneration Policy:** The Extraordinary General Meeting of Shareholders held on 10 November 2016 approved the Directors' Remuneration Policy, with 83.37% of the share capital voting in favor. The definition of the new Directors' Remuneration Policy aimed to adapt its principles and regulation to the new situation arising as a result of the culmination of the restructuring process, incorporating elements which formed part of the agreements which allowed for the restructuring, and

Standards, Internal Regulations and Corporate Policies:

- Corporate Bylaws
- General Shareholder´s Meeting Regulations
- Board of Directors´ Regulations
- Ethics and Conduct Code
- Internal Regulations of Conduct regarding transactions on the Stock Markets
- General Compliance Plan
- Corporate Fiscal Policy
- Corporate Social Responsibility (CSR) Policy
- Board Members´ Remuneration Policy
- Directors Selection Policy

modernizing of said policy in line with the Good Governance recommendations. The modification of the Remuneration Policy entailed an amendment of the corresponding article of the Articles of Association of Codere S.A., with this amendment being likewise approved at said General Meeting of Shareholders.

- **Director Selection Policy:** Lastly, the Board of Directors, at its meeting held on 10 November 2016, for the purpose of complying with Recommendation 14 of the Listed Companies' Good Governance Code, and with the favorable report of the Appointments, Remuneration and Corporate Governance Committee, approved a Director Selection Policy, which sought diversity (in a broad sense) in the composition of the Board of Directors, finding a suitable balance on the Board.

In addition, during 2016, some of the Good Governance standards which already existed at the Group level were amended and updated:

- **Regulations of the Board of Directors of the Codere Group:** At its meeting held on 25 August 2016, the Board of Directors resolved to amend the Regulations governing its own functioning, and that of its Committees, in order to include certain standards to bring the Company in closer touch with the best Good Governance practices. Among other things, the functions of the Coordinating Director were extended, the name of the Corporate Governance Committee was changed to that of "Appointments, Remuneration and Corporate Governance Committee" in accordance with the stipulations of the Capital Companies Act, and the competences of this Committee were extended. In addition, a series of exclusive Board competences were included, as a result of the agreements reached during the restructuring process. These changes were duly reported at the Extraordinary General Meeting held on 10 November 2016.

- **Regulations of the General Meeting of Shareholders of the Codere Group:** The Extraordinary General Meeting held on 10 November 2016, at the proposal of the Board of Directors, resolved to amend the Regulations of the General Meeting of Codere S.A., including an additional competence of the General Meeting of Shareholders, also resulting from the agreements reached during the restructuring process of the Company and its Group.

- **Internal Regulations for Conduct in the Securities Markets:** In the wake of the entry into force in Spain of Regulation (EU) 596/2014 on market abuse, at its meeting held on 10 November 2016, the Board of Directors approved new Internal Regulations for Conduct in the Securities Markets for Codere S.A. and its Group, which will be adapted to the novelties introduced in the matter by the European regulations, with the Regulations applicable in the Group up until said date being consequently rendered null and void.

BOARDS OF DIRECTORS´ ACCRUED REMUNERATION IN 2016

	Total monetary remuneration	Total value of stock options granted	Gross profit of the exercised options	Total 2016 (Company)	Total monetary remuneration	Total value of stock options granted	Gross profit of the exercised options	Total 2016 (Group)	Total 2016	Total 2015	Payments approval during 2016
José Antonio Martínez Sampedro	971	0	0	971	0	0	0	0	971	961	0
Luis Javier Martínez Sampedro	73	0	0	73	650	0	0	650	723	696	0
Encarnación Martínez Sampedro	18	0	0	18	69	0	0	69	87	255	0
Jose Ignacio Cases Méndez	23	0	0	23	0	0	0	0	23	59	0
José Ramón Romero Rodríguez	21	0	0	21	0	0	0	0	21	61	0
Masampe S.L.	87	0	0	87	0	0	0	0	87	86	0
Juan Junquera Temprano	26	0	0	26	0	0	0	0	26	67	0
Joseph Zappala	73	0	0	73	0	0	0	0	73	60	0
Eugenio Vela Sastre	23	0	0	23	0	0	0	0	23	64	0
Juan José Zornoza Pérez	21	0	0	21	0	0	0	0	21	62	0
David A. Reganato	51	0	0	51	0	0	0	0	51	0	0
Timothy Paul Lavelle	57	0	0	57	0	0	0	0	57	0	0
Manuel Martínez-Fidalgo Vázquez	52	0	0	52	0	0	0	0	52	0	0
Norman R. Sorensen Valdez	60	0	0	60	0	0	0	0	60	0	0
Matthew Turner	60	0	0	60	0	0	0	0	60	0	0
Total	1,616	0	0	1,616	719	0	0	719	2,335	2,371	0
	Accrued remuneration within the Company. (thousands of €)				Accrued remuneration within the Group companies. (thousands of €)				Total		

Governing corporate bodies:

- Board of Directors
- General Shareholders Meeting
- Audit Committee
- Appointments, Remuneration & Corporate Governance Committee
- Compliance Committee

During 2016 the Remuneration Policy was changed, and went from a system based for the most part on attendance at Board meetings and Committees, to a system based fundamentally on the positions held by each Director.

Likewise, the Articles of Association of Codere S.A. were amended, in order to adapt to the new Policy, with the General Meeting of Shareholders approving the changes. The General Meeting likewise resolved to set an annual maximum limit to the remuneration of the directors as a whole in their professional capacity as such, in the amount of three million euros.

The Report on remunerations corresponding to 2016 was reviewed by the Appointments, Remuneration and Corporate Governance Committee and formulated by the Board of Directors at its meeting of 27 February 2017.

The report shall be put to a consulting vote of the Ordinary General Meeting of Shareholders of Codere S.A. as required by law.

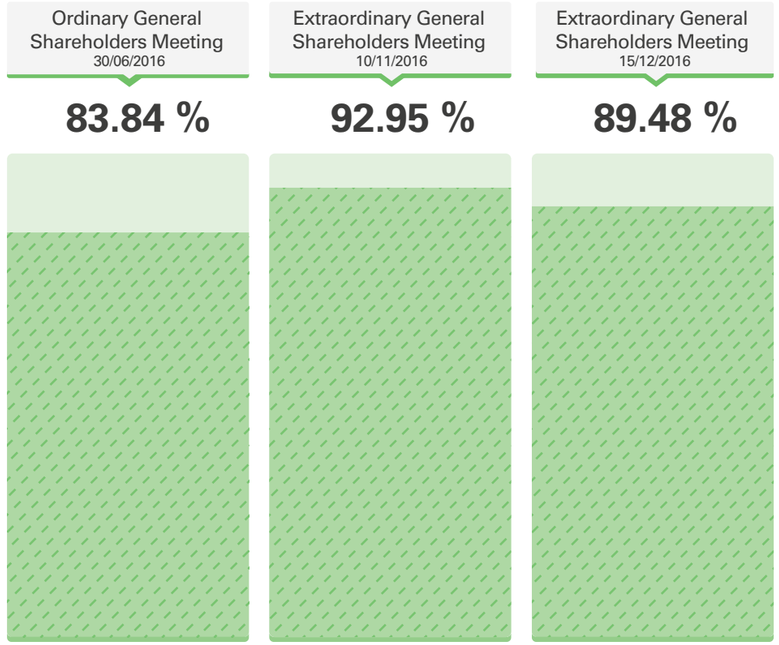
The General Meeting of Shareholders and the Board of Directors, with executive directors and external directors, are the maximum Governance Bodies of the Group.

The year 2016 was an intensely active business year in Corporate Governance matters. Accordingly, three General Meetings of Shareholders were held: in June, November and December of 2016.

- **With respect to the Ordinary General Meeting, held on 30 June 2016,** in addition to ordinary matters related to the approval of the annual accounts, the application of income and the management of the Board of Directors, all of the above in reference to the year 2015, a series of additional matters were dealt with, such as the ratification of the Board members appointed by co-option in the month of April, the appointment, for a term of three years, of "ERNST & YOUNG S.L." as the auditor

2016 was an intensely active business year in Corporate Governance matters

ATTENDANCE RATE FOR 2016 GENERAL SHAREHOLDERS MEETINGS



of Codere and its consolidated Group, and a consultative vote on the Directors' Remunerations Annual Report, likewise in reference to 2015, which was approved by 99% of the voting share capital present or represented by proxy. This General Meeting was attended by 83.84% of the share capital present or represented by proxy.

- **The Extraordinary General Meeting of Shareholders held on 10 November 2016** resolved, among other matters, to amend the Articles of Association, so as to adapt them to the new Directors' Remuneration Policy approved at said Meeting. In addition, certain resolutions were adopted which were the consequence of the agreements reached during the financial restructuring process of the Company and its Group (such as the issuance of Warrants for executive directors and senior management, or the amendment of the Regulations of the General Meeting to include new competences). This General Meeting had a higher attendance rate than that of the Ordinary General Meeting, with 92.45% of the share capital being present or represented by proxy.

- In the wake of the debt refinancing process successfully taken on by the Company and its Group in November of 2016, it was necessary to call one last **Extraordinary General Meeting of Shareholders which was held on 15 December 2016**, for the purpose of furnishing certain secured guarantees in regard to the refinancing. Attendance at this General Meeting reached 89.48% of the share capital present or represented by proxy.

A newly structure Board of Directors

In accordance with the Articles of Association, Codere S.A. will be governed and administered by a Board of Directors comprised of no less than four or more than fifteen members, elected by the General Meeting. At the Ordinary General Meeting held on 30 June 2016, the number of members of the Board of Directors of Codere S.A. was established at nine. The Board's makeup reflects the diversity of know-how, experience and nationalities required in order to carry out their functions objectively and independently. Of its nine members, two are executive directors, and the remaining seven are non-executive directors. Of these, four are nominee directors, accounting for 44.4% of the Board members, and three are independent directors, consequently accounting for 33.3% of the members of the Board.

The Company Board of Directors went through significant changes in 2016. From January until 28 April 2016, the Board maintained its composition, identical to that of 2015, with ten members: Mr. José Antonio Martínez Sampedro, Mr. Luis Javier Martínez Sampedro and Ms. Encarnación Martínez Sampedro as executive directors; the remaining seven directors were external (two independent and three nominee directors, and a further two directors who, after losing their status of independent directors with the coming into force of Law 31/2014 amending the Capital Companies Act, belong to the category of 'other external directors'), all of the foregoing having been appointed in accordance with their high professional qualifications.

As from 28 April 2016, and as a result of the restructuring of the Company, the composition of the Board of Directors changed. That day, six Board members resigned (Mr. Encarnación Martínez Sampedro, Mr. José Ignacio Cases Méndez, Mr. José Ramón Romero Rodríguez, Mr. Juan Junquera Temprano, Mr. Eugenio Vela Sastre and Mr. Juan José Zornoza Pérez), and five new directors were appointed by co-option (Mr. David Reganato, Mr. Timothy Lavelle, Mr. Manuel Martínez-Fidalgo Vázquez, Mr. Norman Sorensen Valdez and Mr. Matthew Turner). Said appointments, by co-option, were ratified at the Ordinary General Meeting held on 30 June 2016. In addition, on 28 April 2016 the decision was made known of Masampe S.L. to change the natural person representing it on the Board, replacing Ms. Cristina Martínez Soria by Mr. Pío Cabanillas Alonso.

Among its functions, the Board of Directors, notwithstanding its management and representation competence, has taken on as its focal point the mission to approve Company strategy and the organization required in order to implement this, and likewise to supervise and see to it that Management comply with the objectives set out and that it respect Company interests.

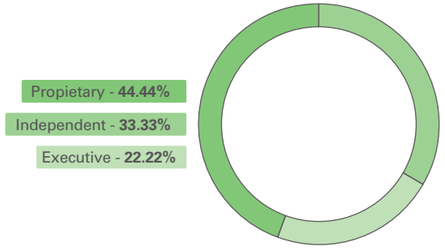


BOARD OF DIRECTORS (AS PER DECEMBER 2016

Name	Position	Type of Director
Mr. José Antonio Martínez Sampedro	Chairman	Executive
Mr. Luis Javier Martínez Sampedro	Vice-chairman	Executive
Mr. David A. Reganato	Director	Propietary
Mr. Timothy P. Lavelle	Director	Propietary
Mr. Manuel Martínez-Fidalgo Vázquez	Director	Propietary
Masampe S.L. (represented by Mr. Pio Cabanillas)	Director	Propietary
Mr. Joseph Zappala	Director	Independent
Mr. Matthew C. Turner	Director	Independent
Mr. Norman R. Sorensen Valdez	Coordinator Director	Independent

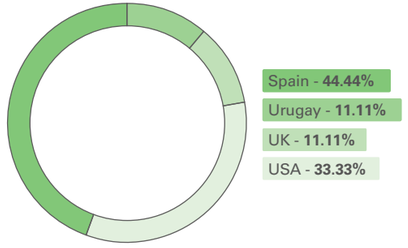
The Board of Directors supervises and controls that the Management of the Company meets the established objectives and respects the Company´s object of interest.

Board´s composition by categories



The Board meets with the frequency called for in view of Company interests or as mandated by law or the Articles of Association. During 2016, the Board of Directors met thirteen times, and on six additional occasions adopted resolutions in writing and without a physical meeting.

Board´s composition by countries of origin



In accordance with the Articles of Association, Board members shall hold office for a term of two years, and are eligible for reelection for terms of office of the same duration.

Committees created by the Board of Directors

In accordance with the laws in force, and, in particular, with the recommendations contained in the Listed Companies' Code of Good Corporate Governance approved by the Spanish National Securities Commission (CNMV), three committees are set up within the Board of Directors, each having its specific functions: the **Audit Committee, Appointments, Remuneration and Corporate Governance Committee, and the Compliance Committee**.

- **The Audit Committee** has as its essential task that of serving as support to the Board of Directors in its tasks of financial and risk supervision, and, among other duties, that of supervising the functioning of the Company Audit Department, establishing the Codere financial processes and control regulations, and reporting on the annual accounts and other financial statements of the Group. In addition, during 2016, it added to its functions that of supervising the strategy for communication and relations with shareholders and investors - including small and medium shareholders – and supervising and evaluating the processes in regard to relations with the various stakeholders.

