

# Integratedreport2021



codere

# Table of contents

<b>01 Chairman's letter</b>	<b>4</b>
<b>02 Codere at a glance</b>	<b>6</b>
02.1 Codere in 2021	7
02.2 Codere milestones in 2021	9
02.3 Global presence	11
<b>03 Nueva Codere</b>	<b>13</b>
03.1 The beginning of a new era	14
A. Nueva Codere, completion of the Financial Restructuring	15
B. Codere Online, listed on the Nasdaq	16
C. A brand associated with the leading football teams	16
03.2 Consolidation of the 2018-2021 Strategic Plan	17
03.3 Global and simplified structure	21
03.3.1 Company functional organizational chart	22
<b>04 Expanding our DNA</b>	<b>24</b>
04.1 Purpose, mission and values	25
04.2 Business lines	29
04.3 Worldwide presence	30
<b>05 Committed to society</b>	<b>34</b>
05.1 Corporate social responsibility	35
05.2 Responsible employees	38
05.3 If not responsible, it is not gaming	39
05.4 Responsibility towards our communities	44
<b>06 Codere, international consolidation of the brand</b>	<b>49</b>
06.1 Fostering leadership	50
06.2 Regionalization of the marketing strategy	51
06.3 Strategic alliances	53
06.4 Product development	54
<b>07 Governance, ethics and compliance</b>	<b>55</b>
07.1 Financial restructuring of the group	56
07.2 Corporate governance	57
07.2.1 Board of Directors	58
07.2.2 Board Committees	61
07.2.3 Directors' Remuneration Policy	67
07.2.4 Self-assessment and Action Plan	69
07.3 Compliance	70
07.4 Data protection	76



07.5 Stronger commitment to cybersecurity	80
07.6 Risk Management	84
07.7 Transparency	89
<b>08 Investors, a commitment to the future</b>	<b>92</b>
08.1 Transparent dialogue	93
08.2 Creation of value for shareholders and investors	94
08.3 Involvement of shareholders and investors	98
<b>09 Our employees, commitment begins at home</b>	<b>102</b>
09.1 Our employees	103
09.2 People, towards a global model	106
09.3 Committed to talent	109
09.3.1 Talent attraction and retention	110
09.3.2 Training, to promote transformation	120
09.4 Healthy and safe working environment	122
09.4.1 Actions taken against the Covid-19	123
09.4.2 Prevention, the safest bet in view of the risks	124
09.4.3 Occupational health and safety key performance indicators	126
09.4.4 Health and wellbeing	127
<b>10 We care for our environment</b>	<b>128</b>
10.1 Growing with the community	129
10.2 Relations with our stakeholders	130
10.3 Creating common value	134
10.4 Contributing to the preservation of the environment	137
<b>11 Responsibility in the supply chain</b>	<b>142</b>
11.1 Efficient and responsible management	143
11.2 Codere's supply chain	144
11.3 Responsible management of the supply chain	146
<b>Anexes</b>	<b>149</b>
Annex I This report and materiality matrix	150
Annex II Breakdown of human resources indicators	153
Annex III Or sponsorship actions	160
Annex IV Table of content in relation to the requirements of applicable law	161



# Chairman's letter

01

## Dear readers:

2021 was a momentous year for The Group, and in this note I'd like to update you on the continued progress that we are making.

This is the fourth consecutive year that we as Group Codere have presented our Integrated Annual Report and Accounts prepared under International Accounting Standards across all of our operating verticals and geographies.

The last few weeks of 2021 culminated in the completion of the long process of our refinancing and restructuring, now known as Nueva Codere.

With this new capital and financing we are now in the position to move forwards, reopen our business after the Global pandemic moving ahead into a growth trajectory.

In November 2021 we reached agreement with our creditors to inject €225m into the Group and in parallel capitalise €350m of debt, resulting in the operating division of the Group being transferred to the new holding company 'Nueva Codere', in which 95% of the shares are now held by the note holders of Codere SA and 5% by its shareholders.

This financial restructuring endorsed the confidence our former noteholders and current shareholders have placed in the Codere team, of more than 10,000 colleagues across 7 countries to continue to execute its business plan after several years of stagnation.

In addition we also successfully completed the restructuring of Codere online with our partners at DD3. We are the first Latin American online sports betting and gaming entity to be listed on NASDAQ. This capital injection of €225M, will accelerate our ambitious plans to expand the business in our core markets of Spain, Mexico and Argentina. There are several emerging markets such as Brazil that we will keep an active watching brief upon as regulatory plans evolve.



Our improved financial position in Codere online is helping us increase targeted customer recruitment and brand awareness campaigns. Examples of which is our betting and gaming agreement with FC Real Madrid that covers 12 Latin America countries and our recent club sponsorships of the Club de Fútbol Monterrey Rayados, of Mexico, and the other with the Club Atlético River Plate, of Argentina. This will allow us to assume a position of competitive advantage, to promote Codere's expansion in Latin America, to strengthen our brand and to improve our customers' experience.

At a Group level we continue at a pace to conclude our centralisation of several service functions, the Transformation project, which is nearing completion. This together with our One People and One Finance initiatives will combine to reduce costs, improve operational efficiency and apply a better use of technology. Our aim is to create a fast moving, customer focussed organisation that think's locally.

Cordial regards,

**Christopher Bell**  
**Non-executive Chairman of Grupo Codere**



# Codere at a glance

02

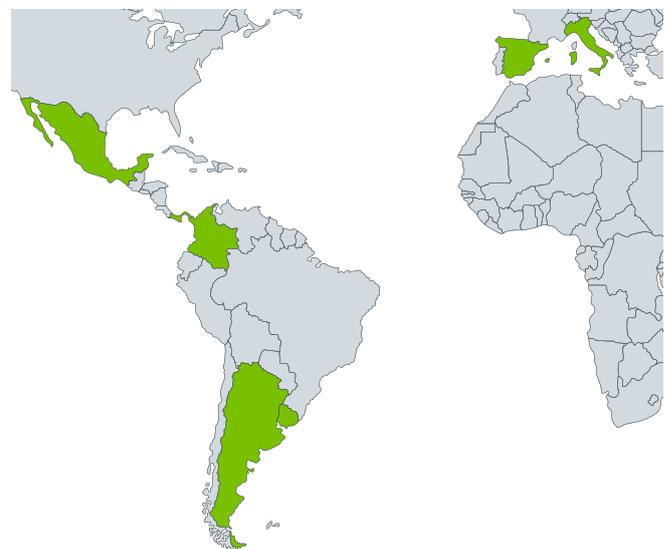
## 02.1 Codere in 2021

### Codere, international leader in the gaming industry

Codere is a Spanish multinational company, international leader in the gaming and sports betting industry.

Present in seven countries in Europe (Spain and Italy) and Latin America (Argentina, Uruguay, Mexico, Colombia and Panama), and with more than ten decades of experience, the company operates gaming machines, bingo seats and sports betting terminals, with an omni-channeling offer, through both the online channel and retail points, including gaming halls, arcades, betting halls and racetracks.

It is a leading group in the entertainment and leisure industry, holding a privileged position in the main business lines and geographical areas in which it operates, and performs its business with absolute transparency, responsibility and commitment to its stakeholders.



In its firm commitment to the development of a gaming offer with all safeguards for users, Codere implements the best responsible gaming practices, to protect vulnerable groups and ensure the sustainability of the industry.



## Business lines\*

Retail



**42,642**

gaming terminals



**4,216**

bingo seats



**8,342**

bars



**7,980**

sports betting machines<sup>1</sup>



**656**

gaming tables



**1,128**

arcades



**190**

betting shops<sup>2</sup>



**140**

bingo halls



**4**

racetracks

Online



Spain



Mexico



Colombia



Panama



Italy



Argentina



Uruguay

## MAIN FIGURES

**10,657**

professionals

**791M €**

operating income

**283M €**

paid in taxes

**2.2M €**

for social collaborators

**42**

nationalities

**99.4M €**

adjusted EBITDA

**980.1M €**

economic value distributed to stakeholders\*\*

\* Figures at December 31, 2021.

<sup>1</sup> Sports betting machines: Figures reflect self-service terminals (SSTs)

<sup>2</sup> Betting shops: Includes sports books co-located within Codere gaming halls and other Codere operated standalone sports betting shops.

\*\*The economic value distributed to stakeholders includes payment of salaries to employees, purchases and procurements from suppliers, payment of dividends to investors, payment of interest to financial institutions and payment of taxes and fees to public authorities.



## 02.2 Codere milestones in 2021

This was a complex year of change for Codere, still marked by the impact of the health crisis, with the closing of halls and contingency measures that it required.

The company has known how to navigate the complicated scenario, successfully completing two major transactions, the **financial restructuring of the group** and the launch of **Codere Online**. Codere ended the year stronger and consolidating a new era of growth.

### The main milestones of 2021 were:

**Financial restructuring:** a challenging process with which the company obtained the necessary funds to progress to sustainability at the end of the pandemic. The trust placed by the new shareholders in the group project ensures the feasibility of the organization and its return to the path of growth under a new holding company, Nueva Codere (Codere New Topco), in which the former noteholders hold 95% of the capital, and the 5% balance is held by Codere S.A., to be wound up and delisted.

**Consolidation of Codere Online:** in the search for additional financing to undertake the growth opportunities of the group's online subsidiary, Codere found the necessary support in its alliance with SPAC DD3, assessing the digital division at around 300 million dollars and affording the new company arising from the merger, Codere Online, the opportunity to be the first Latin American online gaming company to be floated on the Nasdaq.

**Reinforcement of the Codere brand:** the company is expanding its offer, particularly sports betting and online gaming, in Latin America, with the support of strategic

sponsorships by the hand of **Real Madrid C.F.** to over twenty countries in the region, the **Club Atlético River Plate**, of Argentina, and the **Club de Fútbol Monterrey Rayados**, of Mexico.

**Promotion of teleworking:** the company approved its **Remoted Working Policy**, in the context of its *Corporate Social Responsibility Plan for Employees*, to promote the work-life balance and wellbeing of collaborators with the organization, while ensuring that group targets are achieved.

**Cybersecurity:** in the context of the IT Master Plan and the promotion of teleworking, Codere placed the focus on this matter, approving the Information Security Policy and the Acceptance Use of Information Assets Policy. Training has also been reinforced, to ensure that skills exist in the organization to optimize security in remote working (see chapter 7.4).

**Effort in internal communication:** teleworking and the processes commenced this year led the company to make an additional effort in internal communication to keep the employees informed, with the maximum transparency, of the news on



the group. Also, to promote the corporate culture and pride of belonging, it carried out various corporate campaigns.

**Transformation plan:** the company continues to make progress towards a more global and simplified structure, in the context of its Transformation Plan, commenced in 2018, with the idea of creating more integrated and efficient working areas. Some of the most significant actions in this context are:

- One People and One Finance Projects, designed to support the transformation of these areas towards their global integration.
- Implementation of Cornerstone, to digitalize and simplify salary processes.
- Strategic organizational changes and reinforcement of transversal areas.

**Corporate Social Responsibility Plan:** the company continues to advance in implementing its ambitious plan, with actions in the following areas:

**Pandemic:** Codere continued until July the assignment of its Citibanamex Center (Mexico) convention hall as a Covid Hospital Unit and to support its employees through the Economic Aid Fund.

**Responsible Gaming:** Codere continues its action to promote responsible gaming, particularly focused on internal training (as seen in further depth in Chapter 05.1 Corporate social responsibility), and affording the industry the maximum external transparency.

**CSR for employees,** focused on implementing policies to promote a better working environment for collaborators. In 2021 a series of initiatives were undertaken in its five areas:

- Implementation of an **Equality Plan** (initially in Codere España and then extended to the rest of countries), showing and promoting the importance of equality for the activity of the group.
- Development of an **Occupational Risk Prevention Policy**, taking one more step forward in the protection of its employees and the ongoing improvement of the health and safety conditions in the company.
- Implementation of a **Global Teleworking Policy** and a **Working Hours and Timetable Control Policy**, particularly relevant in this period.
- Specific dissemination of the **Reporting Channel and of the Code of Ethics and Integrity of the Group**, promoting a transparent atmosphere and relations, free from discrimination among collaborators. Along this line of action, the updating of the **Protocol to Prevent, Face and Eradicate Workplace Violence**, in place in the company since 2013.

**Commitment to talent:** seeking to attract and retain the best talent, the company works in several areas, such as the implementation of new recruitment and selection strategies (Experiencia Recruiter), the definition of Global Onboarding processes, and positioning of the Codere employer brand as a leader in the industry, among others.



## 02.3 Global presence

### Mexico

From the start of its business in this country, in 1998, Codere was consolidated as the major operator and leading company in the gaming industry in Mexico, a position that it has maintained all along. Currently, despite the health crisis, the company continues to lead the private gaming industry at the national level, with 88 gaming halls, the Hipódromo las Américas racetrack, the Granja de las Américas family park, the Citibanamex convention center (assigned since 2020 as a provisional COVID Hospital Unit in the alliance *Sumamos por México*), in addition to operating online gaming and sports betting.

### Argentina

Codere started operating in Argentina in 1992 and is currently the leading operator in the country, with 13 large bingo halls. Since 2021, online casino gaming and sports betting in Buenos Aires City must be added to its in-person portfolio of gaming halls and machines. After closing during the pandemic, the in-person gaming business reopened in July 2021.

### Spain

It is the origin of Codere's business and is consolidated as its reference market. It is the leading company in retail sports betting in the country, and the second type B slots operator. In addition, among other halls, Codere manages Bingo Canoe, the largest in the country and one of the most important in continental Europe, in addition to operating online gaming. Its license was extended in 2021 for a further ten years.

### Italy

Codere initiated its activity in the country in 2001. At present, the company manages a major gaming terminals interconnection network, Codere Network; an operation of more than 7,300 slot machines (AVP and VLT); and it is the leading operator in the bingo industry, with ten halls. This business is completed with the direct operation of online gaming, since 2021 under the Codere brand. The company undertook this year the restructuring of its business in the North West of the country, simplifying its machine operation structure through Nori Games Service S.r.l.

***Codere is the private gaming operator leader in seven markets of Europe and Latin America***



## Uruguay

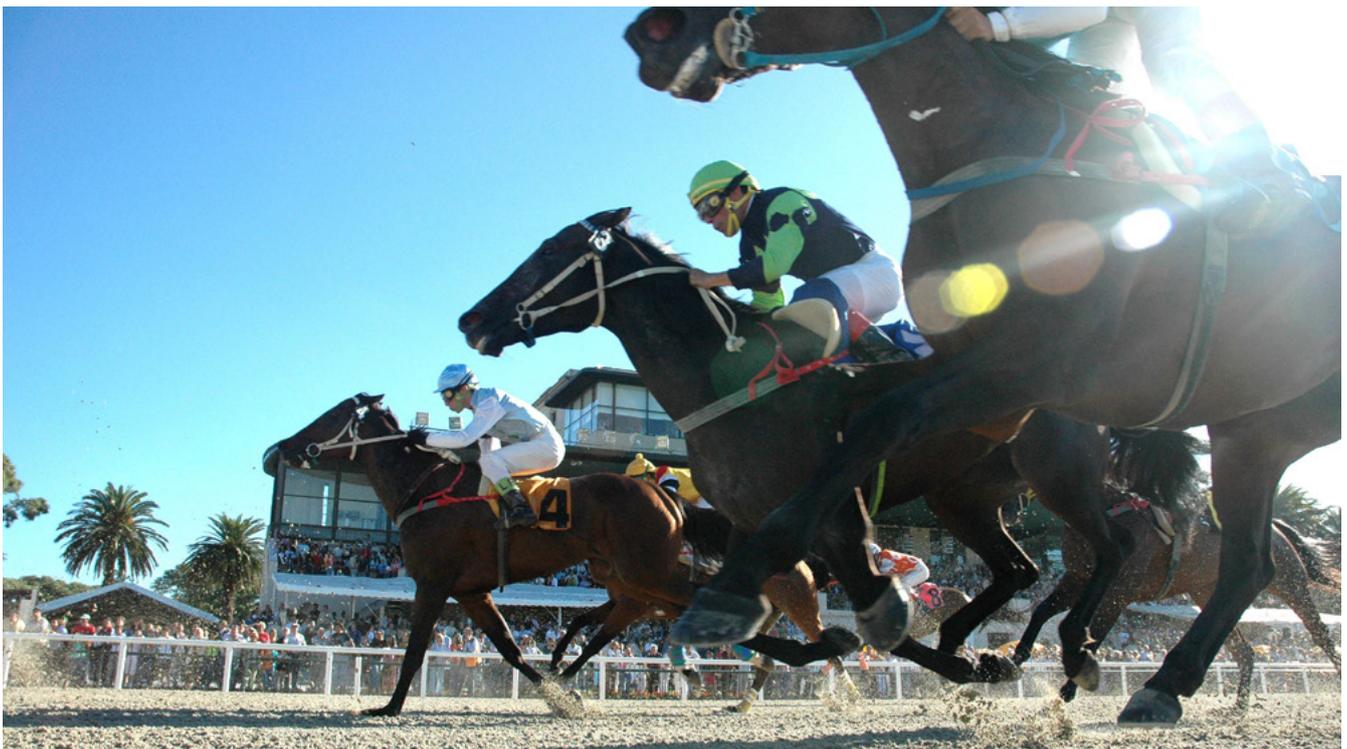
Codere commenced its business in the country in 2002, concentrating its operations in Montevideo and its suburbs. The group currently manages the Hipódromo Nacional de Maroñas racetrack, which regained its prestige as a top horseracing facility since the contract was awarded to the company in 2003. The company also operates the Hipódromo de Las Piedras racetrack and Hotel Casino Carrasco, reopened in November after 19 months closed because of the pandemic, one century after it opened. The group operates online gaming and gaming halls in the country.

## Panama

Codere commenced its business in the country in 2005 and the company currently manages a wide range of businesses in this market, including gaming terminals, ten casinos, betting halls, the Hipódromo Presidente Remón racetrack -the only one in Central America – and online gaming (since 2021 it has added online sports betting and casino games to its portfolio), allowing the company to position itself as the Panama market leader.

## Colombia

Codere commenced its business in Colombia in 1984 and it has, since then, maintained its leading position as one of the largest bingo and gaming terminal operators in the country. The company completes its gaming offer with the management of online gaming and casinos.



# Nueva Codere

03

## 03.1 The beginning of a new era

The worst health crisis of the century had major effects on Codere, the most immediate having been the restriction of retail activity in the countries in which the company operates, with closes from March 2020.

Codere once again demonstrated its capacity to adapt to the challenges of the environment, quickly activating a **global contingency plan**, which included efficient measures in various fields:

- **Security:** health and prevention protocols, creation of COVID committees, implementation of teleworking, etc.
- **Financial:** expense contention, request for aid programs from the authorities, renegotiation of contracts and payments to suppliers, or suspension of projects and activities not essential for the continuity of the business, *inter alia*.
- **Social responsibility:** salary supplements, implementation of the *Codere Economic Fund* employee aid plan, donations and social support activities, such as the assignment of the Citibanamex (México) conventions center as a provisional COVID-19 hospital unit, at which more than 3,000 professionals worked to assist 9,088 patients during the pandemic.

### Nueva Codere

2021 has meant the **beginning of a new era** for Codere, supported by **three key pillars**:

- A. Completion of the **Financial Restructuring**<sup>1</sup>.
- B. Completion of the **Codere Online Transaction**<sup>2</sup>.
- C. Promotion of the **Codere brand**.

These milestones, together with the **full reopening of in-person business** after the business recommenced at the gaming halls in Argentina and Uruguay in July 2021, allowed the group to start on a new path, very positively marked by the fast recovery of revenues and an outstanding performance of the online business.

<sup>1</sup> The Financial Restructuring of the group is reviewed in further depth in Chapter 08. *Investors, a commitment to the future*.

<sup>2</sup> The Codere Online project is analyzed further in depth in Chapter 08. *Investors, a commitment to the future*.



## A. Nueva Codere, completion of the Financial Restructuring

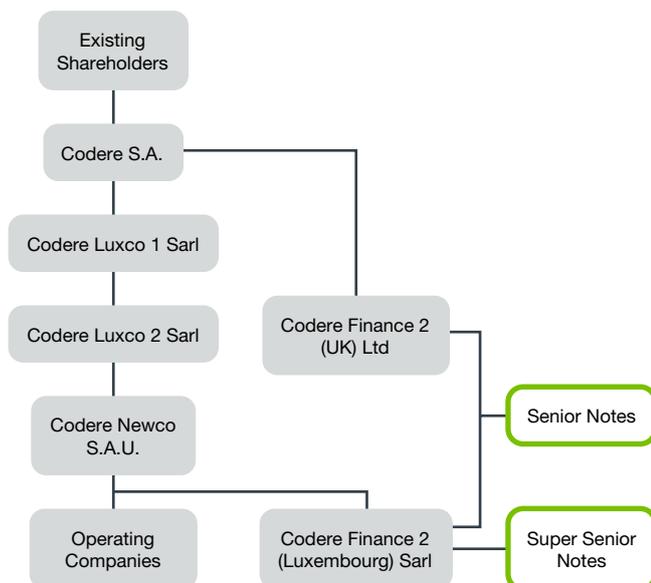
In March 2020, Codere approved a **Contingency Plan**, seeking to preserve its liquidity and face the eventual interruptions of the ordinary business caused by the pandemic. Simultaneously, the company worked on the completion of the initial stage of its **Refinancing**, which permitted the maturity of the debt to be rescheduled from 2021 to 2023, and additional funds to be obtained for its short term liquidity needs.

However, these financial measures were finally found to be insufficient to mitigate the adverse effects of the health crisis and, in February 2021, the group started to search for alternatives to improve its liquidity and capital structure, finding in its noteholders the major support and backing that the company needed.

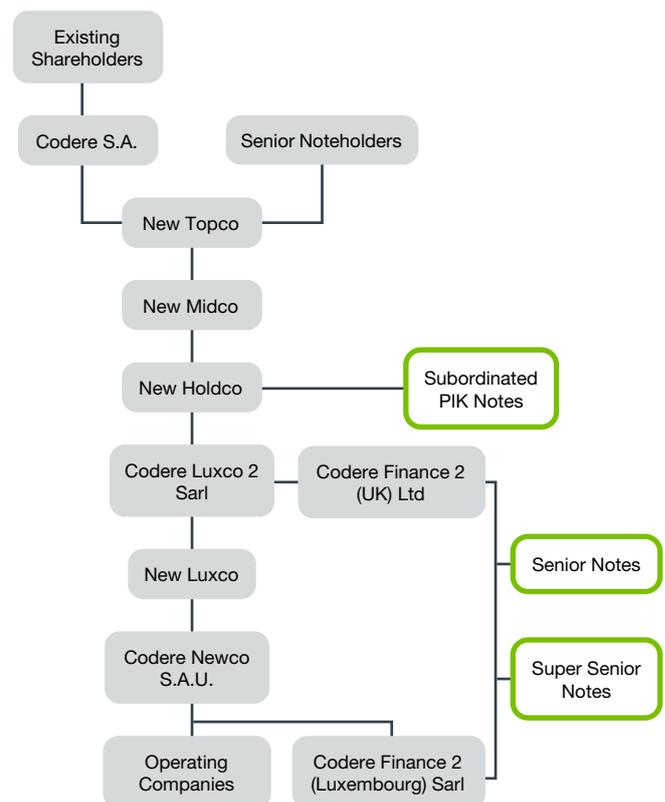
In November 2021, Codere announced the completion of its **Financial Restructuring**, reaching an agreement with its creditors for them to inject 225 million euros into the group with the capitalization of more than 350 million euros of debt, corresponding to the senior notes existing at the time, and rescheduling the debt maturities to September de 2026 and November 2027.

As a result of the *Financial Restructuring* of the group, the operating part of Grupo Codere was transferred to a new holding company, Codere New Topco S.A. (Nueva Codere), in which 95% of the shares is held by the noteholders of Codere and the 5% balance is held by Codere S.A., in liquidation. This company received, in addition, warrants issued by the new parent. The corporate structure is set out, in simplified terms, below:

### Pre – restructuring Former Codere



### Post – restructuring Nueva Codere



## B. Codere Online, listed on the Nasdaq

Another of the major milestones achieved by Grupo Codere in FY 2021 is the agreement reached on June 22, 2021, for the merger of its online gaming subsidiary (formed by the parent Codere Online Luxembourg, S.A., Servicios de Juego Online S.A.U, and their consolidated subsidiaries), with the SPAC DD3 Acquisition Corp. II, giving rise to **Codere Online**, the **first online gaming operator in Latin America to be listed on the NASDAQ**.

The completion of this highly relevant transaction affords Codere sufficient resources to achieve the strong growth potential of its online offer, both in the markets where it is already present, and later in other new markets, such as could be Peru, Chile or Brazil, as they gradually regulate the gaming activity. This year, the new company has commenced its online business in Panama and in Buenos Aires City (Argentina), to be added to that already existing in Spain, Italy, Mexico and Colombia.

## C. A brand associated with the leading football teams

Codere continues to spare no efforts to reinforce its brand, as a lever of its growth plan. The company has made strategic sponsorship agreements with the leading football teams in its Latin American markets, emphasizing the values shared with them, of leadership, international vocation, commitment to excellence and fair play.

### Strategic alliances

Firm in its strategy to alliance with the market leaders, Codere has agreed an **extension of its sponsorship with the Real Madrid C.F.** for the next five seasons (until June 2026), as the exclusive regional sports betting partner for the men's and women's football teams in



Latin America, increasing the regional scope of the alliance to almost twenty countries.

Along the same lines, Codere and **Club de Fútbol Monterrey Rayados**, of the Mexico MX League, announced on February 17, 2021, a sponsorship agreement for the next four seasons, which will permit Codere to consolidate its career over more than 20 years in the country, bringing the entertainment world even closer to Mexico.

Also to be pointed out is the recent alliance formed with **Club Atlético River Plate** of Argentina, for the next four seasons (until August 2025), Codere becoming their Official Betting House.

The renewal of the sponsorship agreement with the Real Madrid and the alliances with Club de Fútbol de Monterrey (Rayados) and with Club Atlético River Plate, place Codere at a great competitive advantage, which will permit the company to take a new and important step towards its **project for expansion in Latin America** and the consolidation of its brand, thanks to the scope, visibility and social mass that these clubs, leaders in their respective markets, afford the various marketing activities of the group.

## 03.2 Consolidation of the 2018-2021 *Strategic Plan*

### Sustainable growth model

The company *2018-2021 Strategic Plan* has remained in place in 2021, in which Codere has continued to develop various initiatives on the basis of its five pillars:

#### Customer-centricity

Codere places the customer at the core of its strategy, listening to and understanding their needs, including in its offer the knowledge extracted from studying their behaviors using advanced techniques to satisfy their expectations through an ever-improving experience, quality service and customized and responsible entertainment, with all safeguards. Some of the

initiatives implemented from various areas of the company in 2021 that have contributed to this are:

#### *ValorES Codere campaign:*

Codere has created the **Codere DNA Global Specialty Center**, responsible for safeguarding the company's values, the first of them being to "Place the customer in the center" of the group strategy. Through a procedure in which the various areas participate, the organization has described and shared throughout the year the behaviors that are desirable and those that are to be avoided to ensure each of its values, including the best customer service.

#### **Regionalization of the marketing strategy and content development.**



## Omni-channel strategy

In 2021, the process for redefinition, design, selection and improvement of all the channels through which customers access Grupo Codere entertainment offer has continued, to implement the best experience in each channel and promote omni-channel access.

In line with this commitment, Codere has reinforced its functional structure with regard to the omni-channel project, including the new position of **Omni-Channel and Single Brand Corporate Manager**, who will work in close cooperation with the online and retail areas to ensure that customers are offered an integrated and different experience, accessible anytime, anywhere and from any platform.

As part of its omnichannel strategy, the company has promoted different marketing actions such as VIP experiences and actions to promote its sports sponsorships.

## Digitalization

The company understands the importance of the technological lever to improve and promote its interactions with customers, both in the obtaining of data for the segmentation of its actions and customization of its offer, and to optimize customer experience. In addition, the use of technology permits Codere to increase its operating efficiency and place it at the service of risk-taking behavior prevention, one of its main priorities.

### Teleworking

To improve employee experience, Codere has promoted a *Teleworking Policy*, adapting it to the needs of both the company and its employees through global initiatives. This measure is put in place to encourage the balance of personal, family and working life among Grupo Codere workers, by making their working conditions more flexible, using the available technologies and tools.

### Information security

Information is a key asset for the operation of companies. Grupo Codere bases the quality of its management largely on the use of accurate, complete and timely information.

Codere recognizes its responsibility to implement Information Security guidelines permitting the potential risks to which it is exposed in the achievement of the strategic business objectives to be reduced to the minimum.



### Risky behavior detection tool

Thanks to the progress made in digitalization, Codere has been able to develop and train an RPC (Risk Prevention and Control) tool, taking a step forward in the company strategy for the preventive detection of risky behaviors in its customers' gaming, using mathematical models.

This tool will not only permit the preventive detection of risky behaviors of users in Spain, but is also intended to be implemented in the short term in all the markets in which the company operates.

### Online betting, a growing trend

The reinforced digitalization of the group has permitted it to adapt in special events, such as the 123<sup>rd</sup> Edition of **El Gran Premio Ramírez**, held on January 17, 2021 at the Maroñas horse racetrack, in Uruguay. Despite the fact that no public was allowed, due to the preventive measures implemented against the pandemic, the event was followed by 70 national media and about the same number of foreign media, with broadcastings through the various enabled online channels.

In this scenario, online betting was consolidated as a growing trend, reaching a volume of 23 million pesos (EUR 450,000). To make this possible, the call center service was reinforced, together with the broad band capacity, to meet the followers' demands.



### Capital and operating efficiency

The company structure simplification and globalization strategy continues to be one of the pillars for the organization to become more agile every day in its response to the environment.

One of the main objectives of the group is the optimization of the capital structure and financial resources, both in its investments in the various growth opportunities, and in the financing at the operating level, to provide the company with greater stability in the long term to undertake its businesses.

#### Financial Restructuring and Codere Online:

The completion of the **Financial Restructuring** of the company and of the **Codere Online Transaction** are two of the major examples of this year of Grupo Codere's commitment to capital and operating efficiency. Both projects are further developed in *chapter 08. Investors, a commitment to the future*.

#### Restructuring of transactions in Northwest Italy:

Codere Italia commenced a major operating transaction, in which slot-machine management companies Seven Cora Service S.r.l and Gambling Re S.r.l transferred to Nori Games Services S.r.l. – a company in which the group holds a majority shareholding – their business divisions of Northwest Italy. Through a capital increase, the assignee companies entered the capital of Nori Games Service S.r.l.

The area covered by the optimization project includes Piedmont, Liguria, West Lombardy, North Tuscany and Aosta Valley, with a total fleet of approximately 1,200 AWP (*amusement with prize*) gaming machines.

This transaction made it possible to eliminate corporate accounting, tax and administrative duplicities and overlaps, and to rationalize and optimize the tiers in decision-making, resources management and structural costs.



## Consolidation in strategic markets

In FY 2021, Codere continued to put the focus on markets with demonstrated competitive advantages. It also continued to grow in fragmented markets and to identify opportunities in the markets in which it operates, reassessing and testing its performance analysis models in an ongoing manner.

### Online also in Argentina and Panama:

Codere Online ends the year operating in a new market, **Argentina**. The company obtained a license for online gaming marketing, distribution and/or dispatch for five years, granted by LOTBA S.E. (Lotería de la Ciudad de Buenos Aires Sociedad del Estado), the gaming regulator in the country, and started its business on December 9, 2021.

Grupo Codere commenced operating in Argentina in 1992 and is currently the leading operator in the market, with 13 large bingo halls. Now, with the new permit, it will add to its retail portfolio online sports betting and gaming in Buenos Aires City, from its [www.codere.bet.ar](http://www.codere.bet.ar) platform.

Also, the sponsorship agreement made with **Club Atlético River Plate**, Codere becoming its Official Betting House for the next four seasons (until August 2025), opens a direct channel with the public of the country, offering them a **complete omni-channel gaming offer** and the **best brand experience**.

Codere Online has been operating in **Panama** since 2018 with online sports bets. Since December 1, 2021, under a new license granted for 20 years in May 2021, it also operates online casino games.

These milestones expedite the **plan for expansion in Latin America of Codere Online**, with which it expects to continue to grow in these territories as they advance in their regulations, adhering to the digital offer of Codere already in place in Europe (Spain and Italy) and Latin America (Mexico, Colombia, Panama and Buenos Aires City in Argentina).



## 03.3 Global and simplified structure

### Nueva Codere

The company continued to make progress this year on simplifying and globalizing its structure, in line with its *Transformation Plan* and in its attempt to take advantage of the synergies and promote the exchange of good practices between the different business units, responding in the most agile and efficient manner to a constantly changing environment.

After the successful outcome of the group financial restructuring and completion of the Codere Online transaction, Nueva Codere announced in February 2022 the succession plan for its CEO, Vicente Di Loreto, who decided to retire gradually from his executive duties to devote more time to his family and personal projects, after an intense professional career of over 35 years.

Thus, in an orderly transition, to be completed on June 30, 2022, subject to approval from the shareholders, Di Loreto will transfer his executive functions to Alberto González del Solar and Alejandro Rodino, Retail COO and Strategy and Corporate Areas Corporate Director, respectively, until the date of the announcement, who will become co-manager directors during the transition and start to hold office as Co-CEOs from July 1, 2022.

After July 1, Di Loreto will maintain his commitment to Codere and continue to contribute his knowledge and experience to the group as a board member and advisor of the management.

Also, during the year, a series of **changes were made to the functional structure of the company**, among which the following are noted, a restructuring in the Security area, reinforcement in the Own Network Operations area (Spain)

and in the Risk and Trading area; as well as the appointment of a Chief Data Officer, reporting to the director of Technology and Digitization.

The group organization model divides the **retail business under two COOs**, responsible for operating management of the retail businesses, one for Italy, given the particular features of the in-person business in the latter market, and the other for the rest of the business units.

Also, the institutional work, of corporate social responsibility and finding of new business opportunities, is entrusted to the three **regional managers**; one for Europe, another for Latin America (except for Mexico), and one specific regional manager for Mexico, given the relevance of this market for Grupo Codere.

To support this operational structure, the transversal functional areas, such as Trading, Internal Audit, Legal and Compliance, Security, Strategy and Corporate Development, Technology and Digitalization, People, Finances, Management Control, Omni-Channel Strategy and Single Brand, Corporate Communication and Security, play a key role.

