

## **CONSOLIDATED NON- FINANCIAL INFORMATION INCLUDED IN THE CONSOLIDATED MANAGEMENT REPORT OF PROMOTORA DE INFORMACIONES, S.A. AND ITS SUBSIDIARIES FOR THE YEAR 2019.**

This Non-Financial Information Statement was prepared in compliance with the requirements under *Ley 11/2018, de 28 de diciembre*, which amends the Spanish Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July and *Ley 22/2015, de 20 de julio*, on Auditing, in the area of non-financial information and diversity. The Group's non-financial risk map was taken into account, and the GRI standards selected in the table "Contents required by Law 11/2018 of 28 December" defined in the *Global Reporting Initiative Sustainability Reporting Guidelines* were used as a reference.

In this context, through the Non-Financial Information Statement, Prisa aims to report on environmental, social, anti-corruption and anti-bribery issues and matters relating to personnel and human rights relevant to the Group in the performance of its business activities.

As the Non-Financial Information Statement is included in the Prisa Consolidated Management Report as an additional chapter, information required in the Non-Financial Information Statement will be incorporated by reference to other sections of the wider Management Report. For this same purpose, reference may be made to the Annual Corporate Governance Report attached as an appendix to the Consolidated Director's Report and to the Prisa Group's Consolidated Financial Statements for 2019, both of which are published and accessible on Prisa's corporate website. The table called "Contents required by Law 11/2018 of 28 December" included at the end of the Non-Financial Information Statement makes reference to content published in those documents.

### **1.1. The Prisa Group and its Business Units**

The Prisa Group ("the Group") engages in the creation and distribution of cultural, educational, news and entertainment content on a global scale, with a focus on the Spanish and Portuguese-speaking markets.

Across its Business Units, it operates brands such as El País, Santillana, Moderna, Compartir, UNO, Ser, Los40, WRadio, Radio Caracol and As. The Group is present in 22 countries. According to 2019 data, 46.4% of its operating revenue arises in Spain and the remaining 53.6% is generated internationally. Five countries currently account for 86% of the Group's total operating revenue in 2019: Spain, Brazil, Mexico, Colombia and Chile.

We describe below, for each Business Unit, its markets and sectors, business models, business environment and organisational structure, and its goals and strategies. Business performance and the factors and trends affecting the business model are described in notes 1 and 2, respectively, to this consolidated Director's report.

#### *1.1.1. Markets and sectors, business model, business environment, organisational structure*

The Group is organised into three business units (equivalent to operating segments as set out in note 18 to the accompanying consolidated financial statements): Education (Santillana), Radio (Prisa Radio) and Press (Prisa Noticias). The Media Capital segment is presented as a discontinued operation in 2019.

In addition to its Business Units, Prisa has a Corporate Centre, which sets the Group's strategy and ensures our businesses are in alignment with it.

##### *Education (Santillana)*

The Education Business Unit engages in the creation and distribution of educational content for all levels of education, from 3 to 18 years old (with a special focus on K-12), in Spanish, Portuguese and English, in a range of formats and in line with the educational regulations and models of the countries where we operate.

Through brands such as Santillana, Compartir, UNO or Moderna, among others, we are present in 21 countries (Spain, Portugal and 19 countries in Latin America). The Business Unit is organised by country, with its own corporate centre that coordinates and guides the strategy of the entire Business Unit.

The business model focuses on distribution of educational content, with comprehensive solutions for students and teachers alike.

By geographic area, the three main markets for the Education Business Unit are Spain, Brazil and Mexico, which accounted for 67% of total operating revenue in 2019.

In 2019, we sold 106 million books across all countries. Currently, about 34 million students use educational content created by the Business Unit. Of these, more than 1.4 million use comprehensive, flexible and disciplinary learning systems under a subscription model.

##### *Radio (Prisa Radio)*

The Radio Business Unit creates and distributes audio news and entertainment content in voice and musical radio formats (analogue and digital) and in native digital audio formats (podcasts). The Unit also hosts events, leveraging the attraction of our brands.

With brands such as SER, Los40, Dial, Caracol Radio, WRadio and Podium Podcast, among others, we are present in 10 countries directly or via franchises. The Business Unit is organised by country, also with its own corporate centre that coordinates and guides the strategy of the entire Business Unit.

The three main markets by geographical area for the Radio Business Unit in 2019 were Spain, Colombia and Chile, accounting for 99% of total operating revenue.

The business model monetises advertising inventory and events arising around our radio and digital properties in the audio domain. We are seeking new alternatives for monetisation as the digital transformation accelerates.

Prisa Radio reaches 21 million listeners according to the aggregate audience data of the countries where we are present, and has 50.9 million unique website visitors.

#### *Press (Prisa Noticias)*

The Press Business Unit (Prisa Noticias) comprises general-interest, sports and business news activities in the online and printed spheres, based on quality journalism. In addition, from January 1, 2019 the Unit encompasses the advertising and technology head offices.

With brands such as El País, As, Cinco Días, Huffington Post, Smoda, Buena Vida, Retina and Meristation, among others, the Unit is present in 7 countries. Organisationally, the Unit is structured by product and centrally coordinated from Spain.

The main market by revenue is Spain, which accounted for 97% of the Business Unit's total operating revenue in 2019.

The business model monetises the readership through two lines of activity: advertising (which accounts for 50% of revenue), which is increasingly online (57% of total advertising), and copy sales (29% of total). Press (Prisa Noticias) continues to make progress in its transformation towards an increasingly online model, with more focus on a subscription model.

The aggregate online readership of all titles is 131.2 million unique users from around the world.

#### *1.1.2. Goals and strategies*

The main strategic cornerstones for the Group are:

- Growth in the Education business through ongoing expansion in existing markets and development of subscription models.
- Accelerating our digital transformation in the media and strengthening leadership.
- Resources allocated to higher value-added businesses and ongoing efficiency plans to preserve a sustainable debt structure.

### **1.2. Risk management**

Prisa tracks the key risks, including tax risks, that could affect the Group's business units.

The Risk Management System operates by business unit. Management is consolidated at Group level through an integrated management model, among other specific tools.

The Group has a risk map as a tool for visual representation of risks. We use the map to identify and assess the risks faced by the business units and the Group. Risks are pinpointed by the CEOs of the business units and the Group, identifying the parties responsible for managing each risk and setting action plans and controls. The Internal Audit Department regularly aggregates and standardises the risks identified by each business unit, to produce risk maps for the Group and the businesses. The maps are submitted to the Audit, Risk and Compliance Committee.

The Group's key risks are discussed in note 3 to this Consolidated Director's Report.

The Group has in place a system of Internal Control over Financial Reporting (ICFR), originally developed using the COSO 1992 methodological framework. The ICFR system was adapted in 2014 to the new COSO 2013 Framework.

To manage criminal risks, Prisa has in place a Crime Prevention and Detection Model in Spain and is developing compliance models in the key countries where the Group is present: Brazil, Mexico and Colombia. Compliance models cover environmental, labour relations and corruption and bribery risks for each business activity. For each of these risks, based on their impact on the business the Group sets risk control and mitigation measures.

In addition, the Group has non-financial risk maps at Group level and for the Education, Radio and Press business areas. To prepare risk maps, we identify non-financial risks that could potentially impact the Group's current business model in any of its activities and regions.

Identified risks are assessed and prioritised by impact (effect on business performance, reputation, business continuity and financing capacity) and probability of occurrence (possibility of the risk materialising given the existing control environment). Risks fall into 5 major categories aligned with the areas referred to in Law 11/2018. Some of the risks identified for each of the categories are:

- Environmental management: risk relating to sustainable or responsible supply of raw materials, waste generation and circular economy.
- Labour and personnel management: risks relating to our capacity to attract and retain talent, develop talent and training, promote equality, and prevent corruption and bribery.
- Society: risk of affecting consumers; cybersecurity and privacy risks (own employees, consumers and supply chain).
- RSC performance: risk of lack of transparency in the accountability process.
- Supply chain: risks of ties to third parties without a standard-approval process.

A list of performance indicators was created to track risks over time. Throughout this report, each chapter provides further information about the indicators for monitoring and evaluating relevant risks.

### 1.2.1. About this report

The procedure for producing the Group's Non-Financial Information Statement is based on standardised report for all business areas, reporting the performance indicators referred to above.

To produce this Non-Financial Information Statement, we considered the Group's Non-Financial Risk Maps, based on which we specified reporting criteria and models, including the management indicators required by Law 11/2018. These reporting models were prepared in accordance with the GRI (SRS) standards selected in the table "Contents required by Law 11/2018 of 28 December" published by the *Global Reporting Initiative* (GRI) in its Sustainability Reporting Guidelines.