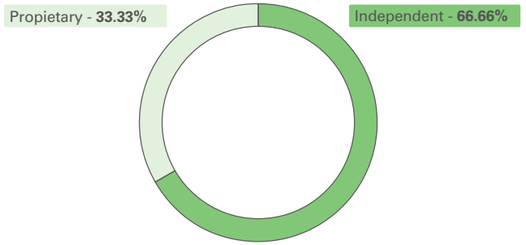
During the first months of 2016, the Audit Committee was made up of five directors (two independent directors, one nominee director and two directors in the category of 'other external directors'). On 5 May 2016, as a result of the new composition of the Board of Directors, new members were appointed to the Audit Committee, and since then the Committee has been made up of two independent directors (a chairman and one member) and a nominee director (member).

The Audit Committee of Codere S.A. (mandatory pursuant to the Capital Companies Act, the Articles of Association and the Regulations of the Board of Directors) is comprised, at 31 December 2016, of the following:

AUDIT COMMITTEE

Name	Position	Type of Director
Mr. Matthew C. Turner	Chairman	Independent
Mr. Norman R. Sorensen Valdez	Director	Independent
Mr. Timothy P. Lavelle	Director	Propietary

Audit Committee by categories



- **The Appointments, Remuneration and Corporate Governance Committee**, mandatory for listed companies in accordance with the Capital Companies Act, has the nature and functions which the Capital Companies Act reserves for it. Among the competences of the Committee are: to evaluate the competence, knowledge and experience of the directors and report on their appointments and resignations, and do likewise in regard to Company senior executives; to propose and oversee the company remuneration policy; and to examine compliance with the Internal Regulations for Conduct with the Securities Markets, making proposals for its improvement, and supervising compliance with the Corporate Governance rules applicable in said regard.

During the first months of 2016, the composition of this Committee, which had five members, was that of one independent director, two nominee directors and two directors classified as other external directors. On 5 May 2016, as a result of the new composition of the



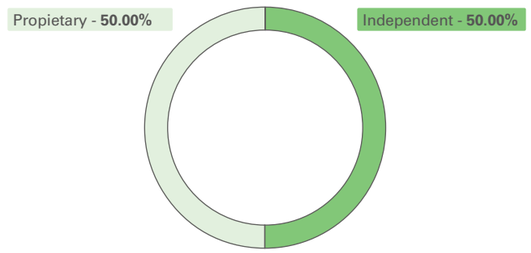
Board of Directors, new appointments were made to the Appointments, Remuneration and Corporate Governance Committee (at that time called the Corporate Governance Committee). Since then, this Committee has been made up of two independent directors (a chairman and one member) and two nominee directors (members).

The Appointments and Remuneration Committee, mandatory for listed companies pursuant to the Capital Companies act, includes in Codere S.A. not only those competences required by law, but also others related to Good Corporate Governance. At 31 December 2016, its composition was as follows:

COMMITTEE´S COMPOSITION

Name	Position	Type of Director
Mr. Norman R. Sorensen Valdez	Chairman	Independent
Mr. Matthew C. Turner	Director	Independent
Mr.. David A. Reganato	Director	Propietary
Masampe S.L. (represented by Mr. Pío Cabanillas)	Director	Propietary

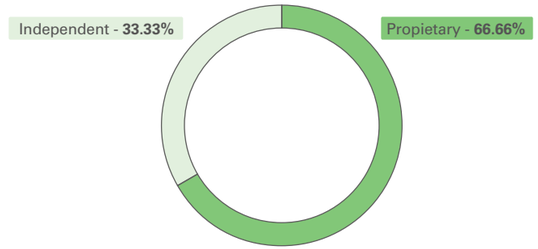
The Appointments by categories



- **The Compliance Committee**, set up by the Company in use of the freedom granted to the Board of Directors by the Capital Companies Act to create specialized committees within said body, during the first months of 2016 was comprised of five directors (two independent directors and three nominee directors). On 5 May 2016, owing to the new composition of the Board of Directors, the new members of the Compliance Committee were appointed, which, since then, has been made up of three directors, one of which is independent (the chairman) and the other two being nominee directors (members). Among the principal functions of this Committee are control of Group compliance of Spanish or foreign gaming regulations, and likewise the evaluation of the internal control systems of the company in relation to gaming and anti-money laundering obligations.

Compliance Committee´s composition as per December, 31st , 2016:

The Compliance Committee by categories



THE COMPLIANCE COMMITTEE´S COMPOSITION

Name	Position	Type of Director
Mr. Joseph Zappala	Chairman	Independent
Masampe S.L. (represented by Mr. Pío Cabanillas)	Director	Propietary
Mr. Manuel Martínez-Fidalgo Vázquez	Director	Propietary

MEMBERS OF THE BOARD'S COMMITTEES

(December, 31st, 2016)

The composition of the Board of Directors and the Codere Committees from the dates on which their changes took place, and at year-end 2016, is that shown in the following tables.

Audit Committee

Name	Position
Mr. Matthew C. Turner	Chairman
Mr. Norman R. Sorensen Valdez	Director
Mr. Timothy P. Lavelle	Director

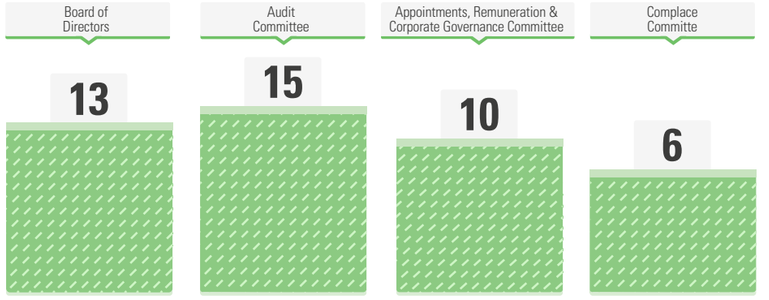
Governance

Name	Position
Mr. Norman R. Sorensen Valdez	Chairman
Mr. Matthew Turner	Director
Mr. David A. Reganato	Director
Masampe S.L.	Director

Committee

Name	Position
Mr. Joseph Zappala	Chairman
Masampe S.L.	Director
Mr. Manuel Martínez-Fidalgo Vázquez	Director

ATTENDANCE RATE FOR 2016 BOARD´S & COMMITTEE´S MEETINGS



Aditionally to the above mentioned meetings, during 2016, the Board of Directors (six times) and the Appointments, Remuneration & Corporate Governance Committee (one time) adopted written agreements

Evaluation of the Board, Committees, Chairman and first executive, Board members and Secretary

As in previous years, the Board of Directors has conducted a self-evaluation of its functioning, its Committees, chairman and first executive, Board members and Secretary in regard to the year 2016, in this way complying with the legal obligations and Good Governance recommendations.

The Appointments, Remuneration and Corporate Governance Committee reviewed the self-evaluation form, after which time it was sent to the directors in order to be filled out by each one. After the form was filled out, it was sent to the Board secretary or deputy secretary, who deal with said forms confidentially. 100% of the directors took part in the evaluation conducted for the year 2016 (improving the previous year's 80% participation). After receiving the forms, the secretary drafted an Evaluation Results Report, containing the cumulative evaluations of the Directors. In this report, areas can be detected where there is a lower evaluation by the directors; following this, an Improvement Plan was developed to allow for improvement of the results obtained.

The Results Report, as well as the Improvement Plan, were reviewed by the Appointments, Remuneration and Corporate Governance Committee for their subsequent approval by the Board. In February 2016, the Board of Directors approved the Results Report and Improvement Plan for 2017. The principal measures adopted have to do with the attainment of increased monitoring of the most significant strategic aspects, improvement of the information distribution systems and the sending of said information in advance, as well as a greater duration of the Board and Audit Committee meetings.

Corporate Governance Annual Report

The Board of Directors of Codere S.A. approved the Corporate Governance Annual Report at the meeting at which the annual accounts for the year 2016 were drafted. This report, mandatory for listed companies, contains a section devoted to the extent to which the Corporate Governance recommendations are followed. Said report contains 64 questions in relation to the Good Governance recommendations, which are to be answered by indicating whether or not compliance is made with the recommendation. In the case where the recommendation is not followed, or followed only partially, a detailed explanation of the reasons is to be included, so that consequently the shareholders, investors and the market in general have sufficient information to evaluate the conduct of the company.

The Corporate Governance Annual Report is published yearly as a Relevant Fact on the company webpage. In the report corresponding to 2016, the Good Governance recommendations were answered by the Company as shown in the following breakdown:

Standards are met
31 Recommendations

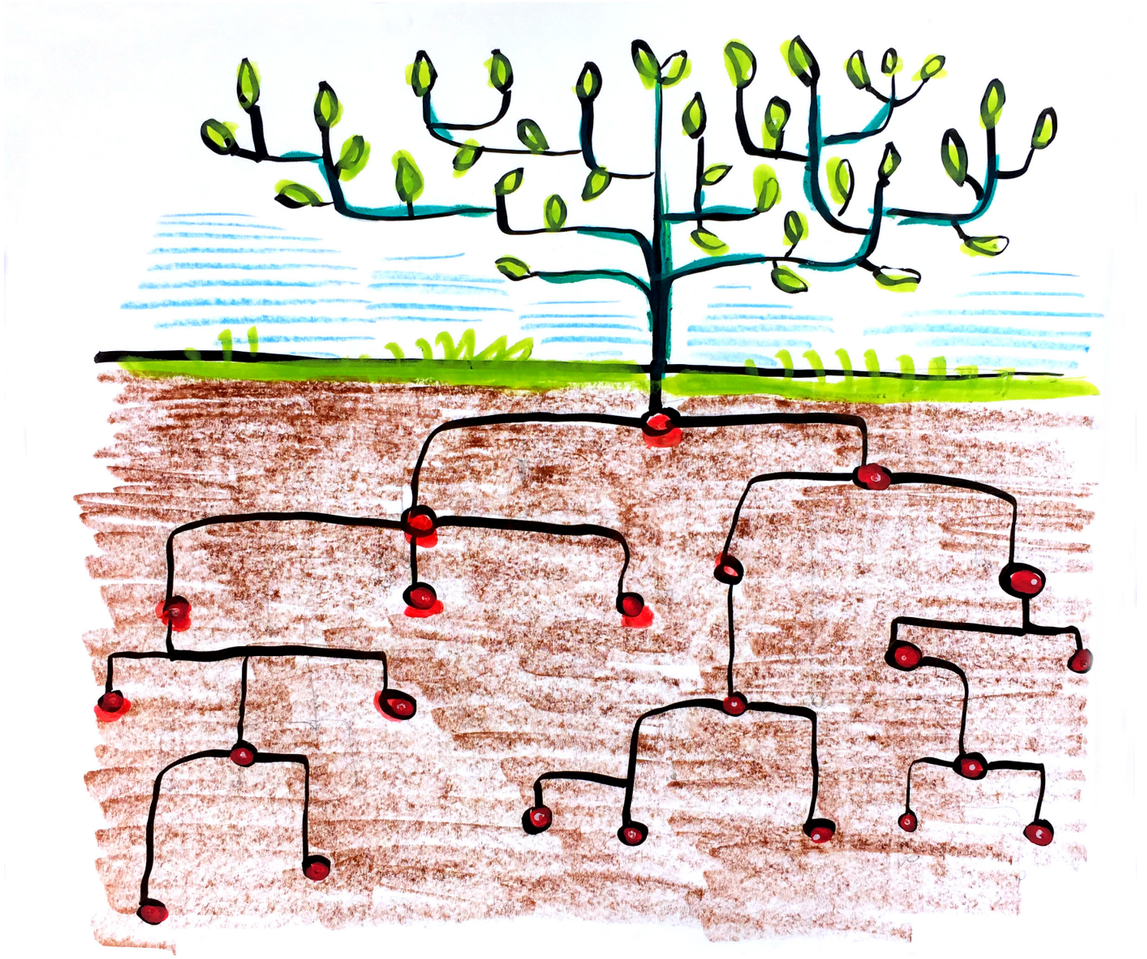


Standards are partially met
13 Recommendations



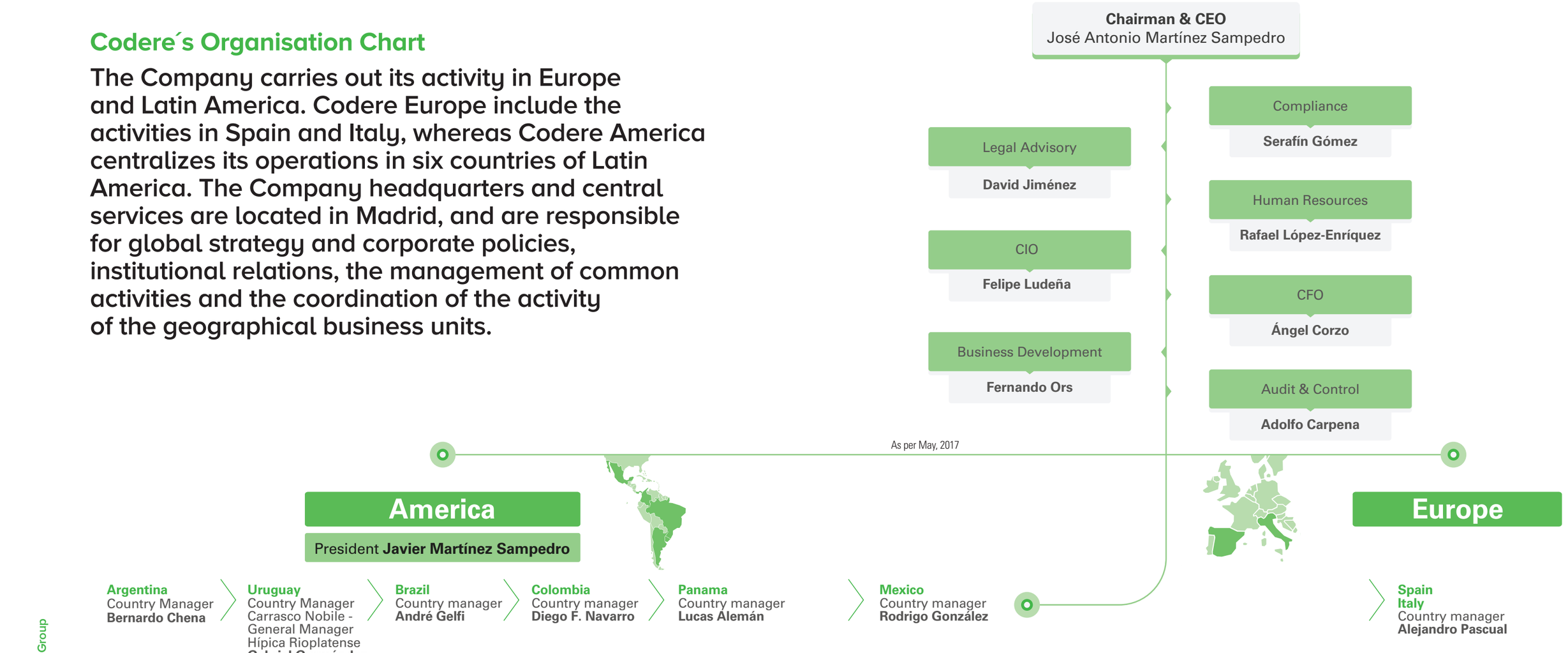
Non Applicable
15 Recommendations





Codere´s Organisation Chart

The Company carries out its activity in Europe and Latin America. Codere Europe include the activities in Spain and Italy, whereas Codere America centralizes its operations in six countries of Latin America. The Company headquarters and central services are located in Madrid, and are responsible for global strategy and corporate policies, institutional relations, the management of common activities and the coordination of the activity of the geographical business units.