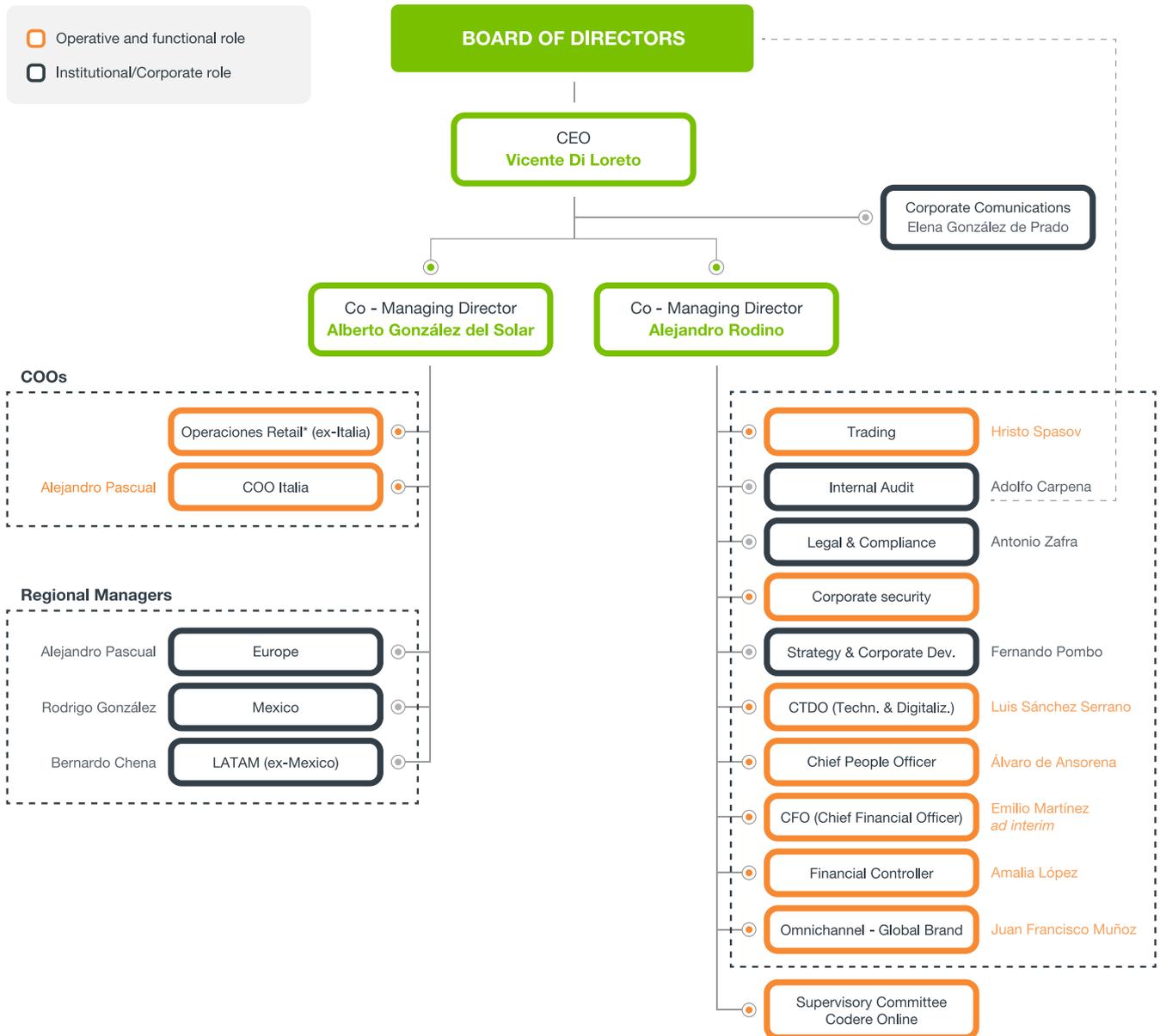
During the year, Grupo Codere made progress in its *One Finance* and *One People* projects, for the integration and globalization of these functions. Throughout 2022, the company intends to develop along the same lines the organizational structure of the Technology and Digitalization area, enhancing the innovation required in the medium and the long terms.



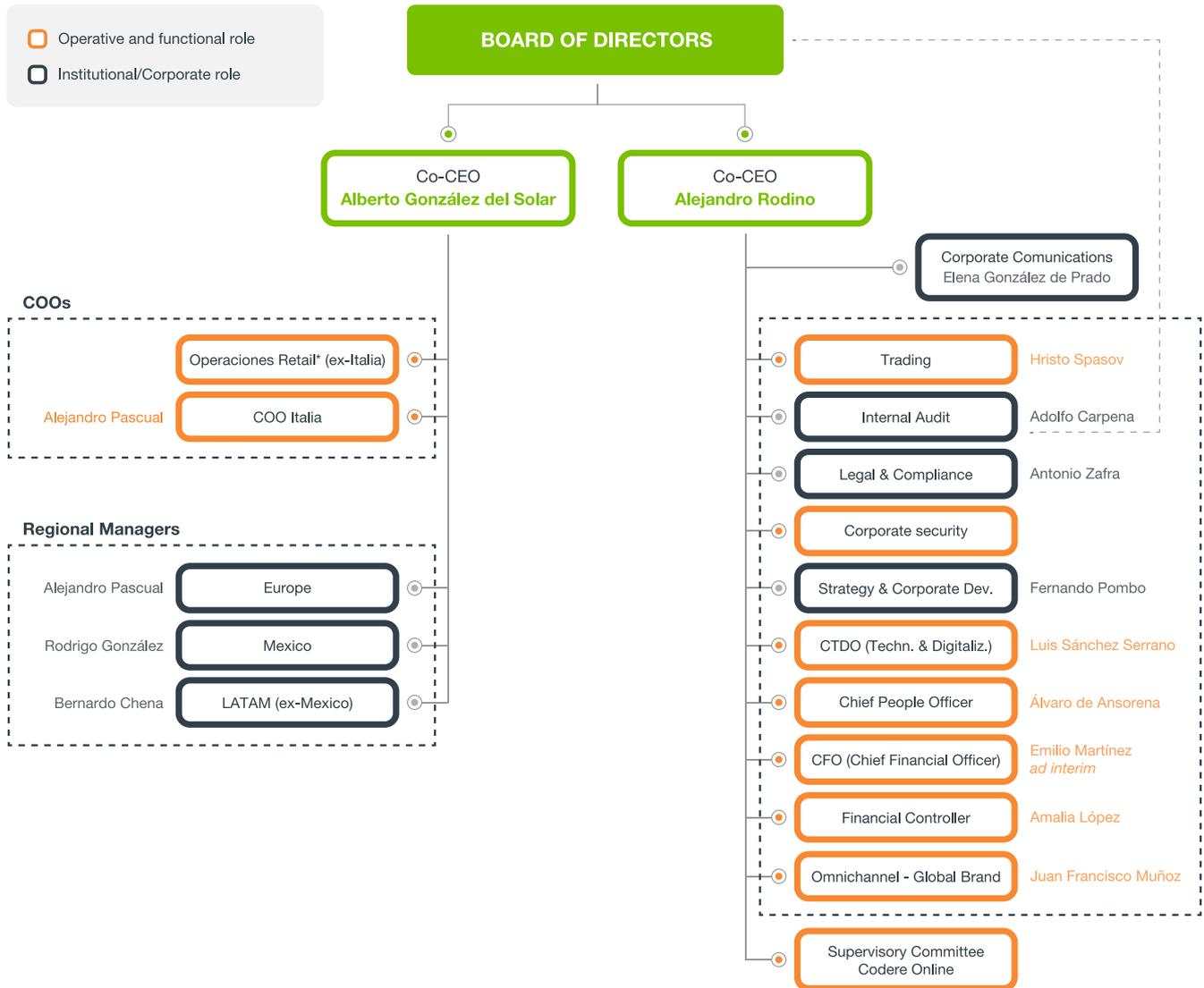
### 03.3.1 Company functional organizational chart

At the date of this report, April 2021, the group has the following organization chart:

#### Organization chart of Nueva Codere until June 30, 2022:



**Organization chart of Nueva Codere after July 1, 2022:**



# Expanding our DNA

04

## 04.1 Purpose, mission and values

Codere is a multinational group engaged in entertainment, leader in the private gaming industry, with four decades of experience and presence in seven countries in Europe (Spain and Italy) and Latin-America (Argentina, Colombia, Mexico, Panama and Uruguay). The company is renowned for its transparency, responsibility and commitment to the stakeholders with which it interacts.

Grupo Codere commenced its business in 1980 as a slot machine operator in Madrid, Spain. It has, since then, diversified its activities in the gaming industry, becoming a leader company in entertainment. It is currently:

- The leader company of the industry in Latin America.
- One of the main AWP machine and retail sports betting operator in Spain.
- The first online gaming operator in Latin America to be listed on Nasdaq, through its Codere Online subsidiary.
- A company with a very large customer database, to target its omnichannel offer.
- A company with solid operating performance and growth.

Grupo Codere had 10,657 employees at the 2021 year end, committed to offering customers an excellent service and omnichannel entertainment products and services affording them experiences that connect to their motivations, through the various alternatives offered to them by the company: gaming terminals, gaming halls, sports betting, racetracks and online gaming.

From the start of the pandemic and the implementation of restrictive measures in all countries in which Codere operates, the company has demonstrated its flexibility, resilience and ability to adapt to adversity, managing to give an agile, expeditious and complete response to the situation.

Codere's commitment, first made in 2018, to promote the transformation of the company from its very cultural basis by reinforcing the group values, has strengthened its ability to successfully overcome uncertainty, improving its capacity to adapt to change, thus permitting Codere to remain a key player in the private gaming sector.

As seen in chapter 3, in 2021, Grupo Codere has advanced in its business strategy and management completing its *Financial Restructuring*<sup>3</sup> and promoting its online business, leading its subsidiary Codere Online to be floated on the Nasdaq. The company has also made its brand grow, by the hand of major sponsorships such as Rayados de Monterrey, in Mexico; River Plate C.F., of Argentina; and Real Madrid C.F., renewed for more than twenty Latin American countries, milestones that helped consolidate and reinforce its values as a group within the organization and beyond.

<sup>3</sup> The *Financial Restructuring* of the group is reviewed further in depth in Chapter 08. *Investors, a commitment to the future*



## Purpose

To raise emotions in those who choose an entertainment experience based on betting in a safe environment. To be betting, emotion, fun, excitement, nearness, security, trust and social commitment!

## Vision

- To be leaders, pacesetters and trend creators.
- To shed light on our sector, dignifying it.
- To see our people's eyes shine, affording them opportunities to grow and develop.
- To exceed our shareholders' and investors' expectations.
- To develop our people and the local communities where our group operates.
- To hold appropriate and transparent relationships with the authorities.
- To promote sustainability.

## Values

1. To place the customer in the center.
2. Acting honestly and transparently.
3. Working in teams committed to excellence.
4. With an innovating attitude levered by technology.
5. With the focus on efficiency, to ensure our feasibility

## 'ValorES Codere. Our DNA'

To promote the corporate values, the People team has created the Codere DNA global specialty center, whose purpose is to safeguard the company values and ensure that they reach the entire organization.

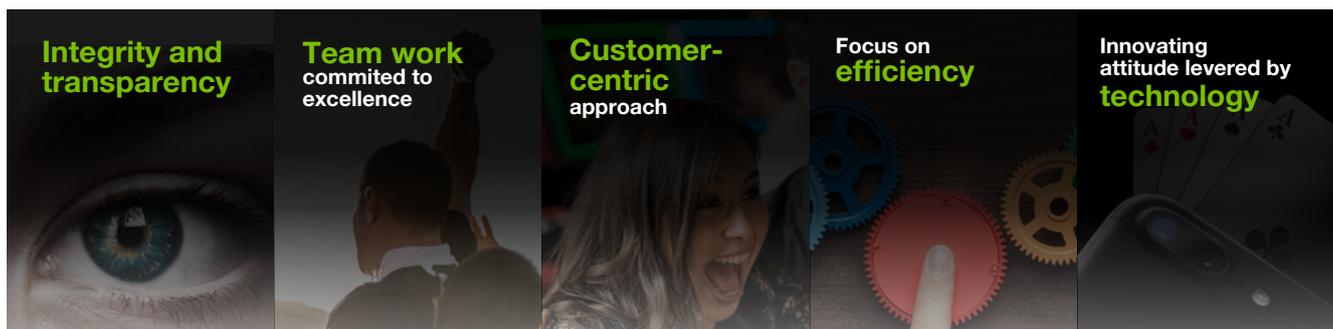
These values represent the commitment of each organization member, are constant and transversal to any function and market, and it is a priority for the group to permeate them, so they remain part of its essence through the changes, by disseminating and exemplifying them internally. Because of this, Codere makes an effort to reinforce its culture and ensure that its members' conducts conform to the defined principles, to ensure that they are reflected externally and afford the brand clear attributes.

In this respect, the various corporate communication channels have launched **"ValorES Codere. Our DNA"** campaign, which promotes and reinforces each of these values using different audiovisual content to look into each one of them in depth, know its meaning and the conducts to be promoted and avoided to reinforce them.

### Customer-centric approach

Placing the customer in the center of Codere's strategy means putting oneself in the customer's place, listening, understanding and meeting their needs to afford the best possible experience. For this purpose, it is essential to know their tastes and interests, to design new products and services and offer them top quality and responsible assistance with all safeguards.





### Integrity and transparency

This value means working **honestly, committedly and responsibly** with all stakeholders, ensuring respect for each of the persons in or interacting with the group. For this common framework to guide the conduct of Codere's members, in 2007, its Board of Directors approved its first **Code of Ethics and Integrity**, recently updated.

Along the same lines, Codere puts the focus on strict compliance with the rules and best practices, meeting top quality standards and reporting them both internally and to the market.

The fact that it has been the only Spanish gaming company listed on the stock exchange has obliged it to meet a series of auditing and reporting obligations, added to its commitment to transparency in its management.

### Team work committed to excellence

This value is realized through the commitment of the teams in the organization to work with integrity, quality and efficiency, and their ability to raise trust in the various publics of the group through a work well done. Thus, the company has teams capable of providing a fast and responsible response to the environment, adapting to the various situations and meeting their acquired commitments.

This value has been particularly challenging due to the pandemic, the company having made available to all employees all tools necessary to continue working on the basis of the values of the company and focused on results.

### Innovating attitude levered by technology

This value implies observing the environment, analyzing it and accompanying it in its evolution allowing space for creativity. Codere is committed to encouraging a cultural transformation to strengthen a deep, simplified and positive view of things permitting an ongoing adaptation to the new expectations and needs of the market. In just a few months, the company has known how to adapt to teleworking and maintain its teams united, despite the distance. In addition, customers have changed their demand for entertainment, the company focusing on offering the best access to its omnichannel offer.

### Focus on efficiency

Efficiency is one of the essential values of the group, particularly in a health crisis such as that lived over the past two years, with a strong impact on the business. This is one of the key ingredients to ensure Codere's feasibility and means making the most of the time, resources and capabilities of the company to achieve the best quality in the service it offers its customers.



## ‘Management Model’, effective leadership

The enhancement of leadership is one of the key success factors of any company and it is for this reason that Grupo Codere, in order to continue promoting initiatives to reinforce the group’s values, has implemented its **Management Model** (further developed in chapter 07.3), grouping a set of essential principles, practical reflections and general people management issues, implemented through particular forms of conduct and attitudes that ensure an effective leadership, in line with the principles of the group.

The **Management Model** is a handbook addressed mainly to the company’s directors and officers, which defines the duties and powers of the persons responsible for the organization, identifies the functions that pertain to managers and summarizes the conducts to be promoted and those to be eradicated. It also establishes the manner in which this should be done from a position of responsibility in the organization, in a manner such that the culture of the group is consolidated and promoted day by day.



A team of 250 middle managers and executives, in addition to technical, operating and office personnel, have cooperated in the preparation of the *Management Model*. All of this has been promoted by the People Management and validated by the General Management of the company.

The *Management Model* places the focus on the involvement of the managers, who are the first who have to know and embrace the model, to be able to set an example and disseminate and share the model within the organization.



In order to continue making progress in implementing the *Management Model*, Codere has undertaken to include it with the rest of the programs and processes of the People Area (assessment, training, development). In this regard, the company has prepared a route map for its dissemination and implementation among all employees through training plans (online and in-person) and internal communication campaigns.



## 04.2 Business lines

Codere has positioned itself over the years as the leader company in the private gaming sector thanks, largely, to its strong commitment to its customers. A reflection of this is the fact that its global customer base currently reaches 1,600,000 users registered for its online games worldwide, while the number of customers in the retail channel is close to 3,700,000.

Users are able to enjoy the services provided by Grupo Codere through these two channels, retail and online, in an omnichannel experience. Thus, when an online customer is gaming in person

(retail) or vice versa, the company is able to identify that customer as omnichannel and afford that customer deferential treatment, conveying a unified message on gaming experience, promotions, vouchers or activities, and affording the customer the possibility of commencing an activity in one environment and ending it in another.

The main business lines and operations of Codere at December 31, 2021, are set out below:



# 04.3 Worldwide presence



## Spain

**9,026** slots machines  
**6,805** sports betting machines  
**3** gaming halls  
**Online gaming**

## Mexico

**12,829** slots machines  
**579** sports betting machines  
**88** gaming halls  
**1** racetrack  
**Online gaming**

## Argentina

**6,230** slots machines  
**13** gaming halls  
**Online gaming** (in CABA)

## Italy

**7,337** slots machines  
**10** gaming halls  
 Gaming terminal  
 Network License  
**Online gaming**

## Panama

**2,159** slots machines  
**65** sports betting machines  
**10** gaming halls  
**1** racetrack  
**Online gaming**

## Colombia

**3,422** slots machines  
**507** sports betting machines  
**10** gaming halls  
**Online gaming**

## Uruguay

**1,639** slots machines  
**24** sports betting machines  
**6** gaming halls  
**2** racetracks  
**Online gaming**

Note: Sports betting machines: Figures reflect self-service terminals (SSTs); Sport betting shops: Includes sports books co-located within Codere gaming halls and other Codere operated standalone sports betting shops



Codere is a worldwide reference in the operation of gaming terminals, gaming halls, arcades, sports betting, racetracks and online gaming, present in Europe (Italy and Spain) and Latin America (Argentina, Uruguay, Mexico, Colombia and Panama). Its main business is now sports betting terminals, which represent more than 85% of its gross earnings.

The company, in order to reduce its exposure to risk, opts to diversify it in several countries. In 2021, the main markets (i.e., Argentina, Mexico, Spain and Italy) represented 18.61%, 20.21%, 18.39% and 19.3% respectively, of the group turnover, and 18.31%, 33.8%, 35.81% and 5.23% of the Adjusted EBITDA of the group (Post-IFRS 16).

The health crisis caused by the COVID-19 continued to have a relevant impact on the business and performance of the company in 2021. In the first months of the year, the company found itself adversely affected by the provisional closings and restrictions caused by the health crisis. Despite the inconveniences, Codere continued to work with great effort and commitment in all countries to reduce the impact of the pandemic to the minimum.

The return to retail business, after the last gaming halls reopened in Argentina and Uruguay in July 2021, together with the conclusion of the *Financial Refinancing*<sup>4</sup>, the completion of the *Codere Online Operation*<sup>5</sup> and the promotion of the Codere brand, have allowed the group to obtain an Adjusted EBITDA in the 2021 financial year of 99.4 million euros, i.e. In turn, Mexico (+63.5%), Argentina(+108,2%), Spain (+25%) and Online (+12.1%), were the business units that experienced the highest interannual revenue increases.

The main features of Codere's business in each of its markets are set out below:

## Spain

Codere is the second major machine operator in Spain and the leading company in the retail sports betting market. The group operates in all regions, with considerable online presence also. The company operates the largest bingo hall in the country (Bingo Canoe) in addition to gaming halls.

It is relevant to point out that this year it has managed to extend for ten years its sports betting and other online gaming licenses, which will now expire in 2032.

### Operations

Codere's business in Spain consists of the traditional machine segment, sports betting, online gaming and, to a lesser extent, gaming halls, integrating traditional machines into other products such as electronic roulette and bingo or sports betting terminals. At December 31, 2021, the company operated 9,026 slots machines, 1,064 bingo seats, 6,805 sports betting terminals in three gaming halls, 6,388 bares, 1,014 arcades and 41 sports betting shops.

Profitability in Spain was 35.6 million euros Adjusted EBITDA (post IFRS 16). The business unit represented 18.39% of the consolidated group revenues.

## Mexico

Codere is the major gaming operator in Mexico, where it operates a total 12,829 machines, 65 sports betting terminals and 772 bingo seats in 88 halls, 64 sports betting shops and one racetrack, in addition to online gaming.

The company also holds one concession, renewed in 2018, to operate Las Americas, a family entertainment complex in Mexico City,

<sup>4</sup> The Financial Restructuring of the group is analyzed further in depth in Chapter 08. *Investors, a commitment to the future.*

<sup>5</sup> The Codere Online project is analyzed further in depth in Chapter 08. *Investors, a commitment to the future.*



including Las Americas Racetrack, Granja Las Americas family park and the Citibanamex Center, the largest convention facility in Latin America (which, under an outsourcing agreement executed on June 1, 2013, and renewed in 2019, is operated by CIE, Compañía Interamericana de Entretenimiento).

### Operations

Codere's main activity in Mexico is the development and management of gaming halls at which machines and, in some cases, bingo and sports betting seats, are operated, in addition to the incipient online activity in the country. The business is performed mainly through AMH, in which the company holds 84.8%; and Codere México, 100% owned. Among the subsidiaries of each one of them, Codere holds 135 permits to operate gaming halls, expiring between 2027 and 2048.

In terms of profitability, the Adjusted EBITDA reached 33.6 million euros (post IFRS 16). The business unit represented 20.21% of the group's consolidated revenues.

## Argentina

Codere is a leading company in the private gaming sector in the country and the major gaming hall operator in Buenos Aires province, where it operates a total 13 gaming halls, 6,230 machines, and online gaming. Codere's gaming halls are located in the Buenos Aires conurbation, or Great Buenos Aires, where the company operates eight gaming halls, and in tourist city Mar del Plata, where it operates four halls, and in the capital of the province, La Plata, where it operates one hall.

The company obtained the permit for marketing, distribution and/or dispatch of online gaming for five years in the City of Buenos Aires, granted by LOTBA S.E. (Lotería de la Ciudad de Buenos Aires Sociedad del Estado), the country gaming supervisor, and commenced its activity on December 9, 2021.

### Operations

Codere operates in the country under bingo licenses (one per hall), expiring in two cycles: the first between 2021 and 2024 (eight licenses) and the second between 2028 and 2029 (five licenses). In addition to traditional bingo, slot machines are also operated at these halls. To these licenses must be added the recent license for online gaming granted for five years.

In terms of profitability, the Adjusted EBITDA reached 18.2 million euros (post IFRS 16). The business unit represented 18,61% of the consolidated group revenues.



## Italy

In Italy, Codere is one of the major operators, with 10 bingo halls (with 2,380 seats), 1,954 bars; 7,337 machines at the 2021 year end. Codere is one of the eleven network concessionaires operating in the market. 13,420 machines, both own and of third parties, were connected to this network.

### Operations

The bingo business is operated under eleven licenses, one per bingo hall. These licenses are currently operating under an extension granted until December 2023, waiting for the Government to call the tender for renewal of the licenses, pending since 2016. Codere Network's concession, to expire in March 2022, has been extended within the Covid-19 measures put in place by the Italian government provisionally until June 2022, and a subsequent extension is expected.

Codere's profit in Italy was 5.2 million euros Adjusted EBITDA (post IFRS 16) and 21 million euros (pre-IFRS 16) in 2021. The business unit represented 19,3% of the group consolidated revenues.

On September 29, 2021, the subsidiaries of Codere Italia operating in the entertainment machine management market, Seven Cora Service Srl and Gaming Re Srl, became part of Nori Games Service Srl, simplifying their structure to take advantage of their operating, administrative and corporate synergies.

## Panama, Colombia and Uruguay

At December 31, 2021, the company has 10 casinos, one racetracks, 65 sports betting terminals, 2,159 slots machines, 10 sports betting shops and online business in **Panama**; 10 gaming halls, 114 arcades, 51 betting shops, 3,422 machines, 507 sports betting terminals and online business in **Colombia**; and the business of Casino Carrasco and HRU -including six gaming halls, 24 betting shops with 1,639 slots machines and 24 sports betting machines and the Maroñas and Las Piedras racetracks in Montevideo, **Uruguay**. These operations represent 6.12%, 1.88% and 5.32% respectively of the consolidated group revenues.



# Committed to society

05

# 05.1 Corporate social responsibility

Codere continued implementing this year its **Corporate Social Responsibility Plan**, which includes a large package of measures to promote responsible gaming and reinforces the company's commitment to offer the best entertainment service, transparently and with the maximum safeguards.

This plan establishes a set of key issues and the group's position in respect of each one of them:

(1) Regulation of advertising
(2) Planning of gambling premises
(3) Gaming access control
(4) Image of the industry
(5) Management of vulnerable groups

## 1. Regulation of advertising

Codere understands that a deficient regulation of commercial communications on games of chance could give rise to overexposure of the offer to the detriment of an optimum protection of vulnerable groups and causing unnecessary social alarm. **The company defends gaming advertising restrictions based on objective policies, regardless of the nature of the operator, whether public or private.**

For the purpose, Codere proposes, among other measures, the following actions:

- Implement regulations making the public interests compatible with the sustainability of the operators.
- Send clearly identified, recognizable and true commercial communications.
- Avoid sending commercial communications to minors.
- Offer promotions ensuring that the game dynamics are not misleadingly changed and the information is clear and transparent.
- Establish restrictions on the content and dissemination of commercial communications.

## 2. Planning of gaming premises

Grupo Codere defends a **regulation that organizes the setting up of business premises, their size and the types of games that may be offered at them, for the purpose of reasonably reducing the rates of problem gambling**, always provided that this does not affect investments and operations already established.

For the purpose, Codere proposes that the gaming supply be regulated clearly and expressly, imposing measures for the healthy development of the industry (classifying business premises by size and type of game and limiting the number of premises on the basis of demographic studies).



### 3. Gaming access control

**Codere seeks to become a pioneer company in gaming access control processes, affording groups at risk full protection.**

- **Minors:** the company applies a policy of zero tolerance of underage access to gaming.
- **Prohibited:** the company adopts a strict position restricting gaming to citizens recorded as banned or self-banned on the register of gaming access bans.

### 4. Image of the industry

Codere is aware that the current concern about gaming in certain markets is the result of the dissemination of unfounded myths that deteriorate the public view of the industry.

The company has made the commitment to shed light on and dignify the industry, cooperating to develop a regulatory framework that affords the maximum safeguards to users, public administration and companies.

In this regard, Codere takes **responsibility and is committed** to preparing **reports** on games of chance and cooperates with the associations of gaming employers to **show the picture of the company's business in numbers**, which may change the social perception based on misinformation.

### 5. Management of vulnerable groups

Grupo Codere permanently analyzes and implements responsible gaming measures, to ensure the best protection of minors and users with problem behaviors.

To that end, in 2020, Codere prepared its **Responsible Gaming Measures Plan**, forming part of the *CSR Plan* based on **prevention, sensitizing, detection and management of risk behaviors**.

This year 2021, the company performed various activities in these areas for the promotion of responsible gaming:

- (1) Prevention
- (2) Sensitizing
- (3) Detection of risk behavior
- (4) Management

#### 1. Prevention

Codere implements various prevention measures, including:

- Creation of a section, "Authorized gaming", that provides information on licenses and authorizations, and the section "Responsible gaming", with access to public sites.
- Clear indication of the ban on underage gambling.
- Implementation of player age verification systems.
- Control of advertising messages and commercial communications.
- Access by users to their behavior history.



- Offer of information on specialized problem gambling entities.
- Promotion of campaigns and initiatives to encourage responsible gaming.

## 2. Sensitizing

Grupo Codere regularly publishes **information on responsible gaming**, to raise awareness in the users on the importance of adequate gaming behavior and to dignify the industry in the light of its real figures.

Internally, Codere implements programs to train and raise awareness on the matter in its personnel.

## 3. Detection of risky behavior

**Problem gambling is an individual condition, not a social one.** Accordingly, Grupo Codere proposes to establish procedures and protocols permitting risky behavior of user to be detected in its online and in-person gaming offer, minimizing the risks and protecting the vulnerable groups.

Codere takes into account objective policies that reveal activity habits to identify cases of problem gambling.

To control risky behavior in online gaming, Codere has implemented the **RPC risk prevention and control platform**, submitted this year to the General Gaming Directorate (*Dirección General de Ordenación del Juego* - “**DGOJ**”) in compliance with the new Royal Decree on Communications of Gaming Activities.

In the retail context, Codere’s risky behavior detection strategy is based on training the gaming hall employees and subsequently informing the customers on the basis of physical behavior and motivational indicators.

## 4. Gestión

Grupo Codere manages the detection of risky behavior in its customers from a **global point of view**, taking into account the channel in which the activity is being performed.

If a user is detected who may be developing a risky behavior, the company puts the user in touch with the customer telephone service, which provides assistance and offers information on responsible gaming.



## 05.2 Responsible employees

The *Corporate Social Responsibility Plan for Employees* includes both actions towards collaborators and through them, towards society. This second sphere was reinforced in 2021, by continuing the **Responsible Gaming Training Plan**, promoted from the year before and targeted to all group employees, giving priority to those in direct contact with customers or their management.

Thus, each and every member of Codere knows the actions performed by the company to promote responsible gaming, in addition to the protocols defined to prevent, sensitize, detect and manage risky behavior.

Grupo Codere maintains its action plan based on the values of the organization, in line with the notion of **“Gaming changes with you”**.

In addition, actions have been promoted in each of the five areas of the *Corporate Social Responsibility Plan for Employees*: **diversity and equality, inclusion, work-life balance and wellbeing, integration and sustainability.**

Diversity and equality

Inclusion

Work-life balance and wellbeing

Integration

Sustainability

Each of these areas has been reinforced with several initiatives, such as communication or training plans, having the purpose of improving the working environment for collaborators.

<sup>6</sup> The Corporate Social Responsibility Plan and the actions carried out throughout this year in relation to each of the five axes that make it up are analyzed in greater depth in Chapter 09, in section 3, related to People.



## 05.3 If not responsible, it is not gaming

In 2021, Codere performed a series of responsible gaming actions in each of the countries in which it operates, thus adapting to the situation of each particular area.

### Spain

In compliance with Article 34. *Detection of risky behavior in users* of the new Royal Decree on Communications of Gaming Activities, Codere España submitted to the DGOJ its **RCP risk control and prevention platform**.

This is a **risk control and prevention tool** that uses mathematical models, through an algorithm that permits distinctive problem gambling behaviors to be identified in online users, with a predictive analysis that permits disorders to be identified before they develop.

Also, Codere España recovered, after the lockdown due to the pandemic, the **Corporate Social Responsibility Accreditation Program of COFAR** (*Confederación Española de Empresarios del Juego Recreativo en Hostelería – Spanish Confederation of Recreational Gaming Enterprises in the Hospitality Industry*), giving rise to the second part of this initiative, i.e., verification that it is implemented at the sales points.

Codere España is in turn part of the association of gaming enterprises CEJUEGO (*Consejo Empresarial del Juego*), which promotes, among other responsibility and transparency actions, the preparation and dissemination of reports on the

industry offering real numbers of the business and its impact on society, permitting a true picture of the industry to be formed and thus the implementation of legislation giving a better response to the data, and not the myths, of gaming in the country.

Codere España has thus participated one year

more in the preparation of the **Anuario del juego en España** (*Gaming in Spain Yearbook*)

published by Carlos III University of Madrid.

In this tenth edition, UGT (*Unión General de Trabajadores*), one of the main trade unions of the country, also participated

and supported the publication, joining efforts with the company to promote a fair treatment of the industry and its workers. The fact is that this yearbook shows that the industry currently employs in Spain directly 85,361 people, more than 47,000 of whom work in the private gaming industry. Indirectly, gaming generates 175,000 jobs per year in the country, a number that in 2020 was reduced to hardly 130,000. Most of these jobs (more than 38,000) are related to the hospitality industry.

The pandemic had a strong impact on employment in the industry, with half of the employees of entertainment gaming companies in temporary redundancy (“ERTE”) during the state of alarm. The workforces were practically reduced



to positions of mechanical and administrative maintenance of operations and facilities.

The yearbook also shows that, in 2020, 6,771 million euros were spent on real gaming in the country, a 33.2% reduction in respect of 2019. The drop was due to the pandemic and occurred mainly in the retail business (-37%) and was slightly offset by the increase of online gaming (13.7%).

The contribution of the industry to the public treasury was also relevant. The expense in gaming in 2020 represented 0.6% of the GDP, two points below the ratio it represents in a normal year in the industry, such as 2019, when it reached 0.8%. In-person gaming undertakings contributed 820 million euros in special taxes, 181.2 million of which were for the State, with 638.7 million for the autonomous regions.

The ***Informe juego y sociedad 2021*** (2021 *Gaming and society report*), on Spaniards' gaming attitudes and habits, was also published through this association of employers. The report, prepared also under the umbrella of independence and rigueur of Carlos III University of Madrid, through its Policy and Governance Institute, reflects that 80.9% of the Spanish adult population gamed during the year and did so reasonably, to spend a little time on amusement and social interaction. This rate was reduced by 4% during the pandemic, returning to levels of 2013, corroborating that gaming is normal and that customers and users consider it one more pastime in their life, comparing the cost of gaming with a ticket for an event or practicing any other hobby, although gaming is less frequent among their entertainment habits.

Also, the company, through its representative in CEJUEGO, participated proactively in the making of the first cooperation agreement with UGT and, subsequently with trade union CC.OO.

(*Comisiones Obreras*), to protect and ensure that the gaming business continues to provide a safe, responsible and sustainable leisure supply while also generating stable employment.

At the autonomous region level, Codere España has promoted and formed part of Associations of Betting Licensees of Castilla y León, Baleares and Comunidad Valenciana, chairing them. It also forms part of the *Mesa Intersectorial de Juego* (Inter-sector Gaming Board) in Castilla y León and cooperates with the various as

sociations of the industry in all autonomous regions, forming part of their representative bodies.

Additionally, Codere España forms part of major **associations of the industry**<sup>7</sup> such as **Jdigital** (Spanish online gaming association), whose main purpose it is to safeguard the interests of the online gaming industry in Spain and promote a regulation that permits the sustainable development of the industry while offering the best protection to the users; or **Autocontrol** (Association for self-regulation of commercial communication), with which it renewed its commitment in 2020.

Codere España also cooperates with the national Committee to combat the manipulation of sports competitions and fraud in bets (**CONFAD**), to prevent and eradicate corruption and manipulation in sports competitions and bets.

Internally, Codere España contributed to the dissemination of objective reports and conferences conducive to dignifying the industry, such as the virtual inter-autonomies day organized by **Fundación de Patología Dual**, held on 11 May 2021, which publicized, through several medical practitioners, **the gambling**

<sup>7</sup> In summary, Schedule III to this report contains a table showing all the associations of the industry with which Codere cooperated in 2021, together with other entities with which it cooperated in social actions or sponsorships.



**disorder from a scientific perspective focused on prevention, information and treatment.**

Likewise, Codere España continued to adapt this year to the **guidelines and requirements** of the DGOJ, adjusting some of its responsible gaming protocols. In particular, they were updated in line with the terms proposed by new legislation on **self-banning and self-exclusion**. It also proceeded to update the procedures to control the gaming account and deposit limits (daily, weekly and monthly), in addition to implementing gaming time and expense control.

Lastly, **the first training course on Responsible Gaming was given, targeted to the entire group**. This training will be reviewed and kept permanently up to date by the company, given Codere's commitment and the relevance that the matter has in the current regulation and will have in future laws on gaming, both retail and online.

## Italy

This year, Codere Italia continued to promote responsible gaming with its veteran program **"In nome della legalità"**, implemented this year through an online meeting held in February and another held in Rivoli, in November, under the motto **"Senza regole non c'è gioco sicuro"** (**"Without rules, there is no safe gaming"**).

At these meetings, information was shared on the impact of the pandemic on the gaming sector, with massive closedowns and losses of employment which, added to the high taxes and change of law, dangerously encouraged illegal gambling, jeopardizing the safeguards for gamblers and for the State, and the sustainability of the lawful industry.

Because of this, various bodies of the industry and Codere have joined forces to explain the need for a regulatory reorganization of the gaming industry, implementing prevention measures to combat problem gambling, more exhaustive controls of illegal gambling and

money laundering -imposing harder sanctions - and, essentially, reviewing the stringent municipal and regional gaming tax laws that stifle the lawful business.

At Rivoli, in addition to backing the regulation of the gaming supply, the company emphasized the need to pass a restated law to combat the gambling disorder (with more homogeneous ordinances safeguarding the public health), to protect players and permit a correct development of the industry as "entertainment", without criminalizing it.