In this table, the Company identifies matters that, given its business and based on an analysis its non-financial risks, are material or immaterial.

Furthermore, Prisa's Corporate Social Responsibility Policy, approved by the Board of Directors in December 2018, establishes a framework to ensure responsible behaviour in these matters facing our key stakeholders. The CSR framework document is available on Prisa's corporate website, [www.prisa.com](http://www.prisa.com).

## 1.3. Responsible environmental management

Our responsible business model and its ties to the United Nations' Sustainable Development Goals form the bedrock of Prisa's commitment to the environment and are specified in our Corporate Social Responsibility Policy.

The environmental risks of our business are identified. Although analysis suggests that direct dedication of resources to the management of these risks is not needed, in each country and business unit practices are established and shared that help to reduce environmental impact, thus contributing to sustainable development.

### 1.3.1. Air pollution and energy efficiency

#### a) Pollution

Following an assessment and due to the Prisa Group companies' activities, our employees' vehicles are the main direct impact on air pollution. Noise and light pollution are not considered material for assessment and reporting.

The key steps that Prisa has taken to reduce carbon emissions are:

- Vehicles provided to employees are leased in the form of renting. We work with companies that are committed to the environment, measuring CO<sub>2</sub> emissions for each vehicle. We receive advice on efficient driving practices and ensure optimal management of vehicle lease duration, mileage and maintenance to comply with current regulations on air pollution and noise emissions of our fleet.

- In 2019, Cadena SER in Spain started to replace its mobile units in 5 cities choosing vehicles with hybrid technology, which are more efficient and environmentally sustainable.
- Since 2018, the headquarters building at Miguel Yuste has four electric charging points for vehicles.

Prisa encourages use of public and more sustainable means of transport: through the Flexible Compensation Plan in Spain, we support the purchase of monthly transport passes that attract tax advantages. At the Tres Cantos headquarters, where Santillana España and Prisa Corporación employees are located, buses are available for transfer between the office and the local train station.

#### b) Energy-efficient buildings

Virtually all the Group's businesses are located in rented premises where we promote rational and efficient use of energy to reduce greenhouse gas emissions and mitigate their effects.

We conduct energy audits which, in Spain, are regulated by Royal Decree 56/2016, to reduce electricity consumption and emissions into the atmosphere. We also highlight the following actions:

- Standardisation of LED lighting coupled with motion detection devices for automatic lights on/off at business units in several countries.
- The refurbishment started in 2019 in Madrid at the facility occupied by Press (Prisa Noticias), to improve energy efficiency, will feature a photovoltaic plant of 900 m<sup>2</sup> for self-consumption that will lead to a reduction of approximately 51 t of CO<sub>2</sub> emissions to the atmosphere.

### 1.3.2. *Circular economy, waste prevention and management*

#### a) Preventive measures

Prisa monitors the waste it generates paper-based activities (from sourcing from suppliers who meet responsible and sustainable management standards, to recycling) and daily operations, raising awareness of waste reduction, reuse and recycling with licensed waste managers.

The preventive campaign conducted in Spain included reduced consumption of plastic-bottled water in our facilities by providing more than 2,200 employees with stainless steel bottles.

#### b) Paper recycling and reuse

We reclaim unsold publications and books across all the Group's companies and in all countries to achieve a second use within the economic circuit. We optimise production processes and product design and restrict purchase of resources from the forest environment. In addition, we undertook the following initiatives specifically to reduce paper consumption in other areas:

- Recyclable business cards: after use, they can germinate, as they are made of waste cotton containing seeds.

- Responsible office printing practices, for which a pilot project was started with two goals: raising awareness among employees of the question of whether it is really necessary to print and of effective reduction of paper consumption: estimated at 10% at workplaces where the project was implemented.
- Gradual implementation of process digitisation in a range of areas, especially financial administration, due to the volume of invoices and other documents.

c) Waste management

Efforts at Group companies seek to reduce waste while improving sorting for subsequent recycling. In 2019, therefore, Ecoembes collaborated by providing the two main headquarters in Madrid (Prisa Radio and Press (Prisa Noticias)) with containers that support sorted waste collection.

1.3.3. Sustainable use of resources<sup>1</sup>

a) Water consumption and supply

2019	2018
<b>130,094 m<sup>3</sup></b>	<b>121,071 m<sup>3</sup></b>

Consumption recorded by all Group companies in 2019 was sourced from local public networks. Prisa does not have its own supply points.

b) Consumption of raw materials

Type of material	2019 (*)		2018	
	Total consumption of material (tn)	% Renewable and sustainable materials	Total consumption of material (tn)	% Renewable and sustainable materials
<b>Total paper consumption</b>	<b>79,400</b>		<b>74,126</b>	
Paper from renewable or recycled sources	22,162	28%	29,881	40%
Paper from sustainable sources (FSC or equivalent)	55,134	69%	3,020	4%
<b>Cardboard</b>	<b>4,780</b>	<b>100%</b>	<b>317</b>	<b>100%</b>
<b>Plates</b>	<b>102</b>	<b>100%</b>	<b>112</b>	<b>100%</b>

(\*) There was a sharp increase in the purchase of paper in 2019 (from sustainable sources and other sources) due mainly to the greater demand accommodated by Santillana in the Brazilian market.

c) Electricity

	2019	2018
Renewable sources	11.0 GWh	8.4 GWh

<sup>1</sup> In accordance with the new standardised structure used to collect information from all business areas (see section 5.2.Risk management), the data reported in 2018 were updated to make them comparable.

Non-renewable sources	40.6 GWh	46.5 GWh
<b>Total consumption</b>	<b>51.7 GWh</b>	<b>54.9 GWh</b>

Lower consumption in 2019 was due to decreased industrial activity at Prensa (Prisa Noticias) following the sale of the printing business in Valencia and, chiefly, to gradual implementation of energy efficiency measures in all the countries where the Group operates.

d) Other fuels

Natural gas		Diesel	
2019	2018	2019	2018
<b>378,183 m<sup>3</sup></b>	<b>462,888 m<sup>3</sup></b>	<b>991,365 litres</b>	<b>1,132,315 litres</b>

The lower usage of these consumables was driven by two components: first, the decreased industrial activity in Press (Prisa Noticias), and, secondly, implementation of specific measures to improve the thermal performance of buildings and optimise energy consumed, such as replacing doors and other through-ways with to achieve a better insulation coefficient, and setting set temperatures at ecological values.

e) Use of renewable energy

Prisa already uses 21% of its energy from renewable sources (15% in 2018), which should increase in 2020 after the photovoltaic plant at the Miguel Yuste facility go on stream (scheduled for April).

1.3.4. *Climate change*

a) Key points of greenhouse gas emissions

Calculated direct<sup>2</sup> greenhouse gas emissions from Prisa's activity due to direct consumption of fuels (natural gas and diesel) and energy were:

	Emissions 2019 (tn CO <sub>2</sub> eq)	Emissions 2018 (tn CO <sub>2</sub> eq)	% change in emissions
<b>Scope 1 (natural gas and diesel)</b>	<b>3,722</b>	<b>4,316</b>	<b>-13.8%</b>
<b>Scope 2 (electricity)</b>	<b>11,381</b>	<b>13,235</b>	<b>-14.0%</b>

<sup>2</sup> GRI-305-1 and 2 indicators



Emissions from indirect consumption<sup>3</sup> of energy within Scope 3 of the GHG Protocol, which in our case relates to business travel in vehicles not owned by Prisa (aircraft, rental cars, trains, etc.) and from paper consumption are as follows:

		Total emissions in 2019 (tn CO <sub>2</sub> eq)	Total emissions in 2018 (tn CO <sub>2</sub> eq)	% change in emissions
<b>Air</b>	Short-haul flights	4,135	3,648	13.4%
	Medium-haul flights	1,062	1,050	1.2%
	Long-haul flights	3,092	3,148	-1.8%
<b>Rail</b>		118	153	-23%
<b>Road</b>	Diesel	2,158	2,712	-20.43%
	Petrol	3,523	2,829	24.54%
<b>Paper</b>		38,228	35,688	7.1%
<b>Total Scope 3</b>		<b>52,317</b>	<b>49,228</b>	<b>6.27%</b>

### 1.3.5. Measures in response to climate change

As indicated earlier, energy efficiency measures were implemented in 2019 to reduce our carbon footprint in terms of fuel and energy consumption.

