



Consolidated  
Directors' report

**2021**

Prosegur Compañía de Seguridad, S.A.  
and subsidiaries



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# Letter from the President



## Helena Revoredo

President

The poet Rainer Maria Rilke said that the basis of any important success is to be able to withstand adversity, to turn walls into steps. In Prosegur, for the second consecutive year, we have successfully overcome the formidable barrier of the COVID-19 health crisis. We did so thanks to the effort of our professional teams and the experience of 45 years of activity. First of all, our thanks to the almost 150,000 people who make up Prosegur, since this year was also one of intense activity, innovation and hope for us.

In these twelve months we have persevered in our desire to create a safer world for all. A path that is laid out in the 2021-2023 Strategic Plan, and that we unveiled at the start of the year. By means of this plan we have set ambitious challenges that should lead us to generate income in its final year in the region of EUR

4,200 to 4,500 million. But beyond the volume of income, it is our hope that these will reflect greater diversification, in terms of geographic origin -where we want the United States to acquire greater importance- as well as in terms of the type of services that we offer our clients. By the end of the Plan, sales of New Products should comprise between 35 and 40% of total income. To achieve this, we will continue to work on our transformation initiatives and strive to become a company driven by technology, according to our intention to remain a pioneering and ground-breaking company open to continuous innovation.

We believe that protection in today's world means providing maximum possible peace of mind in the physical and digital environments of our clients, the members of our teams, and the general public. This also implies an active and concrete commitment to the societies in which we operate, and to the preservation and future of the planet as a whole.

With this vision, our Board of Directors approved a Master Sustainability Plan that explains and develops our commitment with transformation toward a global sustainable society in line with the United Nations Sustainable Development Goals (SDG). An action document that ties us to all members of Prosegur, with whom we share a concern for the well-being of people and the future of the planet.

We have structured our Master Sustainability Plan into four major areas: Environment, People, Safe Work and Ethics, Transparency and Governance. Overall these are 63 specific initiatives with a series of detailed indicators that allow us to measure their impact and evolution. And we have furthermore linked the variable remuneration of Senior Management to the achievement of sustainability goals, as additional proof of our profound conviction and desire to reach the goals set.

This process of continuous improvement of our global ethical perspective and the responsibility and sustainability of our business model yielded tangible results over the last year. Prosegur and Prosegur Cash were the first companies to receive the AENOR Good Corporate Governance certification; we were the first security company to join The Climate Pledge initiative; we began our decarbonisation and emissions offsetting project; we joined Foretica, a benchmark organisation in sustainability and corporate social responsibility in Spain; to provide just a few examples.

Of special relevance in 2021, the second external audit took place of our management of due diligence in Human Rights. A study that reflects our maturity in the protection of and respect for human rights, and the commitments defined in our corporate policy. And perhaps more importantly, an exercise that allows us to continue to identify areas for improvement to strengthen our ambition to provide a decent, safe and healthy working environment to the approximately 150,000 Prosegur employees worldwide.

Lastly, as we do every year, I cannot fail to mention the activities of the Prosegur Foundation, with which we aspire to build a better future. Without a doubt, the Foundation's work in its fight against poverty, inequality and the defence of the planet, complements and strengthens our company's action to achieve the Sustainable Development Goals.

In 2021, in the Prosegur Foundation we developed projects in 14 countries. Just like last year, we continue developing an innovative approach because social challenges have evolved and, consequently, so has our response capacity.

In this context, we have implemented new forms of collaborative work to continue responding to beneficiary needs, in order to be more efficient and scalable. Technological solutions such as online platforms and formats have been key in this regard: they have allowed us to keep educational or volunteer activities alive that could not be carried out as before, in person.

In short, the difficulties experienced have also been an opportunity to deepen our strategic and digital adaptation as a Foundation, prioritising agility, creating internal collaboration networks that break down silos and generating alliances with leading entities and entrepreneurs to achieve a more systemic impact.

The year we are reporting has undoubtedly been complicated for everyone. In all humility, let me say that we regard our employees as everyday heroes, people who are willing to take risks for the benefit of others, and conscious of the fact that the essential task of protection must be carried out creatively and intelligently.

Beyond that, we believe that ethical, responsible and efficient management is a fundamental guarantee of our capacity for long-term growth and sustainability. And, in short, the best way to turn barriers into steps.

Thank you for your trust.

# Message from the Managing Director



## Christian Gut

Managing Director

In 2021, we witnessed the succession of different strains of the virus and waves of contagion, although with a general trend of sustained improvement in the health situation compared to the worst moments of the previous year. The final part of the year was particularly complex, but the experience and lessons learned in 2020 have undoubtedly allowed us to operate with greater solvency within the difficult context of the health crisis.

In any event, the sequence of peaks and troughs, generated by the successive waves, has left us with a scope of action in which uncertainty continues, which has in turn hampered the sustained recovery of economies.

As for Prosegur, our priorities remain unchanged. We continue to be fully invested in

ensuring the best and most innovative security services for our clients and, as could not be otherwise, we continue to place particular attention on protecting our workforce.

In order to continue taking steps forward in our aspiration for progress, we have designed the new Strategic Plan for the 2021-2023 period. Under the name 'Perform & Transform', this plan's goal is to consolidate our world leadership in the security market and to accelerate the profitable growth of our operations.

Perform refers to the ongoing improvement of processes, the generation of operational efficiencies and the search for the necessary flexibility to operate in contexts of uncertainty. In terms of Transform, we are working to develop the solutions and services that will be key to our future, some of which already have considerable presence in our commercial proposal. As part of our strategy, the deployment of a technology infrastructure that supports the operating model and allows us to implement this innovation strategy plays an important role.

To this regard, we commit to a significant investment in digitalisation and innovation in the years to come. Our goal is to transform the markets representing over two thirds of our sales by the end of the plan.

We move forward with the conviction that the new plan is the perfect convergence between process improvements and operational optimisation, together with innovation initiatives. We are certain that in this new stage we will make a great leap forward and that this will be reflected in an improved valuation of the company and our offer of services.

Profit/(loss) for 2021 was affected by the high incidence of COVID-19 and, most notably, by the Omicron variant during the last part of the year. Factors that add to others such as the supply

crisis or other, more specific ones like the weak exchange rate in some of the countries in which we operate, most notably LatAm.

In 2021 we generated EUR 3,498 million in total income, which represents a slight 2% decrease. Our organic growth advanced by 5.4% but was nevertheless insufficient to counter the negative impact of the exchange rate (4.7%) and the inorganic decrease, mainly as a result of the sale of operations in France, Mexico and the Alarms business in Spain in 2020.