In 2021, Codere Italia continued to promote the campaign **"Si no es responsable, no es juego"** (If not responsible, it is not gaming) maintaining its commitment to disseminate materials promoting responsible gaming and against usury, both at the company's own gaming halls and at those of third parties. The communication activities performed reinforced these messages through the web page and social networks, with the publication of informative brochures and pills, such as the *Decálogo por el juego responsable* (responsible gaming decalogue).

Also, Codere Italia's gaming hall employees participated in specific courses on responsible gaming, in compliance with regional laws in force.

The **Codere Training** project also remained active. This platform affords free online training to all gaming operators connected to the Codere Network, covering relevant matters such as pathological gambling, profile of gamblers with behavior disorders, and actions to prevent them, without obviating the regulatory aspects of legal gaming.

Also, both through Confindustria, Sistema Gioco Italia, an association of which Codere forms part, and through synergies with other associations and independently, the company exchanges information and legislative proposals with public bodies, in order **to promote the best practices in the regulation of the industry**.



## Mexico

Codere México has continued to afford in-person training on responsible gaming, with the participation of 1,965 collaborators. Online training was also afforded to 1,300 collaborators.

## Argentina

In addition to training on responsible gaming, Codere Argentina continued this year various informative actions that are being implemented at the gaming halls as part of the program “**Cuando el juego no es juego**” (When gaming is not a game) and prevention campaigns, broadcasting information on the video screens of the halls or distributing brochures.



In 2021, the presence of counselors at the halls was suspended, since the activity continues to be performed due to the pandemic under a protocol that limits occupancy. Instead, the communications in this respect have been redoubled.

Also, Codere Argentina adhered one more year to the International Responsible Gaming Day (17 February) under the motto “**Luz verde al juego responsable**” (Green light to responsible gaming). That day, in addition to giving the halls the emblematic green ambiance, a virtual talk was given on the matter and specific actions were taken both in the gaming halls and outside them to inform and sensitize people on responsible behavior in entertainment.

Codere Argentina also continues to give conferences on pathological gambling and other behavioral addictions, although the pandemic has caused them to be given online. The company gave six virtual conferences and one

in person, on behavioral addictions, isolation, videogames, virtuality, etc.

In addition, Codere Argentina renewed the assignment of two pathological gambling behavior centers in Morón and La Plata, and made a framework agreement for cooperation with Fundación Padres, to raise Responsible Gaming awareness in parents of adolescents.

## Panama

Codere Panamá has continued to implement the *Corporate Social Responsibility and Responsible Gaming Plan*, performing **training activities** on this matter virtually, through the corporate platform *Espacio Positivo*, and in-person.

Also, the company has afforded **specific training on responsible gaming** to more than one hundred collaborators, to raise awareness on this disorder. This training was initially afforded to the managers of the **Instituto Nacional de Salud Mental de Panamá** (National Mental Health Institute of Panama - INSAM) and middle managers and operators, with the participation of La Cruz Blanca de Panamá.

Codere Panamá is a member of the **Junta de Control de Juego (JCJ)** (Gaming Control Board), responsible for controlling, monitoring, supervising and regulating the operation of games of luck and chance, and activities originating bets, representing and for the sole benefit of the State.

Codere Panamá also cooperates with other relevant institutions in the country:

- The **Financial Analysis Unit (UAF)**, the national center responsible for compilation of financial information analyses relating to money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction, and for communication of the results of this analysis to the authorities of the country.



- The **Superintendence of Non-Financial Subjects**, responsible for supervising and regulating non-financial subjects for the prevention of money launder, terrorist financing and the proliferation of weapons of mass destruction, to comply with the prevention framework and recommendations of the international bodies responsible for the matter.

## Colombia

At this business unit, training has been afforded on responsible gaming through various actions seeking to reinforce specific skills at gaming halls. These actions were supplemented with campaigns through the social networks and the Crown Casinos website.

## Uruguay

Codere Uruguay commenced to implement a specific plan to provide online training on responsible gaming to all collaborators in March 2021.

The closure of gaming halls for many months has prevented the launch of other initiatives, but it has been used to prepare new responsible gaming information, as well as its relocation in the halls.



## 05.4 Responsibility towards our communities

In line with its corporate vision<sup>8</sup>, Grupo Codere constantly reinforces its **commitment to the development of the communities in which it operates** by promoting own initiatives or supporting third-party plans with objectives in line with those of the organization, such as the promotion of education and culture, support of vulnerable groups and integration of persons with disabilities.

As it did the year before, due to the emergency caused by the health crisis, Codere had to limit or interrupt some of the initiatives that it had been undertaking in previous years, particularly those performed in person, focusing its efforts on actions seeking to mitigate the impact of the pandemic.

### Employee Aid Fund

In this context, it is to be pointed out that the company continued implementing in 2021 its **Employee Aid Fund** for employees particularly impacted by the pandemic, with excellent results.

Since the fund was activated in 2020, Codere has supported more than 1,278 collaborators, granting aid in an amount of EUR 317,341<sup>9</sup>.

### ‘Banco rojo’, because “violence is never love”

A new initiative undertaken in the context of the group’s social and responsible commitment is **Banco Rojo (Red Bench)**. This project served to implement various actions to raise awareness and promote a culture of respect for women, targeted both to collaborators and to customers, in all markets of the company.



Under the motto “Violence is never love”, on November 25, International Day for the Elimination of Violence against Women, the company held simultaneously at its own gaming halls an act of remembrance of the victims of this social scourge, through red benches that were uncovered simultaneously at all locations.

<sup>8</sup> The purpose, mission and values of Codere are developed in depth in Chapter 4. *Expanding our DNA*.

<sup>9</sup> The results of the *Economic Aid Fund* for employees are reviewed in further depth in Chapter 09. *Our employees, commitment starts at home*.



In honor of these women, bunches of roses were placed on all of the benches and the poem “*Dueña de tus amaneceres*” (*Owner of your sunrises*), by Elena Díaz Santana, a song to freedom, was read.

The *Red Bench* thus furthers Codere’s commitment to advance towards real equality, precisely the year in which the company has implemented its *Equality, Inclusion and Diversity Policy*, in addition to a specific *Protocol to Prevent, Face and Eradicate Violence at Work*.

Beyond these initiatives developed at the corporate level, several actions are carried out in the various group territories to respond to local needs. Codere has been cooperating with some of them for years. Those most worthy of mention in 2021 are set out below:

## Mexico

From the start of the pandemic, the company added its efforts to the initiative *Sumamos por México*, an alliance of companies and foundations that enabled the creation of a **provisional Covid-19 unit at the Citibanamex Center of Codere**, contributing to reduce the saturation of the Mexico City healthcare system.

After 413 days of operations, on June 10, 2021, the bell rang announcing that the last patient of this unit had been discharged, after more than 9,088 diagnosed patients had been treated by the 3,000 healthcare professionals who worked at this healthcare center.

Once it closed its doors, the medical instruments and equipment it had used, including ventilators, vital sign monitors, electrocardiogram machines, lung ultrasounds and hospital beds -with a value of 800 million pesos (EUR 33.1M) approx.-, were donated to eighteen public hospitals of Mexico City.

### Citibanamex provisional covid unit in numbers:

- More than 3,000 professionals.
- 9,088 patients treated: 8,548 were discharged, 103 were moved to other hospitals and 342 died.
- 13,542 persons diagnosed at eight diagnostic centers enabled at several places in CDMX.
- 112,169 beds released in the hospital network.
- 9,679 medical instruments and sets of equipment which were donated to eighteen hospitals of CDMX.



**“It is a pride to have been part of this initiative which has improved the health of thousands of people”.**

Rodrigo González Calvillo, regional manager of Codere México



In the context of the pandemic, Codere México also contributed this year approximately EUR 5,002 to **Apadrina una Escuela** (Adopt a School), a program organized by *Fundación para Unir y Dar*. This program made it possible to renovate low-resource schools in Nuevo León State to adapt them to the “new normal”, for thousands of children to be able to return to class safely.

Also to be pointed out is the contribution of Granja las Americas family park as a center to support **Cocinamos México**, a foundation that provides food to the homeless and to families affected by the pandemic. More than 600,000 meals, i.e., 50,000 kilos of food, were delivered from Granja las Américas.

Also, Codere México made a donation of approximately EUR 16,673 to the system for Integrated Development of the Huixquilucan Family of Degollado, Mexico State.



Codere’s casinos in Arboledas and Royal Yak also organized bingo games to collect funds to buy household goods and essentials and distribute them among the communities affected by the floods caused by the overflow of the Arroyo Seco in the Zapopan area.

Lastly, the Hipódromo de las Americas racetrack was the main venue of one of the last races of the year **Carrera Flanax (#KMSQueValenLaPena) 2021**. The program puts the spotlight on sports and family harmony with free registration for all runners in both races: 5 kilometers and 10 kilometers.



## Argentina

Codere Argentina has been contributing since 2019 to the **Programa de Vinculación Comunitaria (Community Involvement Program)**, partly suspended for a great part of 2020 due to the restrictions during the pandemic and resumed with strength in 2021.

The purpose of this program is to cooperate, through various social actions, with the local communities of the places where the gaming halls are located. Its initiatives include solidary purchases, corporate volunteering and others with the focus on environmental sustainability. Specifically, at the beginning of the 2021 school year, Codere donated more than 1,800 school kits through this program.

Despite the restrictions on business and the health protocols that reduced the activity during the year, more than 550 articles, produced by coops, or by recovered companies, were bought in solidarity actions and later given away as Christmas gifts.



In addition, the group has been cooperating for three years with **Alma Mía**, an entity that helps youth with disabilities using equine-assisted therapy, a treatment that uses horses as therapeutical support in physical and mental illnesses.



Cooperators with the Community Involvement Program:  
Mary Herrera carpenter's.

The company also made non-monetary donations to various entities during the year, including the delivery of building material to a children's football club in La Plata and the donation of company furniture to Hospital Paroissien.

It also cooperated in the organization of cultural events calling several artists to musical shows and talks of general interest for the entire community at the various places where the company operates gaming halls.

## Italy

The company renewed its commitment to scientific investigation by cooperating with **Fundación Telethon**, a foundation that investigates rare genetic diseases; and with **"Io, Domani"** ("Me, tomorrow"), a foundation against childhood cancer.

In the cooperation context, Codere Italia collects funds at some of its gaming halls to raise awareness in customers on the importance of the activity performed by these associations. The amount collected this year was EUR 1,860 for Fundación Telethon and EUR 3,875 for "Io, Domani".

Codere contributed to various organizations by making donations, supporting the activities of **Confraternita Misericordia Torino** with EUR 2,000, through the delivery of a symbolic check at an event held on December 23 at Rivoli Hall.

Codere also contributed to the collection of funds for Bea a Colori\* ([www.beaacolori.com](http://www.beaacolori.com)), an association founded at the end of 2020 by a former colleague of the company after the premature loss of her daughter, making a donation of EUR 7,000.

## Panama

Codere Panamá, through **Codere te da la mano** (*Codere lends you a hand*), an employee volunteering program, implements several solidary campaigns, among other initiatives supporting colleagues who have undergone complicated situations (for lack of economic means, death of family relatives, etc.).

Besides that, to support children, on Friday, December 17, disposable nappies were delivered to Club de Leones, a club of Chiriquí Province, for the **Maternity and Children's Hospital**, to be distributed among the families who needed them.

Also, with the arrival of the Three Wise Men (Epiphany), the team of volunteers accompanied and brought fun and excitement to hundreds of children of limited means. One of these activities was carried out in Bella Vista, Capira corregimiento, a community of difficult access in West Panama province. That day, happiness was brought to the children of Barriada Juventud in Chiriquí province, by the hand of the Mirage and Nacional halls.



In the education area, Codere Panamá commenced this year a **Limited-means students support plan**, enabling them to receive self-training. This plan is expected to be fully implemented in 2022.

In addition, on November 30, 2021, Codere Panamá made a cooperation agreement with **IPHE (Instituto Panameño de Habilitación Especial)** for the integrated, and accessible, rehabilitation of children and youth through equine-assisted therapy sessions.

## Colombia

For some years, the company collaborators have been making donations of non-perishable foods and toiletries to **Fundación Colombia Chiquita**, a foundation whose main purpose is the protection, care and assistance of minors in situations of danger or abandonment. Part of the collected funds are delivered also to colleagues in situations of risk.

In the healthcare area, Codere Colombia acquired 250 doses of vaccines against the Covid-19 to be distributed among its collaborators. In this respect, a survey was carried out to know the number of persons interested, with an additional call for family relatives of the collaborators.

One action has also been commenced, supported by external healthcare entities, for the early detection of breast cancer by giving specific talks on self-exploration.

## Uruguay

The company maintained during the pandemic its **Futuros Egresados**, a program that accompanies students of public institutions living in the district neighboring the National Maroñas Racetrack, a very low-income area, in their education.

This program promotes continuity in the school system seeking to prevent young people in a vulnerable socio-economic context from leaving school during the basic medium cycle of education. To this end, they are offered a specific scholarship plan to complete the secondary cycle.

The company had to interrupt in 2020-2021 its training project at **La escuela de jockeys y vareadores** (School of jockeys and trainers) at Las Piedras Racetrack, one of the purposes of which is to contribute to professionalizing equestrian work, since no career as such exists for this activity.

This training action also educates other students in other skills that will help them through this hard career beyond the purely technical issues, since students start very young and without experience. Some of them keep their scholarships and live at the facilities where they complete their training. The company will recover the activity of this emblematic project in 2022, continuing to afford the training on equestrian matters that it commenced in 2014.



# Codere, international consolidation of the brand

06

## 06.1 Fostering leadership

Codere is improving the positioning of the company's online offer in the Latin American markets, using as a reference the leadership it achieved in sports betting in Spain.

Thanks to the success of the operation that led Codere Online to be the first online gaming and sports betting company in Latin America to be listed on the Nasdaq (chapter 3. *Nueva Codere*), the company has secured the necessary resources to achieve the growth potential of its online business and carry its brand to the top level in the region.

To improve its competitiveness, extend its portfolio and reach new customers, Codere has started up various initiatives, among others its **strategic alliances with the leading football teams** of the markets in which it operates.

These include the extension of the sponsorship with **Real Madrid, C.F.** for Latin America and the sponsorships of **Club de Fútbol Monterrey** of Mexico and **Club Atlético River Plate** of Argentina.

The group this way regionalizes its marketing strategy and develops contents, experiences and products closer to the local customer.

***Codere Online is already present in Spain, Italy, Mexico, Colombia, Panama and Argentina. The company expects to extend its offer to other Latin American markets***



## 06.2 Regionalization of the marketing strategy

To know the particular features of the end customer is the only way to develop an efficient brand positioning. Codere thus regionalizes its marketing strategy and develops *ad hoc* campaigns for the various markets in which it operates. In this way, it grows in its connection with the culture of each country (Mexico, Panama, Colombia, Argentina, etc.), coming as close as possible to its customers.

Codere has reinforced its brand image worldwide based on this, responding to its users' expectations with greater customization and achieving also greater efficiency in its communication activities.

Among other examples to be pointed out of this local focus, are the campaigns carried out for the major football events of the 2021 summer calendar: the UEFA Football Championship and the Copa America:

- For the **UEFA Football Championship**, the company launched in Spain “**El millón de Codere**” (Codere’s million), a three-

spot series that presented, on a fresh and humorous note, the successful business of football star hairdresser *Philip Le Millone*.

- For the **Copa America**, Codere promoted in Colombia a spot featured by its host Carlos Valderrama (Pibe), who danced to a catchy song of Kevin Florez, at the rhythm of Colombian “champeta”, including other actions and promotions for the Colombia national team matches.

This regionalized strategy runs along transversal lines:

- A common and recognizable tone of voice and creative line maintained in time, adapting the look&feel of the brand to make it more modern and digital and bring it closer to the world of apps. In this period, the company has emphasized in its campaigns the easiness of enjoying its offer through the “uncomplicated” concept, one of the main communicational axes used to disseminate the simplicity of the product as one of its advantages.



- In 2021 Codere further implemented its option for content marketing, bringing its customers a variety of experiences:
  - **Mister Underdog**, a digital program that links the company's business to the users' passion for football. At the end of 2021, *Mister Underdog* streamed through Youtube its program number 106 and collected the **Prize to Sports Innovation on the Internet** of magazine *VIP Deportivo* (Spain) for its manner of giving visibility and innovating in the sports world through the Internet. The program was recently nominated for the Panenka 2021 Prize, for its excellent coverage of the previous UEFA Football Championship.
  - **“LoQueViene”**, a sports program in which the top Colombian football players are interviewed, with which the retail offer of the company was promoted, reaching fans through the various actions, raffles and competitions.
- In Colombia, Codere promotes its brand through an exceptional ambassador, **Pibe Valderrama**, a local and international icon and a key piece for our consolidation and growth in this market.
- Over the past years, Codere has enhanced **customer experience**, optimizing its sponsorships with various activities for customers to connect to the brand, such as trips to support the sponsored teams, talks with the players, events, competitions, etc.
- Also, the **omnichannel** approach continues to be the strategy selected by the company, permitting customers to be afforded the same gaming experience, regardless of the channel through which they decide to enjoy it, *online* or *retail* (see in further depth in Chapter 3.2 *Consolidation of the 2018-2021 Strategic Plan*).



## 06.3 Strategic alliances

2021 has been the year of great sports alliances, with which the company has promoted its online and betting business in Latin America.



### Real Madrid C.F.

In the third quarter of the year, Codere agreed an **extension of its sponsorship with Real Madrid C.F.** for the next five seasons (until June 2026), as the exclusive regional sports betting partner for men's and women's football teams in Latin America, increasing the scope of the alliance to almost twenty countries, including Mexico, Puerto Rico, Dominican Republic and all of Central and South America.

The agreement includes both Codere's current markets -Argentina, Colombia, Mexico and Panama-, and other potential markets, as they become regulated -such as Brazil, Chile, Peru, Puerto Rico and Uruguay-.

### Club de Fútbol Monterrey Rayados

Along the same lines, Codere and **Club de Fútbol Monterrey Rayados**, of the MX League of Mexico, made in February their sponsorship agreement for the next four seasons, permitting Codere to consolidate its career of over 20 years

in Mexico, a strategic market for the group, bringing the world of entertainment and sports even closer to its customers.

### Club Atlético River Plate

In July, Codere made a sponsorship agreement with **Club Atlético River Plate** of Argentina for the next four seasons, until August 2025, becoming its Official Betting house, to be ranked as main sponsor in August 2022, when the Codere brand will be printed on the front of the team's T-shirt. This agreement has been used to support the launch of the online casino gaming and sports betting business through online platform [www.codere.bet.ar](http://www.codere.bet.ar), at Buenos Aires City, Argentina, at the end of 2021.

The renewal of the sponsorship agreement with the Real Madrid, the alliances with Club de Fútbol de Monterrey (Rayados) and with Club Atlético River Plate, teams with which Codere shares a vocation of leadership and growth, commitment to fair play and excellence, place the company at a major competitive advantage.

This will permit the company to take a further step forward in its project of **expansion in Latin America** and consolidation of its brand, thanks to the scope, visibility and social mass that these clubs, leaders in their respective markets, will contribute to the various marketing activities, for the benefit of Codere's customers.



## 06.4 Product development

Codere has continued to develop an offer to satisfy its customers' expectations, through the following actions:

- Improvement and implementation of its **casino product**, including a more extensive and competitive offer in all countries.
  - Development of a more stable, robust, dynamic and attractive **sports betting platform**, with a wider range of games.
  - Development of the **sports product** (sports betting), improving the usability of the platform that permits the accumulated bets to be placed from the same screen and in the same ticket, simply, intuitively and with less clicks. User experience has also been improved at the front-end, implementing
- new features that facilitate a streaming experience. Also, data access and analysis, with app statistics in advance and live.
- **Attractive new features in the product** differentiating it from the competition, such as the **Most Value Player**, a bet predictor launched by the company in the Mexican market. Also, the launch of **branded games** together with the *sponsors*, such as the Rayados slot games in Mexico.
  - Integration of **other payment applications**, permitting deposits to be made through *Bizum*, initially for the online channel in Spain.



# Governance, ethics and compliance

07

## 07.1 Financial restructuring of the group

As a result of the completion of the **Financial Restructuring**<sup>10</sup>, relevant changes were made this year to the capital of the group, already advanced in 2020.

On October 27, 2021, Codere, S.A., currently in liquidation, and its subsidiaries Codere Finance 2 (Luxembourg), S.A. and Codere Finance 2 (UK) Limited (the “**Issuers**”), made, among other agreements, the *Restructuring Implementation Deed*, establishing the terms and conditions of the group restructuring and agreeing to inject 225 million euros into the capital and capitalize more than 350 million euros of debt, for the senior notes then in existence (the “**Senior Notes**”) and rescheduling the debt maturities to September 2026 and November 2027.

On November 19, 2021, Codere announced the completion of the *Financial Restructuring* whereby Codere, S.A., currently in the process of liquidation, ceased to be the parent company of the group, becoming an individual company, without subsidiaries, and **transferring the operating part of Grupo Codere to a newly created unlisted company of Luxembourg**, Codere New Topco, S.A. (hereinafter, Nueva Codere). In turn, Codere Newco, S.A.U (hereinafter, “**Codere Newco**”) has become the main holding company and cash-pooling vehicle of the operating part of Grupo Codere.

With this new structure, **Codere, S.A.** (former parent company of the group), currently in the process of liquidation, **becomes the holder of 5% of the shares of Nueva Codere**, and of the warrants issued by the new parent company of the group. The 95% balance of the shares of Nueva Codere were acquired by the Senior Noteholders or their designated beneficiaries.

On December 10, 2021, **the shareholders of Codere, S.A.**, currently in liquidation, at a Special Shareholders’ Meeting, resolved to **approve the dissolution and commencement of the liquidation period** of the company, and to request the National Securities Market Commission (CNMV) for the suspension from trading of the shares of the company and its subsequent de-listing.

On December 14, 2021, the CNMV decided, with effects from December 17, 2021, at the close of the market, to suspend the trading on the Stock Exchanges and the Automated Quotation System, of the shares and other securities that might give the right to subscription, acquisition or sale, of the issuer, Codere, S.A., currently in liquidation, until the CNMV approves the final de-listing of the company’s securities.

<sup>10</sup> The financial restructuring of the group is reviewed further in depth in chapter 08. *Investors, a commitment to the future.*



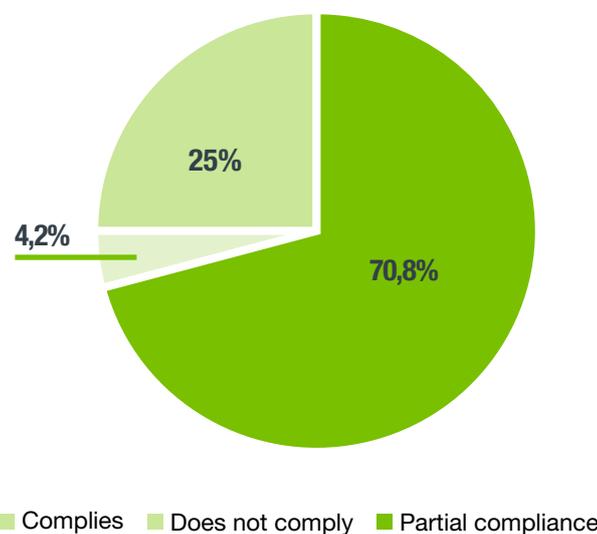
## 07.2 Corporate governance

Until Codere, S.A., in liquidation, was delisted, i.e., until December 17, 2021, the company was the only Spanish listed company in the gaming industry.

With its new structure, Codere continues to have a **proactive position in respect of Corporate Governance**, not limited merely to meeting the

applicable legal requirements, but reinforcing instead its commitment to include the best practices in this respect.

In 2021, Codere registered a degree of compliance with the recommendations of the *Code of good governance of listed companies* approved by the CNMV of approximately 70%.



## 07.2.1 Board of Directors

Codere’s governance structure has been traditionally structured through a Shareholders’ Meeting and a Board of Directors, which are the supreme governance bodies of the group. This structure is currently maintained.

The Board of Directors (both the former Board of Directors of Codere, S.A. in liquidation, and the Board of Directors of Nueva Codere) is responsible for the management and representation of the company and thus all matters relating to the governance, management and administration of the company falls within its competence.

### Composition of the Board of Directors

After completion of the *Financial Restructuring*<sup>11</sup>, **all the Board members tendered their resignation on December 10, 2021, and the board was replaced by a single liquidator, Servicios de Liquidación Societaria, S.L.**, vested with the fullest powers and expressly instructed to perform such transactions as may be legally necessary or merely advisable for the full effectiveness of the liquidation of the company.

Before December 10, 2021, the Board of Directors of the company consisted of the following directors:

Name	Office	Class
Mr. Norman Raúl Sorensen Valdez	Chairman (non-executive)	Independent
Mr. David Reganato	Member	Nominee
Masampe S.L (represented by Mr. Gerardo Sánchez Revenga)	Member	Nominee
Mr. Matthew Turner	Member	Independent
Mr. Manuel Martínez-Fidalgo Vázquez	Member	Nominee
Mr. Timothy Lavelle	Member	Nominee
Ms. Elena Monreal Alfageme	Member	Nominee

<sup>11</sup> The Financial Restructuring of the group is reviewed further in depth in chapter 08. *Our investors, commitment to the future.*



The Board of Directors of Nueva Codere is currently formed by the following directors:

Nombre	Cargo	Clase	Categoría
Mr. Christopher Bell	Chairman (non-executive)	Class A <sup>12</sup>	Independent
Mr. Aidan de Brunner	Member	Class A <sup>12</sup>	Independent
Mr. Antonio Moya-Angeler Linares	Member	Class A <sup>12</sup>	Nominee
Mr. Vicente Di Loreto	Member	Class A <sup>12</sup>	Executive
Ms. Laurence Biver	Secretary	Class B <sup>13</sup>	Class B
Ms. Isabelle Lambert	Member	Class B <sup>13</sup>	Class B
Mr. Mathieu Kakal	Member	Class B <sup>13</sup>	Class B
Ms. Sandra Egan	Member	Class B <sup>13</sup>	Class B
Borja Fernández Espejel	Member	Class A <sup>12</sup>	Independent
RCS Management (Luxembourg) Sarl, represented by François Xavier Goosens	Member	Class B <sup>13</sup>	Class B

## Board meetings

In 2021, the Board of Directors of Codere, S.A., currently in liquidation, held at least 23 remote meetings, in addition to adopting one resolution through the written procedure and without assembly.

The following may be pointed out from among the most relevant decisions made at said meetings:

## Financial Restructuring

In the first four months of 2021, the Board meetings focused on the negotiation of the terms and conditions of the *Lock-Up Agreement* and the adoption of the rest of the resolutions necessary to meet the agreed conditions and for the effective completion of the group's financial restructuring.

## Codere Online Operation

Review and examination of the Codere Online Operation<sup>14</sup>, approved on June 21, 2021, with the last steps of the operation taken in November 2021.

<sup>12</sup> "Class A" are those directors appointed taking into account their independence, their employment relationship with the group or their relationship with any of the shareholders.

<sup>13</sup> "Class B" are the rest of the directors, one of whom will perform the functions of Board secretary.

<sup>14</sup> Codere Online project is analyzed further in depth in Chapter 08. *Our investors, commitment to the future.*



### Appointment of new directors

On January 28, 2021, the Chairman and the Secretary of the Board of Directors received a request from Director Masampe, S.L. to replace Pío Cabanillas Alonso (until then its natural person representative on the Board of Directors), by Gerardo Sánchez Revenga, and to appoint Elena Monreal Alfageme to nominee director.

On February 17, 2021, the Board of Directors, after the favorable report issued by the Appointments, Remuneration and Corporate Governance Committee on the same date, approved the appointment of **Gerardo Sánchez Revenga** to new **natural person representative of director Masampe, S.L.**

On March 24, 2021, the Board of Directors, after the favorable report issued by the Appointments, Remuneration and Corporate Governance Committee of March 17, 2021, approved the appointment of **Elena Monreal Alfageme** to new **nominee director** until the next Shareholders' Meeting, which was held on May 11, 2021, electronically and which ratified the appointment for the statutory term of two years.

From December, the new parent company of Grupo Codere, Nueva Codere, commenced the process of welcoming the new directors, scheduling meetings with the CFO, the company Secretary and the Compliance Department, in order to settle any doubts that the two candidates might have on the situation of Grupo Codere, the ordinary procedures of the new Board of Directors and the Grupo Codere crime prevention models in force.

### Other relevant matters

In addition, in respect of other matters discussed by the Board, we may point out the agreement of the betting platform in Mexico or the update of the sponsorship conditions agreed with Club de Fútbol de Monterrey Rayados.



## 07.2.2 Board Committees

In the company's commitment to corporate governance, the work of the Board of Directors of Grupo Codere has been historically structured following the recommendations of the *Code of Good Corporate Governance of Listed Companies* approved by the Spanish National Commission of the Securities Market (*Comisión Nacional del Mercado de Valores –“CNMV”*), through three committees with specific functions: the Audit Committee, the Appointments, Remuneration and Corporate Governance Committee and the Compliance Committee.

Under the *Shareholders' Agreement* of November 19, 2021, Nueva Codere will maintain the Board structure organized through the aforementioned three committees.

### Audit Committee

The Audit Committee of Codere S.A., in liquidation, had the main function of supporting the Board of Directors in its financial and risk supervision tasks, review of the communication with the markets and control of the operation of the Internal Audit department.

In 2021, the Audit Committee held a total seven meetings, and twice adopted resolutions through the written procedure and without assembly.

The past year, the Audit Committee performed its functions normally, completely and without interferences, in compliance with current legislation and the internal operating and organization rules.

Among other matters discussed by the Audit Committee, the following may be pointed out:

- **Economic-financial matters:** the Audit Committee reported to the Board of Directors on the individual and consolidated *2020 Annual Accounts*, and the financial statements for the first, second and third

quarter of 2021, before their approval by the Board. In addition, the Audit Committee controlled and monitored the financial situation and liquidity of the group, proposing in January 2021, that a financial advisor be appointed to commence the negotiations for the financial restructuring of the group.

- **Supervision of the external auditor:** the Audit Committee supervised the audit by the external auditor of the annual accounts for 2020; was informed of the results of the ISRE 2410 review entrusted to Ernst & Young (EY) on the financial statements of the first and second quarters of 2021; issued the report on the independence of the external auditor; received written confirmation from the external auditors on their independence; and approved the contracts made with EY for non-audit services in 2021.
- In respect of the internal auditor, the Audit Committee was informed of the main recommendations of the reports issued by the Internal Audit department of the group.
- **Supervision of internal policies:** the Audit Committee supervised the *Financial and Non-Financial Reporting and Corporate Communication and Contact with Shareholders, Investors and Vote Advisors Policy*, and the *Corporate Tax Policy*.



## Composition of the Audit Committee:

Before December 10, 2021, the Audit Committee consisted of the following members:

Name	Office	Class
Mr. Matthew Turner	Chairman	Independent
Mr. Norman Raúl Sorensen Valdez	Member	Independent
Mr. Timothy Lavelle	Member	Nominee

Currently, the Audit Committee of Nueva Codere is formed by the following directors:

Name	Office	Class
Mr. Aidan de Brunner	Chairman (non-executive)	Independent
Mr. Christopher Bell	Member	Independent
Ms. Isabelle Lambert	Member	Class B



## Functions of the Audit Committee

Until 2021, the main functions of the Audit Committee were:

- To propose to the Board of Directors the appointment of external auditors and maintain the relations with them, always ensuring their independence.
- To supervise the internal audit department and know the internal control systems and financial reporting process. Review the risk control and management systems regularly and report to the Board on matters of risk control and potential detected misfunctions.
- To report on the annual accounts, prospectuses and regular financial reporting to the regulatory bodies.
- To supervise the communication strategy and relations with shareholders and investors and supervise and assess the relations with the various stakeholders of the group.

The Board of Directors of Nueva Codere approved the creation of the Audit Committee on March 15, 2022, appointing its members and regulating its procedure under the Audit Committee Regulation. In line with the powers of the Audit Committee of Codere, S.A., in liquidation, the Committee of Nueva Codere is responsible, inter alia, for the following matters:

- Relations with the external auditor, advising the Board on their appointment and remuneration, reviewing their working plan, and the most significant findings that may arise from the audit.
- Review of the internal audit function, its organization, duties, working plans, workforce or budget.
- Review of the consolidated and individual Annual Accounts and quarterly financial statements before they are prepared.

- Review of the group risk management policies and practices, including tax policies and practices.

## Compliance Committee

Given the relevance of compliance with the law for Codere, the group has historically had a Compliance Committee specifically engaging in reviewing and monitoring compliance with the applicable national and international laws and, particularly, the gaming regulations.

Also, the Compliance Committee assessed the existing internal control systems used to monitor compliance with the legal obligations, regarding both gaming and the prevention of money laundering and terrorist financing.

In 2021, the Compliance Committee held two remote meetings. In addition, several members of management and external advisors attended Compliance Committee meetings as guests.

Among the actions performed by the Compliance Committee in 2021, we may point out the update of the Crime prevention model of the group and the monitoring of the complaints received and their treatment by the Ethics, Antifraud and Compliance Committee.

Lastly, the Compliance Committee reported to the Board on the Grupo Codere Cybersecurity Policy, relating to the Acceptable Use of Information Assets Policy and the Information Security Policy.



## Composition of the Compliance Committee

Before December 10, 2021, Codere’s Compliance Committee was formed by the following members:

Name	Office	Class
Mr. Matthew Turner	Chairman	Independent
Masampe S.L (represented by Gerardo Sánchez Revenga)	Member	Nominee
Mr. Manuel Martínez Fidalgo Vázquez	Member	Nominee

On March 30, 2022, the Board of Codere New Topco SA resolved to create the Compliance Committee, appointing its members and regulating its procedure under the Compliance Committee Regulation, with the following composition:

Name	Office	Class
Mr. Aidan de Brunner	Chairman	Independent
Mr. Christopher Bell	Member	Independent
Mr. Vicente Di Loreto	Member	Executive

## Functions of the Compliance Committee

Until 2021, the functions of the Compliance Committee were mainly:

- To control compliance with gaming and anti-money laundering legislation in all the countries in which the company operates.
- To assess Codere’s internal control systems relating to its reporting and transparency obligations in gaming matters and make proposals for improvement.
- To establish and supervise a process permitting employees, customers, suppliers and third parties under contract to report any detected potential irregularities -particularly of a financial and accounting nature- anonymously and confidentially.
- To monitor the security systems and measures applied in the performance of Codere’s business and report regularly to the responsible executives.



## Appointments, Remuneration and Corporate Governance Committee

The functions of the Appointments, Remuneration and Corporate Governance Committee include the assessment of responsibilities, knowledge and experience of the directors, reporting on the appointment and removal of directors and senior executives of the company; to propose and ensure compliance with the remuneration policy of the company; and to examine and suggest improvements in the compliance with the *Internal Conduct Regulation* relating to the securities markets.

In 2021, the Appointments, Remuneration and Corporate Governance Committee held a total five meetings, all of them remote.

Among the most relevant actions performed by the Appointments, Remuneration and Corporate Governance Committee in 2021, the following must be pointed out:

- Issue, on February 17, 2021, of a favorable report on the appointment of Gerardo

Sánchez Revenga as representative of Masampe, S.L. and subsequent reporting to the Board of Directors.