Yet it is in ordinary business where the carbon footprint has a greater relative weight. The key measures to reduce emissions were:

- Paper: Santillana and Press (Prisa Noticias) are both immersed in a content digitalisation process that will lead to a gradual decrease in paper consumption. Examples include Santillana's Edutech strategy, Press (Prisa Noticias), with delegations like Brazil (100% digital), or the discontinuation of printing Latin American editions of El País.
- Travel: The Group's business is present in many countries, with locally based businesses or due to the need to cover events, significant or relevant facts, etc. Being fully aware of the environmental impact of our travel, in June 2019 the Group updated its Policy on Representation and Travel Expenses: everyone must think through whether a trip is really necessary or can be replaced with telematic communication methods such as videoconferencing or telephone calls.

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<sup>3</sup> GRI-305-3 indicator

## 1.4. Labour matters regarding personnel

### 1.4.1. Employment

The number of Group employees at year-end 2019, distributed by country, gender and type of contract, is as follows:

	Permanent contract + PTR (**)			Variable, Temporary Contract and TTR (**)			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Argentina</b>	183	257	<b>440</b>	22	17	<b>39</b>	205	274	<b>479</b>
<b>Bolivia</b>	24	19	<b>43</b>	0	0	<b>0</b>	24	19	<b>43</b>
<b>Brazil</b>	428	547	<b>975</b>	0	0	<b>0</b>	428	547	<b>975</b>
<b>NTCA (*)</b>	71	75	<b>146</b>	0	0	<b>0</b>	71	75	<b>146</b>
<b>Chile</b>	236	173	<b>409</b>	8	1	<b>9</b>	244	174	<b>418</b>
<b>Colombia</b>	747	525	<b>1,272</b>	28	19	<b>47</b>	775	544	<b>1,319</b>
<b>CR</b>	27	29	<b>56</b>	14	3	<b>17</b>	41	32	<b>73</b>
<b>Ecuador</b>	71	53	<b>124</b>	0	0	<b>0</b>	71	53	<b>124</b>
<b>Spain</b>	1,591	1,348	<b>2,939</b>	81	77	<b>158</b>	1,672	1,425	<b>3,097</b>
<b>Mexico</b>	282	276	<b>558</b>	0	0	<b>0</b>	282	276	<b>558</b>
<b>P. Rico</b>	14	15	<b>29</b>	0	0	<b>0</b>	14	15	<b>29</b>
<b>Panama</b>	12	12	<b>24</b>	0	0	<b>0</b>	12	12	<b>24</b>
<b>Paraguay</b>	18	16	<b>34</b>	0	0	<b>0</b>	18	16	<b>34</b>
<b>Peru</b>	67	83	<b>150</b>	87	77	<b>164</b>	154	160	<b>314</b>
<b>Portugal</b>	492	345	<b>837</b>	168	126	<b>294</b>	660	471	<b>1,131</b>
<b>Dom. Rep.</b>	73	46	<b>119</b>	0	0	<b>0</b>	73	46	<b>119</b>
<b>Uruguay</b>	10	12	<b>22</b>	0	0	<b>0</b>	10	12	<b>22</b>
<b>USA</b>	18	15	<b>33</b>	0	0	<b>0</b>	18	15	<b>33</b>
<b>Venezuela</b>	6	7	<b>13</b>	0	0	<b>0</b>	6	7	<b>13</b>
<b>Total</b>	<b>4,370</b>	<b>3,853</b>	<b>8,223</b>	<b>408</b>	<b>320</b>	<b>728</b>	<b>4,778</b>	<b>4,173</b>	<b>8,951</b>

(\*) North Central America includes: Guatemala, Honduras and El Salvador

(\*\*) TTR = Temporary trade representative, PTR = Permanent trade representative

The breakdown above shows that 92% of Prisa's workforce is under a permanent contract and 8% is under a temporary one (compared to 93% and 7% in 2018). Men represent 53% of the workforce compared to 47% of women (versus 54% and 46% in 2018).

98% of the workforce at year-end was working full time (in Spain this ratio is 95%, the same as in 2018).

The distribution by gender and job category was as follows in 2019 and 2018:

	2019			2018		
	Men	Women	Total	Men	Women	Total
Executives	240	127	367	255	110	365
Middle management	640	500	1,140	621	474	1,095
Other employees	3,898	3,546	7,444	3,704	3,316	7,020
<b>Total</b>	<b>4,778</b>	<b>4,173</b>	<b>8,951</b>	<b>4,580</b>	<b>3,900</b>	<b>8,480</b>

The average age of men is 2.7% higher than the average age of women in the Group. The Group average stands at 42.8 years. 11% of employees are under 30 years old, 65% are 30 to 50 and 24% are over 50.

The comparison of average ages by gender between 2019 and 2018 is:

	Men	Women	Total
Group average age 2019	43.3	42.2	42.8
Group average age 2018	43.1	41.9	42.5

The distribution of Group employees by geographical origin and average age is:

	2019
Spain	45.5
Latin America	41.1
Portugal	42.7
<b>Total</b>	<b>42.8</b>

The distribution by age ranges and job category is:

	Under 30 years old	30-50 years old	Over 50 years old
Executives	0%	2%	2%
Middle management	0.2%	8%	5%
Rest of employees	11%	55%	17%
<b>Total</b>	<b>11%</b>	<b>65%</b>	<b>24%</b>

The key business areas in terms of workforce are Santillana (45%, the same as in 2018) and Radio (29%, 1% more than in 2018), with the following distribution by gender:

	2019		
	Men	Women	Total
Santillana	1,925	2,146	4,071
Radio	1,550	1,046	2,596
Press (Noticias)	599	440	1,039
Media Capital	657	466	1,123
Rest	47	75	122
<b>Total</b>	<b>4,778</b>	<b>4,173</b>	<b>8,951</b>

The change in the Group's year-end workforce between 2019 and 2018 was 6% (distributed similarly between Spain and other countries, with 5% and 6% respectively). The voluntary turnover rate (measured as voluntary departures from the total workforce) was 6%, the same as in 2018, and mainly focused on Latin America, while the dismissal rate was 4%, compared to 5% in 2018 (ratio of indemnified departures to total workforce), mainly in the form of workforce restructuring in most countries.

Dismissals (measured as indemnified departures from the Group) were 49% men and 51% women, 64% of which were among employees aged 30-50. 18% were executives and middle management, while 82% were other employees.

The Group's voluntary departures were 48% men and 52% women, 65% of which were among employees aged 30-50.

Total average remuneration across the Group, considering all job categories, is EUR 32 thousand, with men's remuneration being EUR 35 thousand (+9% above the average) and women's EUR 29 thousand (-11% below the average).

The company calculated the pay gap in different job categories. Average remuneration and the weight of each category were weighted. The overall figure calculated was 6.2%.

The remuneration paid to directors and executives is reported in note 22 "Related-party transactions" and note 23 "Remuneration and other benefits for the Board of Directors" to the consolidated financial statements.

As to inclusiveness of people with a disability in employment, in Spain the Prisa Group has partnerships in place with Special Employment Centres for the provision of certain services (cleaning) and other cooperation mechanisms under Spanish law (donations to employment centres). The Group employed 32 people with disabilities equal to or greater than 33% (37 people in 2018), distributed by geographical origin as follows:

	2019	2018
Spain	21	25
Rest	11	12
<b>Total</b>	<b>32</b>	<b>37</b>

As to disability in Latin America, different regulations apply in each country, with which the Group complies.

#### *1.4.2. Work organisation*

We run initiatives to attract and retain the best people, although formally there is no policy as to the “right to disconnect” for the workforce at Group level.

In Spain, the workforce generally enjoys social benefits, life and accident insurance, disability coverage and maternity or paternity bonuses. In general terms, Group companies in Spain do not distinguish between full-time and part-time work or between permanent and temporary contracts for purposes of access to social benefits.

The flexible remuneration programme designed in 2012 was still in force in 2019 for some Group companies in Spain, with the catalogue of benefits permitted by law.

In Spain, practically all collective bargaining agreements applicable by the different companies contain working hours that are below the legal maximum (40 working hours a week) and, in addition, overtime is only worked as an exception.

Working hours include flexible work practices as regards the start and end of the working day and may be adapted to intensive working hours and times at certain times of year (summer, Christmas and Easter). This irregular distribution of working time is established by agreement between the various departments and/or legal representatives of the workers.

For some companies in Spain, the plan to promote a better work-life balance has been kept in place:

- Special voluntary leave with a guaranteed job to return to, financial allowance and social security contributions.
- Extension of paid annual holidays with social security contributions.
- Extension of weekly rest days (4-day week) with maintenance of social security contributions.
- Training leave, with aid for expenses and social security contributions.
- Reduced working time without the need to prove legal guardianship.
- Flexible schedules at companies and areas not subject to shifts, such as summer working time.
- Paternity/maternity leave paid at 100% of salary.
- Childcare vouchers through the Flexible Compensation Plan for

employees who so request.