Our consolidated operating profit (EBITA) before amortisation reached EUR 222.7 million, while the EBITA margin to consolidated sales was 6.4%.

It is worthy of note that, just like the year before, efficiency measures have continued to substantially improve the business cash flow. With an excellent EBITDA to cash conversion ratio of close to 80%.

In terms of the activity of our businesses, Prosegur Security reported a slight drop in turnover of 0.5%. Performance in Spain and the United States, which generated healthy organic growth, is worthy of emphasis. Along a positive line, Prosegur Cash showed a slight increase in turnover of 0.7%. In this case, the organic growth of 7.0% and inorganic growth of 0.2% offset the negative effect of the exchange rate of 6.4%. In the alarm activity, our joint venture Movistar Prosegur Alarmas recorded a very significant increase in its total connection base, exceeding 350,000. This makes MPA the company with the highest growth in Spain. In the rest of the Prosegur Alarms markets, the decrease in the attrition rate after recording an increase the year before is worthy of mention.

In relation to new business lines, Prosegur AVOS has shown a favourable trend, maintaining double-digit growth in line with what is set out in the strategic plan. Cipher, our cybersecurity unit, has maintained stable growth in relation to the year before.

However, and as the President mentions in her letter, the year that is now ending has a much more profound scope than merely reporting financial figures. The launch of our new strategic plan, the transformation and innovation initiatives, as well as all actions addressed in our Master Sustainability Plan reveal a dynamic, solvent company that is committed to its environment and, in short, one that is loaded with the future.

This is why I am certain that we may count on your trust and that you will join us during this exciting time for Prosegur.

Thank you very much.



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Who we are,  
what we do



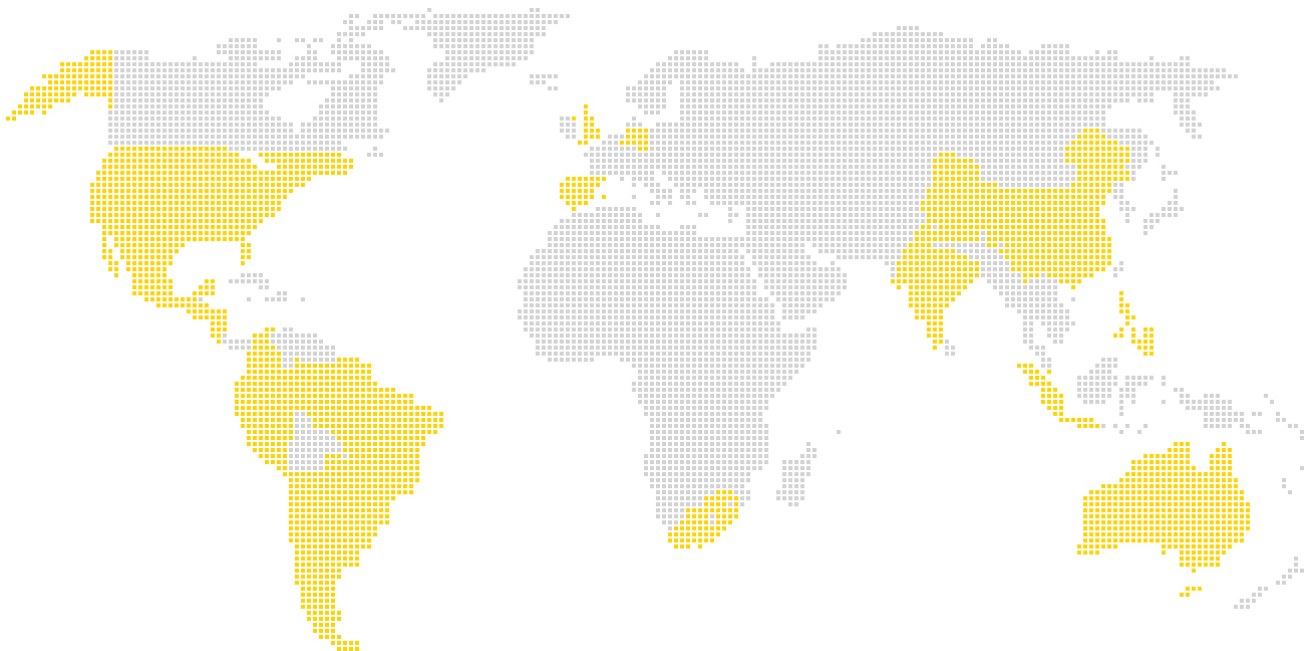
# 1. WHO WE ARE, WHAT WE DO

*'Authentic learning consists of understanding who you are, what your true identity is', Deepak Chopra, India, doctor and thinker.*

Prosegur is a global security services company that has been at the forefront of innovation in its sector for 45 years.

Present in 26 countries and on five continents, we offer our clients high value-added solutions with a strong technological component. We currently have five lines of business: Prosegur Security, Cipher, Prosegur Alarms, Prosegur AVOS and Prosegur Cash.

Today, Prosegur carries out business activities through some of its business lines in the following countries, listed in alphabetical order: Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Spain, the United States, the Philippines, Guatemala, Honduras, India, Indonesia, Mexico, Nicaragua, Paraguay, Peru, Portugal, Singapore, South Africa, UK and Uruguay.



**Present in 26 countries and on five continents, we offer our clients high value-added solutions with a strong technological component.**

## 1.1. VALUES

*'Ethics is nothing more than the rational attempt to find out how to live better',  
Fernando Savater, Spain, philosopher.*

At Prosegur, we are very clear about what we do and why we do it. To make the world a safer place by taking care of people and companies, staying at the forefront of innovation is our main goal.

If there is one lesson that can be drawn from the turbulent year that was 2021, it is the importance of safeguarding the security and wellbeing of those around us, two aspects of our lives that we value most highly when they come under threat.

This represents the core value of our corporate culture and the guiding commitment that permeates our business activity as a whole. To this end, we contribute our experience, knowledge and proactivity to create ever more secure environments, protect assets, and in some cases, to even save lives.

### **Security is a team sport**

Our most important asset is a workforce of approximately 150,000 professionals. A highly motivated and specialised team committed to our values and equipped with a wide range of innovative and constantly evolving technological resources.

In all humility, we regard our employees as everyday heroes and pioneers, people who are willing to take risks for the benefit of others, and conscious of the fact that the essential task of protection must be carried out sensibly, creatively and intelligently. For us, an ethical, responsible and efficient management of our human capital is a fundamental guarantee of the capacity for growth and long-term sustainability of our activities.