- Issue, on March 17, 2021, of a favorable report on the appointment of Elena Monreal Alfageme to new nominee director and subsequent proposal to the Board of Directors, realized through her effective appointment for the statutory term of two years.
- Review and proposal for approval by the Board of Directors of the *Annual Corporate Governance Report* and *Annual Directors' Remuneration Report* for 2020.
- Analysis and reporting to the Board of Directors, for the third consecutive year, on the *Statement of Non-Financial Information* to be included as part of the annual accounts of the company, included in the *Integrated Report* of the company for 2020, prepared meeting the *Global Reporting Initiative* (GRI standards).
- Approval of organizational changes and of the management retention plan.

## Composition of the Appointments, Remuneration and Corporate Governance Committee

Before December 10, 2021, the Appointments, Remuneration and Corporate Governance Committee of Codere was formed by the following members:

Name	Office	Class
Mr. Norman Raúl Sorensen Valdez	Chairman	Independent
Mr. Matthew Turner	Member	Independent
Mr. David Reganato	Member	Nominee
Masampe S.L (represented by Gerardo Pérez Revenga)	Member	Nominee



On March 30, 2022, the Board of Codere New Topco SA resolved to form the Appointments, Remuneration and Corporate Governance Committee, regulating its procedure under the Appointments, Remuneration and Corporate Governance Committee Regulation, currently with the following members:

Name	Office	Class
Mr. Antonio Moya-Angeler Linares	Chairman	Nominee
Mr. Aidan de Brunner	Member	Independent
Mr. Christopher Bell	Member	Independent



### 07.2.3 Directors' Remuneration Policy

The Appointments, Remuneration and Corporate Governance Committee, in compliance with its duties, proposed to the Board of Directors the approval and subsequent amendment<sup>15</sup> of the Directors' Remuneration Policy approved by the Shareholders' Meeting on June 26, 2019, for 2019, 2020 and 2021.

Until 2021, the Directors' Remuneration Policy of Codere was based on a fixed annual allowance for directors contemplating the possibility that the company might provide them with liability coverage:

- The fixed allowance varied depending on the committee(s) to which each director belonged, and the offices that each one of them might hold and the degree of engagement or responsibility of each one of them.
- Coverage of liability: it could be the same or different for the directors, and provided only if necessary due to expenses for defense or compensation imposed on the directors and the Board of Directors, after a non-binding consultation to the Appointments, Remuneration and Corporate Governance Committee.

Office and responsibility	Allowance/year
Board member	EUR 100,000
Audit Committee Chairman	EUR 51,000
Audit Committee member	EUR 50,000
Appointments, Remuneration and Corporate Governance Committee Chairman	EUR 51,000
Appointments, Remuneration and Corporate Governance Committee member	EUR 50,000
Compliance Committee Chairman	EUR 51,000
Compliance Committee member	EUR 50,000
Non-executive Chairman	EUR 149,000

<sup>15</sup> The *Directors' Remuneration Policy* was amended by the Shareholders' Agreement on July 24, 2020, with the vote in favor of 79.40% of the capital present or represented at the Shareholders' Meeting.



The *Directors' Remuneration Policy* in effect until 2021 differentiated the remuneration items payable to the company directors. Firstly, it included the maximum annual remuneration to be received by the directors as such and for holding office, consisting of a fixed allowance. Secondly, the maximum annual account for eventual payments to be received by the

directors if the liability coverage offered by the company was used, covering, exclusively and, in any case, the contingencies included within the limits established in the *Corporate Bylaws*, and the expenses and costs relating to such contingencies.

## Items to be remunerated

Fixed allowance	Coverage of liability
<ul style="list-style-type: none"> <li>• For belonging to the Board of Directors.</li> <li>• For belonging to the Audit Committee, differentiating between holding office as chairman or as member.</li> <li>• For belonging to the Appointments, Remuneration and Corporate Governance Committee, differentiating between holding office as chairman or as member.</li> <li>• For belonging to the Compliance Committee, differentiating between holding office as chairman or as member.</li> <li>• Non-executive Chairman.</li> </ul>	<ul style="list-style-type: none"> <li>• Sufficient to cover eventual liability in conditions similar to those included in the D&amp;O policies.</li> <li>• Pay with the general exclusions, and those others that the Board may establish depending on the particular circumstances, the expenses and costs of defense and the compensation imposed on the directors.</li> <li>• General exclusions: bad faith or gross negligence, damages caused to Codere for the management of the directors and expenses and costs for the rest of the exclusions.</li> </ul>

The Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, established the amount of the respective remuneration based on criteria of independence and responsibility, limited in any case to the maximum annual remuneration of the directors as a whole, which limit was established at the Annual Shareholders' Meeting held on July 24, 2020 (applicable to FY 2019, 2020 and 2021) was two million euros, thus below the limit approved in 2016, of three million euros. In addition, at that Shareholders' Meeting it was resolved to establish at twenty million euros the maximum annual amount for eventual payments if the liability coverage established in the Remuneration Policy.

The Board of Directors of Grupo Codere assumes the commitment to apply the principle of absolute transparency of all remuneration items received by the directors, supplying transparent and sufficient information, in line with the recommendations of good governance generally recognized in the international markets for the remuneration of directors.



## 07.2.4 Self-assessment and Action Plan

In 2021, the company's efforts were focused on the negotiation and subsequent completion of the *Financial Restructuring* of the group. Due to such restructuring, the operating part of the company was transferred to Nueva Codere. In this respect, with effects from December 10, 2021, the members of the Board of Directors of Codere S.A., in liquidation, tendered their resignation to the company and the body was replaced by a sole liquidator.

After the Board members were replaced by a sole liquidator, in view of the delisting of the company, Grupo Codere considered that it was neither necessary nor advisable to undertake the self-assessment of the Board of Directors and its committees, or to prepare the proposal of an *Action Plan* for 2021, in view of the impossibility of proceeding to its subsequent implementation.

## Degree of compliance with the 2020 Action Plan

In respect of the measures for improvement agreed in the *2020 Action Plan*, it was partly implemented, the directors having been offered the following remote courses and seminars:

### On Corporate Governance

A course was given to update corporate governance matters by EY, including information of legislative news, market trends and priorities of the Boards of Directors for 2021.

Also, a course on sustainable corporate governance in Europe, including the point of view of the legislators, of the Boards of Directors and of the investors, was given by *European Confederation of Directors y Mazars*.

### On the gaming industry

A course was given on the gaming industry in Spain, the current and future post-COVID challenges, including tax aspects of the gaming industry.



## 07.3 Compliance

Codere's commitment to compliance implies going **beyond the particular legislative requirements** of the sector in each country in which the company operates, to include the **best practices** in the group management in order to ensure **fair play and responsible gaming**.

Codere's aim to remain the **reference company in the private gaming industry** implies excelling in compliance, exceeding shareholders' and investors' expectations and promoting the creation of sustainable value by implementing the best quality standards. This applies also to its communication, both internal and to the market.

The group acts in order to ensure strict compliance with the law, having the most demanding procedures in place for the prevention of money laundering and terrorist financing, and implementing and developing the processes inherent in ethical conduct and integrity. To that end, the Board of Directors of Grupo Codere has approved handbooks and documents establishing the terms and actions applicable to its relations with its stakeholders, be they employees, customers, investors or suppliers.

In addition, an efficient compliance strategy must be in **constant update and evolution**: the handbooks, documents and internal procedures of the group are submitted to **ongoing observation and analysis**, not only to adapt to legislation in force, but also to be at the forefront of the most advanced quality standards. In addition, Grupo Codere is committed to

implementing compliance plans and providing training on compliance to all employees.

In this regard, the company works on a permanent basis on the implementation of processes, programs and training **to reinforce ethical conduct and integrity** in the organization, starting by promoting the Grupo Codere **Code of Ethics and Integrity (CEI)**, the essential basis of the **Crime Prevention Model and of the company culture of integrity and transparency**.

### The Code of Ethics and Integrity

In accordance with Codere's commitment to ethics and integrity, in 2020, the Board of Directors updated the *Code of Ethics and Integrity* (CEI), as the main axis and essential pillar of the corporate culture around which the group values pivot: **the customer at the core of its strategy; focus on efficiency to ensure feasibility; teams committed to excellence; work meeting standards of integrity and transparency; and innovating attitude, levered by technology**.

The CEI defines the duties inherent in the various roles, implements the ethical protocols to apply in relations with stakeholders, establishes the ethical guidelines and provides procedures to report any breach or practice contravening the rules of conduct, such as the **Reporting Channel**, to ensure a kind, respectful and egalitarian working environment, based on the values inspiring the group.



The content of the *Code of Ethics and Integrity* is based on the most demanding international standards, such as the *United National Universal Declaration of Human Rights*<sup>16</sup>, the *International Labour Organization (ILO) Agreements*<sup>17</sup>, the *ILO Declaration on Fundamental Principles and Rights at Work*, the *OECD Guidelines for Multinational Companies* and the *United Nations Global Compact*.

### The Ethics, Anti-Fraud and Compliance Committee

The duty of due control to be exerted by the enterprise requires, under legislation in force, not only the implementation of control procedures but also the appointment of **internal control bodies** to supervise the risks of the company and the functioning of the implemented controls.

The **follow-up, control and monitoring** of the risks of the company and the monitoring of the *Code of Ethics and Integrity* have been entrusted to the Ethics, Anti-Fraud and Compliance Committee, formally created on November 26, 2020. This is an executive body reporting to the Compliance Committee, whose coordination at the corporate level and with the local committees is entrusted to Compliance and which held seven meetings in 2021, while working simultaneously on the implementation of its working plan.

The Ethics, Anti-Fraud and Compliance Committee has **independent decision-making, monitoring and control powers** and, among its many functions, to be pointed out are the dissemination of the *Code of Ethics and Integrity*; the management and dissemination of the *Reporting Channel*; and the promotion of training plans for the prevention and detection of unlawful, criminal or fraudulent conduct.

### Members of the Ethics, Anti-Fraud and Compliance Committee

- Corporate Director of Internal Audit
- Corporate HR director.
- Corporate Director of Security
- General Council and Compliance Officer.

In the first quarter of 2021, in accordance with the company's compliance objectives, the various Ethics, Anti-Fraud and Compliance Committees were created in **all the countries in which the group operates**.

### The Reporting Channel and the Internal Reporting and Investigation Protocol

The company promotes the use of the **Reporting Channel** as a communication tool **accessible to all employees, suppliers and third parties**, permitting conduct in breach of the Code of Ethics and Integrity (CEI) or of any other applicable internal provision or law to be reported. In this manner, Grupo Codere seeks to mitigate and resolve the detected breaches as soon as possible, to reduce potential losses and avoid damage to its good name.

This FY 2021, the company has continued to reinforce the Reporting Channel by approving, on July 14, 2021, the **Internal Investigation and Reporting Protocol**, which establishes the general functioning of the internal Reporting Channel and develops the duty of investigation of the Ethics, Anti-Fraud and Compliance Committee throughout the entire procedure.

Through the "Reporting Channel, *making the best company*" campaign, Codere encourages all employees and stakeholders to use the Reporting Channel, emphasizing two of the characteristic features of this tool: **safeguard**

<sup>16</sup> Because the content of Grupo Codere Code of Ethics and Integrity is based on the UN *Universal Declaration of Human Rights*, it is deemed to include the commitment of the company to eliminate discrimination in employment and occupation, to eliminate forced labor and to abolish child labor effectively

<sup>17</sup> Because the content of Grupo Codere Code of *Ethics and Integrity* is based on the *International Labour Organisation (ILO) Agreements*, the company undertakes to comply with the essential ILO agreements on respect for the freedom of association and the right to collective bargaining.



**of the confidentiality** of the identity of the reporting person and **prohibition from adopting measures of retaliation** against reporting persons acting in good faith.

### Workplace Violence Prevention, Response and Eradication Protocol

Another of the initiatives undertaken by the group this year has been the approval of the **Workplace Violence Prevention, Response and Eradication Protocol**, updating the protocol in force since 2013, to adapt it to the current social and corporate situation.

With the approval of the new protocol in all countries, on March 15, 2021, Grupo Codere has taken one step further in the protection of its workers, updating its legislative framework in line with the principles of the CEI. The new protocol reinforces the follow-up of any form of workplace mobbing, bullying or sexual harassment, support of the victim and promotion of preventive measures (this protocol updates that in force since 2013).

In addition, the *protocol* is inspired by the principles of personal self-respect and defense; development of a healthy and harmonious working environment stimulating professional development and performance; equal access to productive resources and employment; and confidentiality of related persons in the processes, due diligence and non-revictimization.

### Training and communication plan

One of main activities on which Codere focused in FY 2021 was to provide training on the *Code of Ethics and Integrity, anti-money-laundering and anti-corruption*. The training afforded on these matters is set out below:

- Monthly training to all **newly hired** employees on the CEI and the crime prevention model.
- Training to the **entire workforce** on the *Code of Ethics and Integrity* and on Anti-Corruption measures.

- Training to the **entire workforce** on the Prevention of Money Laundering through the dissemination of the literature, return receipt requested.

### Main objectives for 2022

For 2022, Grupo Codere made the commitment to review and approve the **Corporate Handbook for the Prevention of Money Laundering** and the **Anti-Corruption Handbook**, which will be compulsory in all countries in which the group operates.

In addition, in the coming year, the company will remain committed to promoting **internal training** on these matters, making it more dynamic, practical and targeted to directors and officers; it will also approve other protocols and policies, such as the **Sponsoring and Donations Policy**.

### Results of the controls and actions of FY 2021

To ensure correct compliance with the applicable policies and legislation, the company carries out certain controls and actions, the results of which are shown below:

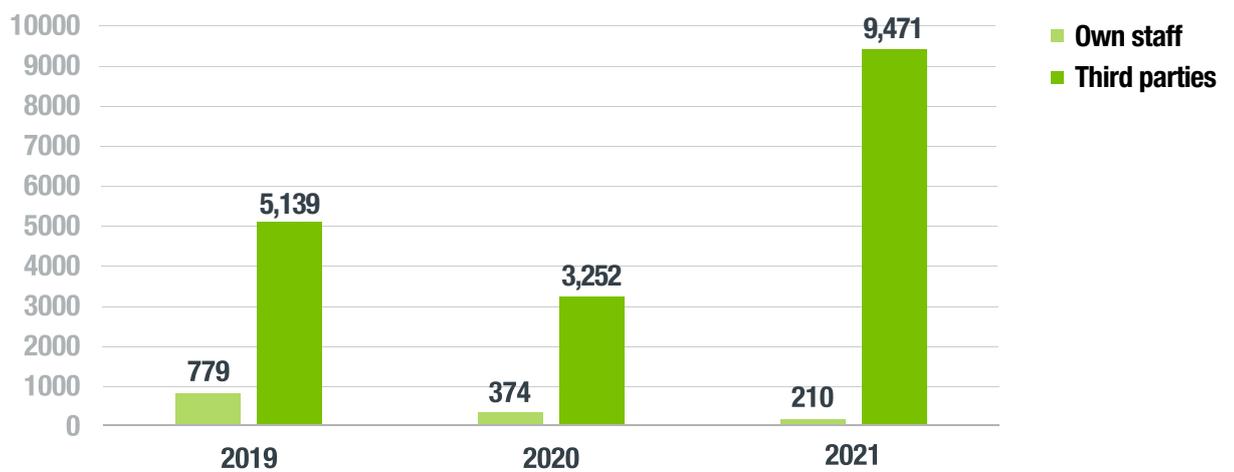
- 1. Identification of customers and due diligence of employees, suppliers and shareholders:** without prejudice to the general concepts considered in the documents issued by the Corporate Management, each country has specific processes and requirements in place to identify its customers -for online gaming and retail -, analyze their gaming background and in the event report information to the authorities for the prevention of money laundering and terrorist financing. In addition, to ensure compliance with the legal obligations and defined ethical standards, the documents and information to be reported by Grupo Codere professionals or related third parties have been defined, in addition to the verifications to be carried out by the Compliance Department.



### Due diligence processes in 2021

Country	Own	Third parties
Corporate	55	52
Spain	9	8,697
Argentina	0	6
Colombia	0	0
Italy	0	108
Mexico	49	304
Panama	97	302
Uruguay	0	2
<b>Total</b>	<b>210</b>	<b>9,471</b>

### Due diligence processes

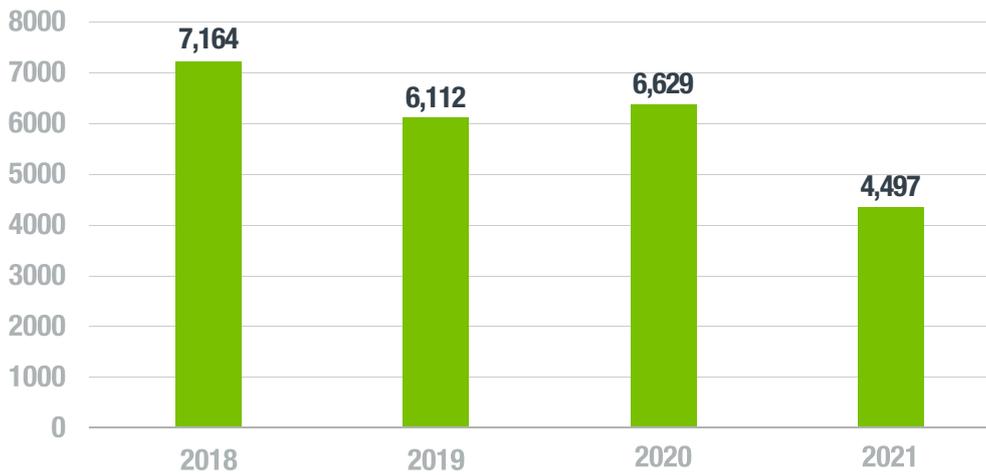


\*Note: In 2020 the retail business remained closed, which significantly reduced these processes

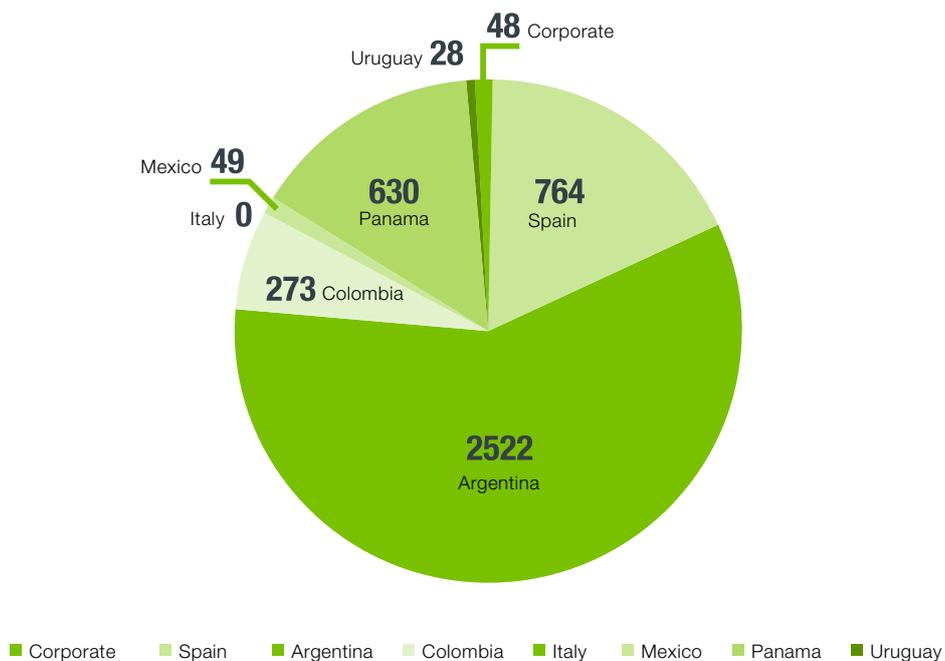


**2. Training to Grupo Codere professionals** and, in particular, directors and officers, not only on the legal provisions in force for the prevention of money laundering but also on the *Code of Ethics and Integrity*.

### Training on AML / Anti-Corruption and Code of Ethics 2021



### Employees adhered to the Code of Ethics and Integrity in terms of countries



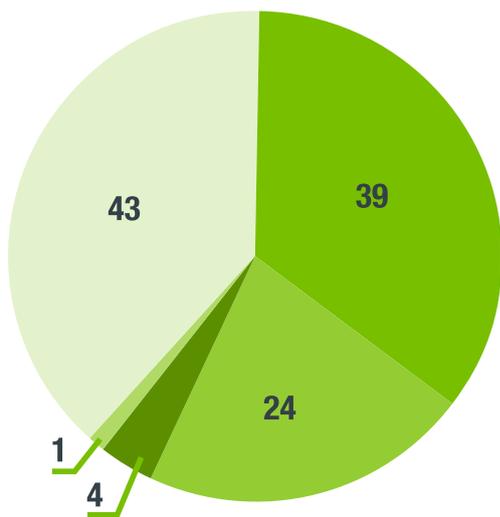
**3. Reporting Channel:** in 2021, a total 111 reports were received. 100% of the reports received were satisfactorily resolved<sup>18</sup>.

### Reports received in 2021

Country	Number of reports
Spain	5
Argentina	23
Colombia	4
Italy	0
Mexico	74
Panama	1
Uruguay	2
<b>Total</b>	<b>111</b>

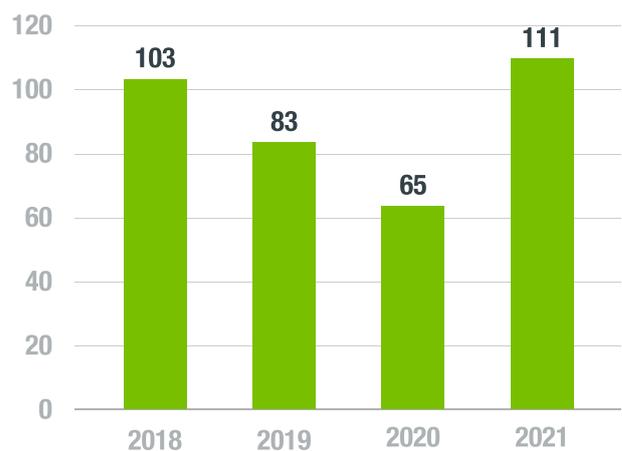
The company, after receiving the reports, classifies them in five different types: unlawful conduct, customer service, fraud/theft, mobbing and harassment and abuse of authority.

### Sort of actions carried out through the Reporting Channel



■ Customer support   
 ■ Irregular conducts   
 ■ Fraud/Theft  
■ Abuse of Authority   
 ■ Mobbing/Harassment

### Claims Channel



<sup>18</sup> This FY 2021 no reports were made for violation of Human Rights. The classes of reports received were for customer service, unlawful conduct, fraud/theft, mobbing/harassment or abuse of authority, none of these reports having been for violation of Human Rights.



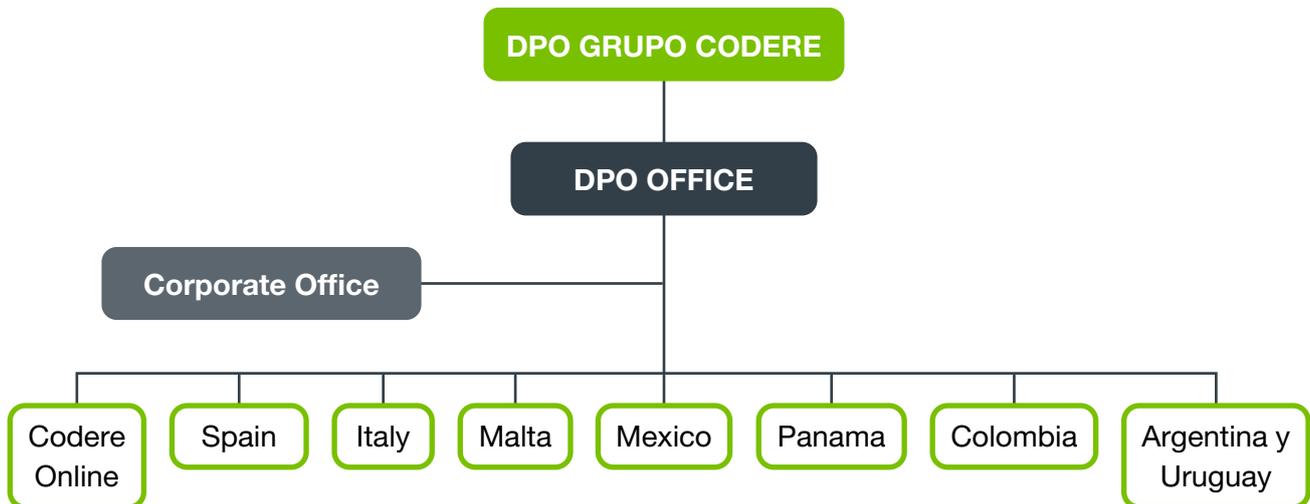
## 07.4 Data protection

Grupo Codere, in its vocation to offer customers the best service and to become a reference company in the **protection of the privacy** of its public, considers **security in the processing of personal data** a relevant commitment. It is the company's objective to avoid the risks that could arise from an inadequate management of this information.

Codere has a proactive approach to the matter, reviewing and improving its processes, policies and internal protocols in an ongoing manner, to

adapt to legislative changes and to the needs of its employees, customers and other stakeholders.

The *Privacy governance model* is based on a **DPO (Data Protection Officer)** supported by a corporate office and the various local data protection managers:



In FY 2021, Codere maintained its commitment to data security, as shown by the decision of the Spanish Data Protection Agency (*Agencia Española de Protección de Datos –“AEPD”*) to dismiss the inspection that it commenced in

November 2020 due to the notice of a security breach in the confidentiality of the personal data processed by the company in its online business.



The actions carried out confirm that Codere has in place reasonable security measures, in accordance with the estimated potential risks, and that it has action protocols prepared to face an incident such as that occurred. As the AEPD itself pointed out in its decision, the company acted diligently in identifying, analyzing and classifying the security breach in order to minimize its impact and implement appropriate measures to avoid its repetition. As it also pointed out, no third-party claims were filed, no incidents or abnormalities were detected in the ordinary course of the online business and no suspicious activities were observed in the registered user accounts.

### Main actions in 2021

Codere has continued to make progress in the **standardization of its contractual and adaptation models** commenced in 2020, with especial focus on the latest European guidelines for regularization of international transfers of personal data.

In June, the EU Commission adopted new standard contractual clauses to ensure the international flow of data to third countries that it does not recognize as comparable.

Due to the approval of these clauses, the company has undertaken an exhaustive process to regularize its standard *Processor Contracts*, and to review those already made, to adapt them to the new requirements.

Codere has also continued working on setting up a common legislative framework permitting **transfers of data between companies** to be regularized, meeting the requirements established in Article 28 del GDPR, with regard to the clauses of Chapter V of the GDPR (transfers of personal data to third countries or international organizations).

Thus, the company has been working, in cooperation with the countries involved, on the creation of a *Framework Agreement* for

the processing of personal data between the various group companies, due to the **provision of services between companies**, including the obligations assumed by the adhered parties.

As Grupo Codere has companies with head offices in countries outside the European Economic Area, to ensure the maximum level of adaptation to the law, the requirements of the GDPR have been used as the standard, including, where appropriate, the necessary observations as regards the application of local law.

Because of the restructuring of Grupo Codere, the work performed until now must be brought up to date including the necessary measures to prevent any detriment to the legal consistency of the Agreement as worded.

The Grupo Codere DPO Office is working together with the various managers of the company to prepare the Agreement for it to be made to become fully effective in 2022.

In addition, Codere has continued the **supplier validation** project, to analyze their level of compliance with data protection legislation. In 2021, the Codere DPO Office implemented a *Supplier Validation Protocol*, to afford the group purchases departments a tool to facilitate and expedite third party procurement processes and ensure strict compliance with data protection legislation.

Under data protection legislation, when suppliers are contracted who must or may access personal data of which Codere is the controller, they must be validated in advance, to select those who afford sufficient warranties that they apply appropriate technical and organizational measures, to mitigate the risk in this matter.

For such purpose, the DPO Office has prepared a *Supplier Validation and Procurement Handbook*, which includes objective data protection assessment questionnaires, permitting adequate compliance of data protection legislation to be ensured from the commencement of any purchases project.



The DPO Office has commenced with the IT Purchases Department a plan to raise awareness and afford training on these matters, which actions it will continue to develop next year with the rest of the departments involved in the purchase processes.

With regard to the cookies policy, after the update in July of the *Cookie Use Guidelines* issued by the Spanish Data Protection Agency (*Agencia Española de Protección de Datos –“AEPD”*), Codere **has regularized the installation of own and third-party cookies in its web pages**, to meet the GDPR requirements, with regard to the informed consent in commercial communications, Law 34/2002, of July 11, on information society and electronic commerce services (*Ley de servicios de la sociedad de la información y de comercio electrónico –“LSSI”*) and the aforementioned recommendations of the AEPD.

Currently, due to the restructuring of Codere and the individualization of the corporate governance team engaging in the provision of online gaming services, a **regulatory assessment project** has commenced. Thus, certain action guidelines have been established that include recommendations on the procedure for acceptance of commercial communications and of information with regard to the cookies installed through the web services of Codere Online.

It is also to be pointed out that, this year 2021, the Data Protection Area worked with the responsible gaming and compliance managers to adapt the gaming contract to Royal Decree 958/2020, contemplating the new forms of processing and using said legislation as the lawful basis.

In compliance with Royal Decree 958/2020, of November 3, on commercial communications on gaming activities, the Codere DPO Office has continued to cooperate with the various departments on adapting the at-risk gamblers detection tool to data protection legislation.

In this regard, complying with our duty to inform on the processing of data of our customers, the *Gaming Contract Data Protection Policy* includes a **new process with regard to the actions performed**, to prevent problematic or pathological conducts from appearing, detecting such conducts and minimizing their effects, if they occur.

## Objectives for 2022

Grupo Codere will continue to reinforce its commitment to personal data protection and management, with two new actions the next year:

### Training on privacy

Among the objectives of the *2021-22 Action Plan*, the DPO Office is working on starting up an **integrated training plan for directors and officers**. This work commenced by raising awareness and affording training to the IT Purchases department of the *Supplier Validation and Procurement Handbook*, which will be gradually circulated throughout the year among the various departments. The main objective is to raise awareness, both in directors and in the rest of employees, on data processing in relations with third parties.

In addition, such training will be used to implement the *Privacy by design policy*, in a manner such that all projects that may require personal data processing will be reported to the DPO Office from their initial stage in order to adapt them to applicable law.

In 2022, it is intended to carry out new awareness and sensitizing campaigns among the group collaborators on security incidents that may affect the personal data of which Codere is the controller.



### Privacy Governance Project and Privacy Committee

One of the data processing priorities for 2022 is to provide Grupo Codere and Codere Online Data Protection governing bodies with structure and operation at the top level, involving the senior management required in the GDPR and establishing the rules to apply to the decision-making process and assumption of liability to ensure compliance with privacy provisions both by the company and by its executives, employees and third parties.

Among the objectives of the Grupo Codere DPO Office 2022-2023 Action Plan, we must point out the creation and operation of the following offices and policies, essential for the governance of privacy in the organization:

- **Privacy committee:** a restricted number of members of management will manage directly the privacy standards and “appetite for risk”, guided by the company.
- **Data Manager:** a new position in each of the areas of the group, who will monitor the controlled personal data processing.
- **General Data Protection Policy of the group.**
- **DPO Statute.**

To apply the best practices inspired by the GDPR, all areas and processes in which Codere processes personal data and all own and external workers who process them will be subject to control by this committee. The necessary cooperation of each of the future committee members and of the data managers will be required.

The DPO Office will remain up to date in respect of any laws and regulations that may change the decision-making and processes change from time to time.

***Security of personal data is an absolute priority, to offer the best service and be a reference in privacy protection***



## 07.5 Stronger commitment to cybersecurity

In an environment that becomes more digital every day and in which the health crisis has done nothing but precipitate the use of new technologies, Codere has given cybersecurity an indispensable place in its chain of value. The group acknowledges the importance of having a robust strategy in order to **protect information, mitigate risks** and **reinforce the trust** of its stakeholders.

Codere's commitment to cybersecurity has grown constantly over the past years. Thus, the ongoing effort made by the company to increase **the levels of protection of its technological infrastructure** is a key factor to meet the threats faced by a company of the size and type of business of Codere.

This year, the organization used its best endeavors to convey to its stakeholders the risks that certain forms of conduct entail, in order to contribute to creating a **culture of corporate responsibility with regard to cybersecurity** and minimize the risks posed to the organization.

Codere is convinced that to consolidate this culture it must maintain a firm commitment to training and raising awareness in its employees on cybersecurity matters and implement and monitor *ad hoc* strategy plans to strengthen the protection of the assets and information of the company.

### Teleworking, a safe environment

The health crisis caused many companies to have to adapt to the **new teleworking situation**, which Codere implemented and managed exactly from the very first moment.

The fast transition to this form of working has required an equal response on the cybersecurity side. On facing this challenge, Codere set up from the first moment several actions to promote an efficient adaptation of the company to the new situation (such as specific training under the motto "*We are all cybersecurity*" or initiatives such as **Codere en positivo**, the corporate newsletter in times of pandemic, that includes a section on cybersecurity, under the title *Cybercovid-19*, containing information relevant to employees on this matter).

Under the motto "*Security depends on us all*", Codere remains committed to a **proactive supervision of its employees and to afford them greater knowledge and tools** to have cybersecurity installed within the compliance culture of the company, thus mitigating the risks inherent in teleworking.

In this regard, among the recommendations given by Codere to mitigate the risks and face the threats of cybercrime, some of those to be pointed out are the use of the VPN to permit connection to Codere's network; precaution when processing e-mails; use of robust passwords and updating of device software.



In addition, to raise awareness of cybersecurity matters, Codere has launched **phishing drills among its employees**. The company also carries out an annual drill with the ISMS Forum, which consisted this year of a **simulation of a ransomware attack**, with considerably satisfactory results.

## ***Codere develops a robust cybersecurity strategy, to mitigate the risks and reinforce the trust of its stakeholders***

In addition, in 2021, Codere implemented a **Cybersecurity Plan**, with the following milestones:

- Launch of four mock phishing campaigns, in which all company employees participated, to raise awareness.
- Training on cybersecurity by *e-learning*, renewed each year for it to remain always up to date, as required in such a complex environment and for such a changing matter as cybersecurity.
- Sending of security news pills, to keep employees always alert.
- Courses to eradicate certain conducts, especially designed for employees who repeatedly fall for phishing campaigns.
- Regular publication of the results of the mock campaigns carried out, which had considerably better results than the year before, thanks to the commitment of the company and its employees to cybersecurity.

## **Main cybersecurity risks identified**

Codere, due to the nature of its business, is exposed to cybersecurity risks that require both its employees and its systems to be always alert.

These risks include fraud or misuse of personal data; those related to suppliers, both of software and slots, and of payment processing, and online tools and apps development and maintenance; and those others that are faced, to a greater or lesser degree, by any entity (such as identity theft, malware and system failure with interruption of business, data leak or DDoS attacks).

However, true to its corporate culture, Codere keeps a **preventive focus** on cybersecurity, which has allowed it to adapt and counteract the unforeseen situations that it has had to face over the past years.

## **2020-2023 Security Master Plan (SMP)**

In line with previous years, Codere continues to implement its **2020-2023 Security Master Plan**, which establishes a model of government defining the priorities, duties and resources to improve in security at the strategic, tactical and operational levels. This structure is the basis of the system implemented by Codere to face cyberattacks, and has **three levels or barriers**:

- A **first barrier**, consisting of the employees, in respect of which great efforts are made for their training and awareness.
- A **second barrier**, consisting of the logical and physical systems to repel the attack or, in the worst case, contain it at its first stadiums.
- Lastly, if the cyberattack cannot be contained, a **third barrier** that, according to the Codere risk management model, implies transfer of the risk, under a cybernetic insurance, to third parties, for the main purpose of mitigating the losses for the company.



The group has also submitted **its cybersecurity maturity to an additional review**. The purpose was to identify weak controls and measure the degree of development, to redefine the scope of the three-year master plan, according to the risks and opportunities existing in the environment in which Codere operates.