In Latin America, the most common practice is working time flexibility.

Absenteeism time and rates across the Group were:

Rate of absenteeism <sup>(1)</sup>	2.3%
Total days lost	42,547

(1) Index of absenteeism: (Total no. of absenteeism hours / Total no. of planned hours worked) x 100

#### 1.4.3. Health and safety

Driving a preventive culture among all the companies that make up the Group is still a priority goal. We are committed to integrating occupational health and risk prevention with the general management system for the companies.

The Prisa Group has an Occupational Risk Prevention department in Spain within the Human Resources area. The department continuously identifies psychosocial factors that may pose a risk to employee health at the Group's companies.

- Three regulatory prevention audits were successfully passed at the companies where they were due.
- Quarterly meetings with all safety and health committees continued, with management and employee involvement.
- Registration of workplace defibrillators and regulatory emergency evacuation measures were implemented.

We thus continued to ensure improvement of working conditions. Most employees in Spain are represented by formal health and safety committees and covered by the joint prevention service.

In 2019, in Spain, there were 47 occupational accidents (30 men; 17 women) compared to 38 in 2018. In other countries, the number of occupational accidents was 67 (35 men and 32 women).

No occupational diseases were declared in 2019.

The key measurement indexes for the Group's health and safety are:

	Severity Index <sup>(1)</sup>	Frequency Index <sup>(2)</sup>
Men	0.14	6.55
Women	0.11	5.47
<b>Total</b>	<b>0.13</b>	<b>6.04</b>

(1) Severity Index: (No. days missed/No. hours worked) x 1,000;

(2) Frequency Index: (Total no. of accidents requiring sick leave/Total no. of hours worked) x 1,000,000;

#### *1.4.4. Labour relations*

The collective bargaining agreements currently in effect involve improvements in employment and working conditions in relation to the minimum rights required by legislation. In general, information, representation and consultation procedures for employees are contained and regulated in the different collective bargaining agreements and are structured through the labour representation bodies regulated in the same.

All group companies uphold freedom of association and the social dialogue necessary for the conduct of business is encouraged, in compliance with applicable labour laws.

Group employees, given their geographical dispersion and local regulations, are subject to collective agreements in some countries, while in others they are under a local regulatory umbrella since there is no such thing as a collective bargaining agreement. 97% of employees in Spain are subject to collective agreements. Only very specific senior management groups are not covered by such agreements.

There were no incidents or effects on business due to collective bargaining, nor was any regulated layoff process (Spanish "ERE") required in 2019.

#### *1.4.5. Training*

Employees have access to a range of training, both online via Prisa Campus (own online platform) and in person.

The training actions taught at the different companies are available on the training platform.

In 2019, more than 46,430 teaching hours were provided (33,000 teaching hours in 2018). 9% of training hours were invested in executive staff, 16% in middle management and 75% in other staff. 25% of the Group's training hours were invested in Spain.

#### *1.4.6. Equality*

The collective bargaining agreements applicable to the different companies in Spain contain specific sections on equal treatment and opportunities for men and women, protocols for action in the event of harassment and other measures to drive equality in all areas.

Specifically, in the Prisa Radio agreement there is a section headed "Prisa Radio Group's Equality Plan", which sets out measures to promote equal treatment and opportunities between men and women in terms of recruitment, promotion and career development, training and work-life balance. The collective agreement for Ediciones el País also contains a section headed "Equality and Work-Life Balance Plan", which serves, among others, the goals of achieving a balanced representation of women in the business and access for women to management positions.

On February 17, 2020, Santillana signed the 2020-2024 Equality Plan applicable to workers in this business in Spain.

Regarding harassment, the Group has in place a procedure for reporting and acting on psychosocial harm applicable to employees. The Santillana collective agreement also sets out a procedure on harassment, which is supplemented by the procedure on sexual or gender-based harassment.

The Prisa workforce is diverse as regards geography, culture, gender and age:

- Employee presence in 22 countries.
- There are more than 30 different nationalities in the Prisa Group.
- The workforce at year-end 2019 was 53% men and 47% women.
- The average age of the Group in 2019 was 42.8 years, 43.3 years for men and 42.2 years for women.

#### *1.4.7. Diversity in the membership of the Board of Directors*

Section 4 of this Consolidated Management Report and the Annual Corporate Governance Report details the membership of the Board of Directors which, as at December 31, 2019, consisted of 13 directors: 1 executive director, 5 proprietary directors and 7 independent directors, who have varying academic profiles and outstanding career track records (see profile and biographical note at [www.prisa.com](http://www.prisa.com)).

The Board of Directors is made up of highly qualified professionals who are widely recognised for their expertise and integrity, with skills and aptitudes in different areas of interest to the Company and from different countries, in application of the principles under the Director Selection Policy and the Board of Directors Regulations. The rationales issued by the Board on the appointment, ratification and/or re-election of each director were made available to shareholders in the notice of the relevant general meeting at which the appointment, ratification or re-election of the directors was to be resolved upon (see [www.prisa.com](http://www.prisa.com)).

The Company has a Director Selection Policy, the principles and aims of which can be summarised as follows: i) diversity in Board membership, ii) good balance on the Board as a whole, seeking people whose appointment favours diversity of knowledge, experience, background and gender, and iii) in 2020 the number of women directors should represent at least 30% of total members of the Board, in accordance with the recommendation of the Code of Good Governance of the CNMV.

The Appointments, Remuneration and Corporate Governance Committee, at its meeting on January 28, 2020, verified compliance with the director selection policy on an annual basis, and considered that the current membership of the Board is reasonably diverse in terms of the profile, training, experience and professional qualifications, skills, age and geographical origin of the directors. There is a positive balance overall, yet the degree of gender diversity, although it has improved significantly with the addition of two women directors in 2019, is still insufficient. Therefore, there are plans to appoint one more woman to the Board so as to comply with the goal set for gender diversity in 2020.



During selection processes for directors conducted by the Company in 2019, diversity was taken into account as a factor that must guide the membership of the Board and, in particular, diversity in terms of gender.

The Company has three women directors, representing 23.08% of Board members. Therefore, an additional woman is needed on the Board so as to meet the 2020 gender diversity target.

The Annual Corporate Governance Report sets out the results of the analysis conducted by the Appointments, Remuneration and Corporate Governance Committee and future actions to continue improving gender diversity. In 2020, the position of several members of the Board will expire, so the Appointments, Remuneration and Corporate Governance Committee and the Board are working towards a reorganisation that will facilitate the appointment of more women to the Board.

## **1.5. Respect for Human Rights and the Fight against Corruption and Bribery**

### *1.5.1. Compliance: Code of Ethics, Compliance Unit, Whistleblower Channel*

The Prisa Group is committed to strict compliance with all laws and regulations that apply to it and with the principles and rules of conduct set out in our Code of Ethics, which is the keystone of our compliance model.

The Code of Ethics referred to in section F.1.2 of the Annual Corporate Governance Report contains the catalogue of principles and rules of conduct that govern the actions of the companies that make up the Group and all their employees, to ensure ethical and responsible conduct in the performance of our business. The Code of Ethics is available in Spanish, English and Portuguese, on the Prisa corporate website and on the Group's intranet. It forms part of the welcome pack handed to all new employees.

The Code includes some general ethical principles regarding human rights and public freedoms, professional development, equal opportunities, non-discrimination and respect for people, health and safety at work and environmental protection.

The Company also has a Compliance Unit: a collegial body that oversees and promotes ethical conduct among employees, associates and members of the Group and for identifies, manages and mitigates compliance risks, as described in section F.1.2 of the Annual Corporate Governance Report.

The Compliance Unit also takes on the role of the Criminal Prevention Body provided for in the Criminal Code.

The Group's main business units also have their respective compliance units, which report to and act in coordination with the Prisa Compliance Unit. Some Group companies, due to their significance or legislative requirements in the countries in which they operate, have set up specific compliance units or appointed a compliance officer. In this regard, there are compliance units or officers in companies in Brazil, Portugal, Mexico, Ecuador, Colombia and El Salvador.

In addition, as described in section F.1.2 of the Annual Report on Corporate Governance, Prisa has a whistleblower channel.

For queries about the Code of Ethics and other matters concerning internal regulations and compliance, the Company's employees can use a compliance mailbox ([cumplimiento@prisa.com](mailto:cumplimiento@prisa.com)) managed by the Prisa Compliance Unit.

There are also compliance mailboxes associated with each business's compliance units, which are redirected to the company's compliance mailbox, through which doubts can be raised regarding the Code of Ethics and other topics and inappropriate behaviour can be reported. A procedure similar to that for complaints received through the whistleblower channel is followed when processing complaints received through these mailboxes.