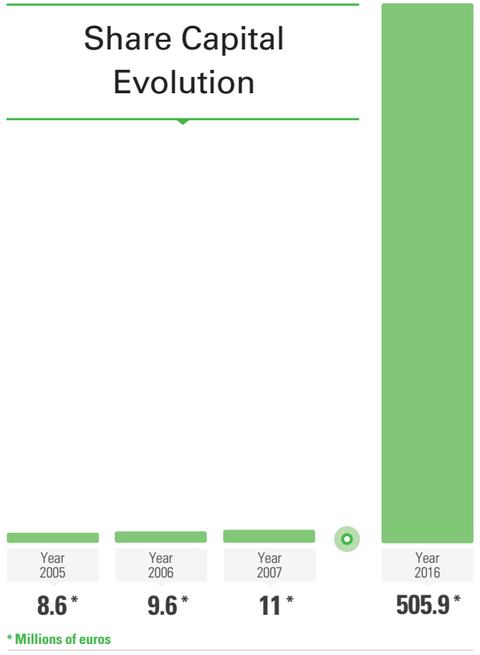


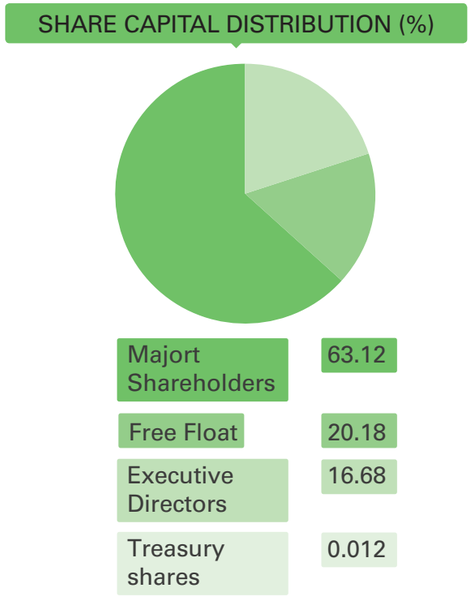
2.4 Shareholder Structure

At 31 December 2016, the share capital of Codere S.A. was 505,942,912.20€, fully subscribed and paid up, made up of 2,529,714,561 shares each having a par value of 0.20€, and each of which is represented by book entries. These shares trade on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) and are recorded in all of the register systems of Iberclear, the entity in charge of the accounting register and clearing and settlement of the securities which trade on the Spanish Stock Exchanges.

By going public in October 2007, Codere increased its shareholder structure, and was able to access greater financing. After a number of years in which it was immersed in an arduous process of negotiation to restructure its debt, the Company reached certain agreements with its creditors. During 2016, the execution of said agreements finalized, giving way to a new shareholder structure.

At 31 December 2016, the Company had a free float of approximately 20.18%. The rest of the share capital was distributed among several significant shareholders, as declared to the Spanish Securities Commission (CNMV). Accordingly, the chairman of the Board of Directors, Mr. José Antonio Martínez Sampedro, held 14.17% of the share capital (both through his direct holding in the shareholder structure, as well as indirectly through the company Masampe S.L.). The deputy chairman of the Board of Directors, Mr. Luis Javier Martínez Sampedro, held 2.5% of the share capital (both through his direct holding, as well as indirectly through Recreativos Metropolitano S.L. and M Global Solutions-Global Assets Brisa). Other directors held 0.01% of the share capital, and 0.01% of the share capital was held in treasury stock.



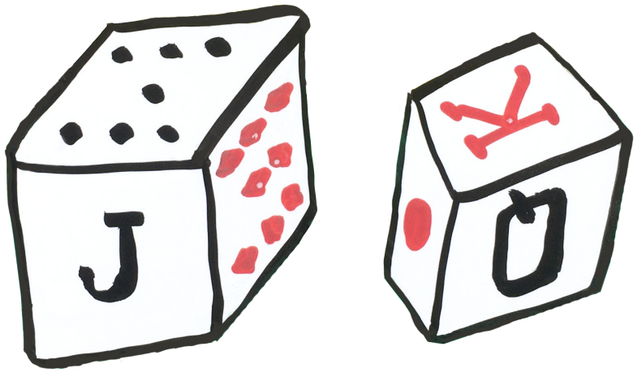


Communications conveyed to the CNMV as per 31/12/2016

Codere Group structure

Codere S.A. is the Group head. The Company was set up in Madrid on 28 July 1998, and went public on 19 October 2007, beginning its trading on the Madrid Stock Exchange, and currently trades on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Its registered office is located in Alcobendas, (28108 Madrid), Avda. de Bruselas, 26. As the Group parent, Codere S.A. is required to prepare, in addition to its Annual Accounts, the Consolidated Annual Accounts of the Group.

At 31 December 2016, the following companies formed part of the Codere Group:



Subsidiary companies: The subsidiary companies are those over which Codere S.A. has the capacity to exercise effective control. Said capacity is the result of the direct or indirect holding of more than 50% of the voting rights of the subsidiaries, or at least 50% and control in the Company strategic and operating strategies.

Name	Integration Method	Percentage of participation %	Country
CARTAYA, S.A.U.	IG	100%	SPAIN
C-F8, S.L.	IG	75%	SPAIN
CODERE ALICANTE, S.L.U.	IG	59%	SPAIN
CODERE APUESTAS, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS ANDALUCIA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS ARAGÓN, S.L.U.	IG	100%	SPAIN
CODERE APUESTAS ASTURIAS, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS BALEARES, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS CANTABRIA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS CASTILLA LA MANCHA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS CASTILLA Y LEÓN, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS CATALUÑA, S.A.	IG	100%	SPAIN
CODERE APUESTAS CEUTA, S.L.	IG	100%	SPAIN
CODERE APUESTAS ESPAÑA, S.L.U.	IG	100%	SPAIN
CODERE APUESTAS EXTREMADURA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS GALICIA, S.L.U.	IG	51%	SPAIN
CODERE APUESTAS MELILLA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS MURCIA, S.L.U.	IG	100%	SPAIN

Name	Integration Method	Percentage of participation %	Country
CODERE APUESTAS NAVARRA S.A.U.	IG	100%	SPAIN
CODERE APUESTAS LA RIOJA, S.A.U.	IG	100%	SPAIN
CODERE APUESTAS VALENCIA S.A.U.	IG	100%	SPAIN
CODERE AMÉRICA, S.A.U.	IG	100%	SPAIN
CODERE CASTILLA Y LEÓN, S.L.U.	IG	100%	SPAIN
CODERE DISTRIBUCIONES, S.L.U.	IG	100%	SPAIN
CODERE ESPAÑA, S.A.U.	IG	100%	SPAIN
CODERE GIRONA, S.A.	IG	66.67%	SPAIN
CODERE GUADALAJARA, S.L.	IG	50%	SPAIN
CODERE HUESCA, S.L.	IG	51.02%	SPAIN
CODERE INTERNACIONAL, S.A.U.	IG	100%	SPAIN
CODERE INTERNACIONAL DOS S.A.U.	IG	100%	SPAIN
CODERE INTERACTIVA, S.L.	IG	90%	SPAIN
CODERE LATAM S.A.	IG	100%	SPAIN
CODERE LOGROÑO, S.L.	IG	75.03%	SPAIN
CODERE ONLINE S.A.U.	IG	100%	SPAIN
CODERE NAVARRA, S.A.U.	IG	100%	SPAIN
CODERE NEWCO, S.A.U.	IG	100%	SPAIN
CODERE SERVICIOS COMPARTIDOS S.A.U.	IG	100%	SPAIN
CODERE SERVICIOS S.R.L.	IG	100%	SPAIN
CODERE, S.A.	IG	100%	SPAIN
COLONDER, S.A.U.	IG	100%	SPAIN
COMERCIAL YONTXA, S.A.	IG	51%	SPAIN
DESARROLLO ONLINE JUEGOS REGULADOS, S.A.U.	IG	100%	SPAIN
EL PORTALÓN, S.L.	IG	50%	SPAIN
GARAIPEN VICTORIA APUSTUAK, S.L.	IG	84.88%	SPAIN
J.M. QUERO Y ASOCIADOS, S.A.U.	IG	100%	SPAIN

Name	Integration Method	Percentage of participation %	Country
JPVMATIC 2005, S.L.U.	IG	100%	SPAIN
MISURI, S.A.U.	IG	100%	SPAIN
NIDIDEM, S.A.U.	IG	100%	SPAIN
OPERIBÉRICA, S.A.U.	IG	100%	SPAIN
OPEROESTE, S.A.	IG	50%	SPAIN
OPERSHERKA, S.L.U.	IG	100%	SPAIN
RECREATIVOS ACR, S.L.	IG	50%	SPAIN
RECREATIVOS OBELISCO, S.L.	IG	60.61%	SPAIN
RED AEAM, S.A.U.	IG	100%	SPAIN
RESTI Y CIA, S.L.	IG	50%	SPAIN
SIGIREC, S.L.	IG	75.05%	SPAIN
MILLENNIAN GAMING, S.A.	IG	51.00%	SPAIN

Name	Integration Method	Percentage of participation %	Country
BINGOS DEL OESTE, S.A.	IG	100%	ARGENTINA
BINGOS PLATENSES, S.A.	IG	100%	ARGENTINA
CODERE ARGENTINA, S.A.	IG	100%	ARGENTINA
IBERARGEN, S.A.	IG	100%	ARGENTINA
INTERBAS, S.A.	IG	100%	ARGENTINA
INTERJUEGOS, S.A.	IG	100%	ARGENTINA
INTERMAR BINGOS, S.A.	IG	80%	ARGENTINA
ITAPOAN, S.A.	IG	81.80%	ARGENTINA
SAN JAIME, S.A.	IG	100%	ARGENTINA
BINGOS DEL OESTE S.A.–BINGO DEL PUENTE S.A. Unión Transitoria de Empresas	IP	88%	ARGENTINA

Name	Integration Method	Percentage of participation %	Country
CODERE DO BRASIL ENTRETENIMIENTO Ltda.	IG	100%	BRAZIL
SIMULCASTING BRASIL SOM E IMAGEM, Ltda.	IG	100%	BRAZIL

Name	Integration Method	Percentage of participation %	Country
CODERE CHILE, Ltda.	IG	100%	CHILE

Name	Integration Method	Percentage of participation %	Country
BINGOS CODERE, S.A.	IG	99.99%	COLOMBIA
CODERE COLOMBIA, S.A.	IG	99.99%	COLOMBIA
INTERSARE, S.A.	IG	59.89%	COLOMBIA

Name	Integration Method	Percentage of participation %	Country
CODERE FINANCE (UK)	IG	100%	UK & SCOTLAND

Name	Integration Method	Percentage of participation %	Country
CODERE GAMING ITALIA, S.R.L.	IG	100%	ITALY
CODERE ITALIA, S.P.A.	IG	100%	ITALIY
CODEMATICA, S.R.L.	IG	100%	ITALIY
CODERE NETWORK, S.P.A.	IG	100%	ITALIY
CRISTALTEC SERVICE, S.R.L.	IG	51%	ITALIY
DP SERVICE S.R.L	IG	60%	ITALIY
FG SLOT SERVICE S.R.L.	IG	55%	ITALIY
GAME OVER, S.R.L.	IG	51%	ITALIY
GAMING RE S.R.L.	IG	75%	ITALIY
GAP GAMES S.R.L.	IG	51%	ITALIY
G.A.R.E.T., S.R.L.	IG	51%	ITALIY
GESTIONI MARCONI, S.R.L.	IG	100%	ITALIY
GIOMAX, S.R.L.	IG	100%	ITALIY
KING SLOT S.R.L.	IG	85%	ITALIY
KING BINGO, S.R.L.	IG	85%	ITALIY
OPERBINGO ITALIA, S.P.A.	IG	100%	ITALIY
PALACE BINGO, S.R.L	IG	100%	ITALIY
ROYAL JACKPOT, S.R.L.	IG	51%	ITALIY
SEVEN CORA SERVICE, S.R.L.	IG	60%	ITALIY
VASA & AZZENA SERVICE, S.R.L.	IG	51%	ITALIY
VEGAS, S.R.L.	IG	100%	ITALIY

Name	Integration Method	Percentage of participation %	Country
CODERE INTERACTIVE, INC	IG	100%	U.S.A.