This year, the company has also made progress in the integration of its organizational model, making the decision to appoint a **Corporate Director of Security**.

**Codere's strong commitment to cybersecurity** is demonstrated by the increased investments made by the group in this area and the reinforcement of the team, in order to convey and maintain the knowhow of the area internally.

## Our actions in 2021

In addition to the above, the following actions must also be pointed out:

- **Update of the *Information Security Policy* and of the *Acceptable Use of Information Assets Policy***, including the rules to be following by Codere for the safe handling of information and use of the systems under the control of the group. The policies were sent by e-mail to the collaborators with certification of receipt and reading by all recipients.
- **Restriction of automatic resending from corporate e-mail** accounts to external accounts, thus reducing the risk of leak or exposure of information.
- Change from the VPN solution used to date to a new solution permitting the company to **reinforce its cybersecurity** levels.
- Change of the traditional post of work protection to use a more sophisticated tool, the ***Endpoint Detection and Response (EDR)***.
- This tool permits **the endpoint activity to be monitored** providing a **classification of the events in accordance with their hazardousness**, permitting also the isolation of assets, regardless of their location. The EDR technology uses ***machine learning*** devices, permitting the behavior of threats to be observed and learned. The EDR is currently deployed at all work stations and in all servers.
- **Renewal of the monitoring service or Security Operations Center (SOC)**, including the following new services:
  1. **Managed Detection Response.**
  2. **Threat Hunting.**
  3. **On-site attention in serious accidents.**

This service permits support to be provided 24 hours a day and seven days a week, in all countries in which Codere operates.



- Implementation of a **privileged access management** project to protect users with privileged access from cyberattacks since it is they who, given their position in the company or other factors, will most probably be victims of cyberattacks. Currently, all critical application administrators and domain controller users must use the Preferred Access Management (PAM) system.
- Change of the multifactor authentication system to another **much more open and robust**, permitting Codere to reach **higher security levels** as regards employee and collaborator authentication.
- Implementation of a web application firewall (WAF).
- Implementation of the vulnerability management process.

## Our objectives for 2022

Codere's commitment to cybersecurity is constant and, in the coming FY 2022, it intends to continue strengthening its corporate culture in this area by taking, inter alia, the following actions:

1. *Secure Access Service Edge*: to increase the **levels of protection at the post of work**. A platform is being deployed to protect through the cloud surfing, data and services in the cloud.
2. Increase of the level of maturity of the actions and projects implemented in 2021.
3. Reinforcement of the new organizational structure, adapting it to the new emerging cybersecurity challenges.
4. Protection of SaaS PaaS and IaaS.

Note: all security solutions are for global use and are thus applicable to all countries in which Grupo Codere operates.



## 07.6 Risk Management

In Grupo Codere, risk control and mitigation actions are inspired by the basic principles of action established by the Board of Directors in the **General Risk Control and Management Policy**. Some of these principles are:

- Inclusion of risk-opportunity vision in group management.
- Operational separation of the areas responsible for analysis, control and monitoring of the organization, ensuring an adequate level of independence of each one of them.
- Safeguard of the correct use and adequate registration of risk hedging instruments.
- Transparent information on the risks of the group and the correct functioning of the systems implemented for their control.
- Safeguard of compliance with the rules of good corporate governance and the company values established in its *Code of Ethics and Integrity*.

In this regard, the *General Risk Control and Management Policy* of Codere, defines eight classes of risks, including corporate governance risks, operational risks, regulatory risks, tax risks, indebtedness risks, country-risk, technological risk and reputational risk.

### Risk control and management system responsibilities

The *General Risk Control and Management Policy* of Codere, with its basic principles, is implemented through a risk control and management system, based on a definition and assignment of functions and responsibilities at the operating level, and adequate procedures and methods for the various stages and activities of the system, including:

1. Definition of risk tolerance by the Board of Directors, regularly reviewed and updated.
2. Annual identification and analysis of the relevant risks by the persons responsible for each business unit and/or department at the local level taking into account their potential effects on the key targets in each country.
3. Annual update of the various risk maps of the company (local, technological and corporate).
4. Reporting of the main risks, particularly those exceeding the limits established by the Board of Directors.
5. Implementation and control of compliance with policies, guidelines and limits, through the necessary and adequate procedures and systems to mitigate the impact of the realization of risks.



6. Regular assessment and reporting of the results of the risk control and management monitoring.
7. Audit of the system by the Internal Audit Area management, to which the Audit Committee itself, after delegation by the Board of Directors, has entrusted the duty of regularly reviewing the internal risk control and management systems. Además, Grupo Codere cuenta con una **Política corporativa de riesgos fiscales**, que es revisada por el Comité de Auditoría.

In addition, Grupo Codere has a **Corporate Tax Risk Policy**, which is reviewed by the Audit Committee.

At the local level, each business unit issues a regular report on the activities performed and the risks realized in each country. This information is consolidated by the Internal Audit Area and used to update the risk maps and prepared the **Statement of non-financial information**, or *Integrated Report, which must be submitted to the Board of Directors of the group.*

On updating the **Risk Maps** of the company, the Internal Audit Area of Codere defines its annual working plan, in addition to the risk management process. To prepare this plan, the internal procedures and improvements implemented and identified in the year are reviewed. The risks realized in the year are defined in the annual working plan.

Also annually, the various local Internal Audit units are submitted to an internal review procedure, i.e., the **Quality Review**. Each year, the Internal Audit Department organizes crossed reviews of the projects of each country, having the managers of the subsidiaries examined by their counterparts, thanks to which synergies are also obtained and homogeneous processes are applied in the group as a whole.

## Milestones of the Internal Audit activity in 2021

Codere has intensified its risk control and management activities during the pandemic, without ceasing to face with all safeguards the risks inherent in its activity. In this respect, the efforts made in Internal Audit in 2021 are represented, mainly, by the following milestones:

1. Performance of operating audits focused on the major risks, in accordance with the specific plan of each country.
2. Continuity of the alert system to prevent the loss of revenue and follow up the “Revenue Assurance” group project, for predefined events to be regularly identified alerting of potential signs of fraud or malfunctioning, for them to be analyzed and promptly corrected.
3. Strengthening of the committees following up the Internal Audit recommendations, in order to implement the improvements suggested in the reports.
4. Specific review of compliance with anti-fraud and anti-money-laundering policies and laws, verifying correct compliance with the law at the gaming halls.
5. Continuity and improvement of the automation of the extraction of information through the “Robotics” project, extracting without human participation data that are later analyzed.
6. Participation in and promotion of the Ethics, Anti-Fraud and Compliance Committee.
7. Monitoring of the recommendations given for the online activity and in-depth analysis of the systems controlling this activity.



In addition, in FY 2021, Codere continued to implement a system for automation and blocking of the program to upload operating data to its accounting system, including the reconciliation of the monthly revenues of the group.

With a view to FY 2022, Codere's main objective is to strengthen and consolidate the Anti-Fraud Committee of each country, to permit an easier detection and consequent prevention of fraudulent conduct within the organization.

Also, the company intends to continue to implement the "Robotics" project explained above. All of this in the context of its process automation and digitalization strategy.

## Risks arising from the health crisis

In FY 2021, the health crisis risks evolved quite positively. Although they have not yet disappeared, their probability of occurrence is considerably lesser:

- Risk of **new closures of establishments and halls**, and limitations on occupancy and **opening hours**, due to the evolution of the pandemic. The Codere gaming halls, as places with a great affluence of public, may suffer occupancy restrictions, distancing rules or even the closure of establishments, with the consequent economic impact that this would have.
- Risk of **potential breach of financial commitments**, in the event of a significant reduction of revenues due to partial closures of halls, occupancy restrictions, limited opening hours, etc. Despite the fact that Codere monitors its cash flow on an ongoing basis, the current uncertain and fluctuating context makes it extraordinary complicated for any company to define a precise financial plan, thus increasing this risk.
- Risk of **business continuity**, in the event of new prolonged closures of establishments due to eventual business limitations to face

the pandemic that may be imposed in the countries in which the company operates, which would have a significant impact on the results of the group, despite its demonstrated adaptive capacity.

- Risk arising from **collateral effects**: inter alia, difficulties to retain personnel, labor contingencies, relations with key suppliers and/or loss of certain services, tax risks for temporary redundancy proceedings and the increase of risks related to cybersecurity arising from teleworking and the growth of online gaming.

In 2020 and 2021, the commitment of Grupo Codere to **responsible management of the crisis caused by the coronavirus** is to be pointed out. As the halls reopened in the various countries, the Internal Audit Area **supervised the correct application of the anti-COVID-19 procedures** (distances, occupancy, signage, self-statements, etc.) implemented at them, **having detected no relevant breaches in this respect**. Nevertheless, this supervision has allowed Codere to remain permanently up to date in the identification of areas for improvement and to propose efficient *ad hoc* recommendations for correct compliance with the established protocols.

## Regulatory risk

The gaming industry is highly regulated worldwide. The activities in which the company engages, both retail and online gaming, are subject to different regulation in each country in which the group operates. In some countries, the company has to face stringent controls, with limited licenses and heavy tax burdens; however, in others, with lower taxes, there is strong competition. In all cases, the tax, compliance and data protection laws are very relevant. Thus, flexibility and adaptation to the environment are key issues for Codere.



In this context, the regulation of matters related to the gaming industry (such as the consumption of tobacco in the halls, the opening hours, site restrictions or commercial communication bans), may have an adverse effect on the revenues of the group and on its capacity to expand its business. In addition, the authorities might deny, revoke, suspend or reject the renewal of the licenses that Codere currently holds in the jurisdictions in which it operates, since their renewal may be subject to uncertainties, if, for example, the regulation is unclear and may be amended or construed in different manners.

### Reputational risk

Regulatory risks and reputational risks are clearly interconnected in any industry, particularly in the current information and communication age. This risk is accentuated in the case of the gaming industry, since the existing misinformation on the activity encourages the dissemination of unsupported myths that deteriorate the public perception view of the sector. The media and political discourse do nothing but worsen the problem in several markets. The relevance of the industry as an economic agent, employment generator and tax collector has reached society with certain difficulty.

### Political, economic and monetary risk for international transactions

The company continues to diversify its activity and operate in various regions to reduce its exposure to political and economic risk. However, as any other undertaking, it is affected by tensions in the countries in which it operates. In this respect, the potential problems of economic recession, inflation, unemployment and social conflict, particularly in the Latin American countries, may have effects on the results of the group. In addition, the profits and losses on Latin American transactions are stated in currencies other than

the euro and their depreciation may reduce the cash flows of the Latin American subsidiaries.

### Risk of violation of gaming platforms

The existence of vulnerabilities in the gaming platforms might permit the unauthorized access and/or manipulation of the gaming systems, causing losses of revenue or the leak of confidential information in the transactions.

### Risk of restrictions on transfers of cash from Argentina

The risk of imposition of restrictions on cash transfers by the Argentina Government or that, even if cash flow transfers are permitted, the cost may be very high, is again identified. Should this risk be realized, difficulties might be encountered to finance the group activities or even to pay the interest on the bonds.

### Risk of deterioration of the internal control environment and non-separation of functions

The operational and business model changes that are being made, together with the downsizing that has taken place, give rise to the risk of mixing of functions or multitasking, to the point even of performing jobs that are on principle incompatible simultaneously at the gaming halls and for control and management of the transactions. At the gaming halls, there is the risk of a weaker control of the transactions with the consequent risk of loss of revenues and/or increase of fraudulent activity.

Similarly, transactions management and control are concentrated quite significantly in certain key executives. In this respect, throughout 2021, the company has been working on developing a *Management Model*<sup>19</sup> to permit the implementation of efficient leadership as a tool to adapt to a changing environment, contributing to control and mitigate the risks mentioned under this heading.

<sup>19</sup> The *Management Model* is further developed in Chapter 07. *Our employees*, of this report.



### Identified new risks

This FY 2021, the Internal Audit Area has identified two new risks:

- **Risk of increased electricity prices and power outages:** due to the general increase of the price of electricity and other energy sources, a risk of significant increase of the related costs and consequent reduction of profitability has been identified. In addition, a risk of electricity supply interruptions and restrictions has been identified, which could have an adverse effect on the revenues of the gaming halls and establishments in view of the impossibility to open and/or the high cost of energy, in addition to a risk of impossibility to access internal data (operational, financial, etc.).
- So far, no very significant impacts have been recorded at the moment, due to geographical diversity, which has different implications, and some measures are being taken to try to reduce their possible effect.
- **Risk of gaming hall obsolescence:** due to the reduction of the level of investment in fixed assets (Capex<sup>20</sup>), the gaming halls have deteriorated over the past years, a fact that may reduce their attractiveness to customers. This effect has been aggravated by the closure of the halls during the pandemic, when maintenance work was reduced to the minimum.
- Nevertheless, the completion of the **financial restructuring** of the group permits the company to have greater financial capacity to invest in the business, implying a mitigation of this risk.

### Risk control and management procedure

In 2021, various classes of **residual risks**, i.e., those that continue after the group risk control and management procedure has been implemented, have been realized. In this respect, in 2021, some of the risks related to the public health emergency caused by the Covid-19 outbreak occurred, having been identified in advance by the Internal Audit Area in FY 2020. In particular, the risk of **closures of gaming halls and establishments has inevitably occurred**, as have other collateral effects, realized mainly in the **difficulty to retain personnel**.

<sup>20</sup> From the English term, capital expenditure, meaning the investment in fixed assets or capital made by a company to acquire, maintain or improve its non-current assets.



## 07.7 Transparency

Transparency is one of the core values of Grupo Codere's culture, the cornerstone of on which the action of each professional of the organization rests.

The fact that Codere has been the only listed company of the gaming industry in Spain, implies that company is subject to much more stringent requirements for the reporting of information to the market, and to transparency standards exceeding those of its competitors. In particular, Codere, as a listed company, this year:

- Applied IFRS\_IAS to its accounts.
- Prepared its *Annual Corporate Governance Report*
- Prepared its *Annual Directors' Remuneration Report*
- Reported the *Statement of Non-Financial Information*
- Reported to the market the relevant events occurred in the year submitting inside information and other relevant information to the CNMV

This *Integrated Report* is, alone considered , a reflection of the company's commitment to integrity and transparency, the basis of the corporate culture. Placing the customer in the center of the group strategy, working in teams committed to excellence, maintaining an innovative attitude levered by technology and keeping the focus on efficiency to ensure feasibility, are the other principles underlying the group's action. These values are reflected in Codere's day-to-day affairs, both internally, with its employees, and externally, with its customers, investors, regulators, suppliers and the market in general.

The company in this manner reinforces transparency with its collaborators offering them clear, complete and regular information through the various active communication channels, the main one of which is the *corporate newsletter Codere Actualidad*. This site has a twofold function in the company's relations with its employees, since it keeps them informed of all relevant news of the company and it is also used as an extra tool to promote within the organization the cultural and strategic change undertaken by Codere over the past years.

***Codere is committed to transparency as the only way to raise trust in investors, customers and regulators***



Since 2020, Codere has reinforced its transparency even further in the organization, via the website **Codere en positivo**, enabled at the beginning of the pandemic as the meeting point with employees, to share matters related to the impact of the health crisis and the best manner to manage it, through knowledge of the teleworking tools and training in cybersecurity. This platform, promotes group and individual responsibility and is used for collaborators to share their experiences in this unusual period.

One more year, we must point out Grupo Codere's local commitment to tax and accounting transparency. This is demonstrated by the ongoing efforts made by the company for its economic-financial information to be always complete, precise and true, accurately recording its economic, financial and equity situation, in accordance with generally accepted accounting principles and the international financial reporting standards applicable to the group.

In this respect, a relevant issue this year was the commencement of specific procedures to control eventual accounting inconsistencies. In particular, the company opted for implementing automation systems and controls to block the programs loading the operational information into the accounting system, contributing to the reinforcement and permanent improvement of the tools available to the group to avoid any kind of cooking of the books. An Antifraud Committee was also created, to prevent conduct contravening regulation in force in each market.

### Corporate tax policy

Codere has a *Corporate Tax Policy* establishing the main guidelines for the group to make decisions and take actions relating to tax matters.

This policy, like the rest of the components of the corporate governance system, is subject to constant review. In this regard, Codere takes all steps necessary to remain permanently adapted to the constant changes in the environment, taking into account the volatility of tax laws (particularly

in the gaming industry) and the increased requirements for transparency in tax information. The group assumes the following general commitments in the context of its *Tax Policy*:

- Compliance with tax law in force in the various countries in which it operates.
- Making decisions on tax matters on the basis of the reasonable construction of applicable law and in close relation to the activity of the group, in line with the OECD BEPS action.
- Encouragement of relations with the authorities based on trust, good faith, professionalism, cooperation, loyalty and reciprocity, without prejudice to any lawful dispute that, respecting the above principles and in defense of the corporate interest, may arise with the authorities with regard to the interpretation of applied legal provisions.
- Not to incorporate, or acquire shares in companies with their registered office in countries or territories considered to be tax havens, unless reviewed and otherwise expressly decided by the Board of Directors, for business reasons.

Also, Codere meets the incremental demand for tax transparency on the part of the various stakeholders, subject to standards of ongoing improvement in the quality of the public tax information made available by the group (see section 10.3. *Creation of common value*).

**Grupo Codere has a tax control framework that defines the principles and guidelines relating to tax risks**



## Pillars of the tax control framework of Codere

Codere, within its Corporate Governance system specific for tax matters, has a tax control framework that defines the principles and guidelines relating to its tax risks, based on the following pillars:

- Creation of Corporate Tax Management to which the teams responsible for compliance with tax obligations in the various regions in which the company operates report. This management also manages the actions of the group in tax verification and inspection proceedings instituted by the tax authorities in the various jurisdictions.
- The *Corporate Tax Policy*, approved by the Board of Directors, including the principles of responsible business in tax matters.
- Information to and approval by the Board of Directors or Audit Committee of relevant tax matters, in view of their complexity or impact on profit.

***Codere applies tax law stringently, regularly reviewing its tax policies to improve its processes***



# Investors, a commitment to the future

08

## 08.1 Transparent dialogue

A large part of the group's efforts this year were focused on managing the impact of the pandemic.

The company intensified its interaction with its **investors, shareholders and analysts**, at this last stage, in the context of the *Contingency Plan* implemented due to the health crisis after the initial stage of the *Refinancing* of the group had been completed, on the principle of transparency that has always been a characteristic feature of its operating procedure.

After exploring various **alternative sources of financing** to face this context with all possible safeguards, Codere found in its own creditors the backing it needed to ensure its feasibility. In April 2021, the company took an essential step to secure its future on reaching a refinancing agreement with a significant group of its noteholders that demonstrated their trust in the perspectives of the group, its management and the more than ten thousand employees in its organization.

Another of the major milestones of the year was the launch of **Codere Online**, which has become the first online gaming operator in Latin America listed on the US stock market (**NASDAQ**). This transaction allowed the financial resources to be reinforced to promote the digital subsidiary, for it to achieve its growth potential, with a strong position in a developing market.

These processes required a considerable effort from Codere to offer the market an **open and transparent dialogue** on the operating situation and actions carried out by the organization.

***The group has found in its bondholders the support it needed to face the impact of the pandemic***

Thus, both the CNMV (*Comisión Nacional del Mercado de Valores* – Spanish Stock Market), and the ISE (*Irish Stock Exchange*), the SEC (*Securities and Exchange Commission*) and the rest of regulators involved in the processes of the group, and the rating agencies, have been always kept up to date on the state of the company's business, through the regular reporting shared by the group.



## 08.2 Creation of value for shareholders and investors

### Completion of the financial restructuring

The first facility of **250 million euros** obtained was one of Codere's major milestones of 2020, ensuring its feasibility during the health crisis.

Nevertheless, the successive waves caused by the new variants of the coronavirus led the group to have to face new closings of establishments in many of the countries in which it operates, rendering it necessary to explore alternative sources of financing to face the difficult context with safeguards. Once again, Codere found its main support in its own noteholders.

In 2021, the company focused a great part of its efforts on the execution and completion of the refinancing, the completion of which not only permitted the group to ensure its feasibility but also offered the company the best future perspectives and greater liquidity to **implement its business plan**. All this, thanks once again to the commitment and trust of its own creditors.

In this context, on April 22, 2021, Codere made the **Lock-Up Agreement**, whereby its noteholders made an addition contribution to the company of **225 million euros**, demonstrating their trust in Codere's future perspectives. The **Lock-Up Agreement** also contemplated other relevant issues, such as the **capitalization of more than 350 million euros** of debt, rescheduling its maturity to September 2026 and November 2027.

The immediate consequence of the completion of the **Financial Restructuring** was **the transfer of the operating part of Grupo Codere to a newly created unlisted company of Luxembourg, Nueva Codere**. In turn, **Codere Newco**, has become the main holding company and cash-pooling vehicle of the operating part of Grupo Codere. Thus, the former parent of the group, Codere, S.A., in liquidation, has become the holder of 5% of the shares of Nueva Codere, and of the warrants issued by the new parent company of the group, the 95% balance of the shares of Nueva Codere to be held by the noteholders or their designated beneficiaries.

### Main milestones of the financial restructuring

On March 30, 2021, Codere announced, through a notice reporting relevant information to the CNMV, that the company was in constructive dialogue with certain noteholders (the "**Group of Noteholders**") who held the majority of its secured super senior notes, in an amount of 250,000 euros, maturing in 2023 (the "**Super Senior Bonds**"), and its secured senior bonds, in an amount of 500,000 euros and 300,000 US dollars, maturing in 2023 (the "**Senior Notes**" and, together with the Super Senior Notes, the "**Notes**").

Thus, on April 22, 2021, Codere announced that it would make the **Lock-Up Agreement**, subject to English law, on the proposal for the group restructuring, and certain note purchase contracts to provide the company with a bridge



facility, in the short term of 100,000,000 euros, through the issue of additional Super Senior Notes (the “**Bridge Notes**”), issued in two tranches: (i) a first tranche of **31 million euros**, issued on April 27, 2021, and (ii) a second tranche of approximately **72 million euros**, issued on May 24, 2021, subject to certain conditions.

On May 24, 2021, the company announced the support of the holders of more than 90% of each of the series of Notes to the *Lock-Up Agreement*. It was agreed with the Noteholders that it would be implemented, on July 2, 2021, through a consent solicitation (exchange offer) to them, together with their necessary contractual actions.

On September 17, 2021, the subsidiaries of Codere Finance 2 (Luxembourg), S.A. (“**Codere Finance**”) and Codere Finance 2 (UK) Limited (together with Codere Finance, the “**Issuers**”), published an offer and consent solicitation memorandum (the “**OCSM**”), approved on October 20, 2021, with the very considerable support of:

- i. 97.24% for the secured Super Senior Notes, in an amount of **353,093,000 euros**, at a 10.75% effective interest rate with maturity in 2023.
- ii. 96.76% for the secured Senior Notes, in an amount of **310,687,500 US dollars**, at a 10.375% effective interest and 11.625% capitalizable (PIK) interest rate, with maturity in 2023.
- iii. 97.63% for secured Senior Notes, in an amount of **515,625,500 euros**, at a 9.5% effective interest and 10.750% capitalizable (PIK) interest rate with maturity in 2023.

On October 27, 2021, the company and the Issuers (inter alia) **made an Agreement for Implementation of the Financial Restructuring** of the group, finally completed on November 19, 2021, which implied from then, relating to the group, that:

- Codere, S.A. ceased to be the parent company of Grupo Codere. The operating part of the group was transferred to Nueva Codere (Codere New Topco S.A.), an unlisted company newly incorporated in Luxembourg.
- Codere, S.A. became a holder of 5% of the shares of Nueva Codere, and of the warrants it issued, through its only subsidiary in Luxembourg (Codere Luxembourg 1 S.à.r.l.), with its activity limited to the mere holding of said securities. The rest of the shares in Nueva Codere were acquired by, or in the name of, the holders of the Senior Notes (or their designated beneficiaries).
- The Lock-Up Agreement was deemed terminated.



Because of this, on December 11, 2021, the shareholders of Codere, S.A., at a Special Shareholders' Meeting, **resolved to dissolve the company**, and the liquidation period of the company commenced.

In view of this, on December 14, 2021, the CNMV **decided to delist, with effects as of December 17, 2021, at the market close, the shares and other securities** that might give rise to the right to subscription, acquisition or sale of Codere, S.A., in liquidation, as the issuer, after the request for delisting by the company.

In 2021, due to the pandemic, Grupo Codere carried out a **Financial Restructuring**, which **commenced on April 22, 2021**, when the company reached an agreement with its creditors for them to inject funds into the group and undertake to capitalize the debt for the senior notes then in existence, while rescheduling the debt maturities. This transaction was **completed on November 19**.

As a result of the Financial Restructuring, the operating part of Grupo Codere was transferred to a newly created holding company of Luxembourg, Codere New Topco S.A. (Nueva Codere), which has become the new Grupo Codere parent company. 95% of the shareholders of the new parent company of the group is held by the noteholders and the 5% balance is held by Codere S.A., former parent company, which received also warrants issued by the new parent company.

Within the financial restructuring, **in December 2021, the liquidation of Codere S.A., was approved**, requesting the CNMV to suspend the trading of its shares.

**Codere Newco**, holding company of the operating companies of the group in all the markets in which it operates, **will remain present and continue to operate normally** and to perform its obligations with its stakeholders and customers, as it has been doing to date.



## Creation of Codere Online

On June 21, 2021, Codere announced that some of its subsidiaries, including Codere Newco S.A.U. and Servicios de Juego Online, S.A.U., had made a **Business Combination Agreement**, implying the sale of a minority shareholding in the online business of Codere (the “**Codere Online Transaction**”).

Due to the Codere Online Transaction, Codere Newco S.A.U contributed its minority shareholding in the company’s online business to Codere Online Luxembourg, S.A., which, in turn, acquired by merger DD3 Acquisition Corp. II (“**DD3**”), a listed special purpose acquisition company (“**SPAC**”).

To implement the Codere Online Transaction, the company commenced the consent solicitation processes with the Super Senior Noteholders and the Senior Noteholders, who provided financing, on July 6, 2021, once again with the very considerable support of:

- i. 90.31% of the Super Senior Notes.
- ii. 88,97%<sup>21</sup> of the Senior Notes.
- iii. 92.12% of the Senior Notes, in US dollars.
- iv. 87.41% of the Senior Notes, in euros.

On August 12, 2021, the subsidiary Codere Online Luxembourg, S.A. filed with the US Securities and Exchange Commission (“**SEC**”) a form F-4 statement for the business combination, proposed and previously announced, of **Codere Online** (the online casino and sports betting business of the company) and **DD3**, which, finally, concluded on November 30, 2021, after the merger had been approved by its Shareholders’ Meeting on November 18, 2021, meeting the conditions precedent established for its completion.

Finally, Codere Online **was floated on December 1, 2021**, on the US stock exchange (**NASDAQ**).

In 2021, to obtain resources for the expansion plan of the online gaming and sports betting business in Latin America, Grupo Codere has performed the **Codere Online Transaction**, through the merger of Codere Online Luxembourg, S.A., Servicios de Juego Online S.A.U. and their consolidated subsidiaries, with the SPAC DD3 Acquisition Corp. II, becoming from December 1, 2021 a public company, listed on the NASDAQ. Codere holds a majority shareholding in the new company and continues to manage the new group.

The group maintains the main services affecting the online business, platform and support services, centralized in its subsidiary of Malta, Codere Online Management Services, Ltd.

In addition, the online marketing management is provided from its subsidiary in Israel, Codere Israel Marketing Support Services, Ltd., in coordination with Codere Marketing Services Ltd, a company resident in Gibraltar, created for the coordination, in the online business, of the marketing services of the group at the international level, particularly conceived to ensure such coordination in the case of a development of licenses permitting Codere to operate in foreign markets where it was not present.

<sup>21</sup> Amount in the aggregate, using a \$1/€0.824 rate



## 08.3 Involvement of shareholders and investors

Grupo Codere maintains an **open and uninterrupted dialogue** with its investors, analysts, credit rating agencies and other market players, making available to them all relevant information to carry out their analysis of the company and assess the risks and opportunities, which tasks were intensified due to the impact of the health crisis and particularly in the contexts of the Refinancing and of the Codere Online Transaction.

In 2021, the company published 54 relevant facts, now referred to as Inside Information (II) or Other Relevant Information (ORI), keeping the market informed of all information of interest. In addition, Codere has attended several financial conferences with debt investors, to assist them in understanding the evolution of the business, the strategy of the company and its expectations. The most relevant of these events, held online given the health situation, are set out below:

- Deutsche Bank's XXV Virtual Annual Leveraged Finance Conference (June 16-17): ten meetings with 27 bond investors, attended by the group CFO (Chief Financial Officer) and the CIRO (Chief Investor Relations Officer).
- BofAML Virtual European Credit Conference (November 24): six meetings with 14 bond investors and credit analysts, attended by the group CFO and the CIRO.

Also, as a result of Grupo Codere's commitment to transparency with its investors and the corporate interest, the Board of Directors, in compliance with recommendation 4 of the Code of Good Governance of Listed Companies, approved in 2021 a new *Financial and non-Financial Reporting and Corporate Communication and Contract with Shareholders, Institutional Investors and Vote Advisors Policy*. With this policy, Codere seeks to promote the permanent dialogue with each of its stakeholders, to generate stable and solid relations of trust. Among the general communication channels with investors, the following may be mentioned:



## The National Securities Market Commission (CNMV)

Until the company was delisted (i.e., until December 17, 2021), the CNMV was Grupo Codere's official information channel for institutional investors and shareholders and for the market in general. Over these years, Codere has reported all the information required publicly and regularly to the CNMV, in addition to other news of interest for its shareholders and investors, by reporting inside information and other relevant information. Both these classes of information are simultaneously published in the company website.

In 2021, a total 54 notices (in comparison with a total 45 in 2020) of Inside Information (II) and Other Relevant Information (ORI) were reported to the CNMV, published in the corporate website and sent to the distribution list.

## Corporate website

Codere's website, [www.grupocodere.com](http://www.grupocodere.com), is kept permanently up to date. Through the page, the investors and the market in general are able to find a great amount of information on the group's business areas and geographical presence, which is continuously updated.

The website contains a specific section, **"Shareholders and Investors"**, where the information required by the Spanish Companies Law and securities market law has historically been included. Codere provides direct access through its website to recordings of the complete act of each presentation of results.

Presentations of quarterly results and other institutional or relevant economic-financial presentations are announced on the corporate webpage and the parties concerned are afforded the opportunity to participate by telephone conference call or through the webcast. All the documents required by legislation in force relating to the call for and holding of

shareholders' meeting are published in the corporate website and the Shareholders' Electronic Forum is activated.

## Investor Office

Codere offers its institutional investors and shareholders an area for the resolution of individual consultations. The group answers requests for information in a timely manner and due form, through an office at the headquarters of Codere, a telephone assistance service (+34 913542819) and an e-mail address ([inversor@codere.com](mailto:inversor@codere.com)).

In addition, a new section was recently created in the website, "E-mail Alerts", in which any person interested in receiving financial information on Codere, is automatically included on the company's distribution list, after completing the subscription form.

Through that e-mail, Codere sends communications to a list of institutional investors who have so requested. It thus sends the information on relevant facts, presentation dates and other news, ensuring that the principles of informative transparency, equal treatment and non-discrimination are observed.

In 2021, the number of subscribers to the distribution list was more than 800.



## Webcasts and telephone conference calls

Codere offers a live webcast of the presentations of quarterly results and other notices relevant for the market, permitting the access and participation of shareholders, investors, analysts and any other person who so desires, as additional means to remain informed. The webcast remains available as a recording for one year and is accessible through the corporate website.

In 2021, more than 72 telephone conference calls were held together with 4 quarterly conferences on results on the following dates:

- 4Q 2020 (February, 2020)
- 1Q 2021 (May, 2021)
- 2Q 2021 (September, 2021)
- 3Q 2021 (November, 2021)

## Conferences and meetings

Codere's Investor Relations team organizes regular informative meetings on the progress of the group and other issues of interest for analysts and institutional investors, participating in international financial conferences of third parties, organizing own roadshows and attending visitors at its corporate offices. Also, the group holds quarterly telephone meetings attended by the management to discuss relevant financial matters, in which shareholders and investors participate. In 2021, the department was present at the two aforementioned virtual financial conferences.

## Shareholders' Meeting

The Shareholders' Meeting is the supreme body representing the shareholders of the company, and the main channel for their participation. Taking the opportunity of the notice of call for Shareholders' Meetings, Codere uses the services of financial brokers, entities and

agencies for a better distribution of information among its shareholders and investors.

In turn, the General Secretary department, acts as spokesperson with shareholders and vote advisors, answering their consultations on various procedures available to them to exercise their rights at the Shareholders' Meeting (particularly the rights to information, vote and representation).

Also, Grupo Codere has an Investor Relations Department within its Economic-Financial Management, responsible for being in permanent dialogue with institutional investors and shareholders. This department prepares public presentations to analysts and investors of the quarterly results, meeting requests for information and organizing meetings and telephone conferences with stakeholders always ensuring the transparency, consistency and homogeneity of the information.

In 2021, three shareholders' meetings were held:

- **Special Shareholders' Meeting (May 11, 2021)**, attended by a total 99,425,280 shares, present or represented, representing 83.87% of the share capital.
- **Regular Shareholders' Meeting (June 22, 2021)**, attended by a total 96,341,969 shares, present or represented, representing 81.27% of the share capital.
- **Special Shareholders' Meeting (December 10, 2021)**, attended by a total 92,956,276 shares, present or represented, representing 78.41% of the share capital.



## Main targets for 2022

With a view to 2022, to continue the initiatives implemented in the context of its shareholder and investor relations, the group has set the following targets:

- **Continue generating stable and solid relations of trust.** To continue promoting a permanent dialogue with each of the company's stakeholders, in particular, institutional investors and shareholders. In addition, to continue encouraging responsible gaming, disseminating the initiatives carried out in this area.
- **Commitment to the legal reporting obligations.** Maintain the strict compliance, in due time and form, of the statutory communication and reporting obligations, allowing the shareholders and investors to know the most relevant news on Codere, at any time.
- **Transparency in the publishing of information.** To continue complying always with the principles of transparency, veracity, immediacy and homogeneity of the information, for the shareholders to receive any information that may be considered of interest, clearly and accessibly.
- **Reinforcement of investor community trust.** To continue reinforcing the investor community's trust in Codere, for the company to be conceived as a project of investment and generation of value in the long term.



# Our employees, commitment begins at home

09

## 09.1 Our employees

At Codere, social commitment starts at home, working on our employees to be able to perform their work on the best conditions. In this respect, the company considers its collaborators to be essential for the group's success and, thus, the People Department works permanently on attracting, retaining and developing the best talent, with the support of its IT tools and processes.

Codere's workforce is made up of a total **10,657 employees**, distributed throughout all the geographical areas where the group operates. This number is 3% lower than the year before, due to the adjustments made in the context of the *Transformation Plan*, for simplification of structure and digitalization and automation of processes, through the globalization and creation of shared service centers.

### Codere employee profile

- 95% under a permanent contract.
- 90% employed full time.
- 41% women.
- 59% men.

These changes have resulted in a more flexible organization model, with renewed profiles, and simplified structures making the organization more agile and considerably improving the time taken to respond to customers.



Codere's workforce is made up mostly of persons between 30 and 39 years old with 59% men and 41% women.