In 2019, 33 complaints were received, 3 more than in 2018. Of these, two are in the process of being considered and, of the rest, 23 were unfounded.

#### *1.5.2. Respect for Human Rights*

Prisa's Code of Ethics, also included in section F.1.2 of the Annual Corporate Governance Report, contains general ethical principles on human rights, among other items. Prisa undertakes to respect and protect human rights and public freedom. As part of this commitment, it highlights respect for human dignity as its main goal.

As stated in section 5.6.2.1, the inclusion of social, gender equality and environmental issues in procurement is reinforced with our suppliers through the general terms of procurement available on our corporate website.

In the Non-Financial Risk Map, the number of complaints received and substantiated is used as a proxy indicator in the area of respect for human rights. Of the total number of complaints received and addressed in 2019, 11 fell within the scope of human rights and specifically concerned workplace harassment. Upon investigation, it was concluded that only 1 complaint was founded.

#### *1.5.3. Fight against corruption and bribery*

The Code of Ethics sets out the basic principles for internal control and prevention of corruption, governing aspects such as transparency, truthfulness and reliability of information and control of records, bribery and anti-corruption measures, prevention of money laundering and payment irregularities.

In 2019, over the corporate intranet, all Group employees were given access to the Compliance Guide, which presents, concisely and using practical examples, rules of conduct and principles established in the Code of Ethics, including fair employment practices and anti-corruption actions regarding improper payments, money laundering and relations with government bodies and suppliers.

In 2019, a specific section was created on the Group's intranet for the Compliance Unit. In addition to defining the main functions of this unit, the page provides direct access to all employees to key policies in this area, including the Code of Ethics and the Compliance Guide. An "interstitial" and a digital advertising banner on the corporate

website were used to communicate the availability of this new section and the Compliance Guide, respectively.

In 2019 all Group employees received a new edition of the Code of Ethics, approved by the Board of Directors on 29 April 2019. The new version revises and confirms the entire text, including some clarifications.

The principles of internal control and prevention of corruption are reinforced by other key standards in our compliance model, such as our Anti-Corruption Policy, which sets out guidelines, precautions and procedures to be observed by all employees and companies of the Group in the course of business.

Another key standard is the Guidelines issued to support the measures to prevent money-laundering by Group companies.

One of the Company's key standards is the Gifts Policy, the purpose of which is to guide Prisa Group employees and management bodies in making the right decisions about accepting and offering gifts, services or other benefits within the framework of the Prisa Group's business relations.

Alongside the Code of Ethics and the key standards referred to in the previous section, another of the keystones of the compliance model is the Crime Prevention and Detection Model. Specifically to detect and prevent corruption and bribery, it is essential to have a matrix of crime risks and controls. The model for prevention and detection of criminal offences is subject to an ongoing process of verification and updating to ensure its effectiveness and proper functioning of the controls.

A key indicator for assessing the risk of corruption and bribery is the number of complaints received and substantiated each year. Of the 33 complaints received and investigated in 2019, 7 of them related to corruption, as compared to 10 complaints in 2018. Of the allegations of corruption processed in 2019, 4 were confirmed, compared to 2 in 2018. As in the previous year, appropriate corrective measures were taken.

The Group has in place other policies and procedures as additional measures to prevent bribery and combat corruption, including:

- Procedure for action facing government bodies.
- Competition policy.
- Restrictive and highly controlled structure of signing authorities.
- Policy on Procurement and Representation Expenses (revised in June 2019).

The procedure for action in cases of corruption, bribery or money laundering starts with the whistleblower channel and the compliance mailboxes made available to employees and third parties. In addition, employees are advised to consult their manager and/or Human Resources, promoting "reporting without fear", as the Code of Ethics itself prohibits reprisals against whistleblowers who report violations or potential misconduct in good faith.

#### *1.5.4. Contributions to foundations and non-profit entities*

In 2019, the Prisa Group made contributions to 53 foundations and non-profit entities amounting to EUR 1,698 thousands. Many of these foundations and entities are listed in section 5.6.1 of this report.

## **1.6. Community reporting**

### *1.6.1. The Company's commitment to sustainable development*

Commitment to society is the essence of Prisa. Our mission is to support the development and progress of individuals and society by providing quality education and news that is truthful, independent and responsible.

These are two distinct activities that support people in their lives and converge in the same community responsibility.

Ongoing dialogue with the community enables us to discover the expectations and interests of host communities and become engaged in their development. The various forms of dialogue are set out in the *Social Responsibility Policy* and the *Prisa Code of Ethics*, and in more detail in the *Social Responsibility and Sustainability Report* published by the Group each year.

For instance, Prisa is an active member of the United Nations Global Compact and forms part of the executive committee of its Spanish network, and has committed to the Ten Principles with which this global organisation promotes human rights, the fight against corruption, labour rights and care for the environment. Prisa also partners with the Global Compact in the UN mandate to promote the Sustainable Development Goals (SDGs). Prisa hence supported the #aliadosdelosODS (“SDG allies”) campaign.

Prisa is also a member of the SERES Foundation. In 2019, Prisa supported the dissemination of the work done by the Foundation and the SERES Awards, an accolade for the best strategic and innovative actions that create value for society and business.

In education and culture, in 2019 Prisa renewed its sponsorship of an event of exceptional public interest: the bicentenary of the Teatro Real.

Prisa is a trustee of the Fundación Conocimiento y Desarrollo (CYD), which analyses and promotes the contribution of universities to the economic and social development of Spain, and of the Fundación Princesa de Girona, which supports young people in their occupational and personal development.

Prisa partners with the Fundación de Ayuda contra la Drogadicción (FAD), of which it is a founding trustee and a member of its media committee, to promote the personal and social development of adolescents and young people through education in positive attitudes and prevention of socially risky behaviour. Prisa is involved in the *(In)fórmate* project, alongside Google, which provides guidance in media and online information consumption, and promotes media literacy and critical thinking in the adolescent population aged 14 to 16. 2,500 young people and 370 teachers took part in the project.

In the field of innovation, research and development, Prisa is a founding trustee of Fundación Pro CNIC (National Centre for Cardiovascular Research) and helps disseminate its campaigns.

In its commitment to combat climate change, the Group partners with the World Wildlife Fund (WWF), the largest independent international organisation that advocates for nature and the environment. Since 2008 Prisa has supported *Earth Hour*, the world's largest grass-roots initiative against climate change.

Prisa forms part of the Emergency Committee, which brings together different NGOs (Acción contra el Hambre, ACNUR Spanish Committee, Médicos del Mundo, Oxfam Intermón, Plan International and World Vision) to jointly address the citizen response to the situation of humanitarian crisis.

Prisa promotes journalism, culture, innovation and sport by awarding prestigious prizes. In journalism, the Premios Ondas and the Premios Ortega y Gasset acknowledge the work of the best professionals and work done on radio and television and in music and advertising. In innovation, the Cinco Días Awards recognise initiatives in business, universities, social responsibility and entrepreneurship. Finally, the As Awards recognise the sporting achievements of major figures in sport.

### **Press (Prisa Noticias)**

As an example of our ongoing dialogue with society, in 2019 El País launched the campaign *¿Y tú qué piensas?* to connect with readers and society and invite them to take part in the public debate on issues such as climate change, equality, education, and immigration. Readers participated through channels opened up for this project and by interacting with the contents. The results of the campaign showed that 97% of readers saw the campaign. 90% rated it positively. The campaign, which was active for seven weeks, drew 16 million views in outdoor advertising, 56 million in the press, and presence in public spaces.

In October, El País organized the fourth edition of *Retina LTD*, an annual event for leaders of the digital transformation. The aim is to further evolve a strategic and global vision to help accelerate change in society. One section of the event was dedicated to the challenges of the future, focusing on the environment and on new economic models and their social impact.

El País also hosted several meetings open to the public and publicly streamed so that anyone interested could closely follow debates such as *Stereotypes are there to be broken*, on the situation of gender stereotypes, *Depression and suicide: the silenced reality*, an event that brought together professionals from the field of mental health to raise the visibility of these issues, or the cycle of events *#eCoche*, to reflect on the future of the electric vehicle as a paradigm of sustainable mobility. The last two actions were conducted in partnership with Cadena SER.

Cinco Días promoted the *SDG Observatory* project, with the aim of analysing how the 17 Sustainable Development Goals of the United Nations Agenda 2030 are transformed into tangible realities that benefit society as a whole. The initiative brought together the best experts in Spain at several meetings. The aim is to move towards societies with inclusive economic growth, greater social cohesion and justice, and a sustainable environmental horizon.