Name	Integration Method	Percentage of participation %	Country
CODERE FINANCE, S.A.	IG	100%	LUXEMBOURG
CODERE FINANCE 2, S.A.	IG	100%	LUXEMBOURG
CODERE LUXEMBOURG 1, S.A.R.L.	IG	100%	LUXEMBOURG
CODERE LUXEMBOURG 2, S.A.R.L.	IG	100%	LUXEMBOURG

Name	Integration Method	Percentage of participation %	Country
ADMINISTRADORA MEXICANA DEL HIPÓDROMO, S.A. de C.V	IG	84.8%	MEXICO
CALLE DE ENTRETENIMIENTO LAS AMERICAS, S.A. de C.V.	IG	84.8%	MEXICO
CODERE MÉXICO, S.A. DE C.V.	IG	100%	MEXICO
COMERCIALIZADORA SORTIJUEGOS, S.A. DE C.V.	IG	84.8%	MEXICO
ENTRENIMIENTO RECREATIVO, S.A. DE C.V.	IG	84.8%	MEXICO
ENTRETENIMIENTO VIRTUAL, S.A. DE C.V.	IG	84.8%	MEXICO
GRUPO CALIENTE S.A.P.I. DE C.V.	IG	67.30%	MEXICO
GRUPO INVERJUEGO, S.A.P.I. DE C.V.	IG	67.30%	MEXICO
IMPULSORA RECREATIVA DE ENTRETENIMIENTO AMH, S.A. DE C.V.	IG	84.80%	MEXICO
IMPULSORA CENTRO DE ENTRETENIMIENTO LAS AMÉRICAS, S.A.P.I. de C.V.	IG	84.80%	MEXICO
JUEGAMAX DE LAS AMÉRICAS S.A. DE CV	IG	84.80%	MEXICO
JOMAHARHO S.A.P.I. DE C.V.	IG	67.30%	MEXICO
MIO GAMES, S.A. DE C.V.	IG	67.30%	MEXICO
LIBROS FORANEOS S.A. DE C.V.	IG	67.30%	MEXICO
OPERADORA CANTABRICA S.A. DE C.V.	IG	67.28%	MEXICO

Name	Integration Method	Percentage of participation %	Country
OPERADORA DE ESPECTÁCULOS DEPORTIVOS S.A. DE C.V.	IG	67.30%	MEXICO
PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	IG	100%	MEXICO
PROMOJUEGOS DE MÉXICO, S.A. DE C.V.	IG	67.30%	MEXICO
RECREATIVOS CODERE, S.A. DE C.V.	IG	100%	MEXICO
RECREATIVOS MARINA, S.A. DE C.V.	IG	100%	MEXICO
SERVICIOS COMPARTIDOS EN FACTOR HUMANO HIPÓDROMO,	IG	84.80%	MEXICO
SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO, S.A. DE C.V.	IG	84.80%	MEXICO

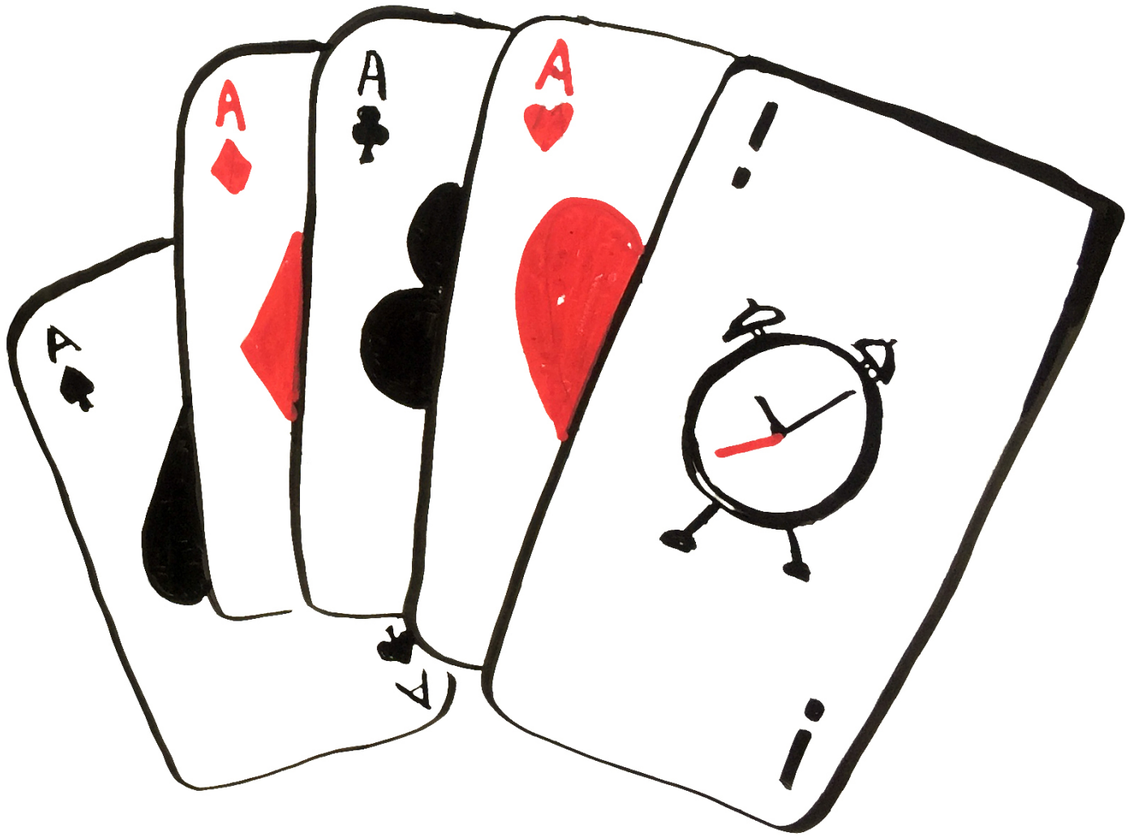
Name	Integration Method	Percentage of participation %	Country
ALTA CORDILLERA, S.A.	IG	75%	PANAMA
HÍPICA DE PANAMÁ, S.A.	IG	75%	PANAMA
COMPAÑÍA DE RECREATIVOS DE PANAMÁ, S.A.	IG	100%	PANAMA

Name	Integration Method	Percentage of participation %	Country
CODERE URUGUAY, S.A.	IG	100%	URUGUAY
HÍPICA RIOPLATENSE URUGUAY, S.A.	IG	100%	URUGUAY
CARRASCO NOBILE, S.A.	IG	100%	URUGUAY

Associate Companies: Listed below are the associate companies, entities over which Codere S.A. has the capacity to exercise significant influence.

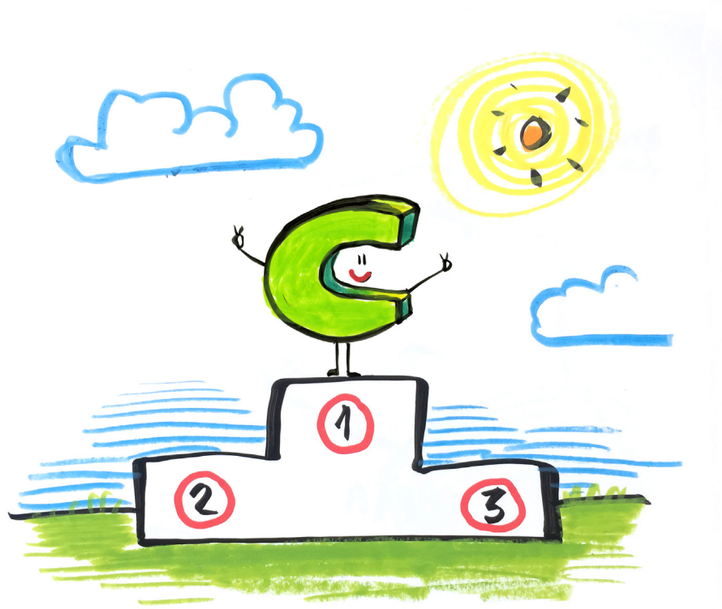
Name	Integration Method	Percentage of participation %	Country
HIPPOBINGO FIRENZE, S.R.L.	PE	34%	ITALY
NEW JOKER S.R.L.	P	30%	ITALY
CALLE ICELA S.A. DE C.V.	P	49%	MEXICO
CENTRO DE CONVENCIONES LAS AMÉRICAS S.A de C.V	P	49%	MEXICO
HOTEL ENTRETENIMIENTO LAS AMÉRICAS, S.A. DE C.V.	P	49%	MEXICO
HOTEL ICELA S.A.P.I. DE C.V.	P	49%	MEXICO

3. Responsible Gaming



3.1 Responsible Gaming

Codere understands that, as one of the leading actors in the private gaming sector, it is required to allocate resources to research, dissemination and application of responsible gaming policies so as to minimize any negative impact on society which it business might have, and maximize tax collection by the Public Administrations, at the same time maintaining the economic viability of the Company.



The Codere Foundation

The Codere Foundation is a non-profit organization founded in early 2007, in the conviction that adequate gambling regulation is in the general interest.

The highest governance body of the Codere Foundation is its Board of Trustees which is comprised of:

Foundation´s Board of Trustees

Name	Position
Mr. José Antonio Martínez Sampedro	Chairman
Mr. José Ignacio Cases Méndez	Vice-chairman
Mr. Pio Cabanillas Alonso	Director
Mr. Juan José Zornoza Pérez	Director
Mr. Germán Gusano Serrano	Executive Director & Secretary of the Board of Trustees

The principal objective of the Foundation is to promote and collaborate in both national and international initiatives which make it possible to develop suitable public policies on gambling, which ensure the stability of the regulatory framework and allow gaming operators to provide users with an offering which complies with all assurances, which ensures tax collection by the public administrations and which favors Responsible Gaming.

Among its activities are the study and analysis of the gaming industry through book sponsorship. In an aim to promote study, analysis, transparency and legal certainty in gambling, the Codere Foundation collaborates with recognized specialists to order to launch publications which are a reference point.

The more than 35 publications launched, which can be viewed through the webpage – **www.fundacion-codere.org** –, reflect the broadest and most varied publications available in the gaming industry. It is the intention of the Codere Foundation to continue to contribute to enriching reflection on and analysis of the topic of gambling.

During 2016, four new publications were launched:

- ***Legal Certainty and Democracy in Ibero-America*** – Written in collaboration with the University of Girona Department Chair of Legal Studies in 2015 and presented with the support of the Conference of Ministers of Justice of the Ibero-American Countries (COMJIB) in February 2016, this publication establishes a system of indicators to measure legal certainty in the region of the Ibero-American countries, in order to facilitate external investment in the region.

- ***VII Report on Social Perception of Gambling in Spain*** – This study was once again made in collaboration with the Carlos III University of Madrid, through its Institute for Policy and Governance (IPOLGOB). The study analyzes gambling in Spain from an essentially psychological perspective, offering data on the gambler's profile, the evolution of the gambler's preferences with respect to the various gambling modalities, or the incidence of problematic gambling in the Spanish population.

- ***Internet Abuse- A Prelude to Online Gambling Addiction?*** – A publication which presents the vision and analysis of some twenty internationally recognized specialists and researchers on what Internet abuse and excessive online gambling means, showing the close relation between both factors. Through reflections from a psychological perspective and regulatory proposals for its control, the publication aims to serve as an aid in preventing, promoting awareness and minimizing the problems associated with Internet abuse and online gambling.

- ***Spanish Gambling Yearbook 2015/2016*** – Published likewise in collaboration with the Carlos III University of Madrid, through its Institute of Policy and Governance (IPOLGOB). The fifth edition of this annual publication, which synthesizes all of the statistical data on the various aspects of the gambling industry in Spain, discloses data on an industry which, in the past two years, has actively recovered from the effects of the serious economic crisis which has affected Spain.

Moreover, the Foundation actively participates in gaming industry **congresses and conferences**, in an aim to disseminate and share the results of its analyses and publications.

In May 2016, the Foundation collaborated in the conference on the Internet "X1RedMasSegura" ("For a Safer Internet"), to promote Internet security through the dissemination of Internet dangers and the promotion of responsible Internet use.

Codere Foundation will keep contributing to the enrichment of the reflection and analysis of the gaming industry

In the month of June, the Foundation participated in the conference "Gambling: Policies and Problems", held at the Uruguay Parliament House of Representatives in Montevideo. The encounter, organized by the National Gaming Federation and supported by the Confederation of State Functionaries and the PIT-CNT trade union, is of great importance in the country, given the current process of gaming reorganization, which includes the approval of the online modality in Uruguay. Codere participated, together with other institutions, through the paper of José Ignacio Cases, Codere Foundation Vice President, conveying the business vision of the Group, the Spanish experience in the online gaming regulatory process (Law 13/2011, of 27 May, on the Regulation of Gaming) and defending legal certainty in the investments, transparency and responsible gaming policies against illegal gambling.

Moreover, the Codere Foundation received the award for the **"Best Institution within the Gaming Industry in 2015"**, during the XV edition of the AZAR Magazine Awards, held on 1 March 2016. This prize, awarded unanimously by the jury, recognized the work carried out by the Foundation from its creation, with special recognition of its public repercussions during 2015 in favor of the gaming industry.



Local commitment to Responsible Gaming

In addition to works of scientific analysis and dissemination on industry good practices sponsored by the Codere Foundation – indicated above -, the various business units comprising the Codere Group have developed specific responsible gaming action programs, which are in line with the local thinking of each country, in an aim not only to comply with the regulations, but also to meet the specific needs of its activity. Our aim, as a Company operating games of chance, is to offer a suitable entertainment environment, far removed from compulsive, harmful behavior which can result in health problems for our customers.

The local programs – which consist of actions for awareness, prevention and control - applied in the various geographical areas of the Group, aim to minimize the risks associated with our activity and maximize protection for risk groups. They all share the same philosophy and essence:

- Making available informative brochures, in our Company gaming halls as well as on our online gaming pages, which explain the possible problems resulting from compulsive behavior in gambling, recommendations for an adequate use of gaming, and also help centers which can be contacted if necessary.

- Providing information on the possibility of self-exclusion and its associated procedures, which entail the registration of a person in a public register to prevent access to any private gaming offering.

- Providing trained gaming personnel to attend to and support at any time any customer requiring information on the risks associated with compulsive gambling and how to act in said regard.

- Carrying out awareness campaigns on the risks of gambling addiction, its causes and appropriate preventive conducts.