### **Empathetic surveillance, intelligent protection**

At Prosegur, we associate security with foresight and forward planning. In short, our capacity to be fully prepared to deal with any circumstance that may arise. Ours is a culture centred on caring and empathetic surveillance, based on understanding and respect. Foresight, careful consideration, prudence and continuous learning are among the pillars on which our day-to-day activity is based.

This also enables us to understand and respond to the requirements of our clients with a flexible approach. We never say that something cannot be done without suggesting an alternative. One of our corporate maxims is to keep our feet on the ground and our eyes wide open, never losing sight of the fact that there is always a better, safer and more efficient way to meet the challenges we face in any given situation.

### **Innovation for a better future**




We are a growing company in an accelerated process of modernisation and digitisation. In 45 years of wide-ranging experience in the private security sector, since the company was founded in 1976, Prosegur has consolidated an increasingly ambitious and rigorous concept of comprehensive protection.

We believe that protection in today's world means providing maximum possible peace of mind in the physical and digital environments of our clients, the members of our teams, and the general public. New technologies such as Artificial Intelligence (AI), Data Science, Internet of Things, 3D Printing, Robotics and Extended Reality will allow us to apply our concept of 'Innovative Security' to both the physical and digital worlds. This also implies an active and concrete commitment to the societies in which we operate, and to the preservation and future of the planet as a whole.

**Responsible leadership**

2020 saw the presentation of a new corporate identity, which we went on to implement, develop and consolidate throughout 2021. This identity sets out our commitment to comprehensive protection and our intention to remain a pioneering and groundbreaking company open to continuous innovation.

Our new corporate purpose was defined as follows: 'To make the world a safer place by taking care of people and companies, staying at the forefront of innovation'. This declaration of intent formed the groundwork for establishing what have now become our fundamental corporate principles:

		
<p><b>1. People are important to us</b></p> <p>We protect society through foresight, prevention and collaboration.</p>	<p><b>2. We think positively</b></p> <p>Building on our business experience, we remain committed to a continuous learning process that allows us to learn from our mistakes and to face crises by strengthening the confidence of our teams.</p>	<p><b>3. We are unstoppable</b></p> <p>A concise way to underline our determination to continue growing and improving, with a vision that drives us forwards to contribute to a better future and the continuous application of technological progress in our day-to-day lives.</p>

**Sustainability is a key value**

In line with the evolution of our corporate culture, last spring saw the adoption of a Sustainability Master Plan approved by our Board of Directors. It outlines the guiding principles that shape the company's commitment to the environment.

The document is based on an unwavering commitment to the 17 Sustainable Development Goals (SDGs) launched in 2015 by the United Nations, which have become an integral part of Prosegur's business strategy and governance system. The development of this programme is supervised by a newly created Sustainability Committee led by the group's Management Committee.

## Independent recognition

This process of continuous improvement of our global ethical perspective and the responsibility and sustainability of our business model yielded tangible results over the last year.

For example, in January 2021, the annual report of the independent evaluation company MERCO certified that Prosegur had become one of the one hundred most responsible companies with the best corporate governance in Spain. Months later, in November, Prosegur and Prosegur Cash received a further accolade when they became the first companies to be awarded the AENOR Good Corporate Governance certification.

## Ethical commitments and new partnerships

In addition to this independent recognition for responsibility and excellence in business practices, 2021 also saw Prosegur undertaking noteworthy major ethical commitments.

In February, both the parent company and Prosegur Cash signed up to the environmental Climate Pledge initiative. On 21 April, we announced a comprehensive decarbonisation and emissions offsetting plan, which, among other initiatives, includes an ambitious waste management project in Rio de Janeiro (Brazil).

Further specific environmental initiatives undertaken in recent months include progress in the hybridisation and electrification of the company's vehicle fleet and the use of exclusively renewable energy sources in Spain. Finally, on 25 October, Prosegur announced that it had reached an agreement to become a member of Forética, a benchmark organisation in the field of sustainability and corporate social responsibility in Spain.

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**Since last spring, Prosegur has had a Sustainability Master Plan approved by its Board of Directors.**

## 1.2. BUSINESS ENVIRONMENT

*'No medicine cures what happiness cannot', Gabriel García Márquez, Colombia, writer*

The last year has been characterised by the persistence of the global health crisis that was generated in January 2020, with the first mass infections of COVID-19. Two years later, the severity and magnitude of this pandemic continue to pose an unprecedented social, economic and humanitarian challenge.

In 2021, we witnessed the succession of different strains of the virus and waves of contagion, although with a general trend of sustained improvement in the health situation compared to the worst moments of the previous year.

This sequence of peaks and troughs maintained uncertainty and hindered sustained economic recovery, but in no way has it changed our priority precisely in times of pandemic: to guarantee security services that improve efficiency and minimise risks to contribute to the recovery of activity and social well-being. In an unprecedented health context, we have taken special care to protect our staff and clients in face-to-face operations and to offer alternatives whenever possible.

In an unprecedented health context, we have taken special care to protect our staff and our clients.

### 1.3. BUSINESS LINES

*'Those who come together for a purpose discover sooner or later that they can do much more if they stick together', Thomas Carlyle, UK, philosopher and historian.*

The Prosegur tree consists of five branches, all committed to a common will of guaranteeing the security of people and companies from openness to continuous innovation. These are and this is what, today, is being done in our different business lines:



#### PROSEGUR SECURITY

Prosegur Security ofrece soluciones de seguridad física y electrónica integrales y de alto valor añadido. Protege la integridad de personas y empresas los 365 días del año y las 24 horas del día mediante la aplicación de soluciones 360 que aúnan tecnología y eficiencia, poniendo herramientas de ultimísima generación en manos de grandes profesionales.



#### CIPHER

Cipher is the Prosegur's cybersecurity unit, dedicated to ensuring comprehensive protection of our clients' businesses in digital environments. This includes the application of cutting-edge solutions in terms of prevention, risk detection, managed response and the provision of cyber-intelligence services.



**PROSEGUR ALARMS**

Prosegur Alarms is our residential and business alarms unit. It provides a wide variety of high-quality services tailored to the specific protection requirements of each individual client.



**PROSEGUR AVOS**

Prosegur AVOS is the leading provider of specialised solutions in outsourcing of business processes for the financial and insurance sector. The perfect partner when implementing digital transformation processes, Prosegur Avos helps clients to redesign, automate and outsource their operations with cutting-edge technology.