Codere workforce by gender					
Gender	2020		2021		Evolution 2020-2021
	Total	%	Total	%	%
Women	4,381	39.83%	4,329	40.62%	-1%
Men	6,617	60.17%	6,328	59.38%	-4%
<b>TOTAL</b>	<b>10,998.00</b>	<b>100%</b>	<b>10,657</b>	<b>100%</b>	<b>-3%</b>

Codere workforce by age ranges			
Edad	2020	2021	Evolution 2020-2021
<30 years	2,452	2,169	-12%
30-39 years	4,284	4,032	-6%
40-50 years	3,013	3,119	4%
>50 years	1,249	1,337	7%
<b>TOTAL</b>	<b>10,998</b>	<b>10,657</b>	<b>-3%</b>

With regard to its geographical distribution, Mexico, Argentina and Spain concentrated 69% of the workforce in 2021, with the rest of the collaborators distributed among the other four markets of the group and the corporate headquarters.

Codere workforce by geographical distribution				
	2020		2021	
	Employees	%	Employees	%
Corporate	126	1.15%	184	1.73%
Spain	1,218	11.07%	1,139	10.69%
Argentina	2,709	24.63%	2,589	24.29%
Colombia	307	2.79%	348	3.27%
Italy	781	7.10%	797	7.48%
Mexico	3,931	35.74%	3,614	33.91%
Panama	873	7.94%	921	8.64%
Uruguay	987	8.97%	993	9.32%
Gibraltar	1	0.01%	1	0.01%
Israel	32	0.29%	37	0.35%
Malta	33	0.30%	34	0.32%
<b>TOTAL</b>	<b>12,529</b>	<b>100%</b>	<b>10,657</b>	<b>100%</b>



By professional groups, the workforce is made up mainly of operators, middle managers and technical staff.

<b>Codere workforce by professional groups</b>				
	<b>2020</b>		<b>2021</b>	
	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>
<b>Senior executives</b>	11	0.10%	10,00	0.09%
<b>Executives</b>	92	0.84%	96,00	0.90%
<b>Middle managers</b>	1,948	17.71%	1,890.00	17.73%
<b>Technicians</b>	1,753	15.94%	1,842.00	17.28%
<b>Office workers</b>	508	4.62%	479.00	4.49%
<b>Operators</b>	6,686	60.79%	6,340.00	59.49%
<b>TOTAL</b>	<b>12,529</b>	<b>100%</b>	<b>10,657</b>	<b>100%</b>

Lastly, as regards type of contract, 95% of Codere's workforce was employed on a permanent basis in 2021 (compared with 97% in 2020). In respect of working time, only 10% (1,082) was employed part time, compared with 11% (1,241) the year before<sup>22</sup>.

<b>Total number and distribution of types of employment contract</b>				
	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>%</b>
<b>PERMANENT CONTRACTS</b>	<b>10,703</b>	<b>97.32%</b>	<b>10,071</b>	<b>94.50%</b>
Full-time contracts	9,512	86.49%	9,070	85.11%
Part-time contracts	1,191	10.83%	1,001	9.39%
<b>TEMPORARY CONTRACTS</b>	<b>295</b>	<b>2.68%</b>	<b>586</b>	<b>5.50%</b>
Full-time contracts	245	2.23%	505	4.74%
Part-time contracts	50	0.45%	81	0.76%
<b>TOTAL</b>	<b>10,998</b>	<b>100.00%</b>	<b>10,657</b>	<b>100.00%</b>

<sup>22</sup> Annex II of this report contains the breakdown of contracts by age range and professional classification.



## 09.2 People, towards a global model

In the context of the company’s **Transformation Plan**, commenced in 2018 to advance towards a more agile and integrated model, capable of responding better and faster to the growing challenges of the environment, the People Area has made progress this year in adapting its structure and operating procedure.

The new model, based on a single management and integrated function, with a decentralized vertical structure in the countries and with the support of global and local specialized centers. An evolution towards a more “liquid” organization, in which the central function of management is economic strategy, planning and control; supervision of the operating quality of the projects and initiatives; and promotion of the corporate social responsibility of the employees.

The adaptation process was supported by two internal levers: the **One People Master Plan**, designed to support the transformation of the People Area towards an integrated human resources unit; and, the promotion of digitalization through the implementation of **Cornerstone**.

The One People Master Plan consisted in 2021 of 78 strategic projects, with a 60% degree of progress over the forecasts of the overall plan at December 31, 2021. It is forecast that some of the most emblematic projects, such as Codere Personas Digital (Cornerstone), will be completed in 2022. Among others, these projects undertake matters such as the new management and leadership model, the onboarding process or employees’ work-life balance and wellbeing, which initiatives are developed in this chapter.



 <p><b>HR Suite</b></p> <p>Persons Management, Reporting and Analytics, Organization Charts...</p>	 <p><b>Recruiting Suite</b></p> <p>ATS, Candidates Management, Employment Site, Onboarding...</p>	 <p><b>Learning Suite</b></p> <p>LMS, Certificates, Cooperative communities...</p>	 <p><b>Performance Suite</b></p> <p>Predictive succession plans, ongoing development, targets, assessments...</p>
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The Codere Personas Digital (Cornerstone) project consists of a set of digital tools designed to improve the integrated management of the area in its various functions: the processes of recruitment, onboarding, skilling, career planning, remuneration, assessment and development of the People Area. This project is implemented to help the group select, train, develop and manage its teams through four units, accompanying the employees at all their experience stages, helping them to achieve their maximum potential implying better results for the company.

In the context of the transformation plan, another of the matters promoted in 2021 was the integration of the salary management processes in a CSC located in Argentina with an external provider, a process that commenced in 2020, in which Argentina, Uruguay, Colombia and Panama are already included. In 2022, the process will be continued and is expected to include Spain, Italy and Mexico. Through this project, Codere seeks to achieve a more flexible organization, simplifying its structures and making the organization more agile in its activities.

Throughout the year, the implementation of the **Corporate Social Responsibility Plan for employees** was also promoted. The company focused on the development of strategic actions on each of the pillars supporting the plan: **Diversity and Equality, Inclusion, Work-Life Balance and Wellbeing, Integration and Sustainability**<sup>23</sup>.

## Diversity, Equality and Inclusion

Codere is committed to people and to their personal circumstances, understanding that **diversity, equality and inclusion** are competitive advantages that enable a good working atmosphere and improve employees' productiveness and proactivity. The company promotes all three of them through collaborations, partnerships and specific action plans. Particularly to be mentioned is the approval and registration of the **Equality Plan** in Spain<sup>24</sup>, applicable in all countries, and the publication of the Grupo Codere **Diversity and Inclusion Policy**.

Another kind of action taken is to adapt and review all work advertisements to eliminate any reference to gender or other discrimination.

## Work-Life Balance and Wellbeing

From the work-life balance standpoint, this year has been relevant for the group on its having approved the **Global Remote Working Policy** to improve reconciliation of the employees' working, family and personal life. This policy has been developed on the principles of voluntary work and equality and non-discrimination at work, although certain requirements are established to be able to work remotely, to minimize the risks and ensure the proper functioning of the company.

In this regard, the **right to digital disconnection** contemplated in this policy is to be pointed out. This right ensures that employees enjoy, through a series of organizational measures and technological safeguards, the right of any person not to be accessible for working purposes during their leisure time, leaves of absence and vacations.

<sup>23</sup> The CSR Plan, in addition to actions relating to employees mentioned in this chapter, contemplates others relating to the promotion of responsible gaming as mentioned in chapter 04. *Expanding our DNA*, of this report.

<sup>24</sup> The *Equality Plan* has been approved and registered in Spain for all companies other than Operibérica.



## Integration

The company, in the integration area, has focused on implementing a **Management Model**, identifying conducts, values and principles to be promoted by and for Codere.

In addition, within this model, following its integration policy, Codere has opted for promoting the training of new employees through its **Onboarding Plans**.

## Sostenibilidad

Throughout the year, Grupo Codere has continued its **“Zero Tolerance for Plastic Waste”** policy and has promoted campaigns and initiatives to rationalize energy consumption (these matters are developed in further depth in Chapter 8.4).

The various initiatives mentioned above are developed further in depth below in this chapter.

***The People Area advances towards a global structure, with a single management and centralized function***



## 09.3 Committed to talent

Talent management and training are two of the cornerstones for the optimum development of Codere's strategy. At this new stage, triggered by the *Transformation Plan*, the People Management reaffirms its intention to attract and develop the best professionals, increasing their retention in the company and promoting the personal and professional growth of its collaborators.



## 09.3.1 Talent attraction and retention

### Talent attraction

For talent attraction, Codere has in place a *Global Recruitment Policy* that ensures the transparency and rigueur of all its processes, updated this year on the basis of the current needs and strategic objectives.

While in 2020 the bases were established for the global model, in 2021, after several strategic analyses and reflections, the model crystalized in various initiatives, reinforcing their development and implementation with training and support instruments, to afford the company's collaborators visibility.

### Process digitalization and automation

This year, within the *Transformation Plan*, the Codere Personas platform digitalization and automation process commenced, to create a single digital system for management of the entire cycle of recruitment, selection and onboarding activities. This action is already in progress in some geographical locations, and is expected to be consolidated in 2022. Simultaneously, internal processes were digitalized through other corporate support tools to improve traceability and efficiency.

### "Success Profiles" of critical entry positions

Through many workshops between the People and the Operations areas, Codere has worked on detecting and managing the company's "critical entry positions".

In this regard, a single success profile has been prepared, in order to define the essential qualities that these positions must have to achieve operating excellence and the maximum customer satisfaction.

### Common features in "Success Profiles":

- They are in direct contact with the customers.
- These positions are searched for and selected very often given the number they represent (equal to 74% of the workforce) and their rotation.
- The unexpected absence of people with this profile has an adverse effect on the business.
- The succession plans and internal promotions depend on them, given their experience and know how.

This action seeks, among other objectives, to contribute to search for collaborators with developed "customer service" skills, to make the selection of these positions homogeneous, automatic and agile and feed the "replacement schedules" creating long- and medium-term "succession plans" to ensure an efficient process.

### Encouragement of excellence in recruitment and selection

In 2021, the **Recruiter Experience** was born. This ongoing training and accompanying action, focused on achieving excellence at all stages of the company's recruitment and selection process. In this context, Codere considers that its recruiters' satisfaction is a key issue, since they may convey it more easily to the candidates. To that end, a series of objectives have been established:

- Include training actions on recruitment and selection on a single path.
- Raise awareness in recruiters and collaborators participating in these



processes on the importance of conducting them meeting top quality standards.

- Train recruiters to search and recruit talent more expeditiously and efficiently.
- Create unique and homogeneous experiences in addition to moments of satisfaction, learning and positive emotions in the first contacts of the collaborator with the company.
- Make recruiters the “Codere brand ambassadors”, reinforcing its culture, philosophy and values.

### Global Onboarding process

In 2021, Codere has designed, prepared and started up, globally, a new Onboarding process for new employees, more agile and structured, with the following objectives:

- Cover their integration, training and development needs from the time when they join.
- Increase satisfaction and raise loyalty in new recruits, to reduce the possibilities of their leaving the company voluntarily.
- Reduce the time to adapt to the organization and to the post of work for the proposed objectives to be achieved more easily.
- Optimize the employer brand image to attract the best talent.

In addition, since Codere considers it essential for new recruits to feel assisted, informed, trained and advised from the very first day, accompaniments have been established consisting of selecting a tutor who, in addition to providing the necessary technical knowledge for good performance at the post of work, will coddle and help new starter in all necessary matters during their first weeks. For that purpose, “accompaniment guidelines” have been prepared in each country, in addition to a series of assessment questionnaires, in order to monitor the process closely.

### “Todos somos tutores”

As part of the new Onboarding process, the company is implementing “**Todos somos Tutores**” (“We are all Mentors”), a sensitizing campaign initially launched for the company managers, to be subsequently disseminated among the rest of the personnel. Through explanatory videos and other training material, the successful integration of newly joining employees is encouraged. An online training plan has also been developed to support the Onboarding process.

### Stages of the Onboarding process

- Preparation of the new appointment.
- Welcoming and induction.
- Consolidation of induction and development of the team member.
- Monitoring.

**The new Onboarding process covers all the integration, training and development needs of the collaborators from the time when they join.**

### Employee Value Proposition (EVP) and employer brand

Codere also worked this year on the definition and approval of the conceptual framework on which to build the renewed employee value proposition. Thus, using as a reference the five paths of the *CSR Plan*, a series of actions have been defined to help promote the EVP values among all collaborators.

In respect of the employer brand, progress has been made on unifying the image and message conveyed on employment sites and networks, two initiatives which will be consolidated in 2022.



## Talent retention

The company works all the time on promoting people's wish to develop their professional career in Codere and give the best of themselves. For that purpose, the implemented actions are based on five pillars:

(1) Promotion
(2) Internal communication
(3) Diversity and equal opportunities
(4) Remuneration equality
(5) Workface wellbeing

### 1. Internal promotion opportunities

In addition to attracting new talent, the company encourages the internal promotion of its collaborators, affording them the possibility of accessing posts of greater responsibility. In 2021, Codere defined certain professional career management principles and policies, to make the internal promotion decisions as homogeneous and transparent as possible, ensuring the best guarantees of success both for the promoted person and for the organization.

These global principles inspire the identification process, the requirements and the preparation necessary to consolidate a promotion. Accordingly, the most customary career paths and those that best prepare the collaborators to assume greater responsibilities are analyzed in each operation, since they enable the best knowledge of the operation, the business and the customers. They are recorded in the *Talent Management Policy*.

In addition, as mentioned in Chapter 4. *Expanding our DNA*, Grupo Codere has focused this year on strengthening personal

leadership. For that purpose, the group has defined a program, **Leader Model**, in line with the values that identify the company, which defines the skills to be developed by the persons responsible for the organization and establishes a path to identify, train and develop its leaders on the basis of **relations leadership, change leadership and personal leadership**.

One of the activities to promote this program is the **Management Model**<sup>25</sup>. This model contains a set of essential principles, practical reflections and general aspects of HR management, translated into specific behaviors and attitudes that ensure an effective leadership, with a management in line with the group's principles.

Codere has other tools to manage its collaborators' professional development and improve their opportunities of internal promotion, including an **ongoing assessment** plan for all employees to enhance their performance within the organization.

In 2021, a new assessment process was designed for which a pilot test was been carried out in four countries, with more than 300 people involved. Its digitalization on a new platform has commenced. This process also implied defining homogeneous policies to manage the professional careers of all the employees, and the training of managers and people business partners for its correct implementation.

In addition, this year the company worked on preparing its **Plan to Promote Female Leadership** in the organization. The plan, among other objectives, seeks to assess gender equality; analyze and adapt the work areas to female needs; assess performance using objective methods and review parenting practices in a manner such that they contribute to the objective of promoting female leadership.

<sup>25</sup> The Management Model is reviewed in further depth in chapter 04.1. *Purpose, mission and values*.



## 2. Internal communication

Codere has worked on disseminating and implementing its *CSR Plan*. Along these lines, tools have been developed to sensitize employees, for them to be the connoisseur and also the instrument of the company's commitment and responsible action.

In the context of this plan, Codere remains fully committed to ethical conduct and integrity. In order to publicize the newly restated **Code of Ethics and Integrity**<sup>26</sup> among all the group's professionals, various communication actions have been taken, both general, on the ethical values of the company, and specific, on certain forms of conduct contemplated in the code (money laundering, abuse, fraud, discrimination or acceptance of gifts). In turn, to reinforce its compliance, the use of the Reporting Channel has been promoted through communication campaigns.

In addition, during the year, due to the unusual health situation, teleworking and the context of the financial restructuring, the company intensified its internal communication actions in its vocation to commitment and transparency, to keep the collaborators informed of the processes in progress and the milestones achieved in the year.

Also, the company has shared with its employees relevant information on occupational risk prevention, coronavirus prevention and safety protocols, safety at work and cybersecurity. To do this, it used the channels already enabled in previous years, such as *Codere en Positivo*, *Codere Informa* or *Codere Actualidad* (see table *Main tools for internal communication* for further information).

In respect of the group's financial restructuring, the most relevant information for the members of the organization was conveyed through

several communiqués and meetings of the company's CEO with hundreds of collaborators. Online meetings were also held to explain the processes, clarify doubts and encourage cascading communication.

Lastly, three major internal communication campaigns carried out in 2021 may be pointed out. Firstly, **ValorES Codere**, the campaign through which the company's values are promoted and developed: **customer centricity, efficiency, excellent equipment, integrity and transparency and tech-based innovation**<sup>27</sup>.

Secondly, the campaign "**Más datos y menos mitos**" (*More data and less myths*) was launched due to the spread of Spanish public opinion against gaming, founded on myths and not on objective data on the contribution and impact of the industry. Through this campaign, Codere brought its collaborators a true picture of the situation of the industry in Spain, to clarify the misinformation that damages the industry by generating a false sense of alarm.

Also, "**Canal de denuncias, haciendo la mejor compañía**" (Reporting Channel, making the best company), the campaign used to remind Codere's employees all year round of the existence of the Reporting Channel to report, anonymously and confidentially, practices contravening the ethical standards.

<sup>26</sup> The Code of Ethics and Integrity is reviewed in further depth in Chapter 05. *Governance, ethics and compliance*

<sup>27</sup> This Campaign is analyzed in further depth in Chapter 4. *Expanding our DNA*



## Main internal communication tools

The following internal communication channels of the group may be pointed out:

- **Codere en positivo.** On April 6, 2021, the internal informative site *Codere en Positivo* reached its first year of life with the excellent number of 64,000 visits and 14,000 users. In order to offer cooperators a meeting point during the pandemic, and make resilience and positivity a strong point and identification sign of Codere. The CEO's messages, news on the company and relevant information on teleworking, cybersecurity, coronavirus prevention and responsibility are shared through hundreds of new articles published since it was launched.
- **Codere actualidad.** The corporate monthly newsletter that continues to accompany the employees with news on the organization and the industry, and the editorial content of the CEO reflecting the group's values and culture and bringing the milestones of the company up to date.
- **Codere informa.** This tool permits communications to be launched to the employees by e-mail, with updated information on the group's most relevant affairs (appointments, area notices, reminders or rules or protocols). This year, around five hundred communications were issued through this channel.

## 3. Diversity, inclusion and equal opportunities

The *Social Responsibility Plan for Employees* implements Codere's commitment to **equality, inclusion and diversity**. These essential pillars are the foundation of the organization's culture and growth. This year, Codere promoted several actions and policies for their consolidation.

Among them, we point out the approved **Equality Policy**. This policy will permit cohesion between the actions that the company used to take in this context and others that will be promoted from now, through the equality committees in the different countries.

In this respect, Codere has worked this year on the insertion of people with sensory and motor disorders, implementing a **Positive Discrimination Policy** containing specific employment plans. The workforce currently has a total 69 differently abled professionals (0.65% of the total workforce), a number that has grown slightly (by 6%) compared with the 65 employees of the year before.

Codere also employs a total 14 differently abled persons (such as, for example, for the cleaning of offices and gaming halls), under contracts made through special employment sites.



## ***Codere understands diversity as a growth and value generation lever. Its workforce, formed by 10,657 cooperators of 42 nationalities, shows that diversity is inherent in its culture***

The company reached an agreement with *Disjob* in Spain and has been a party since 2019 to an agreement with *Zauma Inclusión y Diversidad*, to employ persons with disabilities. In Latin America, the company forms part of the *Inclúyeme* association, currently for the cooperation with Argentina and Mexico and subsequently to extend to Colombia, Panama and Uruguay. In Argentina, Codere also cooperates with the purchase and donation of products developed by organizations in which persons with disabilities work, such as Aimé Nendivé and Portal del Sol.

In 2021, training was afforded and talks were given in Argentina (University Torcuato di Tella) and in Mexico to sensitize on equality and diversity, to be continued in 2022.

In respect of physical accessibility, we point out that all Codere's facilities comply with the applicable laws, with access for persons with reduced mobility to each of the group's halls and offices.

Also, Codere has worked on a workplace bullying and harassment prevention and involvement protocol, and several **actions have been taken for the integration of groups** such as LGTB, through sensitization seminars and talks for officers and employees; training afforded to people business partners, to raise awareness of this group's difficulties and how to manage them; also, sessions with middle-management and operational workers of all countries on matters of diversity and inclusion through COGAM (LGBTB+ association of Madrid) in Spain, participating in working groups and promoting sensitizing actions. In addition, Codere partnered with the Red Pride, and is a member in Argentina,

Panama, Colombia and Mexico, attending all the meetings of its various working groups regularly, to include certain proposals for 2022.

In 2021, the company created the ***Handbook for Publication of Employment Offers to Promote Inclusion, Diversity and Equality***, implementing a specific protocol for the publication of inclusive employment offers made to the differently abled -whenever permitted given the position offered-, publishing these offers following the decalogue of inclusive language, and adding in all of them expressly the company's commitment to inclusion, diversion and equality. Also, to ensure that the commitments acquired by the group in this matter, the offers published are audited at the global level.

Codere also published its ***Equality and Inclusion Policy***, implementing the company's Code of Ethics and Integrity and the management philosophy with regard to respect for and inclusion of especial groups.

Also, the Gender Equality Law in Spain led Codere to take one step further in its strict compliance with the law and, in addition to approving and registering the ***Equality Plan*** for Codere España, it has extended the requirement to the rest of the countries of the group.

In Spain, the law requires companies with more than 50 employees to have specific adapted plans in place, which led Codere to implement initially eight plans for its various companies, each one of them created ad-hoc taking into account their particular situations and organizational structures, but sharing a series of common issues, to be ratified/updated after four years.



In addition, through its **Code of Ethics and Integrity (CEI)**, the group promotes a culture that encourages team work, the joining of differences and the employment of all kinds of groups in risk of social exclusion. Also, in its quest for a working atmosphere free of discrimination, the company reviews its bullying and discrimination prevention framework regularly. In 2021, the company carried out an exhaustive campaign to disseminate its updated Code of Ethics.

Also, to adapt to the current social and business situation, the company updated its **Protocol to Prevent, Face and Eradicate Violence at Work**, existing in the group since 2013, for the purpose of affording workers full coverage for their protection.

### Equality plans in Spain include the following issues:

- **Review of the language of the employment offers**, to make it inclusive.
- **Adoption of workforce sensitization measures** on gender matters.
- **Encouragement of the promotion of women in posts of responsibility**, facilitating their professional career internally.
- **Control of the pay gap and measures to reduce it.**
- **Expression of the employer's commitment against any kind of harassment for reasons of gender.**
- **Information and training to all cooperators** on matters of equality.
- **Dissemination of the work-life balance measures** to which employees are entitled.



## 4. Remuneration equality

In 2021, the *Equality Plan* was approved in companies in Spain, analyzing the pay gap, monitored at least annually, to review its evolution and be able to take corrective actions. The company is now waiting to hold the monitoring meetings for this year.

Also, Codere considers remuneration to be a key tool to attract and retain the best talent. For the purpose, it has a specific model consisting of fixed remuneration ranges (based on the analysis

and assessment of posts of work, internal equity and external competitiveness) and variable remuneration (in the short term), protected by the collective bargaining agreement and ensuring equal salaries and non-discrimination.

The average remuneration of the company's employees increased between 2020 and 2021 both for men and for women. Nevertheless, the existing differences gave rise to a variable pay gap depending on the different professional groups, as shown in the following table:

### Average remuneration by gender and professional group (euros) and pay gap<sup>28</sup>

	2020				2021			
	Average remuneration men	Average remuneration women	Total	Pay gap	Average remuneration men	Average remuneration women	Total	Pay gap
Senior executives	347,720	-	347,720	100%	367,513	-	367,513	100%
Executives	121,837	99,513	116,741	18%	135,590	102,857	127,066	24%
Middle managers	21,858	17,189	20,264	21%	24,958	19,526	23,130	22%
Technical staff	14,906	16,621	15,370	-12%	16,410	18,137	16,862	-11%
Office workers	16,638	19,255	18,311	-16%	17,354	19,339	18,612	-11%
Operators	9,497	8,328	8,991	12%	11,300	9,773	10,606	14%
<b>TOTAL</b>	<b>14,904</b>	<b>11,817</b>	<b>13,675</b>	<b>21%</b>	<b>17,229</b>	<b>13,347</b>	<b>15,652</b>	<b>23%</b>

\*The average remuneration has been calculated taking into account the payroll at the year end, and the fixed and variable remuneration annualizing the amount (taking into account the time effectively worked by the employees in the year). In addition to the fixed and variable remuneration, the figures contemplate the benefits received by the employees. On the basis of the measured remuneration, the pay gap has been calculated using the following formula: Pay gap = 1 - (average remuneration of women / average remuneration of men).

### Average remuneration of directors and executives (euros)

	2020		2021	
	Men	Women	Men	Women
Senior Executives *	347,720	-	367,513	-
Directors**	225,333	-	208,667	100,000

\*Senior executives include the following profiles: first level of management of the company (the group CEO) and persons directly reporting to him (regional managers, country managers, COOs and other first tier executives).

\*\* To calculate the remuneration of the directors in 2020 and 2021, if they did not remain in office for the entire year, the remuneration received has been annualized. This is due to the changes occurred on the Board in the first quarter of the year and, since all the directors were removed from office on December 10, 2021, due to the Financial Restructuring of the group (see chapter 07. Corporate Governance, for further details on these changes). While in office, no Director received variable remuneration. In addition, this table does not show the remuneration of the sole liquidator (Servicios de Liquidación Societaria, S.L.) who, after the Special Shareholders' Meeting held on December 10, 2021, assumes the functions of the Board of Directors, their remuneration having been approved in the breakdown of the proposal for resolutions of said meeting, point 5.3.

<sup>28</sup> Schedule II to this report shows other indicators related to different HR areas, such as average remuneration by gender, age and professional group.



## 5. Work-life balance and wellbeing

This year, Codere continued to adopt measures for improvement of its collaborators' workforce wellbeing, focused on remote working and work-life balance, to adapt to the current social reality. A reality that evolves faster every day and requires people to make a greater effort to reconcile their working and personal life.

### The Global Remote Work Policy has the following objectives:

Regulate the procedure for remote work.

Be the method reference framework to ensure that decisions on remote work are homogeneous.

Improve productiveness, through a more flexible work system, contributing to achieve an optimum work-life balance.

Reduce the absenteeism ratios, improving the cooperators' occupational health and safety conditions at the post of work, by reducing the time to travel to work.

Contribute to improving the environment, by reducing the number of trips to work and polluting gas emissions.

Optimize the organization of physical areas at which the work is performed, with the cost savings implied.

Integrate data privacy and security policies in remote work, ensuring secure data processing.

Among these measures, one of particular relevance is the approval of the **Global Remote Work Policy**, arising from the urgent need to establish guidelines and procedures to work from home. Through this policy, the group seeks to improve the quality of living of its employees, while increasing productiveness and contributing to respect for the environment, establishing measures for a better personal and professional

development of its collaborators, on the certainty that a positive balance between them will contribute to the growth of the organization.

In addition, the company encourages trade union representation as a resource to facilitate labor relations and permanently improve its employees' working conditions, reflected in the collective bargaining agreements made. Most of the company's employees are subject to such agreements, either general for the industry or specific for the company:

Countries	2020	2021
Corporate <sup>29</sup>	100%	100%
Spain <sup>30</sup>	73%	77%
Argentina	86%	82%
Colombia	35%	27%
Italy	100%	100%
Mexico	38%	28%
Panama	19%	18%
Uruguay	93%	94%
Gibraltar	0%	0%
Israel	0%	0%
Malta	0%	0%

Additionally, since 2019, Codere has a **Working Time and Timetable Control Policy** in place for its companies in Spain. In November 2021, the application *DassTime*, an IT tool for electronic processing of working time, currently operating in Alcobendas, Valladolid, Melilla and Getafe, was set up. In the next few months, it will be implemented at all workplaces in Spain.

<sup>29</sup> The employees shown for "Corporate" are the central services of the company.

<sup>30</sup> The employees shown for "Spain" are those present mostly in the lines of business of type "B" machines, bingos and own gaming premises. The ratio of employees under collective bargaining agreement in this last line is below 100%, since no specific collective bargaining agreement exists for the gaming industry in Spain. In any case, the employees' rights are safeguarded under reference labor law. 77% of the employees that are subject to a collective bargaining agreement, apply those existing for other industries, such as hospitality, trade or iron and steel, inter alia. Also, 19.2% of the workforce of Codere España is covered by the action of local health and safety committees.



Also, Codere promotes the organization of working time<sup>31</sup>, adapting it to the needs of the company and of its employees, through actions commenced and managed globally, subject to the regulations established by the collective bargaining agreements applicable to the employees and the legislation in force in each territory.

All the actions taken and the work performed by Codere to promote workplace wellbeing have given rise to a very high level of satisfaction of its employees with their post of work and a low absenteeism ratio<sup>32</sup>.

In 2021, the company had a much reduced absenteeism ratio, 716,942 hours of a total 17,873,682 hours worked. This number represents 4% of the total hours worked, implying a reduction of the absenteeism ratio of the year before (711,983 hours, 6% of the total hours worked).

<sup>31</sup> Codere performs a highly complex gaming business, given its international geographical diversification, and the particular features of its various workplaces (head offices, delegations and businesses: horse racetracks, machines, gaming halls, with a great structural complexity, particularly at the hall level: betting points, bingos, arcades). To this must be added the differences existing in the regional and autonomous community regulations of these premises (in the case of Spain) and at the country level, since the businesses are subject to different regulations depending on the country where they are located. Also Grupo Codere is aware of the importance of achieving work-life balance, through measures to make timetables flexible, where so permitted by the business, or bringing certain services to the workplaces, avoiding travel and waste of time of our cooperators. It is because of this that we seek to find the balance between the professional performance in our business and family activities, with greater added value for employees, while improving their notion of the working environment and conditions.

<sup>32</sup> The number of hours of absenteeism include: hours of absences without permission, hours for industrial accident, with or without leave of absence, and hours of absence for ordinary disease, with or without leave.



### 09.3.2 Training, to promote transformation

This year, Codere took many new employee training and development actions, including the organization of a new global training and development unit in the People management system, permitting a greater integration and automation of the training processes.

During the year, many training actions were taken at different levels in the company. Firstly, in Codere España, all employees are offered a wide catalogue of freely-accessible online training, available through **Campus Codere**. Secondly, at the global level, a school of internal trainers, consisting of 340 people, was designed, to afford training sessions next year on many matters (technical, compliance, occupational risk prevention, money laundering, etc.).

It also continued to make progress in the digitalization of various training actions (in particular, 35 actions in 2021), which were previously carried out in person, developing their design and content and facilitating the training of people who join the Operations Area.

In turn, due to the increased digitalization and teleworking, many global cybersecurity actions were taken in order to raise awareness in the employees of the current threats.

Likewise, to improve customer relations at the halls, the **Operating Excellence Model** was implemented. This corporate project seeks excellence at all levels of the organization. For the purpose, several training paths have been designed, focusing on sensitizing the employees and developing their key skills, with a direct impact on customer experience in Codere.

Another of the major pillars of the company's work is the development and implementation

*Through training, Codere encourages the exchange of knowledge, reinforces the commitment of its professionals and promotes transformation*

of the group *Corporate Social Responsibility Plan*. For the purpose, Codere continued to take many training actions in the various areas of the plan, including responsible gaming issues<sup>33</sup> and sessions to sensitize managers, both executive and non-executive, on diversity and inclusion, in association with several external organizations.

Additionally, on the path of *integration* of the *CSR Plan*, the *people business partners* received training on the application of the **Protocol against Workplace Bullying** and an online training plan is worked on to disseminate the defined Onboarding system.

As it has done every year, Codere afforded its collaborators training on criminal liability, money laundering prevention, security, compliance and occupational risk prevention and other specific training on the post of work and languages (English, Italian and Spanish).

Lastly, in the health crisis context, Codere continued to implement several of the training actions already commenced in 2020, in order to maintain its commitment and continue to support its collaborators during the complex health situation. Among its main actions, the continuity of *Codere en Positivo*, the main virtual meeting point during the pandemic, offering training and information on wellbeing, health, leisure, cybersecurity, teleworking tools and news on the company and on the evolution of

<sup>33</sup> Training on responsible gaming is developed in further depth in chapter 04. *Expanding our DNA*.



the coronavirus. Training courses on Covid-19 protocols continued to be given in order to ensure a safe return to business, both for customers and for employees.

### Hours of training received by professional group<sup>34</sup>

	2020	2021	Evolution 2020-2021 <sup>35</sup>
<b>Senior executives</b>	29	150	417%
<b>Executives</b>	1,059	1,142	8%
<b>Middle managers</b>	10,321	23,357	126%
<b>Technical staff</b>	5,679	11,072	95%
<b>Officer workers</b>	4,680	5,785	24%
<b>Operators</b>	17,603	31,164	77%
<b>TOTAL</b>	<b>38,305</b>	<b>72,669</b>	<b>90%</b>

<sup>34</sup> The hours shown are for hours of training (both online and in-person) afforded on skills, CSR, legislation and compliance, office electronics and languages, among others. These data include Israel, Malta and Gibraltar, since these countries do not currently have a reliable reporting system. It is expected that these geographical locations may be included in the next few years with the implementation of the new CSOD Learning training system.

<sup>35</sup> Such a significant increase between the hours of training received in 2020 and those of 2021, is due mainly to the return to normal business of the company. Since Codere's activity was greatly impacted by the Covid pandemic in 2020, a large part of the training activities was suspended, giving priority only to those most relevant and essential actions.



## 09.4 Healthy and safe working environment

Occupational health and safety management focused this year on continuing the prevention efforts commenced in 2020, to **minimize the spread of the Covid-19 virus** and permit the return back to normal. In this respect, from the beginning of the pandemic, Codere gave priority to the health and safety of its employees, customers and other groups involved in the company's business, through its *COVID-19 Protocol*, the creation and action of the COVID Committee and the promotion of a global *Teleworking Policy* for all collaborators.

Thanks to the joint effort of the various business units, Codere maintained the best prevention practices, worldwide and homogeneously, allowing for an excellent management of the impacts of the pandemic and the ensuing **almost absolute recovery of retail operations**, with the most recent reopening of Argentina and Uruguay in July 2021.

In occupational health and safety, the **approval of the Occupational Risk Prevention Policy** this year must be pointed out, seeing ongoing improvement of the health and safety conditions existing in the company.



## 09.4.1 Actions taken against the Covid-19

From the start of the pandemic, Codere undertook a series of actions to prevent the spread of the virus. The company implemented a **Covid-19 Protocol**, to regulate these measures. Its content was regularly updated since then, permitting the organization to adapt to the change of health regulations and protocols in all countries. Among the prevention measures put in place we may point out the following:

- **Follow up of positive cases and close contacts:** monitoring the evolution of the symptoms and the quarantine times. Through this procedure, the workers received advice and the company was able to study the close contacts in the working environment, in addition to proceeding to disinfect the workplaces where positive cases were detected.
- **Implementation of a daily reporting system:** through PBPs (*people business partners*), Codere has been able to establish a system to report the daily cases in most countries (in those in which it has not been implemented, this is due to personal data privacy matters).
- **Return to business protocols:** the necessary protocols were coordinated through the Committee for measures to return to operations and offices, for the safe return of the employees and customers, both to gaming halls and to the rest of the group's facilities. Also, in some countries, such as Panama, the halls are reviewed to assess and reinforce compliance with the biosafety measures contemplated in the protocol, and meetings are held every fifteen days with the members of the Covid-19 committee.
- **Adaptation to teleworking:** from the start and throughout the entire crisis, depending on the epidemiological situation in each country, Codere used teleworking as an essential tool for the safety of its people and the continuity of its operational functions. For the purpose, the necessary computer equipment was delivered to those employees who until then did not have it and safe accesses to the systems were enabled to facilitate remote working. In addition, online training actions were performed and specific materials were developed to train and assist these employees to adapt to the situation.
- **Adaptation of the facilities:** Codere continued to implement measures designed to prevent infections within its premises, including the disinfection of areas and the placing of signs and reminders of the prevention messages required by the various local regulations. In this context, Codere carries out inspections on the halls to assess and reinforce compliance with the implemented measures.
- **Design of working instructions per post:** all posts of work have specific instructions conveying the prevention measures that each employee must follow depending on their functions.