- Implementing control mechanisms to prevent vulnerable groups, such as minors or compulsive gamblers, from access to gambling.

Worthy of note is the initiative of Codere Italy, "Codere Online Training", a training and information tool aimed at legal gaming operators connected to the Codere Network, operating in their own halls and in those managed by third parties. The online platform was created by Codere and, through a series of training modules, aims to instruct as many operators as possible to be able to recognize and manage the critical points related to pathological gambling. Upon completion of the training, there are a number of screens with questions to evaluate the learning process. Once the training itinerary has finalized, and only in those cases in which the test has been passed with the required grade, the operator is able to download the course completion certificate.

The platform modules, which can be accessed at **www.coderetraining.it** and through the websites of Codere Italy and Codere Network, all of which are dynamic and readily comprehensible, alternate between "Legal Training" and "No Gap Training". Three legal training modules deal with topics such as the history of legal gaming in Italy, the complexity of the regulatory and procedural system, and also deal with ethics and the responsibility of the gaming operator. The four training modules against pathological gambling (GAP, the Italian acronym) define pathological gambling, the various types of pathological gamblers, prevention in gambling halls, and lines of intervention. The platform contents have been submitted for approval by the State Monopolies Agency, in accordance with the forecasts of the Network concessionaires Development Plan.

Anti-fraud and anti-money laundering policies

Codere is aware that it carries out its activity in an especially sensitive sector. Its industry is one which has gone through many different degrees of public reaction throughout its history, ranging from the most absolute prohibition, with the ensuing negative consequences, to the highest levels of regulation, going through intermediate periods in which there is no regulation at all and a legal vacuum is produced.

With the introduction of its **Compliance Policy**, integrating the highest international standards in asset laundering prevention and in ethical conduct requirements, the Codere Group shows its stakeholders that Compliance is an integral part of its business culture.

We reject any business which would only be possible by violating the law or our own corporate values.

Codere has adopted as a standard of compliance the framework established by the Basel Committee in 2004, as well as all of the FATF recommendations and the highest models of international Good Practices and Ethical Conduct. In this way, we integrally take on the broad function of compliance as an independent function which identifies, advises, alerts, monitors and reports compliance risks in organizations, that is, the risk of receiving sanctions for legal or regulatory breaches, of suffering financial losses, or of losing reputation for failure to comply with the applicable laws, regulations, codes of conduct, and good practices standards (laws, regulations and standards).

Codere demands of itself, and also of its associates and suppliers, the strictest adaptation to the gaming sector regulations in each country in which it operates, and likewise meticulous respect for all financial, fiscal and labor standards in force wherever it carries out its activity.

The strategic objectives of our Compliance Policy are:

- Establish the appropriate activities and mechanisms in order to implement throughout the Company a conscious culture of awareness, as an essential tool to attain and maintain the level of excellence to which Codere aspires in Anti-Money Laundering matters.

- Cooperate in identifying and establishing the strictest standards of ethical conduct and applicable law in the carrying out of its business activities.

- Attain the proactive participation of all Codere managers and employees in relation to compliance policies in the various activities and geographical areas in which the Company operates, establishing the minimum mechanisms for coordination and thoroughness among the various actors.

- Identify, evaluate and control the principal compliance risks, understood as those which might generate legal sanctions, material financial losses, or loss of reputation as the result of possible breaches of laws, regulations and organization self-regulation standards, or of codes of conduct applicable to its business activities.

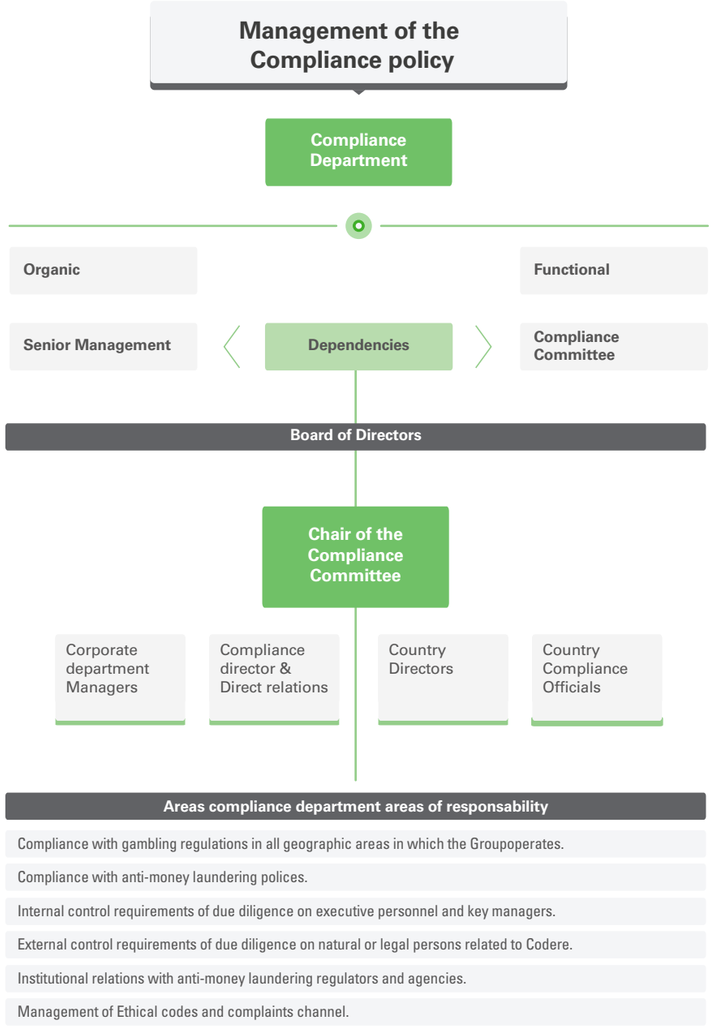
The specific risks which compliance management deals with are the following:

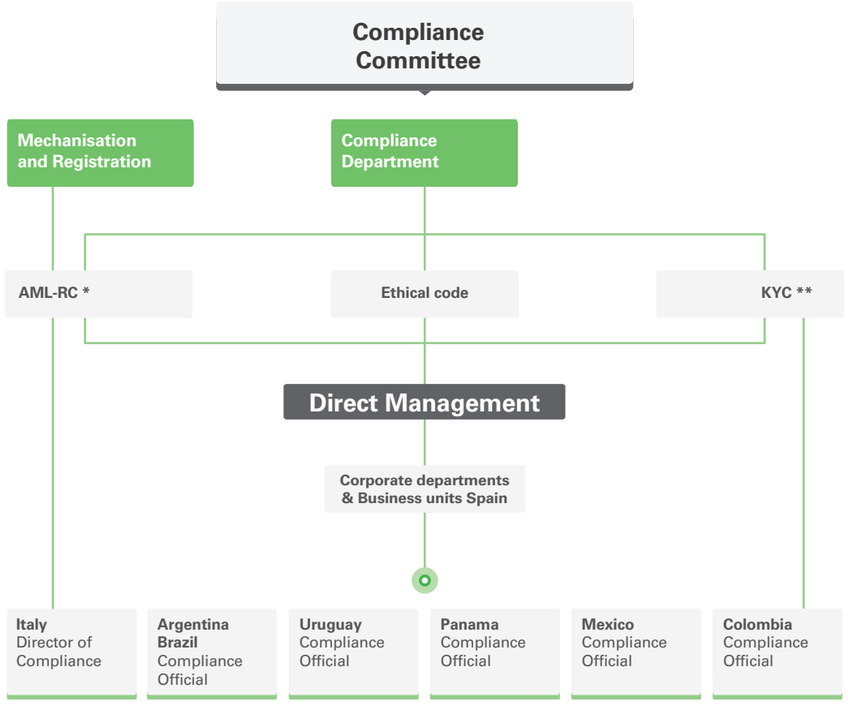
- **Reputational Risk:** Possible losses owing to the fact that negative publicity with respect to the company and its business practices, true or not, or intentional or not, results in a loss of clientele, a fall in revenues, or court proceedings.

- **Operational Risk:** Possible losses owing to inadequate or faulty processes, personnel, and internal systems (instances of fraud, internal events), or owing to external events.

- **Legal Risk:** Possible losses owing to sanctions, fines or obligations to pay damages resulting from breach of standards or regulations.

- **Strategic Risk:** Possible losses owing to the circumstance whereby the company is barred by the Administration from developing products or services for failing to adapt to changing conditions or requirements of the business in which it deals.





(*) AML-RC: Anti-Money Laundering and Regulatory Compliance.
(**) AML-RC: Anti-Money Laundering and Regulatory Compliance.

Codere Group issued its General Compliance Plan, approved by the Board of Directors on 22 September 2005, and its Code of Ethics and Conduct, approved on 27 January 2011. From its Corporate Compliance Management, Codere develops the Group General Compliance Plan and Code of Ethics and Conduct, which serve as a guide for all personnel in carrying out their work, complying with all applicable laws and Company guidelines.

The processes in the following areas of action continue to intensify, and coincide with what the new Spanish AML legislation (Law 10/2010 on AML and CTF, and Royal Decree 304/2014, approving the Regulation developing Law 10/2010) and the New FATF Recommendations of 2012 have established.

Introduce and manage the International Anti-Money Laundering Policies in Codere S. A.:

- Identification of prize winners and control of suspicious transactions (SAR).
- Reconciliation of reports to control and/or gaming authorities. Contribution of evidence of fraudulent payments or transactions.
- Draft mandatory Training Plans in Anti-Money Laundering for Codere Group employees.
- Represent Codere before anti-money laundering authorities and gaming authorities.
- Update and introduce in the Company Anti-Money Laundering standards for each country, in addition to the compulsory standards of the Codere Group parent (Spanish, European and FATF).

Introduce and manage the Codes of Ethics and Conduct and Whistleblower Channel, which demonstrate the employment of the best business practices and Corporate Social Responsibility in Codere S. A.

- Entry into force in 2011 of the Corporate Code of Ethics and Conduct, which led in 2012 to the elimination of the local area specific codes.
- Design of the Whistleblower Channel for use by employees, clients and suppliers, to prevent possible reputational damage, internal fraud or other damage to Codere, starting in 2011, and introduced in 2012 with the Corporate standards in all of the geographical areas.
- Verifications of ethical conduct or of conflicts of interest whether or not derived from the above channel, forwarding reports and/or proposals to the Compliance Committee.

Introduce and manage the Compliance Information System called for by the Compliance Plan of Codere S. A.

- Internal control policy by means of Due Diligence requirements and control for management or key personnel.
- External Know Your Customer (KYC) Policy through previous Due Diligence control of the natural and legal persons related with Codere, especially gaming terminal suppliers, including their movements and effectiveness.
- Tools for control of other departments or units and/or support at specific times in the form of control and verification of companies and persons.
- Draft reports and contrast information specifically on reputational risks and/or asset damage to Codere, reporting, if applicable, to the Compliance Committee and/or Presidency of the Company.

Moreover, reinforcement has been made of the structures supervised by the Compliance Committee with respect to the effectiveness of local Compliance officials. This has been the case in Uruguay, Mexico, Colombia and Argentina, which have adopted the systems already existing in Panama and Italy to strengthen Corporate Compliance Department capacities notably in their task of implementing Compliance policies effectively.

Especially significant for Codere has been Mexico's introduction of the requirements of its new Asset-Laundering Prevention Legislation, insofar as this effects the gaming sector. The large-scale presence of the Company in said country and the demanding legal thresholds on the identification and reporting of customers has called for great technological and human efforts, which, since the time these requirements were called for in September 2013, have culminated successfully.

The following actions taken in 2016, both at Corporate Headquarters as well as in all business units and subsidiaries, summarize Codere's own Anti-Money Laundering (AML) and Know Your Customer (KYC) activity, as well as **AML training for employees and managers, and customer and suspicious transaction control:**

- 6,202 Due Diligence cases of various types were conducted on natural and legal person third parties with which Codere has business or contractual relations.

- 570 Due Diligence cases were conducted on Codere own personnel. Along parallel lines, 2,151 express acceptances of the Codere Global Ethics Code were managed in the various business units.

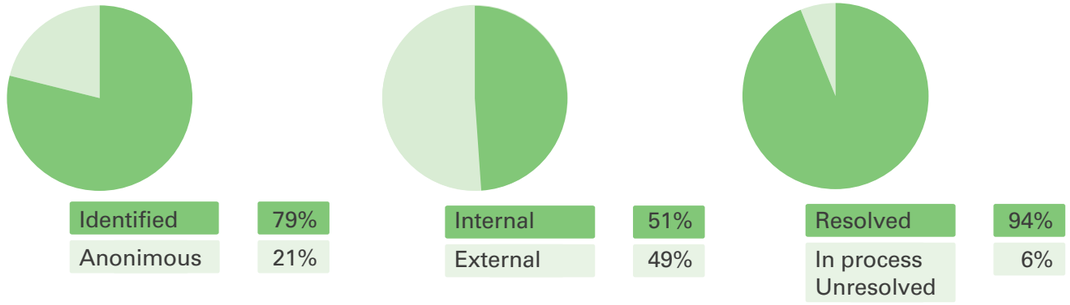
- Mandatory AML training has been given to 3,857 employees, taking the form of classroom seminars offered by the Compliance Departments of Spain, Argentina, Italy, Panama, Colombia, Uruguay and Mexico, as well as online training offered in Spain, Argentina, Mexico and Colombia.

- Control and reporting of prizes and transactions to the competent authorities, with the corresponding identification and registration called for in each case, which numbered 56,409, in addition to 25 Suspicious Transaction Reports. This process was carried out entirely in all the business units.

- The various Ethics Channels managed by the local Compliance Officials and the Corporate Whistleblower Channel handled 116 denouncements/communications, with the corresponding confidential verifications and internal investigations being carried out in the various business units.