**PROSEGUR CASH**

Prosegur Cash is the listed subsidiary with a leading position at world-wide level in cash-in-transit and cash management. Its activity focuses on transporting high value merchandise, integrated cash cycle management, solutions aimed at automating payments in retail establishments and financial institutions and overall ATM management.

**1.4. STRATEGIC PERFORMANCE**

*'In a world that is changing really quickly, the only strategy that is guaranteed to fail is not taking risks.'* Mark Zuckerberg, United States, entrepreneur and digital guru.

At Prosegur, we believe that the surest steps are taken by those that adhere to a flexible but well-defined roadmap. For this reason, last spring we presented our Strategic Plan for 2021-2023, a series of key lines of action aimed at consolidating and expanding the global leadership of our company in the private security market. A springboard for changing the world.

Perform & Transform are the two key concepts driving the company's commitment to the immediate future:

1. **Perform** because we want to continuously improve the way we do things. We strive to achieve continuous improvement of processes, the generation of operational efficiencies and the requisite flexibility to operate in the post-pandemic context. We set measurable goals and demand specific results in the short and medium term.
2. **Transform** because essential focus on immediate performance needs to be compatible with a medium and long-term vision that requires us to adapt to change and offer new responses to the various challenges raised by our clients. In short, it means innovation, optimisation and continuous growth.

### **Perform, an operational principle**

'Perform' reflects our insistence on a job well done, our determination to retain and enhance the qualities that have enabled us to maintain our level of excellence for decades. Almost two years of pandemic have demonstrated just how resilient and solid our company really is. For the immediate future, continuous growth means reinforcing these strengths and focusing on three priority lines of action:

- Flexible adaptation of our traditional business model to the new reality arising from the healthcare crisis, with its expected impact on business volumes and margins.
- Increased efficiency by optimising the cost of our operations and focusing on profitability.
- Improved cash flow by optimising the management of our investments and seeking out new sources of financing.

### **Transform, adapting to changes**

'Transform' means building the future by providing our company with a solid technological and innovation structure that consolidates our leadership in the sector. This process is based on four closely connected pillars:

- The transformation of our practices and business model must be based on solid technological foundations.
- Starting from technology, we create and underpin a new operating model.
- The result is an innovation model aimed at improving current services and the creation of new proposals.
- Finally, these transformations must be translated into a far-reaching corporate culture of innovation and technological excellence, permeating our entire structure, and reflected in all our day-to-day activities and our relationships with clients.

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**Perform & Transform are the two key concepts that inspire our commitment to the immediate future, as explained in our Strategic Plan.**



### 1.4.1. Creativity as a lever for growth

On a purely quantitative level, we expect annual revenue growth in the range of 5% to 6% in our business sector. In this context, we expect to reach a turnover of between EUR 6,200 and 6,700 million by 2030.

Before then, we expect that further consolidation of our business plan will enable us to exceed our pre-crisis EBITA profitability in 2023, and our debt to return to its historical level of leverage as soon as the situation stabilises. The achievement of this set of objectives requires increasing diversification of sales, both geographically and by business unit.

In terms of quality, our roadmap focuses on the deployment of an increasingly comprehensive and refined technology infrastructure that will

underpin our operations and make the company more profitable and better able to offer differentiated solutions to our clients. Essentially, we are working to develop the solutions and services that will be the key to our future.

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**Our expectations are to reach a turnover of between EUR 6,200 and 6,700 million by 2030.**

### 1.4.2. Firmness in directives, flexibility in teams

Of course, this new strategic design also involves a far-reaching internal reorganisation, which was approved by the Board of Directors last July. This new organisation will enable us to consolidate our digital and technological transformation initiatives, and to accelerate growth in Prosegur Security, Prosegur Alarms, Prosegur AVOS and Cipher. We will therefore continue to foster the development of new technology-based products and solutions to diversify our revenue sources in the coming years.

At the same time, we seek to generate a dynamic of standardisation and continuous improvement of processes that will drive efficiencies and promote greater flexibility to operate in the current context. For its part, Prosegur Cash will also benefit from this new organisational model, which will allow it to accelerate its transformation projects and increase the penetration of its new solutions, as defined in our Strategic Plan.

### 1.4.3. A world of opportunities

All these measures have been adopted with a view to further propelling Prosegur's business along the same guiding path of efficiency, flexibility and operational scalability. In 2023, we forecast that our new products will already account for 35% of our total income, and will have surpassed the turnover of traditional products by 2030.

In terms of geographic distribution of sales, the USA is the market where the most significant upward trend is expected. The United States currently accounts for 4% of Prosegur's revenue, but it is estimated that this figure could reach 12% by the end of 2030.

We also value very positively our capacity to continue adding inorganic growth. In the period covered by the Strategic Plan, we expect to complete operations that will add around EUR 300 million to turnover.

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**We anticipate that before the end of 2023 our new products will already account for 35% of our total revenue.**

### 1.4.4. The business units set out the strategy

Each of our business units has designed specific growth strategies, based on the Perform & Transform principles

- The promising outlook for Prosegur Security is largely explained by the efficiency and high added value of our services based on Security Operations Centres (SOC). These integral security and remote video-surveillance centres provide optimal provision for the needs of a widening range of clients, and are a perfect example of the transformative impact of technology on our business models. Also noteworthy is the increasing demand for our Business Continuity services and the high-value services offered by Global Risk Advisory.
- At the same time, our organic and inorganic expansion in the USA will enable us to consolidate our position in a highly profitable market with excellent opportunities for growth.
- As regards Cipher, the cybersecurity unit has recorded very strong growth rates in the last financial year, and expects further consolidation by following a flexible strategy of commercial synergies with the Security unit.
- Prosegur Alarms has achieved further consolidation and growth through a network of partnerships, with the Spanish market as its testing ground. It continues to build on its reputation as an innovative and dynamic business unit, with the development of new smart alarm services made possible by the development of its own algorithm for video analysis, the DIY surveillance product line, and the Prosegur Hawk Eye system.

- We also expect excellent results from Prosegur AVOS, due to the development of its front office and back office solutions, and the Prosegur AVOS Tech line. All of which are designed to support the most dynamic and innovative companies in their digital transformation processes.
- Prosegur Cash remains highly focused on its transformation projects, which are progressively gaining importance in the company's activity. In 2022, we expect further consolidation of initiatives such as Cash Today, as well as our correspondent banking services and our ATM network.