Actions by Prensa (Prisa Noticias) to promote local employment included projects such as *El País con tu futuro*, an educational meeting about the world of work and career development that helps young people to guide their future. The event drew 3,000 young people in the 2019 edition. The UAM-El País School of Journalism, created in 1986, belongs to a non-profit foundation controlled in equal shares by the Universidad Autónoma de Madrid and El País. The main activity of the School is the *Master's Degree in Journalism*, attended by 1,269 students so far.

The company also partners with universities and schools on internships for middle and high school students, adapting students' training programme and shaping a more qualified profile.

Sponsorship by the Press (Prisa Noticias) business unit focuses on the Fundación Human Age to promote the employability of groups at risk of exclusion, Reporters Without Borders to support freedom of information, Acción contra el Hambre and the Spanish Foundation for the Promotion of Research into Amyotrophic Lateral Sclerosis.

### **Santillana**

Through its main activity Santillana has a major impact on local development, since it has a positive effect on the graphic industry and printers, on sales channels (bookstores/*e-commerce*), the logistics and distribution sector or the digital industry (platforms), and on the employability of freelance professionals, such as authors, designers, publishers, proofreaders, illustrators, etc. Around the conventions or training actions that it hosts in each country, it also contributes to bolster all the industries that revolve around this type of event.

In Spain in particular, Santillana contributes to people's employability through its online training portal, Bejob, which offers courses to the general public and aimed at training in skills needed for the digital transformation. One highlight training programme is *DesArrolladoras*, which aims to promote the recruitment of 1,000 women into the programming world to secure them a future with high employability.

Santillana also contributes to society through a range of social actions in each country.

In Spain, it collaborates with some NGOs through the *Ayúdanos a ayudar* ("Help us to help") e-vocation. In 2019, we supported projects such as the Educo Summer Dining Scholarship and the WWF's *Únete a la lucha contra el plástico en el mar* ("Join the Fight against Plastics in the Sea").

Santillana Argentina also has an annual agreement with Tiflonexos, an association that works to support access to reading and information, based on the use of technology and favouring the autonomy of people with disabilities.

In Brazil, Santillana collaborates with non-profit entities, such as the publisher Moderna a Todos Pela Educação in the publication of the *Brazilian Education Yearbook*, which presents a compilation of the main statistical data on Brazilian education.

Santillana Chile maintains partnerships with several non-profit organisations. It is currently part of the multisectoral alliance UPPI (United Businesses for Children Network), created to promote dialogue on the importance of children as a primary stage in the development of individuals, and to ensure that the rights of children and

adolescents are respected. In this context, Santillana's role is to promote, within the annual programme, actions to foster inclusiveness and equity in vulnerable sectors.

In Colombia, Santillana partners with the Fundación Pies Descalzos and Lenovo to integrate technological solutions with the foundation's educational initiatives, which will transform the quality of teaching spaces. The company thus contributes to society by promoting quality education, since students from lower levels of participating schools can have up-to-date digital content for training and development.

In Mexico and for the second year running, the company sponsored the *MakeX-CreativaKids 2019* robotics contest, which helps solve social problems in children and young people between the ages of 6 and 18 by developing their coding and robotics skills.

In the North Central America area, Santillana worked with non-profit entities in the various countries. In Guatemala, some examples were the Rotary Club or Ensenyants Solidaris. In that country, we also partnered with Inclusión Down 502 and the Guatemalan Autism Association. In El Salvador, we supported Educo, and in Honduras we aided the FEIH Foundation.

### **Prisa Radio**

Prisa Radio takes action for dialogue with the community, such as the World Radio Day. For the fourth year in a row, SER's radio stations held an open day where listeners could learn about their work on site and take part in the station's programmes.

On the occasion of the Climate Summit held in Madrid, the *Climate Week* took place. LOS40, LOS40 Classic and LOS40 Dance pulled out all the stops, with a strong presence on air, on social media and on the web. Artists from the world of music and culture voiced messages on climate change. The following week, Cadena SER rolled out an internal communication action to involve employees in sustainable initiatives: for a week, the radio was set up and every day an initiative was carried out (recycling CDs and DVDs, collecting and donating books, recycling plastic, batteries, pens, paper, etc).

In Chile, the ADN radio station organised the campaign *Ayuda a Valparaíso*, where food, toiletries and new clothing were collected for fire victims.

Prisa Radio's impact on society is reflected in actions such as the *Congresos del Bienestar* ("Wellness Congresses"), an event that emerged in 2012 in the midst of the economic downturn which aims to link people with ideas and concepts that produce a sense of well-being. It is designed as a space for thematic gatherings in which media personalities, specialists in each field, and the public from all over Spain take part.

The LOS40 Music Awards gala - music awards in Spain and Latin America - featured the main stars of the Spanish and international music scene. Part of the proceeds went to the Jane Goodall Institute and WWF for their projects with endangered animals, all within the framework of the LOS40 environmental corporate social responsibility campaign "Únete contra el cambio climático, #IDO".

In the case of the XXIII Cadena Dial Awards gala, part of the proceeds went to the Federación de Asociaciones de Mujeres, Arena y Laurisilva (FAMAL) - a non-profit organisation that integrates women's associations and whose main objective is equal opportunities between women and men and the fight against gender violence or any form of discrimination against women and girls - and the Escuelita del Hospital Universitario Nuestra Señora de la Candelaria - an educational institution in the pediatric area that carries out activities so that hospitalised children do not leave school, are integrated into the hospital environment and their stay there is more bearable.

The beneficiary of the Radiolé Awards gala was Manos Unidas, which will be able to fund an educational project to provide 200 young people with access to secondary education and drinking water.

Caracol Radio, in partnership with the Novonorkisk pharmaceutical company, supported the Obesity Forum, with the aim of raising awareness about obesity in Colombia: The programmes looked at the problem of obesity from the sports, health and lifestyle point of view, and ended with a forum in which representatives of the government, the pharmaceutical industry, the medical community and obesity patients participated.

In December, Radioactiva Bogota held *Jingle Bell Rock*, a concert that collected gifts for underprivileged children. 35,000 gifts were received and donated to different foundations.

The contribution to employment and local development is also one of Prisa Radio's goals. We promote events such as the *SER Forums and Meetings* that deal with current issues of interest to citizens and companies. Solutions are sought through discussions and expert presentations. In 2019, events were held in 25 cities throughout Spain, focusing on topics such as education for the future, the *silver economy*, SDGs, urban planning, and sport.

Tropicana Colombia carries out a quarterly activity, *Trabajo se escribe con T de Tropicana*, which aims to encourage job-finding by reporting on employment opportunities that come to the station's attention.

Prisa Radio's sponsorship activities are focused on promoting culture, with major agreements with the Guggenheim Museum and the Fundación Botín or the Almagro Classical Theatre Festival. Prisa Radio also supports charitable events such as the Rastrillo Nuevo Futuro charity flea-market and various social causes for women's equality such as the Women's Race or the *Malas Madres* Race.

In Chile, Prisa Radio is involved with entities and projects such as the Planetarium of the University of Santiago, the Orchestra of the University of Chile, the *Santiago en 100 palabras* of the Fundación Plagio, the Authors and Performers Fair and the Fundación Mujer Impacta.



## **Media Capital**

Media Capital runs different actions in the areas of social inclusion or training and gets involved in any social aspect through the participation of the main figures in its business units in order to increase the scope of the messages and initiatives, paying special attention to minority communities or anything relating to natural, social or economic disasters.

The television programme *Apanha se puderes* continued in 2019 fulfilling its mission of entertainment and charitable aid through the TVI channel. It produced 14 special editions supporting 11 charities in the country. The *Ver p'ra crer* competition also had 7 broadcasts dedicated to supporting social organisations, such as the firefighter's association, the Terra dos Sonhos solidarity project, Make a Wish and Acreditar.

In the afternoon program of the TVI station's *A Tarde É Sua*, partnerships were established between the station and several entities for charity actions. In the August 27 broadcast, for example, the partnership with the Orthos Paediatrics company delivered a wheelchair specially adapted to the needs of a child with cerebral palsy.

On the educational side, partnerships and procedures were put in place with schools, universities and other institutions, such as the protocol between Plural and the Universidad de Lusófona.

Grupo Media Capital promotes culture and the arts and works with major institutions, foundations and cultural entities in Portugal, such as Teatro da Trindade, Casa da Música, Fundação Francisco Manuel dos Santos, LRS Loures Câmara Municipal, Direção-Geral da Saúde, Serralves and Teatro Nacional de São Carlos.

### *1.6.2. Subcontracting and suppliers (Responsible supply chain management)*

#### *1.6.2.1. Awareness of social, gender equality and environmental issues in recruitment processes*

Prisa upholds its commitment to social issues that indirectly have an impact on this area through its supplier base. Guidelines are established through the Corporate Purchasing Department from the outset of negotiations so that all businesses can embed them in their own purchasing procedures, which are also included in the General Purchasing Terms that the Group publishes on the supplier portal.