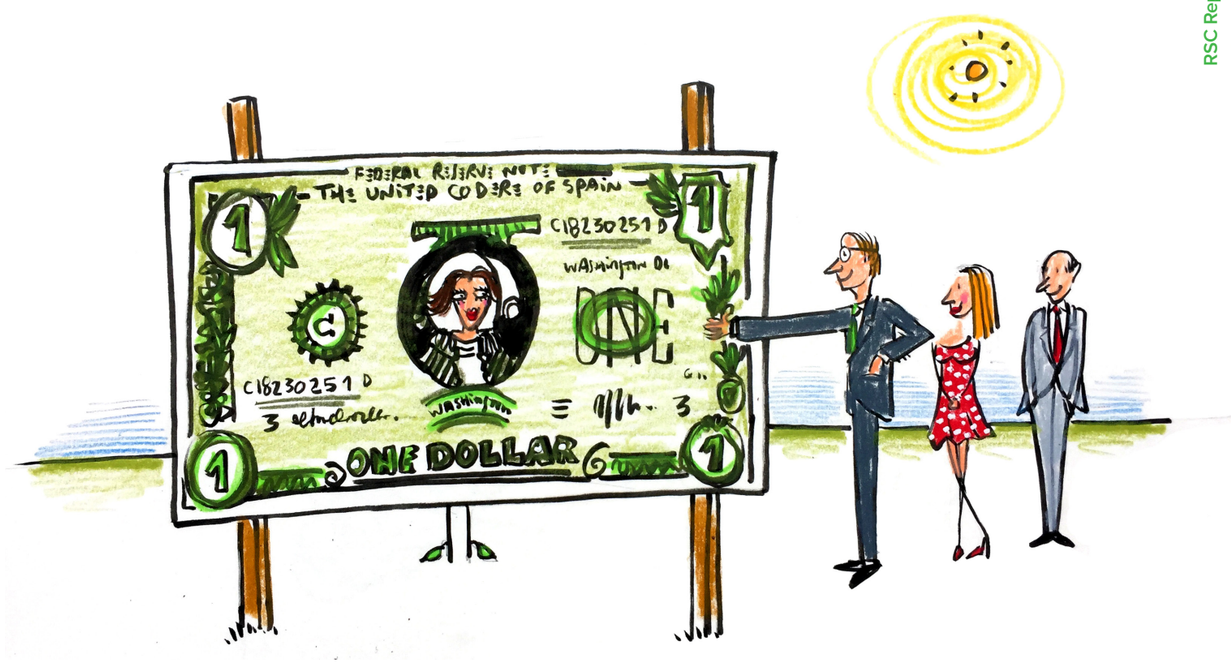
CHANNELS, LINES AND COMPLAINTS MANAGEMENT

	Spain + headquarters	Argentina	Colombia	Italy	Mexico	Panama	Uruguay	Total 2016	Total 2015
Anonymous	0	4	9	0	10	2	1	26	13
Identified	22	7	0	0	53	6	10	98	93
Third parties									
Internal	16	6	8	0	21	4	10	62	37
External	6	5	1	0	42	4	1	59	69
Suppliers	0	0	0	0	0	0	0	0	0
Resolved	22	7	5	0	63	8	11	116	100
In process	0	2	4	0	0	0	0	6	5
Unresolved	0	2	0	0	0	0	0	2	1



3.2 Human Capital Development

People are the most important asset of Codere Group. Our employees are the embodiment of the values representing the essence of the Company, which they bring to each action they take and in this way collaborate in attaining the Group objectives.



Personnel characteristics

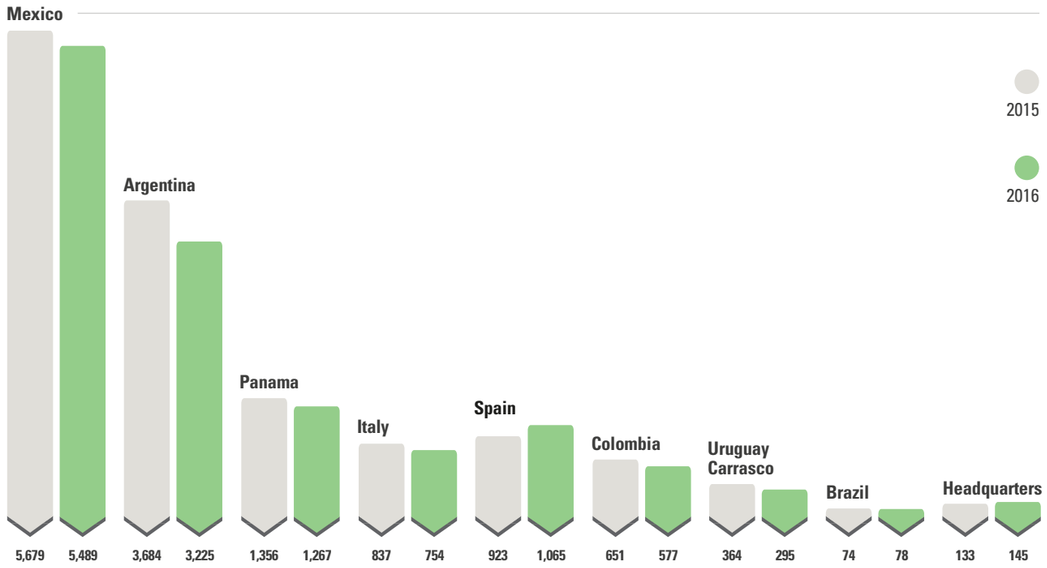
Codere closed the year 2016 with a staff of 13,918 employees, who make up a diverse team, in which there is a balance of men and women.

Codere´s staff is young, given that 74% of its personnel are under the age of forty, 70% are in their forties, and only 9% are over the age of fifty.

With respect to service in the Company, workers remain in the Company for 6.36 years on average, which is a reflection of co mpany closeness, with a staff of workers who are satisfied to form part of the Group.

Human capital is top priority for Codere. Its development and management are key factors within the Company's strategy.

WORKFORCE BY COUNTRIES (2015 vs. 2016: December)

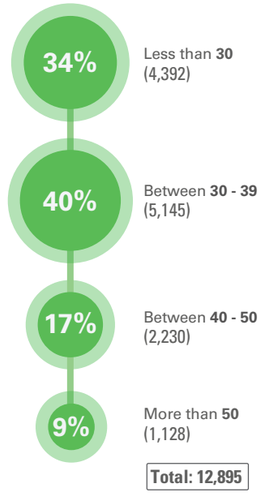


The chart does not include HRU 1,023 employees – 100% HRU´s acquisition completed in December, 2016

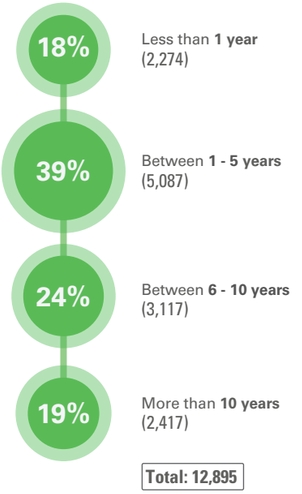
59% of Group human resources are men and 41% are women. Codere Group takes a firm stand on its non-discrimination policies, including in terms of nationality, since diversity is another source of generation of value. In line with this, in the eight countries in which our Group operates, there are workers of **44 nationalities.**

ACTIVE WORKFORCE DISTRIBUTION (as per December 2016)

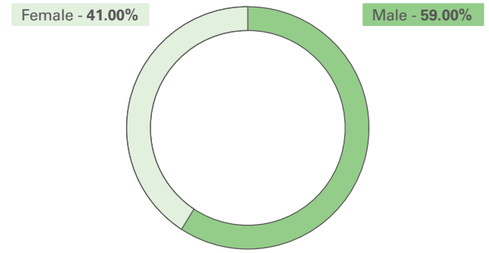
Distribution by age brackets



Distribution by labor seniority



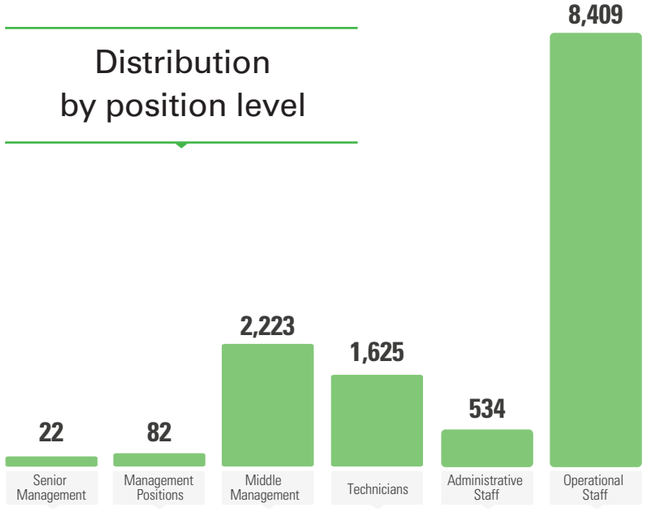
Workforce distribution by gender



By professional family, the most numerous family is that of the workers, making up 65.2% of the total. Middle management – accounting for 17.3% of the Group labor force – and technicians, comprising 13.3% of the staff, are the other two most numerous families.

The global Span of Control indicator of the Group, representing the number of employees in relation to managers, is at 2.08 in the Central Services and 5.15 in Operations. With regard to the ratio of employees in Operations with respect to Central Services, the global value of the Group is at 7.92.

Distribution by position level



Minority nationalities (less than 20 employees):

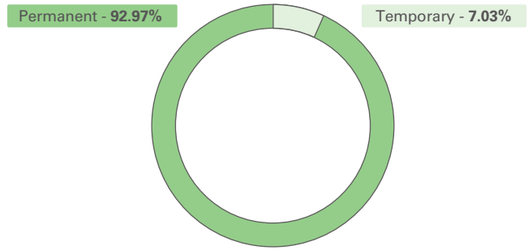
- Between 6 & 10 employees: Ecuador (7), Philippines (7), Chile (6)
- Between 2 & 5 employees: Poland (5), UK (4), Ukraine (4), Bulgaria (3), Cuba (3), Moldavia (3), Russia (3), Venezuela (3), Cape Verde (2), USA (2), Ethiopia (2), Nigeria (2), Dominican Republic (2)
- Only 1 employee: Armenia, Bangladesh, Canada, Croatia, Egypt, France, Honduras, Irak, Kosovo, Morocco, Nicaragua, Portugal, Czech Republic, Rerbia, Sweden

Major nationalities (more than 20 employees):

- Mexico (5,481)
- Argentina (3,159)
- Panama (1,254)
- Spain (1,182)
- Italy (657)
- Colombia (589)
- Uruguay (301)
- Brazil (82)
- Romania (31)
- Albania (25)
- Bolivia (24)
- Peru (19)
- Paraguay (18)

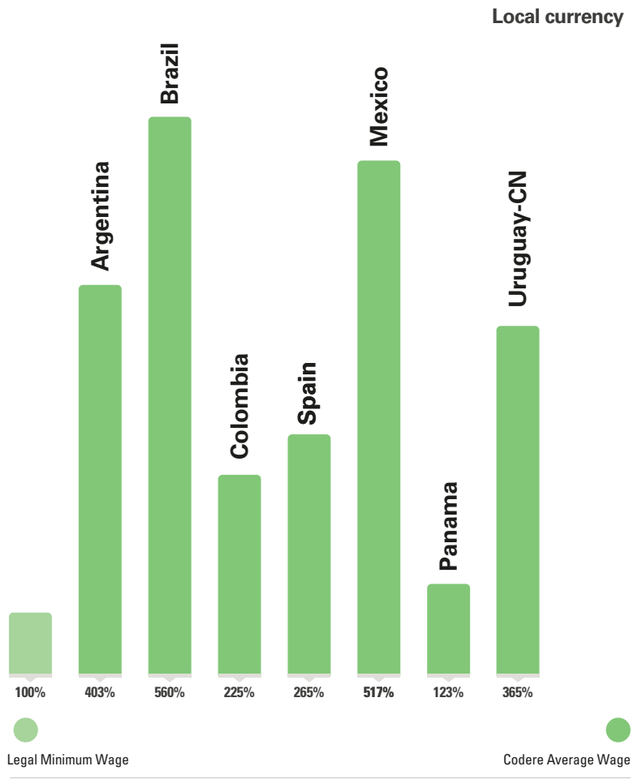
With regard to contractual relations, in 92.97% of the cases, Codere signs an **indefinite contract** with its personnel, and only on 7.03% of the occasions is the contract temporary. In all of the countries in which the Group operates, the average wage of its workers is higher than the minimum wage required by local law.

Type of employment contracts



Diversity has a positive impact on the business general development, innovation and on local and global competitiveness.

Wage data



Talent, efficiency and commitment

The Codere Group professionals are the main players in the innovation and transformation of the Company and the development of its projects. It is key to invest in their knowledge acquisition and growth as professionals, and to encourage their commitment in order to be able to attain the Strategic Plan objectives and consequently ensure suitable value creation for the various stakeholders of the organization.

To attain this, the Company 2017-2020 Strategic Plan has developed an "**All-Round People Management Model**", called TEC, which is sustained on three pillars, on a technological base making it possible to standardize its application in each of the countries and to analyze and measure its impact.

- **Talent:** Identify, attract and retain the profiles best suited to the Company through motivation systems and attractive compensation.

- **Efficiency:** Attain the best results, optimizing people performance. To do this, it is necessary to work on the alignment of the Business Units and the people in them, and likewise to foster and develop ecosystems for learning and the exchange of know-how, among other aspects.

- **Commitment:** Manage to commit all the Group professionals to the results which are sought to be attained, and to the Company, giving them access to adequate training, and contributing to their professional and personal development by establishing policies for their stability and reconciliation of work and family life.

Along this same line, in September 2016 the **First Human Resources Regional Meeting** of the Codere Group was held in Mexico City. The principal objective of the encounter was to review and evaluate, from the Human Resources perspective, the actions undertaken to date in the Regionalization project in which the business units of Mexico, Panama and Colombia participate. Identification was made of strong points and areas of opportunity, specifically the training processes carried out to date, which form part of the *Vive Codere* program, and the employee exchange processes taking place in the three business units which send operational heads and Mexican managers to export know how and best practices to operations in Panama and Colombia, and send operational heads and managers from Panama and Colombia to Mexico, for training in the best way to manage employees, resources and gaming halls.