## 09.4.2 Prevention, the safest bet in view of the risks

The group understands that it is essential to nurture a preventive culture and the global People CSR area has thus taken a further step forward towards employee protection by approving an **Occupational Risk Prevention Policy (ORP)**. The policy includes, as a quality factor, a statement of principles and commitments for ongoing improvement of the health and safety conditions in the company, to ensure the health, integrity and welfare of all its collaborators, customers and suppliers.

To define this policy, an international work group was created, formed by persons responsible for occupational risk prevention in Spain, Uruguay and Argentina, who proposed a single global plan after an exhaustive analysis of the policies implemented in the various countries and the laws in force.

The purpose is to have a framework with a global scope and homogeneous application in the various business units of the group, to supplement the legislative requirements of each country with the implementation of the best practices, another step forward in the care of people.

In this context, in order to offer a working space with the maximum safeguards, a Steering Committee was created in each of the countries, formed by the persons responsible for ORP, to ensure adequate compliance and encourage and participate in the regular meetings to be held specifically to discuss health and safety matters.

In addition, in the ordinary course of business, Codere performs a series of actions having the purpose of promoting the health and safety of all group collaborators and customers. In this regard, training courses on fire prevention, occupational risk prevention and first aid have been made available, in addition to other **actions implemented at the local level:**

### Argentina

- Review and update of the Emergency and Evacuation Plans.
- Perfection of anti-accident measures, together with the local authorities.
- Training of fire brigades.

### Uruguay

- Implementation of the Occupational Health and Prevention Service, responsible for supervising the employees' health and safety, including COVID-19 prevention issues, and general aspects.

### Italy

- Regular inspections by the RSPP (consultant responsible for risk prevention).
- Controls by Internal Audit according to the Annual Audit Plan.

***Codere sets up the necessary processes for the safe and healthy conduct of its business***



## Colombia

- Work by an employer-employee occupational health and safety committee, formed by a group of employees skilled to meet the workers' needs.
- Implementation of an *Occupational Health and Safety Policy* to ensure the identification, assessment, control or elimination of the risks present in all the activities performed by the company.

## Mexico

- Creation of employer-employee health and safety committees.
- Development of a communication campaign on the prevention of psycho-social risks (NOM035) to identify, assess and control psycho-social risks among the employees and promote a favorable organizational environment.
- Development and approval of a *Psycho-Social Risks Policy*.

## Spain

- 2021 Health Surveillance Campaign targeted to all employees.
- Occupational Risk Prevention Training Plan per post of work targeted to all employees.
- Monitoring and adoption of preventive measures and safety measurements at the workplaces.
- Coordination with external companies performing their activity at our facilities.
- Investigation of industrial accidents and adoption of preventive measures.
- Adaptation of posts of work to particularly sensitive workers (pregnant women).
- Participation in Health and Safety Committees.

## Panama

- Medical guidance and monitoring (through the service "Dr. en minuto")
- Alliance with the ambulance service providers for low-cost antigen tests to be made on collaborators and their families
- Agreement with the Occupational Health and Safety Department of the Panama social security to implement vaccination sessions for the reinforcement dose for collaborators, and a psychological guidance service.
- Reinforcement of the return protocols, reviewing also the various halls to assess and ensure compliance with the biosecurity measures contemplated in the protocol
- Meetings every fifteen days with the members of the COVID-19 committee.



### 09.4.3 Occupational health and safety key performance indicators

In 2021, the industrial accident ratios of Codere’s employees suffered a significant increase due to the gradual return to in-person business in all countries. The number of accidents this year increased by 191% (247 accidents) in respect of 2020 (85 accidents). Accordingly, the frequency and seriousness ratios also experienced a large increase in respect of 2020, of 57% and 119%, respectively. However, the current accident ratios continue far below the levels before the pandemic (380 accidents in 2019). Occupational disease remained at the same level as the year before.

#### Accident ratio<sup>36</sup>

	2020			2021		
	Total	Men	Women	Total	Men	Women
<b>Accidents<sup>37</sup></b>	85	43	42	247	145	101
<b>Frequency<sup>38</sup></b>	7.03	6.38	11.13	13.85	13.35	14.47
<b>Seriousness<sup>39</sup></b>	1,644	1,170	472	3,605	2,731	874
<b>Confirmed occupational diseases</b>	1	0	1	1	0	1

<sup>35</sup> Neither Codere Malta nor Codere Israel have been taken into account to calculate the accident data, since they do not have an accident or absenteeism reporting system. However, the hours worked have been taken into account with an approximate calculation.

<sup>36</sup> Codere España does not include COVID-19 processes as accidents.

<sup>37</sup> The frequency ratio has been obtained by dividing the number of accidents with sick leave by the number of hours worked, multiplied by 1,000,000.

<sup>38</sup> The seriousness ratio has been calculated by dividing the number of working days lost for accidents with a sick leave by the number of hours worked, multiplied by 1,000.



### 09.4.4 Health and wellbeing

The months of threat, uncertainty and adaptation lived due to the pandemic have made the importance of caring for one’s health and preserving one’s wellbeing to be in the best condition to face the professional and personal challenges that arise every day more obvious. To manage stress positively, ensure sleep and rest, keep healthy habits and care for one’s mind, have been demonstrated to be essential tools.

In this regard, Codere considers wellbeing to be a key factor for motivation, commitment and productiveness and, for that purpose, the Work-Life Balance and Wellbeing team, consisting of executives and technicians of the People Area of the various countries, has designed a **Global Health and Wellbeing Program**.

This program seeks to ensure the collaborators’ wellbeing from various points of view, such as the reduction of tobacco addition, the promotion of physical activity, encouraging healthy eating and the control of stress and other psycho-social risks.

In addition, the health and wellbeing program includes a reminder on the most usual aspects, such as consuming water regularly, or stretching a little regularly, and provides essential guidelines on the manner in which to help prevent, and occasionally detect, certain diseases.

### Vaccination against the coronavirus

#### The health and wellbeing program has various contents:

##### HEALTH

- Promotion of healthy eating.
- Advice on drinking water.
- Importance of having health checks.
- Heart care.
- Blood donation.

##### WELLBEING

- Sleep and rest.
- Promotion of physical activity.
- Mindfulness.

##### ACTIVE PAUSES

- Regular small stretching exercises.

##### MENTAL HEALTH

- Anxiety management.
- Stress management.

#### Full vaccination ratios:

- Spain: 80.02%
- Italy: 75.51%
- Argentina: 71.97%
- Mexico: 56.96%
- Colombia: 56.23%
- Panama: 57.68%
- Uruguay: 77.02%

One of the main health concerns in the current scenario is the protection against the coronavirus through vaccination. In these times, one of the main health concerns is the protection against the COVID-19 through vaccination.

Codere launched the communication action **Codere Protegido**, to raise awareness in its collaborators on the importance of participating in the vaccination campaigns promoted in each country.

As a socially responsible company, Codere proposes to vaccinate 100% of its workforce, not only for its own safety and that of its customers, but also to recover “normality”, as soon as possible.



# We care for our environment

10

## 10.1 Growing with the community

Codere has from the start sought to achieve sustainable and responsible growth, committed to its environment. To that end, it distributes part of the profit on its business to the communities in which it operates, through initiatives that exceed its Corporate Social Responsibility (see chapter 5), contributing to the response to community needs and improving the company's relations with its stakeholders.

Also to be pointed out is the relevant contribution made by Codere through the performance of its business to the socioeconomic growth of its markets by:

- **Generating quality employment:** in 2021, Codere's workforce consisted of 10,657 employees, 94.50% of whom were employed on a permanent basis.
- **Cooperating to sustaining the local treasuries:** this fiscal year, the company contributed 283 million euros in taxes, €215,4M of them special gaming taxes.
- **Working to reduce the environmental impact of its activity:** by saving electricity, reducing CO2 emissions and ensuring a correct waste management, as the most relevant issues. (Chapter 10.4 *Contributing to the preservation of the environment*).

The company also contributes to develop a responsible gaming offer, with all safeguards for players and governments, minimizing the potential adverse effects of the activity on society and maximizing the tax collection by the public authorities.

In this context, one of the group's main objectives is to provide the gaming industry with the maximum transparency, and to promote and cooperate in initiatives for the development of public policies for responsible gaming by the hand of the various local regulatory bodies.



# 10.2 Relations with our stakeholders

Codere understands the importance of maintaining transparent, responsible and fluid relations with its stakeholders, for a proper functioning of its activity and an optimum development of its business. For that purpose, it has various communication channels to ensure that it knows the expectations and concerns of these stakeholders with regard to the company. On the basis of such information, Codere works

to adapt, to the extent possible, its policies and strategies to the detected needs, in order to bring the business objectives and values in line with their expectations.

The company, in addition to the communication channels already mentioned in other chapters of this report, has the following channels available to interact with its stakeholders:

Stakeholder	Main expectations from Codere
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Transparency and creation of value.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Sustainable growth.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Quality, variety and warranty of the gaming offer.</li> <li>• Technological innovation.</li> <li>• Protection of vulnerable groups.</li> <li>• Brand image.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Stable employment.</li> <li>• Wellbeing and conciliation.</li> <li>• Corporate culture and good name.</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>• Profitability.</li> <li>• Experience in the sector.</li> <li>• Transparency.</li> <li>• Good name and brand.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Contract terms.</li> <li>• Mean payment period.</li> </ul>
<b>Communication media</b>	<ul style="list-style-type: none"> <li>• Transparency and knowledge of the gaming industry and the company.</li> <li>• Management of risk groups and social impact of the activity and CSR.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Transparency, planning of the activity and protection of vulnerable groups.</li> </ul>



## External communication

### Customer support service

Codere has a claims processing system (*Customer support service*), through which it responds to the incidents and claims of its customers on the service provided. It includes a protocol that establishes manner in which the claims received must be answered and resolved, specifying the procedure to review each request until it has been satisfactorily resolved.

These claims are received through different channels, depending on the type of customer:

- **Retail:** the claims generated in the in-person business (own or partner premises) are answered by telephone. These contacts represented this year 5% of the total volume of the service, (8% in 2020).
- **Online:** the claims made by online business end customers are received, mainly, through a digital chat. These customers may also get in touch by telephone and/or by e-mail. These claims represented 95% of the volume of the service this year (in comparison with the 92% of 2020).

In 2021, Codere received a total 96,707 claims and incident resolution requests through the aforementioned channels (compared with 81,577 received in 2020).

The organization also encourages dialogue with its customers through the commercial websites of the various businesses and their points of sale and through customer satisfaction surveys.

### Corporate website

The group keeps its public informed of the most notable aspects of the business by publishing information of interest at its corporate website [www.grupocodere.com](http://www.grupocodere.com).

This website publishes news on the progress made by the group, result reports, the Statement of non-financial information and publications promoted by the company for the transparency of the sector.

In addition, Nueva Codere makes available to the users information on Codere Online and Codere S.A., a company in liquidation after the financial restructuring of the group. It is also in contact with the main departments of the organization and has in-depth information on its history, international presence, business lines and social commitment.

Specifically for media professionals, the company has a press room at its website, through which they may access official communiqués, institutional and business information and interesting graphic material. Access is also provided to the investors area and to the Reporting Channel<sup>40</sup>.

<sup>40</sup> These contents are developed in chapters: 7.1. Corporate Governance, 7.2 Compliance and 8.3 Involvement of shareholders and investors.



## Social networks

Codere is active on the main social networks, through its corporate profiles and those of the various businesses of the group, through which it encourages dialogue with its followers. The group's followers in the social networks at the 2021 year end are shown below:

### Twitter



**87,000**  
followers

### Facebook



**543,518**  
followers

### Instagram



**155,738**  
followers

### Linkedin



**34,399**  
followers

### Youtube



**120,719**  
followers

## Investor relations<sup>41</sup>

In addition to the information provided in the **corporate website** of the group, the company is in contact with its shareholders and institutional investors through the **Investor Office**, from which all consultations and requests are answered individually, particularly in 2021, after the financial restructuring was completed.

Codere also communicates with this group at the office located at the head offices of the company and through its **telephone service** (+34 91 354 28 19) and **e-mail** ([inversor@codere.com](mailto:inversor@codere.com)).

The company also affords shareholders and investors access to the presentations of quarterly results and other communications relevant for the market through **webcasts, telephone conference calls** and **via web**, besides organizing regular informative meetings on the progress of the group and other issues of interest. The company also publicly reports its relevant information to the **CNMV**, through its notices of insider information and other relevant information.

In addition, Codere, in compliance with the Securities Market Law, has an **Electronic Forum of Shareholders**, accessible from the 'Corporate governance' section of the group website, which permits communication between them before shareholders' meetings are held. (For further information, see Chapter 8, Investors, a commitment to the future).

In the restructuring of Grupo Codere, implemented on November 19, 2021, four companies were created in Luxembourg, with Codere New Topco S.A. as the holding company, namely, "Nueva Codere".

With the liquidation now in progress of Codere S.A., the former parent company, the obligations for a company listed on the continuous market are suspended, including the regular reporting to the CNMV and the forum of shareholders. However, Investor Relations will continue to assist the financial community as they have done over the past years.

<sup>41</sup> The general channels of information and communication with investors are developed in further depth in Chapter 08. *Investors, a commitment to the future*



## Internal communication

The group conveys to its employees a broad training offer through **TransFórmate**, a platform that, since 2020, contains a special section, *Espacio positivo*, with resources related to the pandemic. The platform also offers a series of content and programs such as: Welcom@ to Codere, We are all mentors, Training in responsible gaming, Prevention of money laundering and of terrorist financing or the *Code of Ethics and Integrity* (explained further in depth in chapter 9.3 *Committed to talent*). In 2021, the training area made available up to 35 electronic training actions to the group employees.

The company also promotes several tools for the dissemination of information to and meeting and development of the group members, particularly during the pandemic, including the corporate newsletter, **Codere actualidad**, published monthly, which gives visibility to the messages of the General Management, news on the sector and the group and local initiatives. The values and responsible commitment of the company are also permeated among the collaborators, to reinforce the corporate culture.

Relevant news or the various campaigns promoted in the group is also disseminated through the communiqués of **Codere informa**, which are distributed through the corporate e-mail. This year, approximately 500 were sent.

As the meeting point during the pandemic, Grupo Codere has enabled a virtual area, the **Codere en positivo** site which, during the health crisis, had more than 64,000 visits and brought information and tools useful for this complicated period closer to the employees through hundreds of articles. The platform discusses matters such as the evolution of the coronavirus, health, the new normality or teleworking, encouraging a common and positive view founded on Codere's values.

The most relevant information for collaborators is also accessible from the various **intranets** set up both at the corporate center and at the group business units.

The company is also setting up various **virtual meetings with the group CEO** and the management, to share the main milestones of the company and settle any doubts on the processes in progress.

## Other communication channels

The company maintains its relations with the **regulators** from various areas and through several channels, although this is the main function of the Institutional Relations Department. This task has become particularly relevant this year, due to the pandemic and the need to adapt the company to the requirements established by the public authorities.

In addition, to reinforce **supplier relations**, in addition to the contacts already held in the context of the negotiation and contracting activities, Codere is working to set up a **specific platform** to permit the integrated management of the purchases process. This platform will permit more efficient relations, expediting the validation processes, tenders and offers or invoicing, among other issues.

With a view to the **media**, in addition to the 'Press Room' enabled at the corporate website and mentioned above, Codere has a **Corporate Communication Department**, where the informative activity of the group is centralized. The communication media may get in touch directly with this department, which meets any request for information fast and transparently.



## 10.3 Creating common value

In compliance with the *Corporate Social Responsibility Policy*, Codere promotes the fair remuneration of all groups contributing to the success of its business project, stimulating a significant generation of richness in its main stakeholders. In 2021, the company distributed among its stakeholders more than 980.10 million euros.

Creation of value in stakeholders of Codere in 2021 (millions of euros)	
<b>Economic value generated by the company</b>	<b>790.69</b>
<b>Economic value distributed to stakeholders</b>	<b>980.10</b>
<b>Employees (payment of salaries)</b>	<b>134.63</b>
<b>Suppliers (purchases and procurement)</b>	<b>386.07</b>
<b>Shareholders (payment of dividends)</b>	<b>1.40</b>
<b>Public Administrations (payment of taxes and duties)</b>	<b>376.30</b>
<b>Financial institutions (payment of interest)</b>	<b>81.70</b>
<b>Economic value retained by the company (A-B)</b>	<b>-189.41</b>



## Tax contribution

As shown in the above section, the various taxes paid by Grupo Codere in the countries in which it operates are a major contribution to sustain the public treasury and, thus, to the governance of the company.

The total tax contribution of Grupo Codere in 2021 was 283 million euros, including only taxes borne, i.e., taxes that imply a cost for the group.

Among these taxes, we may point out gaming tax (under its various headings), with which Grupo Codere contributed 215.4 million euros to the local treasuries of the countries in which it operates. In terms of tax on profit, the contribution by the company to the treasuries of the different countries amounted to 12.7 million euros in 2021.

Also, Codere has to meet other real estate or economic activity taxes, representing approximately 37.5 million euros in the results of the group in 2021.

It must also be pointed out that Codere bears a relevant cost for Value Added Tax and similar indirect taxes since, because gaming is an activity exempt from indirect taxation in most of the countries in which it operates, it is unable to deduct or, thus, recover most of the tax borne, implying a VAT expense of 17.4 million euros.

In addition, Codere makes other contributions of taxes, which it collects for the account of third parties, the most significant being the payments for tax withholdings on wages and salaries, amounting to 16.1 million euros; and contributions to social security, both for the account of the employee and for the employer, making up 31.1 million euros.

Codere also collected in 2021 withholdings for the account of customers and suppliers in a total amount of 36.5 million euros. Additionally, it collected VAT in an amount of 9.6 million euros.

### Input taxes Grupo Codere (2019 – 2020 – 2021)

	2019	2020	2021
<b>Gaming tax contribution</b>	413.3	182.5	215.4
<b>Other taxes</b>	61.4	27.8	37.5
<b>Non-deductible VAT</b>	20.7	13.7	17.4
<b>Corporate Income Tax</b>	40.6	7.6	12.7
<b>TOTAL</b>	<b>536</b>	<b>231</b>	<b>283</b>



**Contribution for Corporate Income Tax of Grupo Codere in millions of euros  
(2019 – 2020 – 2021)**

Millions of euros	Payments Corporate Income Tax or equivalent			Withholding tax payments			Others			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Argentina</b>	16.9	1.5	0.2	1.4	0.8	0.6	0.5	0.4	3.9	18.8	2.6	4.7
<b>Mexico</b>	14.8	1.8	0.7	1.4	0.8	3.0	0.0	0.0	0.0	16.1	2.6	3.7
<b>Colombia</b>	0.1	0.0	0.0	0.3	0.3	0.6	0.0	0.0	0.0	0.3	0.4	0.6
<b>Spain</b>	1.5	1.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.0	2.0
<b>Italy</b>	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0
<b>Luxembourg</b>	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
<b>Panama</b>	1.2	0.1	0.0	0.3	0.2	0.3	0.0	0.0	0.0	1.5	0.3	0.3
<b>Uruguay</b>	0.4	0.7	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.5	0.7	1.1
<b>Israel</b>	0.1	0.0	0.1	0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
<b>TOTAL</b>	<b>36.7</b>	<b>5.0</b>	<b>4.2</b>	<b>3.4</b>	<b>2.2</b>	<b>4.6</b>	<b>0.5</b>	<b>0.4</b>	<b>3.9</b>	<b>40.6</b>	<b>7.6</b>	<b>12.7</b>

**Profit before taxes per country in millions of euros (2019 – 2020 – 2021)**

Country	2019	2020	2021
<b>Spain</b>	2.6	-23.5	-4.9
<b>Mexico</b>	-11.7	-130.6	-67.5
<b>Argentina</b>	44.6	-24.9	-27.8
<b>Colombia</b>	-5.3	-11.8	-3.4
<b>Italy</b>	-3.2	-35.0	-23.4
<b>Uruguay</b>	1.9	6.2	-4.2
<b>Brazil</b>	-0.7	-0.4	-0.2
<b>Panama</b>	-12.3	-27.9	-14.9
<b>Parents</b>	-40.6	-4.7	-148.0
<b>Online</b>	<b>-8.1</b>	<b>-8.8</b>	<b>-63.9</b>
<b>TOTAL</b>	<b>-32.8</b>	<b>-261.4</b>	<b>-358.1</b>



## 10.4 Contributing to the preservation of the environment

Codere has continued to work on mitigating its environmental impact and the preservation of the environment as part of the sustainability core of its social responsibility, despite the fact that the company's activity does not have a relevant impact on the environment. Particularly, the group is focused on combating climate change and decarbonizing the economy, in line with the principal national and international policies and efforts.

The main environmental impacts of the organization are energy and water consumption, greenhouse gas emissions and the generation of certain types of waste. Because of this, Codere has initiated a series of actions to ensure a sustainable management of the activities and reduce the carbon and water footprint of the group in addition to the organic and non-organic waste produced by its operations.

### Optimizing resources

At the end of this year, Codere started up an **energy efficiency project** which includes the headquarters and also delegations and own points of sale in Spain.

Through a specialized internal advisor, the company is at the stage of diagnosis of the

energy consumption of the various facilities included in the project, to detect inefficiencies, monitor behaviors and define action plans to optimize consumption.

With this project, Codere seeks to achieve consumption savings of between 8% and 10%. In addition, in the context of this project, the group contemplates centralizing the control of the air conditioning and heating of the facilities, adapting it also to the business timetables of the halls.

Starting with Madrid, the project will be implemented by autonomous regions and is intended to be completed in 2022. Codere has the intention of deploying this project in the rest of countries, depending on the profits obtained in this pilot test.

Together with this project, CO<sub>2</sub> concentration meters are being installed at each point to permit the correct adaptation of gaming premises and headquarters to new and future Covid-19 laws. This system monitors the carbon dioxide levels and activates the ventilation process of the halls when certain levels are reached.



**Energy and water consumption in Codere in the 2020-2021 period (kWh)\***

	2020	2021	Evolution 2020-21
<b>Electricity consumption (kWh)**</b>	127,052,444	169,203,025	33%
<b>Gasoline consumption in (l) ***</b>	73,334	113,116	54%
<b>Diesel consumption in (l)</b>	858,507	1,057,277	23%
<b>Natural gas consumption (m<sup>3</sup>)</b>	384,877	1,289,155	235%
<b>Water consumption (m<sup>3</sup>) ****</b>	704,514	1,088,847	55%

\* Calculated according to the invoices available at the date of the report. Details of the activity of Malta, Gibraltar and Israel are not included, since the necessary monitoring and reporting processes are not available.

\*\* The data of 2020 do not include the electricity consumptions of Codere Colombia. Currently, only Codere Argentina and Uruguay consume energy from renewable sources (8% and 1.5%, respectively) to perform their activity.

\*\*\* The fuel consumptions reported in 2020 and 2021 do not include those of the following countries, since the necessary monitoring and reporting processes are not available:

- Gasoline consumption of 2020 and 2021 does not include data of Argentina, Colombia or Italia.
- Diesel consumption of 2020 does not include the data of Colombia and Panama. That of 2021 does not include Colombia.
- Natural gas consumption of 2020 does not include the data of Mexico and Panama. That of 2021 does not include Mexico.

The significant increase of the consumption of all fuels in respect of 2020 is due mainly to the reactivation of the operations and the gradual return to in-person activity. Likewise, this year, Grupo Codere has added the reporting of various countries on reaching the indicators (Colombia and Panama for natural gas and Panamá for diesel consumption).

\*\*\*\* 2020 data do not include the water consumptions of Colombia but this information was added to calculate the information for 2021. The considerable increase of the water consumption in respect of 2020 is due mainly to the reactivation of the operations and the gradual return to in-person business.



Codere promotes at its various geographical locations measures to reinforce its commitment to reducing the consumption of energy and water. The following are pointed out<sup>42</sup>:

## Spain

- Renewal of the fleet of vehicles over five years old, adapting to Euro 6D standard, forecast for 2022.
- Study of a mobility plan targeted to personnel working at the head offices of the company.
- Evaluation of the future inclusion of electrical vehicles in the corporate fleet (currently



### LEED certificate at the head offices in Spain<sup>1</sup>

Since 2017, the Codere España headquarters have the LEED certification (Leadership in Energy & Environmental Design), which will be maintained after the renovation works carried out in 2021 and at the beginning of 2022. This authentication is issued by the US Green Building Council and warrants that the building has been built meeting eco-efficiency standards and sustainability requirements.

studying the needs to install adequate infrastructure for their reloading, related costs, implementation procedure, etc.).

- In the transport context, Codere set up in 2020 a GPS system in the corporate fleet vehicles, used to study the driving habits of all employees with a company-owned vehicle (speed, consumption, skills, etc.). Based on the results, certain practices are in place to improve driving, permitting benefits to be obtained such as reducing the peak speed, which in turn has given rise to a 10% fuel saving and reduction of the accident ratio.

## Italy

Migration to LED lights<sup>43</sup> at all halls and head offices.

- Installation, at all the halls, of a consumption measurement system for the air conditioning equipment, with an automated system to optimize consumption.
- Forecast start up, in 2022, of a project to install photovoltaic panels, with a maximum capacity of 75/100 KWP, with one thousand modular panels installed on the roof of the hall in Parma.

## Argentina

- Migration to LED lighting of the hall at San Martín and forecast migration of the rest of the halls in the country.
- Forecast installation of a system to measure the consumption of the air conditioning equipment to automate and optimize its electricity consumption.

<sup>42</sup> Shortly, Colombia, Panama and Mexico will join the fight against climate change, adhering to a plan to promote the implementation of processes and initiative contributing to achieve the UNO commitments.

<sup>1</sup> Apart from the LEED Certificate at the head office of Codere, the group does not currently have other environmental certificates in other territories.

<sup>43</sup> Lighting Emitting Diode.



- Purchase of 8% of the consumed energy from renewable sources<sup>44</sup>.
- Installation, at all the halls, of an automatic water system, providing the adequate quantity, to avoid misuse and waste.

## Uruguay

- Consumption of 1.3% of the energy from renewable sources.
- Definition of a plan to switch lighting to LED technology.

## Mexico

- Installation of LED lighting at the Las Américas Racetrack.

The implementation of the aforementioned actions not only contributes to reducing energy consumption but also has a positive impact on mitigating the impact of the company's greenhouse gas emissions, thus cooperating to combat climate change.

In 2021, these emissions were 66,628 tCO<sub>2</sub>eq, mostly for electricity consumption. The considerable increase of the group's emissions, 22% higher than in 2020, is due to the reactivation of the activity after the shutdowns during the pandemic.

### Emissions of greenhouse gas in Codere in the 2019-2021 period (tCO<sub>2</sub>eq)<sup>45</sup>

	2020	2021	Evolution 2020-2021
<b>Range 1<sup>46</sup></b>	3,319	5,825	76%
<b>Range 2<sup>47</sup></b>	51,394	60,803	18%

### Mister Underdog, 100% sustainable

Codere is helping repopulate a wood in the Natural Reserve Valle de Iruelas, Sierra de Gredos, Avila (Spain), to offset the carbon footprint generated by its football program on YouTube, Mister Underdog, when producing 19 programs (between November 2020 and February 2021) at the Luchana Theaters in Madrid.

The environmental impact (transport, people mobility, consumption of energy and raw materials, among other variable factors) has been measured and analyzed by Creast Network, a company authorized by the United Nations, in the Climate Neutral Now program, including the impact of the carbon footprint, certified by GreeMko.

The company will offset these emissions by planting 85 trees, to regenerate an area burnt by a fire in 2009 which affected 4,200 hectares. This action is certified by Bosques Sostenibles.

<sup>44</sup> This 8% of renewable energy is the minimum percentage required by law in Argentina, which is supplied to Codere through an independent generator (Cámara Argentina Mercado Mayorista Eléctrico Sociedad Anónima, CAMMESA), a State entity responsible for verifying that the undertakings comply with the established minimum percentages of renewable energy to be purchased.

<sup>45</sup> Codere does not currently have the necessary processes available to calculate the emissions of range 3.

<sup>46</sup> The emission factors used to calculate Range 1 have been taken from data updated at 2020 of the energy and climate change department of the UK Government: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

<sup>47</sup> The emission factors used to calculate Range 2 have been taken from the data included in "CO<sub>2</sub> Emissions From Fuel Combustion Highlights" of the International Energy Agency (IEA) of 2013 ([https://moodle.polymtl.ca/pluginfile.php/413972/mod\\_page/content/70/IEA%20-%20CO2%20Emissions%20From%20Fuel\\_2013.pdf](https://moodle.polymtl.ca/pluginfile.php/413972/mod_page/content/70/IEA%20-%20CO2%20Emissions%20From%20Fuel_2013.pdf)), the page of Red Eléctrica Española on December 31, 2021, and the Carbon Footprint Report "Country specific electricity grid greenhouse gas emission factors" published in January 2022 [https://www.carbonfootprint.com/docs/2022\\_01\\_emissions\\_factors\\_sources\\_for\\_2021\\_electricity\\_v10.pdf](https://www.carbonfootprint.com/docs/2022_01_emissions_factors_sources_for_2021_electricity_v10.pdf)



## Waste reduction

Codere has the objective of becoming an organization with **zero tolerance to plastic waste**. To this end, since 2019, the company has undertaken several initiatives, among them the **EcoReto**. This program is intended to eliminate the use of plastic-bottled water at the offices by placing water dispensers in the common areas, delivering reusable glass bottles to the employees and installing recycling containers for the certified treatment of waste.

### *Codere has fully eliminated the use of plastic containers at its corporate headquarters*

Throughout 2021, the company has made progress in this initiative, extending the distribution of reusable bottles to all the group's geographical locations and installing water dispensers in Argentina and other delegations in Spain, eliminating plastic bottles from the vending machines, replacing them with Tetra Brik packages, in Codere España.

In the next few years, Codere intends to consolidate EcoReto at all the business units. Thanks to this action, not only has the company reduced its use of plastic, it has also made an economic saving.

In addition, Codere commenced to study in 2020 the possibility of implementing a fund raising project through a permanent solidarity pool to assist people in a vulnerable situation, based on **surplus recycling**. However, the results of this study showed that similar initiatives had been promoted by the halls themselves to respond to local needs, and this project will not be continued for now at the corporate level.

It is also to be mentioned that, due to the renovation of the head office of Codere in Alcobendas (Madrid) in 2021, **the former furniture was donated** to three non-profit organizations, two of them offering school guidance (in Congo and in Spain) and one engaging in the promotion and development of people in a situation of social exclusion.

Another of the initiatives on which the group has started to work, and which will contribute to a significant reduction of the waste generated by Codere, is **Paperless**. The purpose of this project is to reduce the use of paper through document digitalization, favoring new working processes in accordance with the cultural change of the company, implying, inter alia, the adoption of a working model without fixed posts or paper. To implement this project, a series of stages has been established to know the life cycle of the documents and be able to establish document maps and access protocols to satisfy the digitalization needs of the various areas of the company.

Codere also carries out several actions in the various geographical locations where it operates such as, for example, the cooperation of Codere Uruguay with Fundación Repapel, a foundation engaging in the **donation of paper, cardboard and recycled materials**, to be used to prepare school material and supplies which are donated to low-resource schools and rural areas of the country.



# Responsibility in the supply chain

11

## 11.1 Efficient and responsible management

The Purchases area of the company works to promote an **efficient, transparent and sustainable purchases management**, as the lever to ensure customer satisfaction and generate competitive advantages.

Codere considers its suppliers to play an essential role in the performance of the business, since it is they who provide the materials, services and technologies that are basic for its activity. The company has designed a model to ensure that certain guidelines are followed throughout the purchases process, for the standardization and correct management of its processes, from the detection of the need for a purchase until the validation and reception of the product/service.

As part of the purchases model, efficiency, quality and commitment policies are applied, including aspects related to the sustainable conduct of the business and improvement of the prevention of risks caused by inadequate conduct on the part of the supplier or of the company's employees.

Codere is firm in its commitment to ongoing improvement in the management of its suppliers which is why it works year after year on reinforcing its internal tools by implementing projects to optimize and digitalize the processes.

One of the main features of year 2021 is the gradual return back to normal after the impact of the pandemic. In 2020, Codere had to apply several measures, such as the rescheduling of payments and negotiation to reduce certain fixed costs (such as rentals of premises, telephone services and electricity). This year, Codere reestablished the normal management of its supply chain, even advancing certain payments always meetings its suppliers' expectations.

***Codere works to promote an efficient, transparent and sustainable purchases management, to ensure customer satisfaction and generate competitive advantages***



## 11.2 Codere's supply chain

Codere's supply chain is made up of 5,616 suppliers responsible for providing the products and services necessary to meet the various needs of the group (compared with 5,676 suppliers in 2020 and 7,330 in 2019).

To analyze and classify the purchases efficiently and to define purchase strategies adapted to the needs of each business, the company classifies its suppliers in five groups, depending on the product and/or service that they provide:

- **Purchases of gaming terminals.**
- **Purchases of the online business**, consisting mainly of the acquisition of online games and their critical components.
- **Purchases of betting terminals.**
- **Technological purchases**, for IT tools available to employees and the procurement of external services for maintenance and development of the betting platform.
- **Utilities and others** such as telephone services, marketing, consumptions, spare parts, vehicles, trips, etc.

The total purchases made by Codere in the several markets in which it is present amounted to 256 million euros, a 42% increase in respect of 2020.

This increase is due to the major impact of the pandemic on the company's business in 2020, with the provisional closing of its in-person activities for almost one half of the year. In this context, the year before, the Purchases Department performed an **intense work of renegotiation with the suppliers**, in order to postpone and reduce to the minimum the fixed costs of the organization and face the reduction of revenues, as may be observed in the reduction of rents, vehicle renting, telephone services and electricity. The situation has been gradually returning back to normal throughout 2021.

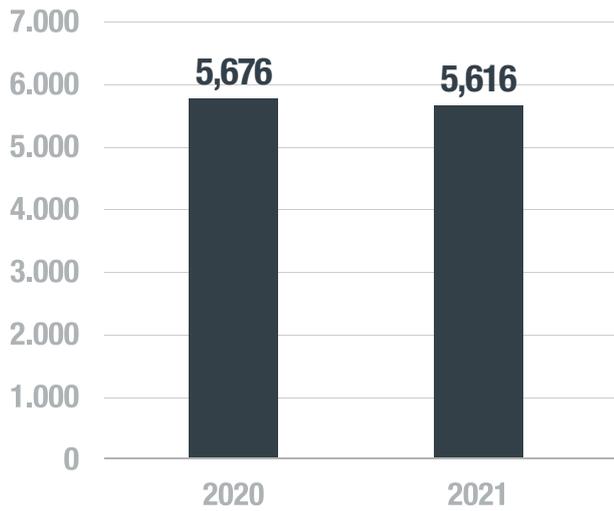
Due to the impact of the pandemic on the company and the uncertainty generated by the financial restructuring, this year an **extraordinary effort had to be made in communication** also from the Purchases Department, to avoid a negative impact on the suppliers' trust in the company and to ensure the continuity of the activity of Codere's supply chain.

Also, in view of the **current global crisis of the supply chain**, which is causing a scarcity of all kinds of goods and an exponential increase of shipping costs, Codere has adopted a proactive position, advancing orders and opting for prolonging the useful life of its equipment.