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**We anticipate that the upward consolidation of our business plan will allow us to exceed the profitability in terms of EBITA of before the health crisis by 2023.**

## 1.5. INNOVATION AND DIGITAL TRANSFORMATION

*'To create, you have to be aware that you are part of a tradition. But the only way to preserve traditions is to create something new', Carlos Fuentes, Mexico, writer.*

At Prosegur, we believe in the transformative power of technology. Ours is a company focused on the accelerated and systematic transformation of its entire corporate structure, business lines, processes, equipment, products and services. And achieving this goal necessarily entails a far-reaching and simultaneous cultural transformation. Our aim is to respond to a rapidly changing world with equally rapid progress. We cannot afford to be late for our appointment with the future.

Our company is investing heavily in the development of disruptive technologies. We consider this an area of utmost importance

and are determined to spare no resources in achieving this objective. Hence the importance of the fact that the EIB (European Investment Bank) has granted us a loan of EUR 57.5 million to finance innovation, digitisation and sustainability projects up to 2023. This not only represents a substantial financial boost, but also a symbolic endorsement of the confidence shown in our transformation plan by a leading financial institution. The projects that will receive this financial backing are part of the Innovation and Digital Transformation Plan, which aims to optimise flexibility, processes and operational efficiency. They also focus on energy efficiency and emissions reduction to meet our Sustainability Master Plan.

## The EIB (European Investment Bank) has granted us a loan of EUR 57.5 million to finance innovation, digitisation and sustainability projects up to 2023.

### 1.5.1. Thus do we innovate

Private security is currently at an exciting technological crossroads. The major advances introduced in the sector in recent years have created a scenario in which a radical transformation of our business is both possible and necessary. We cannot afford to wait.

For this reason, in the last financial year we have focused on exponentially strengthening our capacity for innovation, while designing a working methodology focused on the development of new products and services. This methodology is built on three basic pillars:

- Desirability (generating desire).
- Feasibility (we ensure it is viable).
- Scalability (we try to make it scalable).

In practice, this involves listening to clients, identifying their problems and understanding their expectations and necessities. Only through this process of active listening and thorough understanding can we launch products that respond to the real demands of the market. Of course, the product is confirmed with the client and if the result is satisfactory, an action plan is designed that can be implemented on a massive scale.

This new model has served not only to bring potentially transformative ideas to reality, but also as a response to the difficulties imposed by the pandemic on face-to-face working models. Despite the impact of the health crisis, we can say that innovation has continued to grow at Prosegur over the past year in both qualitative and quantitative terms.

Innovation is allowing us to develop new proposals that add value to our clients and makes us stand out from our competitors. Properly protecting this knowledge forms an intrinsic part of the innovation processes.

With this in mind, Prosegur has a Corporate Policy as a cornerstone of its Intellectual and Industrial Property. The Intellectual Property Committee is responsible for supervising this Corporate Policy and makes decisions on management and marketing strategy. The Committee is made up of representatives of the Innovation Division; the Global Strategy and Development Division; the Global Media Management Division; the Global Human Resources Management Division; the Tax Division; the Global Institutional Relations Division; the Marketing Division, and the Legal Division.



### 1.5.1.1. Emblematic projects

During 2021 we have been working on developing and putting into practice more than 30 world-wide applied technological innovation projects. This entails a certified total investment of EUR 26.6 million.

The basis of all these projects has been our specific knowledge of the security sector, the creativity and technological skills of our equipment and the use of the data available to us. These combined qualities enable us to build a unique proposal for solutions. Alone, in close collaboration with start-ups or in the framework of corporate partnerships, we have become specialists in technological fields such as Artificial Intelligence (AI), Data Science, Internet of Things or blockchain.

Some of the main initiatives resulting from this effort are described below.

### An intelligent, evolutionary platform

The new, continuously evolving intelligent GENZAI platform that Prosegur presented in 2020, has been recognised by the Spanish magazine *Actualidad Económica* as one of the hundred best ideas in 2021. This is an advanced image and video processing tool that makes it possible to implement the Security, Safety and Business Continuity activities.

The platform brings together detection, monitoring and analysis technology based on Big Data, AI and IoT to contribute to the creation of secure environments. As a result, it is possible to have centralised, speedy and efficient coordination and management of the cameras, sensors and other devices used in the space that is to be protected.

The tool is versatile and scalable, it can be adapted to the specific needs of each client and it is used both for surveillance and protection of public spaces and work environments (GENZAI-Security) and in private homes (GENZAI-Home).

## Digitalisation of cash

Cash Today is the digitisation of cash at the point of sale. It offers automation solutions adapted to both large and small businesses. This service provides our clients with an intelligent and connected safe deposit, which facilitates the immediate crediting of the cash that businesses collect.

Cash is entered into a machine connected to Prosegur Cash's operating systems and is instantly digitalised and credited to the client's bank account. This allows prompt and efficient monitoring of the cash cycle of the business, avoids the risk of loss, and provides real-time information on all movements made, while also incorporating a counterfeit detection system validated and approved by the European Central Bank.

It should be noted that in April we reached an agreement with Banco Santander for the joint marketing of Cash Today in Spain. This collaboration allows us to combine the strengths of two leading companies in their respective sectors, and to pass on to the client the advantages of personalised and simplified products, with a single leasing contract and a fixed fee for the entire duration of the contract..

## Intelligent alarms

In the home security field, we have created the first alarm on the market that used artificial intelligence for both residential clients and companies. This capacity enables it to analyse the habits of each individual user, learn patterns and on the basis of these, to improve the protection against oversights and carelessness. Spain has been the first market in which this new feature has been launched and will be extended to the rest of the markets in which our alarm business unit operates.

For example, if a user does not programme the alarm at a certain time and day when they usually do so, they will receive a suggestion from the system for them to consider the possibility of doing so. In fact, the features of the service and the development of the algorithms are also fed with information on the users and their proposals.

## Safe surfing at home

As part of our agreement with Telefónica, the joint venture Movistar Prosegur Alarmas has also launched a service, called Digital Security, which protects surfing using the home WiFi system from threats such as malware or fraud. The fact of these becoming more frequent is explained by the increase in digital activity in homes and a level of protection which is generally less thorough than in the corporate environment. Digital Security has been designed precisely to eliminate that vulnerability and prevent it from being exploited by cybercrime.

It is a service developed by our company and conceived for users of Movistar WiFi networks, it requires no installation and both access and management are centralised in a mobile app. It also protects mobile phones, tablets and PCs, even if they use networks other than Movistar. In that case, it includes five free antivirus licences for protecting personal data. From the App the user can control the security system. It displays the devices connected to the Wi-Fi network both from inside and outside the home and makes it possible to disconnect any which are considered to be intruders and, in the case of a threat, they are automatically blocked to avoid risks and safeguard the users' privacy.