Capacity evaluation system (CES)

The Critical Success Factors (CSFs) established in 2013 are constantly updated to select new candidates through the Competency Interview, and have formed the basis for the re-launching of the **Capacity Evaluation System (CES)** in 2016, a process which **promotes and propitiates the professional development** of all Group employees.

After launching the capacity evaluation process in Mexico, in 2016 the evaluation was launched in the corporate center and in the Business Unit of Spain; for this purpose, training sessions were organized for all employees, to refresh and update their knowledge of new contents and methodologies. Said sessions were structured in accordance with the participants' roles (evaluators and those evaluated) and were carried out prior to launching the evaluation.

The entire evaluation process was carried out through the **Capacity Evaluation (CES)** online Tool. Through this tool, both the evaluator as well as the evaluated individual were able to access the preparation, and take, validate and visualize the evaluations comfortably and easily, in an agile and optimized process generating homogenous information on Group employees, making it possible **to project career and professional development plans, inter-country mobility, and succession plans at the global level** and, in short, contextualize all of the information and management within the Codere Global Human Resources Management System.

The Ongoing Training and Development Program

The Ongoing Training Program has as its main objective the permanent training and updating of the capacities and knowledge of the Group human resources, so that consequently each person is capable of carrying out his or her functions efficiently and effectively, likewise allowing the individual to develop professionally, aspects which will have a favorable effect on the company itself.

A training system common to all of the countries is being actively favored, with periodical measurement and evaluation systems which are homogenous both in form and in the time of launching, as is a process for the common management of expenses, logistics and travel which are generated as the result of any mobility related to training and know-how transfer.

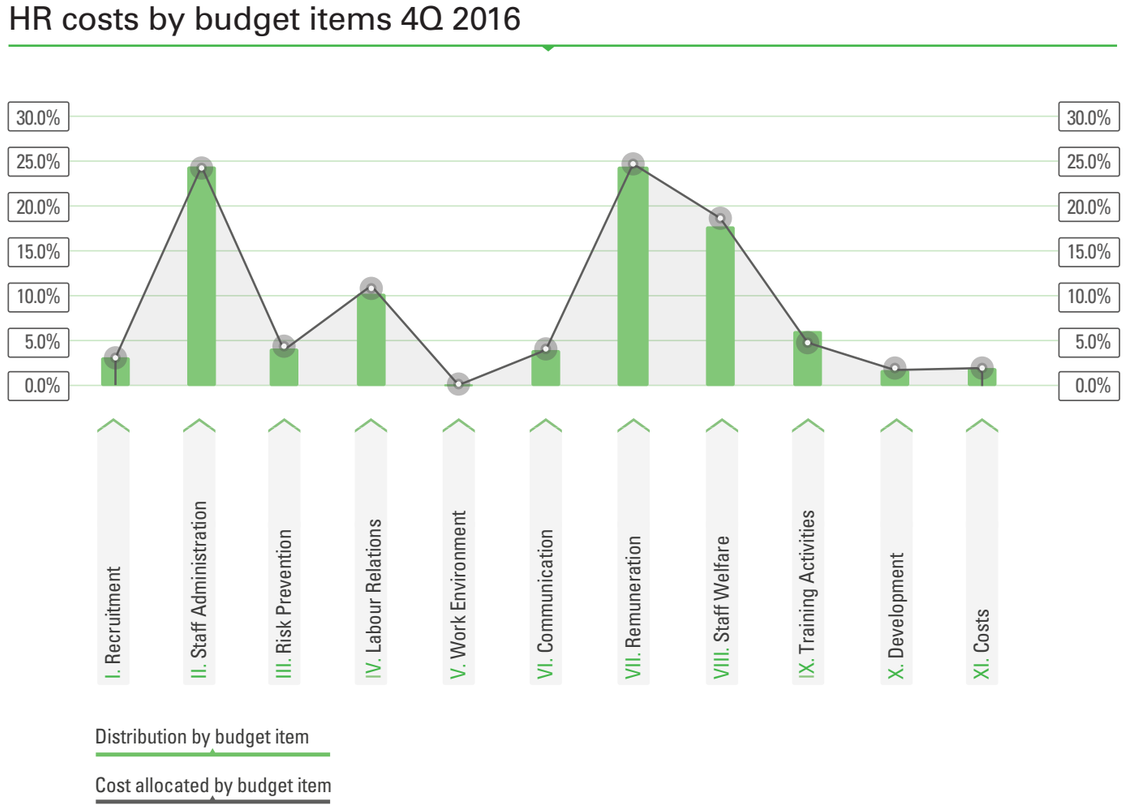
The Human Resources budget at the Group level for 2016 amounted to over 14 million euros (not including salaries and wages), entailing an investment of over 1,000 euros per employee. It is worthy of note that 20% of this amount was allocated to employee welfare actions, and nearly 10% to employee professional training and development. In 2016 over 120,000 hours of training were given to employees and around 7,000 hours to gaming hall partners.

Locally, each Codere Group country adapts the training given to its employees, not only to comply with the regulations in force – anti-money laundering, health and safety programs, ISO standards, etc.- but also to respond to the own needs of each business, and favor the talent development of our human capital.

In this respect, local training schools have been created to promote specific capabilities and know-how related to the games regulated in each country, in an aim to provide the tools required to reach the goals set, and maintain a constant quest for excellence. Given the operational integration of three Latin American countries having similar characteristics, during 2016 international training programs were also carried out, in an aim to conduct cross-training and provide feedback on the Group training experiences.

One of the local initiatives worthy of mention is the **Mexico Entertainment University**, fruit of an alliance between Codere and the Commercial Banking School (EBC) in the year 2011. Thanks to this initiative, in 2016 fourteen employees of the Entertainment University third generation graduated, obtaining a degree in Entertainment Business Administration, joining the twenty graduates from previous generations who successfully completed their studies. Through classroom attendance and online classes, they studied subjects aimed at operating the business, and in this way were able to obtain an officially recognized degree. At the present time, there are twenty-five students forming the fourth Generation, who will graduate in 2018.

Likewise, in 2013 Codere made a commitment to education, creating a **strategic alliance with the Commercial Banking School** (EBC), encouraging and supporting its employees to finish their intermediate-higher level studies through the CENEVAL (National Evaluation Center) common examination. They receive three months' preparation to pass this evaluation and obtain



their certificate. From the time it began in 2013, over 250 employees have participated in this initiative, all of them obtaining their Secondary School Certificate upon finalization.

Employee care services

In 2016 the programs increasing employee satisfaction through remuneration optimization which were already fully consolidated were kept active.

- **The Flexible Remuneration Program** consists of the personalization of wages in accordance with the tax treatment of certain products in the Personal Income Tax Law (LIRPF).
- **The Suma** + Program for travels carried out in accordance with Regulation 7.p of the LIRPF.

The Flexible Remuneration Program

81
EMPLOYEES JOINED THE PROGRAM

156,789.45€
ORDERED PRODUCTS

MEDICAL INSURANCES
RESTAURANT TICKETS
PUBLIC TRANSPORT CARD

Flexible

33
EMPLOYEES JOINED THE PROGRAM

618
TRIP DAYS

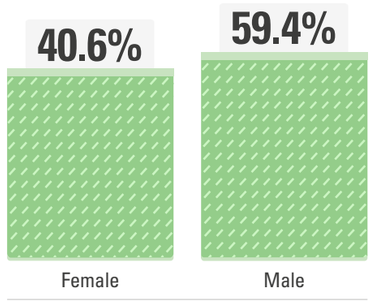
306,333€
TOTAL TAX-EXEMPT AMOUNT

Diversity management, inclusion and equal opportunities

Codere wishes to have the best talent without any constraints when it comes to selecting and training its professionals. Attention to gender diversity and disability are two significant pivots in the Codere diversity strategy.

Staff distribution at the Group level by gender:

Workforce distribution by gender



In an aim to promote the integration of disadvantaged groups into the workforce, the services of a Special Employment Center have been contracted to take charge of cleaning the building where the Group corporate headquarters are located.

Fostering of interpersonal relationships for a motivating work environment

Teamwork, collaboration and the fostering of interpersonal relationships among its employees, both in and out of work, is encouraged by Codere in its desire to attain a healthy and motivating work environment. With this in mind, the Company promotes the organization of various paddle ball tournaments, football championships, and marathons for its employees, as well as social events to celebrate the most important holidays and family celebrations (Christmas, Three Kings Day, etc.), so as to contribute to their adaptability, permanence and quality of life.

Moreover, through local programs Codere rewards employees who work the hardest, with both financial incentives as well as recognition among their peers, in an aim to foster a culture of meritocracy, recognizing the dedication and efforts of its workers, so as to foster their self-development in their professional lives.



Teamwork, collaboration and the promotion of interpersonal relationships between employees, both inside and outside the workplace, is a commitment for Codere Group

3.3 Transparency

Codere distinguishes itself as an expert Group not only in strict compliance with the gaming business regulations in the countries in which it operates, but also as a specialist collaborator with the regulatory authorities. Codere is a transparent and trustworthy Company, the only listed Company in the gaming sector in Spain that operates in highly regulated markets, subject to strict administrative control.

Our Group is totally transparent in its management, reporting on lines of action taken and projects developed both externally, in response to the concerns of investors and clients, as well as internally, creating an environment of trust in which to promote free access to information.

For this purpose, the organization has established various communication channels with its surroundings, through which it provides truthful information on the impacts of its activity, and, moreover, allows for collaboration by the agents involved.

Shareholders & investors

General Shareholders Meetings, Shareholders Electronic Forum, conference calls, roadshows,meetings, corporate web, electronic form for investors, reports, investors´annual calendar, e-mail and phone for additional information

Providers

Corporate web, phone, e-mail, meetings, electronic contact forms, Fairs/Expos

Public Administrations

CNMV web, significant events, webs, institutional relations activities

Media

Press releases, interviews, questionnaires, Fairs/Expos, web, e-mail, phone



Clients

Trade network, webs, phones, e-mails, customer care services,newsletters, leaflets, catalogues, apps, social networks, blog, TV advertisments, Fairs/Expos

Human capital

Newsletters, intranet, meetings, suggestions box, e-mail, internal communication, whistleblower channel, webs, notice board, digital billboards

Society

Significant events, webs, social networks, interviews

During 2016 most of Codere´s strategic goals have been achieved

Corporate analysis

2016 has been a particularly significant year in the history of Codere, marked by the end of a long financial restructuring process which started in 2013, culminating in a complete refinancing of the capital structure, which has cut financing costs for the Group and has given it greater flexibility. Both milestones show the confidence which the financial community places in the Company project and its long-term sustainability.

In 2016, Codere listed shares have performed relatively in line with the IBEX 35 and Small Cap, although in the second half of the year they showed greater volatility, coming to trade at 50% below their level at the start of the year. With respect to listed debt instruments, bonds issued in the wake of the financial restructuring as well as those replacing them after the refinancing, have shown great solidity, and have traded at levels close to and even above par throughout the year, only showing a certain weakness at year-end with the tax uncertainty in Argentina.

In this year, the majority of strategic objectives have been reached, focusing on maximizing operational efficiency and growth initiatives, especially in Mexico, Italy and Spain.

In global terms, at official exchange rates, Group total consolidated revenues in 2016 amounted to 1,499 million euros, 9% less than in 2015, principally owing to the devaluation of the Argentine and Mexican peso. However, **Company revenues** at the comparable exchange rate (blue dollar) and including the 50% stake of HRU (Codere becoming the sole owner of this business on 30 November 2016 after acquiring the 50% stake held by the SLI Group for 31 million euros) rose to **1,527 million euros, a 6.1% increase with respect to the previous year**. Adjusted gross operating income (Adjusted EBITDA) amounted to 260 million euros, 3.1% higher than the previous year, reaching the levels it was at prior to the financial restructuring.

During the year, important investments were made in the maintenance of our installations as well as in their development and growth, reaching 120.2 million euros, of which 74.9 million correspond to maintenance and 45.3 million have been allocated to growth.

Financial restructuring

On 29 April 2016, Codere announced that its financial restructuring had finalized, marking the end of a long process which had begun in 2013.

As a result of this restructuring, the original bonds of 760 million euros and 300 million dollars, maturing in 2015 and 2019 respectively, were exchanged on 6 April 2016 for:

- 164.2 million dollars in Tier 2 Bonds maturing on 30 June 2021
- 355.8 million dollars in Tier 3 Bonds maturing on 30 June 2021
- 2,475 million new shares

Likewise, Codere obtained 438 million dollars in cash from the Scheme of Arrangement creditor signatories, including:

- The issuance of 218.9 million dollars in New Senior Private Bonds maturing on 6 April 2021
- The issuance of 218.9 million dollars additional to the Tier 2 Bonds

This amount – 385,6 million euros before income-related expenses – were employed as follows:

- Repayment of the existing Senior Line of Credit - 130 million euros
- 32.4 million euros in extraordinary operating expenses in Q2 2016
- 18.8 million euros for coverage of collateral and other guarantees
- 17.3 million euros for total financial restructuring fees and commissions

Refinancing

Only six months after the financial restructuring process finalized, the Company managed to refinance its entire debt structure. On 8 November 2016 new bond issues of 500 million euros and 300 million dollars concluded. This is the largest bond issue carried out by Codere to date, and has been an important milestone in this new stage.

This refinancing generates the instruments and flexibility required to execute the growth strategy designed by Codere in its *Strategic Plan*, in addition incorporating a 95 million-euro line of credit for cash and guarantees. Secondly, it significantly reduces Group financing costs, from an average of 8.8% to 7.1%, reducing accrued interest by more than 23 million euros a year. Lastly, it shows the support of institutional investors after the conclusion of the financial restructuring process, and their confidence in the Codere growth project.

Credit ratings

Codere was given credit ratings (estimations predicting the solvency of an entity, its ability to fulfill its financial commitments, or of a securities issuer, in accordance with a defined rating system) by the rating agencies of Standard & Poor's, which rated it B, and Moody's, rating it B2. Likewise, Standard & Poor's and Moody's rated the bond issue B and B2, respectively.