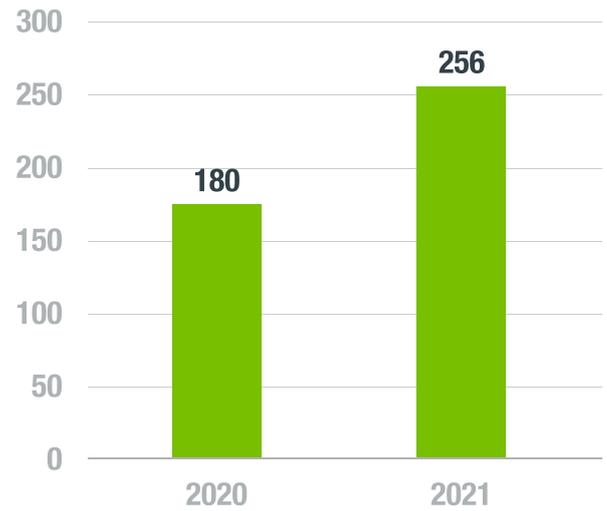


## Evolution of suppliers and purchases of Codere:

### Number of suppliers



### Total purchases (millions of euros)



\* Data for the five headings of purchases and procurement mentioned (includes all purchases of all countries, except for purchases of terminals of Gibraltar, Malta and Israel, since these are online businesses. The purchase data in currencies other than euro have been exchanged into euro, applying the average exchange rates each year.



## 11.3 Responsible management of the supply chain

### Purchasing and procurement process

The Codere Group **Purchasing Policy and Procedure Handbook** defines the principles underlying the purchasing practices of the business, including the boundaries of expenses and investments in suppliers.

The implementation of this procedure was undertaken in 2019 in Spain and was completed in the corporate center throughout 2021. Once the process has been standardized, the company is able to control the expenses and investments of the business unit, reducing costs and creating efficiencies.

Codere understands that its commitment to corporate social responsibility must extend to its value chain. To this end, it has other policies, such as the **Code of Ethics and Integrity**, the **Anti-corruption Policy** and the **Corporate Social Responsibility Policy**, which establish also certain basic principles underlying the management of the supply chain and relations with suppliers. Thanks to these policies, the group ensures that its relations are established on the basis of an ethical and responsible conduct in compliance with legislation in force.

The global procurement model in the company, supervised by the General Management and by the Purchases Management, is based on five pillars:

- **Purchases function.** Responsible for the search, selection and validation of suppliers, products and services and their negotiation and procurement. Its responsibility is focused on establishing the best contractual terms and conditions for the group companies, in accordance with their needs.
- **Virtual procurement board.** This is the purchase validation process and depends on the amount involved. The process is virtual and is used in those cases in which the purchase request is managed without a framework agreement having been made, where the supplier is pending validation. To launch this process, several suppliers must be proposed, from among whom a final candidate is selected. The suppliers are validated and accepted by several company profiles, depending on the amount of the expense specified in the request.
- **Procurement function.** This function reports to the Purchases Department, responsible for launching and monitoring the order and managing eventual incidents with suppliers.
- **Payment management.** This process consists of confirmation of the product or service, accounting and reception of the expense, and payment of the invoices.
- **Framework agreements.** The making of an agreement of this kind with one or more suppliers permits the conditions of the contracts to be established for a certain time period.



## Supplier validation

Within its purchasing model, Codere has defined the **Supplier Validation Process**, which is a determining stage for the suppliers to be able to supply their products or services to the company. It is an integrated process in which the Compliance Management, Legal Counsel, DPO, Internal Audit and General Purchases Management of the company participate.

Codere carries out a due diligence process on all suppliers whose goods and services are critical for the company's operations (those who perform contractual transactions invoicing EUR 1,000 or more).

For that purpose, the group has a process through which each area that has to procure or acquire goods and services must define the minimum requirements that these must meet, taking into account the needs of each business and compliance with the regulations. Compliance Management, through the Procurement Board, is responsible for coordinating the information requested for its verification and validation. Thanks to this process, Codere ensures that it has a supplier network whose activities and services meet the strictest standards of suitability, solvency, honorability and compliance with applicable law.

Since the gaming industry is subject to an exhaustive regulatory framework, the supplier validation process is highly relevant for the company and is considerably complex. In this regard, gaming terminal suppliers must be registered as manufacturers/importers at the gaming registries of the various regions, and have the validations and registrations of the models for their marketing. Likewise, suppliers of online games and of their critical components must have a license in those countries in which such regulation exists -either own B2B certified by an external laboratory or acquired - authenticated as an own component of the gaming platform of Codere through a trial for inclusion of the supplier in the platform authenticated by the laboratory.

## Digitalization in the supply chain management

Codere implements various active digitalization projects in the context of the management of its relations with suppliers. The following are pointed out:

- **Supplier management optimization and centralization:** the company works on searching for possibilities to optimize the purchasing process by setting up platforms to centralize the management of the suppliers of certain products (hotel industry, office material and spare parts, repairs and renovations). These platforms facilitate the acquisition of products from a catalog and for a price previously defined and validated by the Purchases Department. This allows it better control of the process, by reducing costs and simplifying the administrative work.
- **Strengthening of the VIM platform (Vendor Invoice Management):** allowing a more orderly and effective cost management by digitalizing the administrative payment accounting and management process.
- **Implementation of the SAP ARIBA platform:** to automate the purchasing process through a platform integrated into the cloud. This solution enables a complete management of the process, optimizing all expense groups and ensuring compliance with the regulations by the suppliers. In addition, this tool makes it easier to trace the purchasing process, reinforcing the control over the activity of the area, since it allows the managers, through a control panel, to manage each of the purchase projects, review their status, and control the volume and transactions in real time. This platform is currently being implemented in Spain and Italy and the company intends to deploy it in other countries over the next few years.



## Responsibility to the supply chain

In its ambition to contribute to the progress of the environments in which it operates, **Codere is firmly committed to the development of relations with local suppliers.** In this respect, whenever possible, this company gives these suppliers priority in the allocation of supplies of goods and services. In this way, the group also manages to reduce its operational risk on ensuring shorter product delivery terms and reducing the costs, while establishing stable relationships of trust in its various geographical locations.

In 2021, the company worked with a large proportion of local suppliers in each of the classes of purchases mentioned above, a percentage that reached 100% in the case of technological purchases and purchases of gaming machines in Argentina; and exceeded 90% in the case of the rest of purchases in Argentina (99%), Mexico (98%), Panama (95%), Colombia (90%), Uruguay (96%), Argentina (99%) and Spain (99%)<sup>48</sup>.

The information on the average period of payment to suppliers remains distorted by the pandemic –as occurred also in 2020– and by the debt payment plans negotiated with the main suppliers. In addition, within the *CSR P* of the company, specifically the axis of inclusion, Codere has agreements with companies that employ **workers with disabilities**<sup>49</sup> to provide external services such as the cleaning of halls and offices.

<sup>48</sup> Codere does not have the necessary processes available to calculate the percentage of local suppliers for all classes of Purchases in all countries.

<sup>49</sup> See Chapter 9.3 *Committed to Talent*, for further details



# Anexes



# Annex I This report and materiality matrix

This 2021 Codere *Integrated Report* has been prepared according to the new *selected Global Reporting Initiative (GRI) standard*. With this focus, the company seeks to improve the quality of the information it conveys to its stakeholders regarding non-financial reporting and diversity responding in this document to applicable legislation.

The information that it includes refers to Codere's activities in 2021, and to the main impacts of the operations on its stakeholders.

This report has been prepared taking into account the guidelines and principles of the GRI standard, such as:

- **Stakeholder inclusiveness.** The report has been prepared taking into account the stakeholders' expectations with regard to the functioning of Codere. For that purpose, in addition to assessing through the persons responsible for the company the main expectations already detected, various bodies have analyzed several publications on the sector, which develop the topics that are most significant for the stakeholders.
- **Sustainability context.** The impact of the activities in the social, economic and environmental context in which the company operates has been assessed.
- **Materiality.** The materiality report of the company has been updated to define the topics that are most significant for it. The

method used may be consulted below in this section.

- **Completeness.** After updating the material topics for Codere, information on these topics has been included throughout the report, allowing the stakeholders to assess the company's economic, environmental and social performance in the past years.

In addition, the GRI principles established to ensure the quality of the information have also been taken into account throughout the report:

- **Accuracy.** Accurate information has been reported allowing the stakeholders to assess the company's performance.
- **Balance.** Both the positive and the negative aspects of the activity have been reflected, thus conveying a complete and objective view of Codere.
- **Clarity.** The information has been made available in a manner that is understandable and accessible to the stakeholders using the report.
- **Comparability.** The information has been compiled and reported consistently to enable the stakeholders to analyze that information and compare it easily with that of other organizations.
- **Reliability.** The process used to prepare this report has been explained ensuring the traceability of its contents for the information



to be able to be submitted to both internal and external review.

- **Timeliness.** The content of the report will be updated annually in order to make available information in time to the stakeholders.

*Schedule II* includes a *Selected GRI table of content* providing a list of the reported indicators and the pages where the information may be found. In some cases, the GRI indicators relating to the reported indicators are not entirely answered.

Meeting the GRI standard, the materiality analysis has been updated to assess the topics that are most relevant for Codere and its stakeholders.

The analysis has used as a basis the list of sustainability topics proposed by the new standards published by GRI, considering also other relevant aspects, both for the company and for its stakeholders, identified in the various sources considered in the analysis:

- Meetings held with the managers and executives of the company's key areas.

- Analysis of internal documents of the company: policies, handbooks, presentations, action plans, stakeholder expectations assessment and other relevant documents in this respect.
- Press releases on the company in 2021.
- Consideration of the main legislative initiatives and policies related to sustainability and non-financial aspects, such the Sustainable Development Objectives (SDO).
- On the basis of the above, the materiality matrix of the company has been updated that points out 18 key material aspects for Codere and its stakeholders.

## Codere Materiality Matrix

	<p><b>Critical Topics:</b></p> <ul style="list-style-type: none"> <li>• Prevention and adaptation to COVID-19 impacts</li> <li>• Compliance and crime prevention</li> <li>• Rationalization of advertising</li> <li>• Cybersecurity and personal data protection</li> <li>• Promotion of responsible gambling</li> <li>• Political risk and regulatory and tax pressure</li> </ul>
	<p><b>Relevant Topics</b></p> <ul style="list-style-type: none"> <li>• Brand image and positioning</li> <li>• Operational efficiency</li> <li>• Innovation and digitalization</li> <li>• Corporate governance</li> <li>• Customer knowledge and access</li> <li>• Consolidation in strategic markets</li> <li>• Reputational or public opinion risk</li> </ul>
	<p><b>Other relevant topics:</b></p> <ul style="list-style-type: none"> <li>• Promotion of the culture and values of the organization</li> <li>• Relationship with the community and other stakeholders</li> <li>• Environmental performance</li> <li>• Talent development and management</li> <li>• Working environment, diversity and equality</li> <li>• Supply chain management</li> </ul>



The above material topics are classified below according to the impact of each one of them within and/or outside the organization according to the GRI standard requirement.

## Coverage of material topics

Classification	Material topic	Material topic coverage	
		In the organization	Outside the organization
<b>Economic</b>	Brand image and positioning		X
	Knowledge of and access to customers		X
	Operational efficiency	X	
	Consolidation in strategic markets	X	
<b>Environmental</b>	Environmental performance		X
<b>Social</b>	Promotion of responsible gaming		X
	Talent development and management	X	
	Working environment, diversity and equality	X	
	Relations with the community and other stakeholders		X
<b>Ethics and governance</b>	Compliance and crime prevention	X	
	Cybersecurity and personal data protection	X	X
	Corporate governance	X	
	Investor relations		X
<b>Others</b>	Political risk and regulatory and tax pressure	X	X
	Innovation and digitalization	X	
	Reputational risk and political opinion	X	X
	Promotion of the culture and values of the organization	X	
	Supply chain management		X
	Rationalization of advertising	X	X
	Prevention and adaptation to Covid-19 impacts	X	X



# Annex II Breakdown of human resources indicators

## Total number and distribution of types of employment contract by gender:

	2020		2021	
	Men	Women	Men	Women
<b>PERMANENT CONTRACT</b>	<b>6,444</b>	<b>4,259</b>	<b>6,038</b>	<b>4,033</b>
Full time	5,974	3,538	5,671	3,399
Part time	470	721	367	634
<b>TEMPORARY CONTRACT</b>	<b>173</b>	<b>122</b>	<b>290</b>	<b>296</b>
Full time	141	104	246	259
Part time	32	18	44	37
<b>TOTAL</b>	<b>6,617</b>	<b>4,381</b>	<b>6,328</b>	<b>4,329</b>

## Total number and distribution of types of employment contract by age:

	2020				2021			
	Under 30	Between 30 and 39	Between 40 and 50	Over 50	Under 30	Between 30 and 39	Between 40 and 50	Over 50
<b>PERMANENT CONTRACT</b>	<b>2,295</b>	<b>4,199</b>	<b>2,972</b>	<b>1,237</b>	<b>1,820</b>	<b>3,876</b>	<b>3,059</b>	<b>1,316</b>
Full time	1,869	3,770	2,713	1,160	1,515	3,493	2,817	1,245
Part time	426	429	259	77	305	383	242	71
<b>TEMPORARY CONTRACT</b>	<b>157</b>	<b>85</b>	<b>41</b>	<b>12</b>	<b>349</b>	<b>156</b>	<b>60</b>	<b>21</b>
Full time	135	72	33	5	309	135	50	11
Part time	22	13	18	7	40	21	10	10
<b>TOTAL</b>	<b>2,452</b>	<b>4,284</b>	<b>3,013</b>	<b>1,249</b>	<b>2,169</b>	<b>4,032</b>	<b>3,119</b>	<b>1,337</b>



## Total number and distribution of types of employment contract by professional group

	Senior executive		Executive		Middle management		Technical		Office		Operational	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>PERMANENT CONTRACT</b>	<b>11</b>	<b>10</b>	<b>92</b>	<b>96</b>	<b>1,938</b>	<b>1873</b>	<b>1,710</b>	<b>1,792</b>	<b>487</b>	<b>457</b>	<b>6,465</b>	<b>5,843</b>
Full time	11	10	92	96	1,924	1863	1,596	1,707	412	400	5,477	4,994
Part time	-	-	-	-	14	10	114	85	75	57	988	849
<b>TEMPORARY CONTRACT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>17</b>	<b>43</b>	<b>50</b>	<b>21</b>	<b>22</b>	<b>221</b>	<b>497</b>
Full time	-	-	-	-	-	-	8	15	43	49	16	20
Part time	-	-	-	-	-	-	2	2	-	1	5	2
<b>TOTAL</b>	<b>11</b>	<b>10</b>	<b>92</b>	<b>96</b>	<b>1,948</b>	<b>1,890</b>	<b>1,753</b>	<b>1,842</b>	<b>508</b>	<b>479</b>	<b>6,686</b>	<b>6,340</b>

## Average number of types of employment contract:

	2020	2021
<b>PERMANENT CONTRACT</b>	<b>11,301</b>	<b>10,334</b>
Full time	10,077	9,227
Part time	1,224	1,108
<b>TEMPORARY CONTRACT</b>	<b>479</b>	<b>352</b>
Full time	417	301
Part time	62	51
<b>TOTAL</b>	<b>11,780</b>	<b>10,686</b>

## Average number of types of employment contract (full time and part time) by gender

	2020		2021	
	Men	Women	Men	Women
<b>Full time</b>	<b>6,518</b>	<b>3,977</b>	<b>5,947</b>	<b>3,581</b>
<b>Part time</b>	<b>522</b>	<b>764</b>	<b>456</b>	<b>703</b>



### Average number of types of employment contract (full time and part time) by age

	2020				2021			
	Under 30	Between 30 and 39	Between 40 and 50	Over 50	Under 30	Between 30 and 39	Between 40 and 50	Over 50
Full time	2,513	4,098	2,743	1,142	1,794	3,716	2,799	1,218
Part time	505	443	256	81	395	424	257	82

### Average number of types of employment contract (full time and part time) by professional classification 2020

	Senior executive	Executive	Middle management	Technical	Office	Operational
Full time	12	87	2,002	1,661	442	6,291
Part time	0	0	16	119	79	1,072

### Average number of types of employment contract (full time and part time) by professional classification 2021

	Senior executive	Executive	Middle management	Technical	Office	Operational
Full time	10	95	1,902	1,705	430	5,386
Part time	0	0	13	97	68	980

### Average number of types of employment contract by gender

	2020		2021	
	Men	Women	Men	Women
<b>PERMANENT CONTRACT</b>	<b>6,766</b>	<b>4,536</b>	<b>6,195</b>	<b>4,139</b>
Full time	6,280	3,798	5,770	3,457
Part time	486	738	426	682
<b>TEMPORARY CONTRACT</b>	<b>274</b>	<b>205</b>	<b>208</b>	<b>144</b>
Full time	238	179	177	124
Part time	36	26	31	20
<b>TOTAL</b>	<b>7,040</b>	<b>4,741</b>	<b>6,403</b>	<b>4,283</b>



## Average number of types of employment contract by age

	2019				2021			
	Under 30	Between 30 and 39	Between 40 and 50	Over 50	Under 30	Between 30 and 39	Between 40 and 50	Over 50
<b>PERMANENT CONTRACT</b>	<b>2,748</b>	<b>4,410</b>	<b>2,937</b>	<b>1,207</b>	<b>2,012</b>	<b>4,034</b>	<b>3,010</b>	<b>1,278</b>
Full time	2,274	3,980	2,689	1,133	1,639	3,626	2,759	1,203
Part time	473	429	248	74	372	409	252	75
<b>TEMPORARY CONTRACT</b>	<b>270</b>	<b>131</b>	<b>62</b>	<b>15</b>	<b>178</b>	<b>105</b>	<b>46</b>	<b>22</b>
Full time	238	117	54	8	155	90	40	15
Part time	32	14	8	7	23	15	6	7
<b>TOTAL</b>	<b>3,018</b>	<b>4,541</b>	<b>2,999</b>	<b>1,222</b>	<b>2,190</b>	<b>4,140</b>	<b>3,056</b>	<b>1,300</b>

## Average number of types of employment contract by professional group

	Senior executive		Executive		Middle management		Technical		Office		Operational	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>PERMANENT CONTRACT</b>	<b>12</b>	<b>10</b>	<b>87</b>	<b>94</b>	<b>2,003</b>	<b>1,899</b>	<b>1,743</b>	<b>1,729</b>	<b>495</b>	<b>478</b>	<b>6,962</b>	<b>6,124</b>
Full time	12	10	87	94	1,989	1,887	1,624	1,632	421	413	5,945	5,189
Part time	-	-	-	0	14	11	119	97	74	65	1,017	935
<b>TEMPORARY CONTRACT</b>		-	<sup>50</sup>	0	15	16	37	74	25	20	401	242
Full time	-	-0	1	0	13	14	37	73	21	17	347	197
Part time	-	0	-	0	2	2	1	1	4	3	55	45
<b>TOTAL</b>	<b>12</b>	<b>10</b>	<b>87</b>	<b>95</b>	<b>2,018</b>	<b>1,915</b>	<b>1,780</b>	<b>1,803</b>	<b>521</b>	<b>498</b>	<b>7,363</b>	<b>6,366</b>

## Exits by gender

	2020	2021
<b>Women</b>	<b>688</b>	<b>304</b>
<b>Men</b>	<b>899</b>	<b>555</b>
<b>TOTAL</b>	<b>1,587</b>	<b>859</b>

\* The number of exits includes only forced leaves.

<sup>50</sup> In 2020, only 1 temporary contract was made in the Executive group, for a duration of 1 month.



### Exits by age

	2020	2021
Under 30	895	339
Between 30 and 39	471	306
Between 40 and 50	170	150
Over 50	51	64
<b>TOTAL</b>	<b>1,587</b>	<b>859</b>

### Exits by age

	2020	2021
Senior executive	1	1
Executive	2	2
Middle management	139	136
Technical	59	93
Office	21	13
Operational	1,365	614
<b>TOTAL</b>	<b>1,587</b>	<b>859</b>

### Average remuneration by age, in euros

	2020	2021
Under 30	7,614	8,592
Between 30 and 39	11,757	13,499
Between 40 and 50	17,481	19,503
Over 50	22,967	24,615
<b>General total</b>	<b>13,675</b>	<b>15,652</b>

### Average remuneration by gender, in euros

	2020	2021
Female	11,823,76	17,229,01
Male	14,899,99	13,346,66
<b>General total</b>	<b>13,674,76</b>	<b>15,652,17</b>



## Average remuneration by professional group, in euros

	2020	2021
Senior executive	347,720	367,513
Executive	116,741	127,066
Middle management	20,264	23,130
Technical	15,370	16,862
Office	18,309	18,612
Operational	8,991	10,606
<b>General total</b>	<b>13,675</b>	<b>15,652</b>

## Average remuneration by professional group and 2020 pay gap

	Under 30				Between 30 and 39			
	Men	Women	Total	Pay gap	Men	Women	Total	Pay gap
Senior executive	-	-	-	-	-	-	-	-
Executive	-	-	-	-	99,474	98,776	99,241	1%
Middle management	8,896	9,972	9,358	-12%	16,771	15,074	16,120	10%
Technical	10,006	11,277	10,388	-13%	14,113	16,475	14,760	-17%
Office	11,669	11,030	11,356	5%	16,497	18,934	18,002	-15%
Operational	6,460	6,674	6,559	-3%	9,063	8,928	8,999	1%
<b>TOTAL</b>	<b>7,567</b>	<b>7,671</b>	<b>7,613</b>	<b>-3%</b>	<b>12,031</b>	<b>11,397</b>	<b>11,757</b>	<b>1%</b>

	Between 40 and 50				Over 50			
	Men	Women	Total	Pay gap	Men	Women	Total	Pay gap
Senior executive	337,345	-	337,345	100%	353,649	-	353,649	100%
Executive	115,868	106,803	113,463	8%	133,874	81,002	126,099	39%
Middle management	25,270	20,486	23,723	19%	33,105	31,062	32,781	6%
Technical	17,244	19,900	17,901	-15%	22,697	23,254	22,836	-2%
Office	19,319	20,841	20,359	-8%	23,745	23,441	23,509	1%
Operational	11,080	9,293	10,369	16%	13,140	8,215	11,774	36%
<b>TOTAL</b>	<b>18,860</b>	<b>15,117</b>	<b>17,481</b>	<b>16%</b>	<b>25,586</b>	<b>16,240</b>	<b>22,967</b>	<b>37%</b>



## Average remuneration by professional group and 2021 pay gap

	Under 30				Between 30 and 39			
	Men	Women	Total	Pay gap	Men	Women	Total	Pay gap
<b>Senior executive</b>	-	-	-	-	-	-	-	
<b>Executive</b>	-	-	-	-	123,997	94,862	104,574	23%
<b>Middle management</b>	9,950	11,933	10,697	-20%	18,545	16,393	17,660	12%
<b>Technical</b>	<b>11,988</b>	<b>12,997</b>	<b>12,298</b>	<b>-8%</b>	<b>16,069</b>	<b>17,666</b>	<b>16,497</b>	<b>-10%</b>
<b>Office</b>	12,107	11,199	11,663	7%	17,247	18,718	18,153	-9%
<b>Operational</b>	7,597	7,137	7,356	6%	10,886	10,608	10,748	3%
<b>TOTAL</b>	<b>8,937</b>	<b>8,211</b>	<b>8,592</b>	<b>8%</b>	<b>13,876</b>	<b>13,023</b>	<b>13,499</b>	<b>6%</b>

	Between 40 and 50				Over 50			
	Men	Women	Total	Pay gap	Men	Women	Total	Pay gap
<b>Senior executive</b>	<b>337,207</b>	-	<b>337,207</b>	<b>100%</b>	<b>387,717</b>		<b>387,717</b>	<b>100%</b>
<b>Executive</b>	131,034	111,932	125,463	15%	141,169	87,043	134,230	38%
<b>Middle management</b>	28,486	22,755	26,686	20%	35,458	31,579	34,752	11%
<b>Technical</b>	<b>17,948</b>	<b>21,487</b>	<b>18,783</b>	<b>-20%</b>	<b>20,958</b>	<b>23,788</b>	<b>21,602</b>	<b>-14%</b>
<b>Office</b>	18,251	21,326	20,294	-17%	25,196	21,976	22,807	13%
<b>Operational</b>	12,934	11,489	12,339	11%	14,470	9,843	13,221	32%
<b>TOTAL</b>	<b>20,932</b>	<b>17,055</b>	<b>19,503</b>	<b>19%</b>	<b>27,208</b>	<b>17,734</b>	<b>24,615</b>	<b>35%</b>



# Annex III Or sponsorship actions

Main association and sponsorship activities 2021		
Type of cooperation	Name of the entity	Scope
<b>Sports</b>	Real Madrid C.F.	Latam
	Club de Fútbol de Monterrey (Rayados)	Global
	Club Atlético River Plate de Argentina	Global
<b>Institutional and regulatory</b>	Cejuego (Consejo Empresarial del Juego)	Spain
	Consejo del juego de Euskadi	Spain
	Jdigital (Asociación Española de Juego Digital)	Spain
	Cofar (Confederación Española de Empresarios del Juego Recreativo en Hostelería)	Spain
	Asociaciones de Licenciatarías de Apuestas de Navarra	Spain
	Asociaciones de Licenciatarías de Apuestas de Castilla y León	Spain
	Asociaciones de Licenciatarías de Apuestas de Illes Balears	Spain
	Asociaciones de Licenciatarías de Apuestas de la Comunitat Valenciana	Spain
	Asociaciones de Licenciatarías de Apuestas de La Rioja	Spain
	Mesa Intersectorial de Juego en Castilla y León	Spain
	Autocontrol (Asociación para la autorregulación de la comunicación comercial)	Spain
	Confad (Comisión nacional para combatir la manipulación de las competiciones deportivas y el fraude en las apuestas)	Spain
	Sistema Gioco Italia/Confindustria SI	Italy
	AS.TRO Assotrattenimento/Confindustria SI	Italy
	SGI Sistema Gioco Italia/Confindustria SI	Italy
	EGP Esercenti Gioco Pubblico/FIPE/Confcommercio	Italy
	Telethon	Italy
	Fondazione Gaia	Italy
	Noi... domani onlus	Italy
	Cámara Española de Comercio en la República Argentina (CECRA)	Argentina
	Amcham (Cámara de Comercio Americana en Argentina)	Argentina
	ALEA (Asociación de Loterías Estatales Argentina)	Argentina
	IPLyC (Instituto Provincial de Lotería y Casinos Sociedad del Estado)	Argentina
	LOTBA (Lotería de la Ciudad de Buenos Aires)	Argentina
	DGJS (Dirección General de Juegos y Sorteos)	México
	Asociación de Jugadores Anónimos	México
	Asociación de Permissionarios de Juegos y Sorteos, A.C. (APJSAC)	México
	DIF (Desarrollo Integral de la Familia) de Huixquilucan de Degollado, Estado de México.	México
	COMUNIDAR (Fundación para Unir y Dar, A.C.)	México
	Unidad de inteligencia financiera (UIF)	México
	Comisión Nacional Bancaria de Valores (CNBV)	México
	Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)	México
	Comisión Nacional de Carreras (CNC)	Panama
	Junta de Control de Juegos (JCJ)	Panama
	Instituto Nacional de Salud Mental (INSAM)	Panama
	Unidad de Análisis Financiero	Panama
	Superintendencia de Sujetos no Financieros	Panama
	Coljuegos (Empresa Industrial y Comercial del Estado Administradora del Monopolio Rentístico de los Juegos de Suerte y Azar)	Colombia
	CNMV	Spain
	Securities and Exchange Commission (SEC)	U.S.A.



# Annex IV Table of content in relation to the requirements of applicable law

This report meets the requirements of applicable law, on non-financial reporting and diversity, as shown in the following table of content.

Content of the Non-Financial Information Statement	Related selected GRI content	Pages
<b>Description of the group's business model</b>		
Business environment	102-1	5; 7-12; 14-16; 17-23; 25-33
Organization and structure	102-2	
	102-3	
Markets in which it operates	102-4	
Objectives and strategies	102-6	
	102-7	
Main factors and trends that may affect its future evolution	102-14	
<b>Description of policies applied by the group in respect of those questions</b>		
Due diligence processes applied for identification, assessment, prevention and mitigation of significant risks and impacts and for verification and control	103	72-73; 147
Measures that have been adopted		
<b>Results of those policies</b>		
KPI of non-financial results permitting monitoring and Assessment of progress favoring comparability between companies and sectors, in compliance with the national, European or international reference frameworks used for each matter		8
<b>Main risks relating to those questions linked to the group's activities</b>		
Where relevant and proportionate, its commercial relations, products or services that may have negative impacts in those contexts and manner in which the group manages those risks, explaining the processes used to detect them and asses them in accordance with the reference national, European or international frameworks for each matter.	102-15	84-88
	205-1	
	413-1	
	407-1	
Information on detected impacts, offering a breakdown, in particular on the main risks in the short, mean and long term	408-1	
	409-1	
<b>KPI of non-financial results</b> results relevant in respect of the particular business activity, meeting the policies of comparability, materiality, relevance and reliability.	102-54	8



<b>I. Information on environmental matters</b>		
In-depth information on the current and forecast effects of the company's activities on the environment and, as the case may be, on health and safety	102-11 201-2	122-127
Environmental certificate or assessment procedures	308-1 308-2	
Resources allocated to environmental risk prevention		Codere's main action in the environmental context has to do with the project to reduce energy consumption in Spain for which an investment of 311,000 is forecast. This project commenced in 2021 and is expected to be completed in the first six months of 2022.
Application of the principle of precaution		Codere's operations do not have a severe environmental impact, the main ones being energy and water consumption, and the generation of greenhouse gas emissions and of certain types of waste. Codere performs several actions to mitigate these environmental impacts and thus contribute to achieving the objectives of the main national and international policies on the matter, inter alia the Principle of Precaution established in the Rio Declaration on Environment Protection.
Amount of provisions and guarantees for environmental risks		
Specifically:		
– Pollution:		
Measures to prevent, reduce or repair carbon emissions seriously affecting the environment; taking into account any form of specific air pollution of an activity	305-5 305-6 305-7	137-141
Including noise and light pollution.	According to the materiality analysis, this topic is not material for the company's business model.	
Total emissions of ozone-depleting substances (ODS), of nitrogen oxide (NOx), sulfur oxide (SOx) and other significant emissions to the air.	305-6	Emissions of ozone-depleting substances are not a material topic for Codere.
– Circular economy and waste prevention and management:		
Measures of prevention, recycling, reuse, and other forms of waste recovery and elimination.	301-2 301-3	Codere does not currently have the necessary processes to calculate the volume of waste generated.
Actions to combat the waste of food.	306-2	According to the materiality analysis, this matter is not material for the company's business
– Sustainable use of resources:		
Water consumption and supply according to the local limitations	303-1 303-2 303-3	141 Water consumption is not a material topic for Codere.
Consumption of raw materials and measures adopted to improve the efficiency of their use	301-1 301-2	According to the materiality analysis, this is not a material topic for the company's business model.
Direct and indirect consumption of energy	302-1	138
Measures adopted to improve energy efficiency and the use of renewable energies	302-2 302-3 302-4 302-5	138; 140
– Climate change:		
Relevant factors of the greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services that it produces.	305-1 305-2 305-3	140
Measures adopted to adapt to the consequences of the climate change.	305-4 305-5	Codere has not adopted measures in this area.
Reduction goals established voluntarily in the mean and long terms to reduce greenhouse gas emissions and means implemented for the purpose.	201-2 305-5	Codere has not established greenhouse gas reduction goals.
– Protection of biodiversity:		
Measures adopted to preserve or restore biodiversity.	304-3 306-5	According to the materiality analysis, this topic is not material for the company's business model
Impacts of the activities or operations in protected areas.	304-1 304-2	



<b>II. Information on social matters and personnel</b>		
– Employment:		
Total number and distribution of employees by gender, age, country and professional group.	102-8 405-1	103- 105; 153-159
Total number and distribution of types of employment contract.		
Annual average number of permanent contracts, temporary contracts and of full-time and part-time contracts, by gender, age and professional group.		
Number of dismissals by gender, age and professional group.	103	
Average remuneration and its evolution with a breakdown by gender, age and professional group or equal value.	103	
Pay gap.	405-2	
Average remuneration of directors and executives, including variable remuneration, daily allowances, compensation, payment to long-term savings systems and any other item with a breakdown by gender.	102-35 102-36 102-38 102-39	117
Implementation of policies to disconnect from work.	103	118-119
Employees with disabilities.	405-1	114-115
– Organization of the work:		
Organization of working time.	103	105
Number of hours of absenteeism.	403-2	111
Measures to balance work and family life and promote the co-responsible exercise of these rights by both parents.	103	107, 118-119
– Health and safety:		
Occupational health and safety conditions.	103	118; 122-127
Industrial accidents, in particular their frequency and seriousness by gender.	403-2	126
Occupational diseases, by gender.	403-3	126
– Social relations:		
Organization of social dialogue, including procedures to inform, consult and negotiate with personnel.	407-1	111
Percentage of employees covered by collective bargaining agreement by country.	102-41	114-115
Balance of the collective bargaining agreements, particularly in the field of occupational health and safety.	403-4	114-115
– Training:		
Policies implemented in the field of training.	103	120-121
Total hours of training by professional group.	404-1	121
– Universal accessibility of persons with disabilities.	103	Codere's buildings meet the standards required in each country in the necessary adaptation of the halls to afford access for persons with disabilities.
– Equality:		
Measures adopted to promote equal treatment and opportunities for women and men.	405	114-115
Equality plans (Chapter III of Basic Law 3/2007, of March 22, for the effective equality of women and men)	405	114-115
Protocols against sexual and gender-based harassment	405	114
Measures adopted to promote employment, the integration and universal accessibility of persons with disabilities.	405	114-116
Policy against all forms of discrimination and, as the case may be, management of diversity.	405	114-116



<b>III. Information on respect for human rights:</b>		
Application of due diligence processes regarding human rights.	102-16 102-17 412-3 412-2 410-1 412-1	72-73
Prevention of the risks of violation of human rights and, as the case may be, measures to mitigate, manage and repair any potential abuses.	412	75
Complaints for the violation of human rights.	406-1	71
Promotion of and compliance with the essential covenants of the International Labor Organisation relating to respect for the right to free trade union membership and to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labor; the effective abolition of child labor.	407-1 406-1 409-1 408-1	71; 75
<b>IV. Information on the combat of corruption and bribery:</b>		
Measures adopted to prevent corruption and bribery.	102-16 102-17 205-1 205-2 205-3	40; 72
Measures to combat money laundering.	205-2	74; 85; 120; 133
Contributions to foundations and NGOs.	103	8
<b>V. Information on the company:</b>		
– Commitments of the company to sustainable development:		
Impact of the company's activity on local development and employment	203-1 203-2 413-1	44-48
Impact of the company's activity on local towns and the territory.	203-1 203-2 411-1 413-1 413-2	According to the materiality test, this is not a material topic for the company's business model.
Relations with the players of the local communities and forms of dialogue with them.	102-43 413-1	129
Partnership or sponsorship actions.	102-12 102-13	9; 16; 18-20; 25; 50-53; 160
– Subcontracting and suppliers:		
Inclusion in the purchasing policy of social, gender-equality and environmental matters.	102-9 308-1 414-1	Codere's Purchasing Policy does not include for the time being policies of this kind, beyond meeting the minimum legal requirements.
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	414-1 414-2	
Supervision systems and audits and their results.	414-1 414-2	Codere performs external audits on some of its suppliers. These audits are focused on financial issues.
– Consumers:		
Consumer health and safety measures.	416-1	26-27
Claim systems, claims received and their resolution.	416-2	75; 131
– Tax information:		
Profits obtained country by country.	201	136
Taxes paid on profit.	201	134-136
Public aid received.	201-4	Codere has not received public aid in year 2021 (or in 2019 or 2020)