#### *1.6.2.2. Relations with suppliers and subcontractors regarding their social and environmental responsibility*

The Prisa Group has a "PL-CO-01 Ed 1 Supplier Approval" procedure to evaluate and control the main suppliers of the Group's companies worldwide. This includes aspects ranging from social responsibility, equality in the workplace or taxation to prevention of occupational hazards, fraud and corruption, and the environmental management systems that suppliers may have in place.

#### *1.6.2.3. Monitoring and audit procedure*

Due to the type of supplies required by the Prisa Group companies (increasingly, service provision), the high percentage of local suppliers with which we work in each country and the fact that no significant risks have been detected that would prompt a more detailed inspection, no audits of the current supplier base are planned for the medium term.

#### *1.6.2.4. Impact on local development*

Payments to suppliers in 2019 came to EUR 806 million. The Prisa Group's commitment to developing and generating local impact determines an allocation of 90.3% of this expenditure to suppliers who have their tax residence in the country where the product or service is purchased and paid for. The companies with the most international presence, Santillana and Radio, allocate 85.9% and 96.7% respectively of their spending to local suppliers.

#### *1.6.3. Consumers, users, readers and listeners*

Prisa's businesses, activities and investments in the area of television, education, radio and press are subject to a regulatory framework that is specific to the sector where these businesses are run. Except in the Press business or in some activities in Education, where there is a direct relationship with the consumer and/or user, the *Ley General para la Defensa de los Consumidores y Usuarios* (General Law for the Defence of Consumers and Users (RDLeg 1/2007 of 16 November, in the wording given by *Ley 3/2014 de 27 de marzo*) does not apply.

In relation to consumer complaint systems, apart from the Whistleblower Channel for third parties, accessible on the corporate website, the business units have specific channels for dealing with all kinds of complaints and queries from third parties including readers or listeners, even when they are not legally considered consumers and/or users.

In the Press business unit, El País, Diario As and Cinco Días, there is a Customer Service Centre which, through calls and e-mails, handled a total of 12,283 incidents in 2019. The Customer Service Centre resolves incidents directly or manages resolution with the end suppliers of the services or products. When necessary, we escalate incidents to other departments, as is the case with data protection requests, which are referred to [privacidad@prisa.com](mailto:privacidad@prisa.com). In addition, El País has a Reader's Ombudsman.

Santillana's book sales activity in all countries is aimed at schools, bookshops and distributors, not the end consumer. There are communication channels with these customers in which complaints are received, mainly of a logistical nature regarding incidents in product delivery.

In Spain, the online training business developed by Santillana under the Bejob brand is aimed at company employees and professionals. Incidents are managed by email or via online support available on the platform. In 2019, 42 incidents were handled. Santillana also has a digital products website in Spain aimed at families and students, through which we handle incidents concerning these products. These incidents are managed internally via the JIRA standard system. In 2019, 196 incidents were handled.

Santillana's companies in America market digital products for schools and students. In each country, communication channels were established for incidents and complaints,

usually raised from schools. For example, in Brazil there are two ways of communicating complaints: Reclame aquí is an external web service. Fale Conosco, a proprietary channel via telephone or the web. In Argentina, we operate our Mesa de Ayuda help desk aimed at addressing queries and complaints from schools.

#### *1.6.3.1. Cybersecurity and privacy (Consumers, own employees and supply chain)*

The protection of personal information has been and is one of the priorities of the organisation. Personal data has become a valuable asset and security breaches can cause considerable damage. Hence one of the basic requirements for a digital society is adequate cybersecurity.

Following the publication of the General Data Protection Regulation (GDPR) in 2016, which entered into force in May 2018, Prisa has reinforced and enhanced its personal data control and assurance processes and consumer rights in the potential use of such data.

Changes in European law also prompted the Group's companies in the Americas to review their procedures for complying with local data protection regulations. In Santillana Brazil, a project was started to adapt to the new Data Protection Law, which will apply from August 2020.

To exercise their rights, users and persons whose personal data are processed by the Group's companies may submit their complaints or contact the Group's Data Protection Officer at [dpo@prisa.com](mailto:dpo@prisa.com). There is also a specific postal address and the digital services of Radio and Press (Prisa Noticias) also provide a specific e-mail box, [privacidad@prisa.com](mailto:privacidad@prisa.com).

As to cybersecurity, action was taken at several technological levels to minimise cybercrime risks, which could lead to information leaks, identity theft, etc. Although Prisa already had some previous levels of cybersecurity, in 2019 a Security Master Plan was established to further reinforce our response to the challenges and needs that Prisa faces in this new environment.

1.6.4. *Tax information*

Consolidated profit or loss before tax as reported in the consolidated financial statements, by country, is as follows:

Country	Thousands of euros
Brazil	24,088
Chile	15,115
Colombia	14,057
Mexico	12,705
Guatemala	9,122
Dominican Republic	6,933
Ecuador	5,525
Bolivia	2,448
Peru	1,752
Portugal	1,521
Argentina	(1,332)
Spain	(83,461)
Other countries	7,155
<b>Total</b>	<b>15,629</b>

The corporate income taxes paid by these entities in 2019 amounted to EUR 25,013 thousand.

These data do not include Media Capital as it is considered a discontinued operation.

Finally, the subsidies received by the Group were immaterial.

Index of the contents required by Law 11/2018 of 28 December			
Information requested by Law 11/2018	Materiality	Section of the report or document where response is given	Guiding link with GRI indicators
<b>General information</b>			
A brief description of the business model that includes its business environment, organisation and structure	Material	5.1. The Prisa Group and its Business Units and 5.1.1. Business model	GRI 102-2 GRI 102-7
Markets in which it operates	Material	5.1.1. Markets and sectors	GRI 102-3 GRI 102-4 GRI 102-6
Objectives and strategies of the organisation	Material	5.1.2. Goals and strategies	GRI 102-14
Main factors and trends that may affect its future evolution	Material	5.1.1. Business environment, organisation and structure	GRI 102-14 GRI 102-15
Reporting framework used	Material	5.2.1 About this report	GRI 102-54
Principle of materiality	Material	5.2.1 About this report	GRI 102-46 GRI 102-47
<b>Environmental Issues</b>			
<b>Management approach:</b> description and results of the policies on these matters as well as the main risks concerning these issues related to the group's activities		5.2. Risk management	
<b>Detailed general information</b>			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	Non material		GRI 102-15
Environmental assessment or certification procedures	Non material		GRI 103-2
Resources intended to prevent environmental risks	Non material		GRI 103-2
Application of the precautionary principle	Non material		GRI 102-11
Amount of provisions and guarantees for environmental risks	Non material		GRI 103-2
<b>Pollution</b>			
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution	Non material	5.3.1. Environmental issues	GRI 103-2 GRI 305-7
<b>Circular economy and waste prevention and management</b>			
Prevention, recycling, reuse, other forms of waste recovery and disposal	Material	5.3.2. Circular economy, waste prevention and management	GRI 103-2 GRI 306-2
Actions to combat food waste	Non material		GRI 103-2
<b>Sustainable use of resources</b>			
Water consumption and water supply according to local limitations	Material	5.3.3. Sustainable use of resources	GRI 303-1
Consumption of raw materials and measures taken to improve the efficiency of their use	Material	5.3.3. Sustainable use of resources	GRI 301-1 GRI 301-2
Direct and indirect energy consumption	Material	5.3.3. Sustainable use of resources	GRI 302-1
Measures taken to improve energy efficiency	Material	5.3.1. Environmental issues	GRI 302-4
Use of renewable energy	Material	5.3.3. Sustainable use of resources	GRI 302-1
<b>Climate change</b>			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	Material	5.3.4. Climate change	GRI 305-1 GRI 305-2
Measures taken to adapt to the consequences of climate change	Material	5.3.5. Measures taken to combat climate change	GRI 201-2
Reduction goals set voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end	Material	5.3.5. Measures taken to combat climate change	GRI 202-2