### **1.5.1.2. Initiatives of collaboration and open innovation**

#### **Canvassing and cooperation with start-ups**

Within the framework of firmly counting on collaborative solutions, in 2020 Prosegur launched the first edition of COME IN, its Open Innovation program, which is a groundbreaking initiative in our sector seeking to respond to future security challenges. With this, our company wants to open its doors, on a worldwide basis, to the talent and creativity of any company offering innovative and transformative solutions in the field of security.

In the two editions held so far, more than 550 proposals have been presented. Prosegur already works with fifteen or so of the finalist start-ups, from countries such as Spain, South Korea, Finland and the United Kingdom. Some of them, such as Luminance, Veridas or Thinger.io, are already part of our business ecosystem.

#### **Prosegur Tech Ventures**

As a complement to this open innovation program, Prosegur is the only private security company to have a corporate venture capital (CVC) fund, known as Prosegur Tech Ventures. Funded with EUR 30 million, this project contributes to the financing of new external development trends and technologies which could have a disruptive impact on our sector.

#### **Other initiatives**

Innovative talent is also present within our organisation and we have set ourselves the goal of bringing it to the surface. With this goal in mind, in 2021 we launched the first edition of our global ideation program: The Best Rocket. The innovation team, in cooperation with the various business areas, set a series of challenges to respond to the needs of each division. By way

of an online platform, all employees had the opportunity to propose, comment on and build upon the proposals of their colleagues in order to construct the Prosegur of the future. The results went far beyond all of our expectations. We received 1,135 ideas, more than 7,000 employees from 21 countries have participated at one time or another in the process and, in total we registered more than 40,000 interactions with the ideas presented.

The 5 projects which were elected, one for each business department, have gone through to the second phase: the global intrapreneurship program. With The Explorer Rocket our aim is to convert the selected proposals into solutions in order to include them in our portfolio of services. To this end, we have put together five teams, in which 27 professionals have worked for six months to create a prototype. Each team received training and guidance from academic experts and from our managers, and they have been able to count on the support of the business units and the Innovation team. During the Innovation workshops, the participants presented their solutions to the committee of experts, who then selected the winners.

Prosegur has an internal Observatory of technological innovation where highly qualified professionals closely observe the changes and trends that are taking place, and work to identify new opportunities for each of our lines of business.

In the field of higher education, we cooperate actively with the Connected Industry Department at the Escuela Técnica Superior de Tecnología (ICAI) at the Comillas Pontificia University in Madrid, where we are developing various courses of action. These include the organisation of hackathons and the development of projects with students and researchers from the Prosegur Chair.

Finally, being part of the Industrial Liaison

programme of the prestigious Massachusetts Institute of Technology (MIT) gives us a broad perspective of the latest technological trends, offers us high quality training programs and allows us to make contact with the start-ups emerging from this academic environment, which is so rich and conducive to innovation.

We have also signed up, as a cooperating partner, to MIDE (Madrid innovation Driven Ecosystem), an initiative aimed at developing the entrepreneurship and innovation ecosystem in the Madrid region with a global perspective.

## 1.5.2. Thus do we transform

At Prosegur, we have a digital transformation plan for all of our activities, which we have named the Global Optimum program. In addition to specific initiatives of varying scope, the programme pursues a series of objectives from which we hope to derive future opportunities and levers for growth:

- Bringing continuity to our technological development, thus reducing the risk of obsolescence of our IT systems.
- Automating and optimising the monitoring and control of our activities and permitting a homogeneous comparison of business in all the territories where we operate.
- Improving client experience of interaction with Prosegur in order to raise levels of satisfaction with our services.
- Streamlining our financial management and control of such crucial aspects such as Opex, Capex, working capital and revenue guarantees.

During the period covered by the Plan, we intend to invest significant resources in digitalisation and a far-reaching renewal of our operating model. Implementation of this plan is being carried out country by country: we began in Portugal in 2021 and by 2023 we will have extended it to a number of countries which will together represent two thirds of our global income.

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**We plan to invest significant resources in digitalisation and the renewal of our operating model. The Plan started in Portugal and in 2023 will cover a set of territories that account for two thirds of our income.**



## **Technological solutions in alliance with Microsoft**

During 2021, our company and the technology multi-national reached a strategic collaboration agreement. The alliance accelerates the digitalisation programs we have been developing at Prosegur since 2018 in order to optimise operations and boost flexibility, connectivity and process automation. Such close cooperation is making it possible for us to strengthen our security and cybersecurity, to coordinate them optimally with physical surveillance capacities and to generate the foundation for a new intellectual property which it is hoped will increase our differential value.

It also strengthens the physical security services which we provide to Microsoft and consolidates one of the pillars of our digital evolution: the cultural transformation of our whole workforce by way of new technological skills training programs. For example, in artificial intelligence systems.

## **Centralised management on a new platform**

As a result of the new international expansion policy of our company, over the years we had created an extremely heterogeneous and broadly distributed server infrastructure. In 2021, we took the step to combine the administration of all of these environments from a single control panel as a result of the Microsoft Azure Arc platform. This has meant significant savings in time, effort and costs and has also, at the same time strengthened the security and scalability of our administration system.

Prosegur currently has a collection of 3,500 Windows and 1,500 Linux servers distributed over the 26 countries where we operate, with particular concentrations in Germany, Argentina, Australia, Brazil, Spain and the United States and we also execute workloads on Google Cloud, Amazon Web Services and Microsoft Azure. To date, we have already moved 1,500 of these

servers over to the Microsoft software solution and it is foreseen that we will have transferred 95% of the total during the first quarter of 2022. As a result, we now enjoy a centralised administration system which is compatible with all of the tools we are using and which is perfect for reducing errors and saving time.

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**We have moved 1,500 of our servers to Microsoft's Azure Arc centralised management platform. The plan is to have moved up to 95% of all during the first quarter of 2022.**

## **Business solutions integrated into the Cloud**

Integration of our global structure using the Dynamics 365 for Sales platform is another innovation project we are sharing with Microsoft. Developed by the technological multi-national and complete with artificial intelligence, it allows us to share client service tools in all markets and identify the best of local practices in order to replicate them in other countries. It can be accessed from the public Cloud and projects a 360-degree view which avoids compartmentalisation of information, applications and processes.

As a result of its capacity to integrate systems and data sources, the tool broadens our strategic knowledge country by country. It helps us to give more personalised attention to each client and identify the commercial practices which perform best, take better advantage of business opportunities and unify all of the company's data in a single shared-access database.