BONDS (existing issuances as per 31/12/2016)

Issuer	ISIN Code	Date of Issue	Issue Amount	Cupon	Due Date
Codere Finance 2 (Luxembourg) S.A.	XS1513765922	08/11/2016	€ 500 mm	6.75% (six-month payment)	01/11/2021
Codere Finance 2 (Luxembourg) S.A.	XS1513776614	08/11/2016	€ 300 mm	7.625% (six-month payment)	01/11/2021

RATINGS

Agency	Corporate	Bono	Outlook	Assessment Date
Moody's	B2	B2	Stable	21/10/2016
Standard & Poors	B	B	Stable	30/09/2016

Shareholder and investor relations

During 2016, and especially as a result of its successful refinancing, Codere has maintained close interaction with the financial community.

With this being a year of transition and reconstruction of the Group equity story, its investor and shareholder relations have been principally based on calls and individual visits with them, as well as two roadshows related with the issue of new bonds in November. In the second half of the year, the Company has held meetings with nearly 130 investment funds. All of this has been done in order to increase transparency and dialogue with institutional investors and analysts alike.

Quarterly Conference Calls

- In an aim to improve communication with investors and analysts, Codere has made quarterly conference calls, coinciding with the publications of results.

Roadshows

- Non-Deal Roadshow New York, Boston and London, 3 - 7 October 2016
- Deal Roadshow London, Amsterdam, Paris, New York and Boston, 24 - 28 October 2016

Fixed Income Analysts

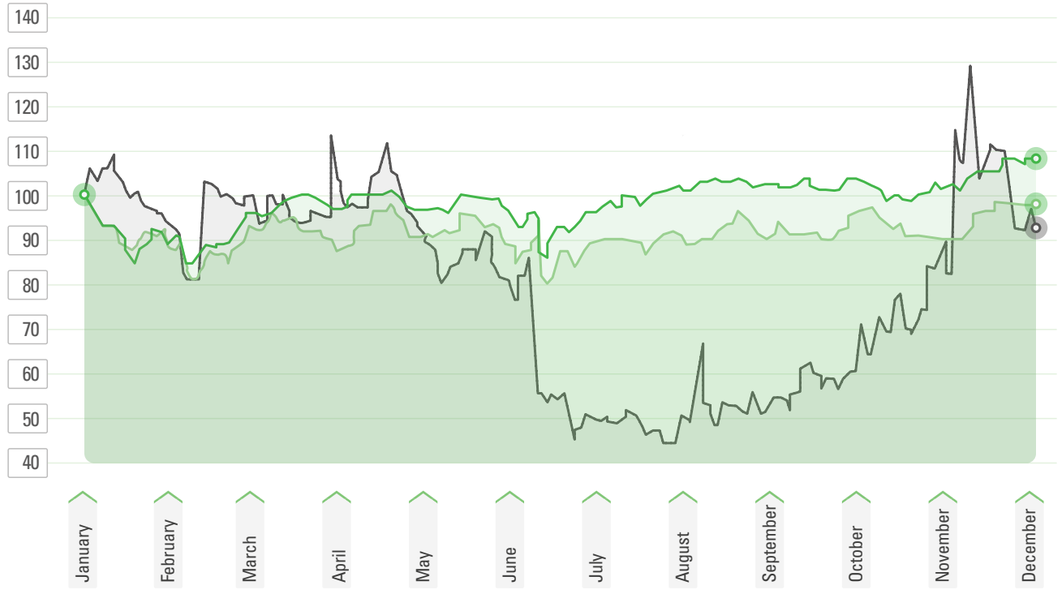
- Imperial Capital
- JB Capital Markets

Variable Income Analysts

- Jefferies
- Royal Bank of Scotland

To bear witness to these and other actions during the year, Codere has drafted and published an Annual Report, related to the present Corporate Social Responsibility Policy, and has enabled on its webpage -www.codere.com- sections which provide specific information related to its different publics.

Codere vs Ibex-35 & Ibex Small Cap in 2016



3.4 Society and environment

The area of environment and society is one of the prime considerations of Codere when carrying out its activity. The organization takes a preventive stance with respect to the environmental impact of its activity and, along parallel lines, promotes initiatives for the optimal development and sustainability of the areas in which it operates. This work is developed in accordance with the local needs of the various countries in which Codere has a presence, through stimulus projects for the surrounding social communities, environmental protection and the assurance of a safe and healthy workplace for its employees.

Social and educational commitment

Codere directs a large part of its efforts to developing the local communities in which it carries out its activities, through the promotion of social initiatives related to the municipalities which are adjacent to its operation, the promotion of education, and the implementation of solidarity programs and donations. Moreover, the Company has committed to the mission of strengthening the values of responsible gaming, a task which consists in disseminating good gaming practices and preventing the negative effects of gambling, a matter which, in view of its size, has been dealt with in a specific section of this report.

Communication with the Group´s employees

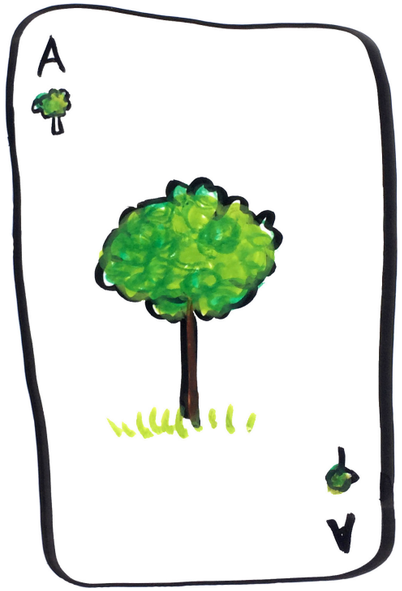
Codere Actualidad (Codere Current Events) was created at the end of 2013, right in the midst of the financial crisis, in an aim to establish a horizontal and solvent line of communication to convey to all our personnel, from the Group Chairmanship, the specific difficulties which the Company was facing and the specific solutions we were putting into play.

Three years later, a strategic tool was consolidated to align our teams with Company values, making them participants in the challenges, opportunities and successes attained.

This newsletter, published every other week and sent to all Group employees with corporate email, **has exceeded 70 editions in 2016**, including additional recipients on its list. If in 2015 the corporate newsletter began to also be sent to the personal email accounts of personnel in Italy, Colombia, Panama, Mexico and Argentina who voluntarily provided these accounts, in 2016 the same took place in Brazil.

This has allowed Codere Actualidad to be able to reach over 5,000 Group personnel in the eight countries in which it operates, through its two versions, one in Spanish and another in Italian.

Through its more than forty contents of its own production, and twenty editorials signed by the Group Chairmanship, in 2016 the publication kept the entire staff up to date on the main events and future projection of the Company. Among these were the finalization of the financial restructuring process begun in 2014, and the signing of a sponsorship agreement with Real Madrid, with Codere becoming the Official Betting Partner of this Spanish football club. In 2016 the contents opted for the multimedia format, with a significant increase in own video production being worthy of note.



Throughout 2016 Codere has made various donations in an aim to collaborate with and commit to the development of the municipalities in the vicinity of the Company area of action. To do so, after analyzing the particular demands of the area, each Business Unit defines the action it will take there.

The ***Smiles in Action*** program, currently being carried out in Mexico, collects funds for the Granja las Américas theme park, and allocates these for the purchase of toys for the Childhood Protection Foundation, an organization assisting children in vulnerable situations and low-income families, and for the Zest for Life Foundation, which helps minors suffering from cancer.

Do it with Heart is an aid program also carried out by the Mexico unit, at the Codere central headquarters, by means of which support, in the form of sweets and piñatas, is provided to over 600 shelters protecting some 98,000 children in the country.

Codere México also participates in the national food drive ***Kilos of Aid***, which requests that food donations be made to the meal centers Comedor Santa María and Comedor Comer y Crecer (Eat and Grow Meal Center), foundations which help alleviate child malnutrition. In 2016 nearly a ton of products were collected and distributed to twenty-five meal centers nationwide.

Throughout 2016, Codere Mexico made a cash contribution to the DIF (Family Integral Development) social assistance institution in the total amount of 3,623,200 Mexican pesos, and collaborated through donations in the construction of the **"Sueños de Libertad"** ("Dreams of Freedom") play center in the Teatro Rincón de los Títeres (Puppet Corner Theatre), in Xalapa, Veracruz.

In Brazil, the **Solidary Racing** project, headed by the Suaposta de Niterói agency (Rio de Janeiro), provides financial support to the sports project of ÉoBad, an association which aids children and teens in the poor neighborhoods of the city of Niterói with the practice of the sport of badminton. This project began in November of 2016, and the company has donated a total of R$ 2,186.

Galope Solidario **(Full Speed Solidarity)**, in Porto Alegre, has donated since 2013 more than R$ 63,331.70 to the institution Menino Jesús de Praga, to improve the life of children with special needs.

Likewise significant are the donations of Codere Argentina, principally aimed at distributing school supplies and for use in rebuilding School no. 23 in the San Miguel municipality, as well as to promote safety in the area. On the occasion of the Christmas holidays, the unit gives out food products to nearly a thousand persons.

Volunteer work

The volunteer programs not only create ties with the members of the community which they support, but also among the Company collaborators themselves.
Since 2007, ***Codere te da la mano*** **(Codere Lends You a Hand)**, in Panama, has generated development opportunities for those most in need. Over fifty Company volunteers participate in the activities organized in the context of the program, which collaborates with the Nutre Hogar private organization, created in 1988, which aims at recovery from and prevention of severe malnutrition in the boys and girls of the poorest and generally furthest removed communities from the Panamanian capital. Among the initiatives which they put into practice are solidarity drives, activities for psycho-social support, encouragement of healthy eating habits, or education. The race Relevo por la vida (Relay for Life), held annually, creates awareness of the reality of children in need.

Regala sonrisas en Navidad **(Give Smiles for Christmas)**, also developed in the Panamanian unit, supports a clothes drive to benefit the children of the Hospital del Niño, and assists the community of Puerto Armuelles, in Chiriquí, a remote, underdeveloped area located in the interior of the country, difficult to access. The collaborators bring gifts and organize a fiesta to help the children of this place enjoy some moments of pleasure at these fiestas. Over 240 children benefitted from this initiative

Creating awareness

The ***Innamòrati di te*** –Love yourself – program is carried out in Rivoli, Caserta and Rome, Italy. This project is by and for women, in an aim to bring home that no woman can make herself be loved, respected and appreciated if she does not not love, respect and appreciate herself. This has resulted in a series of encounters held with professionals of all areas, such as lawyers, doctors, police, gender violence specialists, instructors and artists, all of which have gathered in an aim to create awareness of this problem.

In addition, on the occasion of the international day for the elimination of violence against women, on 25 November, in the Re de Roma Gaming Hall a number of activities were organized in relation to the world of feminine interest: nutrition sessions, aesthetic, medical and psychological advice, image consulting, travel recommendations, etc. The presentation of the book *La donna fenice –Violenza* (in)finita (The Phoenix Woman – (In)finite Violence), a short-story anthology in which the authors have charted a path of hope for women who are victims of gender violence.

Support of local initiatives

During 2016 Carrasco Nobile, in Uruguay, has supported a series of activities proposed by the community of Montevideo and the Carrasco district, which aim at developing the zone for tourism and commerce.

Throughout the year, support has been given to the various editions of "Paseo Rostand" (a shopping district with promotions and events at certain dates, bearing the name of the street on which the Carrasco Casino is located). This action has as its principal aim the development of tourist and commercial activity in this part of the city of Montevideo.

Another contribution made in 2016 is the support given to the Ministry of Tourism for tourism dissemination in the exterior of Uruguay, especially in regard to Montevideo. This support is offered through facilitating visits of foreign journalists and experts in tourism, providing accommodation, collaborating in showing the city and facilitating encounters with actors of interest (personalities, members of government and/or artists).

Moreover, in the month of May Carrasco Nobile organized a parade to benefit a public daycare center, and in Octo-

ber, in the context of Heritage Day (an activity organized by the Ministry of Education and Culture of the Republic), Sofitel Montevideo Casino Carrasco opened its doors to visitors interested in learning about the history and remodeling process of this emblematic building.

Codere Argentina has also contributed to various initiatives in the nearby municipalities in which it has a presence. In this way, together with other companies, it sponsored the Carnavales de la Alegría (Carnivals of Joy), in La Matanza and in San Justo.

For the third straight year the unit collaborated with the Marianela Núñez event, in San Martín. The principal ballerina of the London Royal Ballet appeared in her native city with a charity gala, and thousands of people were able to enjoy the event which took place on 9 July and was organized by the Municipality of San Martín and Arte & Cultura, to benefit the Civil Association M.A.M.A. (Mis Alumnos Más Amigos, My Students and also my Friends), which offers assistance to children and teens at social risk. In addition, a percentage of the funds collected were allocated to rest of the group homes in the district: Hogar Asunción de la Virgen, Hogar Fe, Hogar María Luisa and Hogar Milagros.

Codere Argentina also supports various recitals which are offered free of charge to the community of La Matanza, sponsoring the Valeria Lynch and Agapornis event, in Lomas de Zamora, and Día de la Primavera, with the band Los Auténticos Decadentes, in San Martín, where in addition, “Jóvenes x San Martín” (Youth for San Martin) organized various activities, which included circus and graffiti workshops, a skatepark, parkour, theatre, a mobile library, and a gastronomic route.

Environmental protection

The Verde Codere program, being carried out in Argentina, aims to promote awareness and care of the environment through the recycling of various materials. In 2016 112,943 kilos of paper and cardboard were recycled from the gaming halls of Lomas de Zamora, Temperley, Lanús, San Martín, Ramos Mejía, San Justo, Morón and Lomas del Mirador. The Jóvenes en Progreso Cooperative in Lomas de Zamora took charge of the collection and subsequent recycling of paper from all of the bingo halls.

The unit also promotes the recycling of vegetable oil, through an alliance with RBA Ambiental. This company takes charge of collecting the oil from the halls and central headquarters, to subsequently convert it into biodiesel. In 2016 7,962 liters of oil were recycled.

In addition, Codere Argentina donated over 40 bags of plastic caps to the Hospital Garrahan, Hospital de Niños de San Justo and to Tomás Rodríguez, who is suffering from cerebral palsy and needed to collect funds to travel to China for medical treatment.

During 2016, Codere made various donations, carried out volunteer programs and environmental protection initiatives

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