Index of the contents required by Law 11/2018 of 28 December			
Information requested by Law 11/2018	Materiality	Section of the report or document where response is given	Guiding link with GRI indicators
Protection of biodiversity			
Measures taken to preserve or restore biodiversity	Non material	Due to the type of PRISA business and based on the analysis carried out in the Non-Financial Risk Map of the Corporate and business areas, it has been determined that the impact of our activity on the environment is very low. Prisa's activity is carried out in urban/industrial areas, where there is a low risk of affecting biodiversity.	GRI 304-3
Impacts caused by activities or operations in protected areas	Non material		GRI 304-2
Social matters and in relation to personnel			
Management approach: description and results of the policies on these matters as well as the main risks concerning these issues related to the group's activities		5.2.Risk management	
Employment			
Total number and distribution of employees by country, gender, age and professional classification	Material	5.4.1.Employment	GRI 102-8 GRI 405-1
Total number and distribution of employment contract types and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and job classification	Material	5.4.1.Employment	GRI 102-8
Number of dismissals by gender, age and job classification	Material	5.4.1.Employment	GRI 103-2
Average remuneration and its trend broken down by gender, age and job classification or equal value	Material	5.4.1.Employment	GRI 103-2 GRI 405-2
Salary gap, the remuneration of equal or average jobs in society	Material	5.4.1.Employment	GRI 103-2 GRI 405-2
Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term savings forecast systems and any other compensation broken down by gender	Material	Notes 22 "Operations with related parties" and 23 "Remuneration and other benefits to the board of directors" of the consolidated report	GRI 103-2 GRI 405-2
Implementation of policies for workers to digitally disconnect from work	Material	5.4.2.Work organisation	GRI 103-2
Number of employees with disabilities	Material	5.4.1.Employment	GRI 405-1
Work organisation			
Work time organisation	Material	5.4.2.Work organisation	GRI 103-2
Number of hours of absenteeism	Material	5.4.2.Work organisation	GRI 403-9
Measures aimed at facilitating work/life balance and promoting co-responsibility by both parents	Material	5.4.2.Work organisation	GRI 401-3
Health and safety			
Occupational health and safety conditions	Material	5.4.3.Health and safety	GRI 403-1 - 403-3
Work accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender	Material	5.4.3.Health and safety	GRI 403-9 GRI 403-10
Social relations			
Organisation of social dialogue including procedures for informing and consulting staff and negotiating with them	Material	5.4.4.Social relations	GRI 103-2
Percentage of employees covered by collective agreement by country	Material	5.4.4.Social relations	GRI 102-41
Balance of collective agreements, particularly in the field of health and safety at work	Material	5.4.4.Social relations	GRI 403-4

Index of the contents required by Law 11/2018 of 28 December			
Information requested by Law 11/2018	Materiality	Section of the report or document where response is given	Guiding link with GRI indicators
<b>Training</b>			
Policies implemented in the field of training	Material	5.4.5.Training	GRI 103-2 GRI 404-2
Total number of training hours by job category	Material	5.4.5.Training	GRI 404-1
<b>Integration and universal accessibility of people with disabilities</b>	Material		GRI 103-2
<b>Equality</b>			
Measures taken to promote equal treatment and opportunities between men and women	Material	5.4.6.Equality	GRI 103-2
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender-based harassment	Material	5.4.6.Equality	GRI 103-2
Policy against all types of discrimination and, where appropriate, diversity management	Material	5.4.6.Equality	GRI 103-2
<b>Respect for human rights</b>			
<b>Management approach:</b> description and results of the policies on these matters as well as the main risks concerning these issues related to the group's activities		5.2.Risk management	
<b>Application of due diligence procedures</b>			
Application of human rights due diligence procedures and prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses committed	Material	5.5.1.Compliance: Code of Ethics, Compliance Unit, Whistleblower's Channel	GRI 102-16 GRI 102-17 GRI 412-1 GRI 412-2 GRI 412-3
Complaints for cases of human rights violation	Material	5.5.2.Respect for Human Rights	GRI 406-1
Measures implemented to promote and comply with the provisions of the fundamental ILO Conventions related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Material	5.5.2.Respect for Human Rights	GRI 407-1 GRI 408-1 GRI 409-1
<b>Fight against corruption and bribery</b>			
<b>Management approach:</b> description and results of the policies on these matters as well as the main risks concerning these issues related to the group's activities		5.2.Risk management	
Measures taken to prevent corruption and bribery	Material	5.5.3.Fight against corruption and bribery	GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-2 GRI 205-3
Measures to combat money laundering	Material	5.5.3.Fight against corruption and bribery	GRI 102-16 GRI 102-17
Contributions to foundations and non-profit entities	Material	5.5.4.Contributions to foundations and non-profit entities	GRI 102-13 GRI 201-1 GRI 415-1
<b>Company information</b>			
<b>Management approach:</b> description and results of the policies on these matters as well as the main risks concerning these issues related to the group's activities		5.2.Risk management	

Index of the contents required by Law 11/2018 of 28 December			
Information requested by Law 11/2018	Materiality	Section of the report or document where response is given	Guiding link with GRI indicators
<b>The company's commitment to sustainable development</b>			
The impact of society's activity on employment and local development	Material	5.6.1.The company's commitment to sustainable development	GRI 204-1 GRI 413-1
The impact of society's activity on local populations and on the territory	Material	5.6.1.The company's commitment to sustainable development	GRI 413-1
The relationships held with the players of the local communities and the types of dialogue with them	Material	5.6.1.The company's commitment to sustainable development	GRI 413-1
Association or sponsorship actions	Material	5.6.1.The company's commitment to sustainable development	GRI 413-1
<b>Subcontracting and suppliers</b>			
Inclusion in purchasing policy of social, gender equality and environmental issues	Material	5.6.2.1.Inclusion in the recruitment processes of social, gender equality and environmental issues	GRI 308-1 GRI 414-1
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	Material	5.6.2.2.Relationships with suppliers and subcontractors of their social and environmental responsibility	GRI 308-1 GRI 414-1
Supervision systems and audits and their results	Material	5.6.2.3.Supervision and audit procedure	GRI 308-1 GRI 414-1
<b>Consumers</b>			
Measures for consumer health and safety	Non material		GRI 416-1 GRI 418-1
Complaint systems, complaints received and their resolution	Material	5.6.3.Consumers, users, readers and listeners	GRI 418-1
<b>Tax information</b>			
The benefits obtained country by country	Material	5.6.4.Tax Information	GRI 201-1
Income tax paid	Material	5.6.4.Tax Information	GRI 201-1
Public subsidies received	Material	5.6.4.Tax Information	GRI 201-1





# **REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER**

To GRUPO PRISA shareholders:

Pursuant to Law 11/2018 dated 28 December (hereinafter, "Law 11/2018"), we have proceeded to the verification of the information included in the non-financial information statement of GRUPO PRISA for the year ended 2019.

We believe that based on the procedures applied and the evidence obtained during the verification process that we have carried out, the subject of this report, we have not come to our knowledge any question that leads us to believe that the verified information has not been prepared in all its significant aspects in accordance with the requirements of Law 11/2018.

## **Methodology and Verifier team**

SGS' methodology for the verification of non-financial information consists of audit procedures and mechanisms to verify information and indicators, commonly accepted within the scope of the Conformity Assessment Bodies (as defined by Regulation (EC) no. 765/2008), such as the audit guidelines contained in standard ISO 19011, and particularly:

- Review of non-financial information in accordance with the requirements of Law 11/2018
- Interviews with staff responsible for obtaining and preparing data
- Review consisting of sampling of documents and records (both internal and public)
- Check consisting of checking the reliability and traceability of data
- Assessment of systems for the collection, management and handling of the information and indicators

The verification team was formed by qualified personnel of SGS International Certification Services Ibérica, S.A.U., who had a technical competence based on the experience of the different sectors of activity essential for the issuance report.

## **Independence**

We are an independent entity to GRUPO PRISA in accordance with the ethics requirements, including those related to independence that are applicable to our activities.

## **Other information from the Management Report**

In relation to the verification carried out, it is expressly stated that the regulatory obligation covers only the non-financial reporting statement for the 2019 financial year, with the rest of the content of the report being excluded from that process management.

The responsibility of the independent verifier is to issue this report once the content of the status of the non-financial information provided by the administrators of the Company subject to the verification process has been verified. If, based on the work done, we conclude that there are caveats, we are obliged to report them.



# REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER

## **The administrators' responsibility in relation to non-financial information**

The administrators of the parent company are responsible for the formulation of the consolidated management report and the non-financial information detailed in accordance with paragraph 6 of Article 44 of the Code of Commerce, approved by Real Decreto dated 22 August 1885, amended by Law 11/2018, dated 28 December, amending the Code of Commerce.

## **The independent verifier's responsibility**

The objective of the mission entrusted to us has been limited to obtaining limited assurance that non-financial information is free from material inaccuracies and to issuing a verification report of the information included in the state of non-financial information containing our opinion.

30<sup>th</sup> April, 2020

Signed: Juan José Fontalba  
SGS International Certification Services Ibérica, S.A.U

**NOTE:** "This document has been originally drafted in Spanish, which will therefore prevail over the English language version in the event of any discrepancy."