In the same way, standardisation and automation of processes not only increase productivity, but also free up our employees from the more tedious tasks allowing them to concentrate on those which generate more value, such as improving business intelligence capacities.

## **Digital contract signing**

Another of the novelties to come out of developing our transformation programme in 2021 is that more than 90 % of new contracts are signed digitally using a manager to unify them. This process improves transparency and eliminates any possible errors when processing manually, in addition to guaranteeing that no contracts are signed without the unit specialised in money laundering previously checking the client. It also strengthens the validation and approval processes between departments in order to guarantee compliance with regulations in operations with clients.

# 2

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## Financial and investment performance



## 2. FINANCIAL AND INVESTMENT

### 2.1. NET FINANCE PROFIT/(LOSS)

#### 2.1.1. 2021 Economic and financial results

Millions of Euros	2020	2021	Variation
<b>Sales</b>	<b>3,570.4</b>	<b>3,498.1</b>	<b>-2.0%</b>
<b>EBITDA</b>	<b>821.7</b>	<b>385.9</b>	<b>-53.0%</b>
	<i>Margin</i>	23.0%	11.0%
Depreciation and amortisation*	(158.0)	(163.2)	
<b>EBITA</b>	<b>663.7</b>	<b>222.7</b>	<b>-66.5%</b>
	<i>Margin</i>	18.6%	6.4%
Amortisation and impairment of intangible assets	(52.5)	(30.6)	
Goodwill impairment	(61.8)	(18.1)	
<b>EBIT</b>	<b>549.4</b>	<b>174.0</b>	<b>-68.3%</b>
	<i>Margin</i>	15.4%	5.0%
Financial profit/(loss)	(65.7)	(35.0)	
<b>Profit/(loss) before tax</b>	<b>483.7</b>	<b>139.0</b>	<b>-71.3%</b>
	<i>Margin</i>	13.5%	4.0%
Taxes	(148.9)	(95.3)	
	<i>Tax rate</i>	(30.8%)	(68.5%)
<b>Net result</b>	<b>334.9</b>	<b>43.7</b>	<b>-86.9%</b>
Non-controlling interests	3.6	2.7	
<b>Consolidated net profit/(loss)</b>	<b>331.3</b>	<b>41.0</b>	<b>-87.6%</b>
Basic profit per share	0.6	0.1	

\*Includes amortisation of property, plant and equipment, rights of use, real estate investments and amortisation and impairment of computer software.

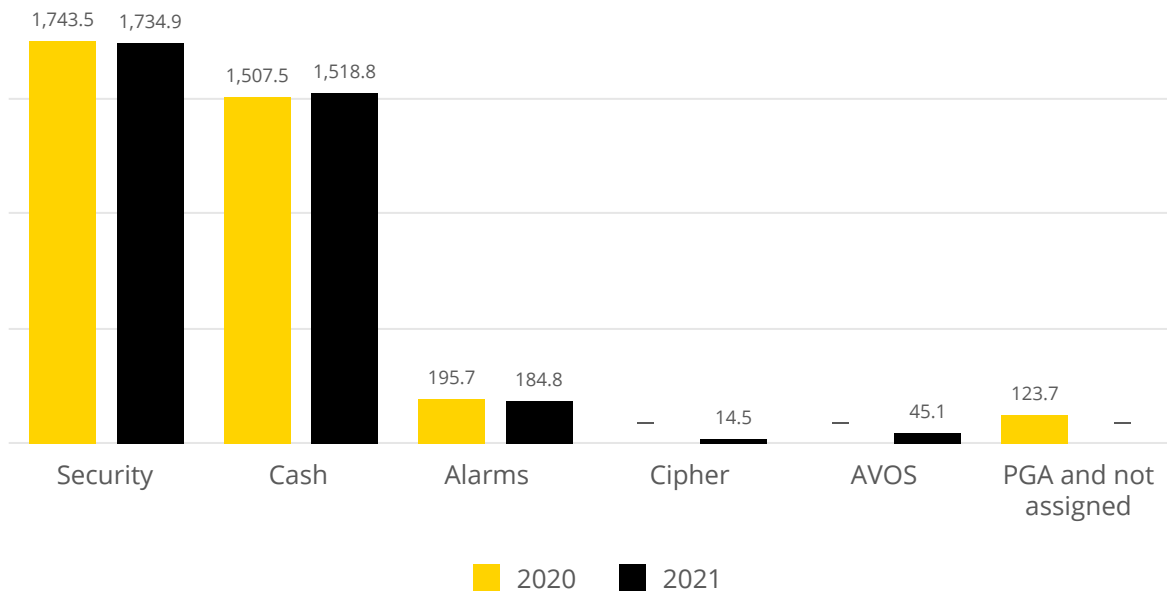
#### 2.1.1.1. Sales by business lines

In the 2021 financial year, our consolidated sales were EUR 3,498.1 million (2020: EUR 3,570.4 million), which is a decrease of 2%. This decrease in sales was caused by an inorganic decrease of 2.7% —mainly as a result of the sale of operations in France, Mexico and the Alarms business in Spain in 2020— and a negative exchange rate effect of 4.7%. These two factors

offset the organic growth of 5.4% experienced during the period.

Consolidated sales are distributed by business as follows:

Sales by business lines (in millions of EUR)



Aggregated consolidated sales are distributed by business area as follows:

Millions of Euros	2020	2021	Variation
Security	1,743.5	1,734.9	-0.5%
<i>Total %</i>	<i>48.8%</i>	<i>49.6%</i>	
Cash	1,507.5	1,518.8	0.7%
<i>Total %</i>	<i>42.2%</i>	<i>43.4%</i>	
Alarms	195.7	184.8	-5.5%
<i>Total %</i>	<i>5.5%</i>	<i>5.3%</i>	
Cipher	—	14.5	
<i>Total %</i>	<i>— %</i>	<i>0.4%</i>	
AVOS	—	45.1	
<i>Total %</i>	<i>— %</i>	<i>1.3%</i>	
PGA and unassigned	123.7	—	-100.0%
<i>Total %</i>	<i>3.5%</i>	<i>— %</i>	
	<b>3,570.4</b>	<b>3,498.1</b>	<b>-2.0%</b>

The decrease in business turnover in 2021 compared to 2020 has been of 2.0%.

Our Security business, which brings together the Surveillance and Technology activities, also continued to suffer the effects of the pandemic with a drop in activity, but to a lesser extent due

to the specific needs of customer services and the maintenance of certain levels of security, which led to a slight fall in the sales figure of 0.5%.

Regarding the Cash business, sales also remained at a level very similar to that of 2020, with a slight increase of 0.7%. This increase is due to the organic growth of 7.0% and inorganic growth of 0.2% recorded in the year, which offset the negative effect of the exchange rate of 6.4%.

Finally, our Alarms business also saw its turnover reduced, mainly as a result of the sale of 50% of the Alarms business in Spain in February 2020.

Trend in consolidated Prosegur turnover over the past five years is reflected in the following table:

Millions of Euros	2017	2018	2019	2020	2021
Turnover	4,290.7	3,939.2	4,198.2	3,570.4	3,498.1

### 2.1.1.2. Changes to the Group's structure

The changes in the composition of the Prosegur during 2021 were mainly due to the following acquisitions:

- **Cash business combinations in LatAm:**  
 In 2021, Prosegur acquired a series of companies in LatAm devoted to payment and collection management. The total purchase price was EUR 59,102 thousand, comprising a cash consideration of EUR 24,267 thousand, a deferred contingent consideration amounting to a total of EUR 21,771 thousand, due in 2022, 2023 and 2024 and a deferred payment of EUR 13,064 thousand, due in 2022.
- **Cash business combinations in Europe:**  
 In 2021, Prosegur acquired in Europe a series of assets relative to cash-in-transit and cash management services. The total purchase price was EUR 150 thousand, comprising a cash payment of EUR 110 thousand and a deferred payment of EUR 40 thousand maturing in 2022.
- **Security Business combinations in ROW:**  
 Prosegur has acquired a series of assets in ROW related to the provision of security services through the integration of surveillance, electronics, patrolling and investigation services. The total purchase price was EUR 3,571 thousand, comprising a cash payment of EUR 2,780 thousand, and a deferred contingent consideration totalling EUR 791 thousand maturing in 2022, 2023 and 2024.
- **AVOS business combinations in LatAm:**  
 In LatAm, Prosegur acquired a series of companies that give business process outsourcing services to improve operational management through redesign, automation and digital transformation of clients. The total purchase price was EUR 10,097 thousand, comprising a cash payment of EUR 2,324 thousand, and a deferred contingent consideration totalling EUR 7,773 thousand maturing in 2022, 2023 and 2024.

The following companies were incorporated or wound up in 2021:

- In January 2021, Garantís Sumarmas, S.L. was wound up in Spain.
- In May 2021, Prosegur Alarm Hizmetleri Anonim Şirketi was wound up in Turkey.
- In June 2021 Beagle Technical (Pty) Ltd. was wound up in South Africa.
- In August 2021, Dinero Gelt SAS was incorporated in Colombia
- In September 2021 Prosegur Global Risk Services LLC was incorporated in the United States.
- In November 2021, Prosegur Avos Portugal Unipessoal Ltda was wound up in Portugal.
- In November 2021, Evolium Group, S.L.U. was wound up in Spain.
- In December 2021, Prosegur Exchange Pty Limited was incorporated in Australia.
- In December 2021, Roytronic S.A. and Coral Melody S.A were wound up in Uruguay.
- In December 2021, Coral Melody S.A. was wound up in Uruguay.

Furthermore, the following mergers took place between subsidiaries in 2021:

- In June 2021, the takeover merger of Servicios Auxiliares Petroleros, S.A., by Prosegur Gestión de Activos ARG, S.A., was formalised in Argentina, with effect on 1 January 2021.

- In August 2021, in Brazil the takeover merger of Segurpro Sistemas de Segurança Ltda. and Prosegur Administração de Recebíveis Ltda by Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda. was formalised.
- In December 2021, the takeover merger of Compliofficer S.L.U and Work 4 Data Lab S.L.U., was formalised by Risk Management Solutions S.L.U, with effect on 1 January 2021.

### **Sale of 100% of Prosegur Soluciones S.A. to Movistar Prosegur Alarmas S.L.**

On 30 July 2021 Prosegur sold 100% of the company Prosegur Soluciones S.A. to Movistar Prosegur Alarmas España, a company in which Prosegur has a 50% holding. Prosegur Soluciones S.A. is mainly engaged in marketing the services of Movistar Prosegur Alarmas España and managing the closing of the corresponding contract with end clients of Movistar Prosegur Alarmas España on behalf of the latter, through the Door to Door channel under the marketing contract signed between both parties.

The total purchase price was set at EUR 19,510 thousand and was calculated as the sum of the amount of commissions due and not paid under the marketing contract signed between them up until 31 July 2021 plus the amount of the fees due and not paid under the Call Center service contract up until 31 July 2021 plus/minus the net financial debt as at 31 July 2021 less 50% of the value of the Items Payable of Prosegur Soluciones S.A. at 31 July 2021.

## Purchase of Dinero Gelt México SA de C.V. and Costumbres del Sur, S.A.

Furthermore, in April 2021, the inactive company Dinero Gelt, México, S.A. de CV was acquired in Mexico, and in October 2021 the inactive company Costumbres del Sur, S.A. was acquired in Uruguay.

### 2.1.1.3. EBITA Margins per business

Consolidated operating profit (EBITA) before amortisation stands at EUR 222.7 million for 2021 (2020: EUR 663.7 million).

The EBITA margin is distributed by business as follows:

Millions of Euros	Cash		Security		Alarms		Cipher		AVOS		PGA and unassigned		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total sales	1,507.5	1,518.8	1,743.5	1,734.9	195.7	184.8	—	14.5	—	45.1	123.7	—	3,570.4	3,498.1
EBITA	185.1	204.9	68.3	45.3	17.3	20.4	—	(2.3)	—	2.9	393.1	(48.6)	663.7	222.7

The following table shows the EBITA trend seen over the past five years:

Millions of Euros	2017	2018	2019	2020	2021
EBITA	414.3	327.0	358.2	663.7	222.7
% margin on sales	9.7%	8.3%	8.5%	18.6%	6.4%

The ratio of the EBITA margin to consolidated sales was 6.4% in 2021. The fall in this indicator over 2020 is due to the fact that in this year, in the 'Other Income' item in the Income Statement, we recorded the sale of 50% of Prosegur's Alarms business in Spain (Note 2.2).

The information on the allocation of Prosegur assets to each of the segments and the reconciliation between the profit allocated to segments and the consolidated net profit is contained in Note 10 of the Consolidated Annual Accounts.



### 2.1.1.4. Investments

All our investments are always analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to the Board of Directors.

Amortisation and depreciation charges totalled EUR 152.7 million in 2021 (2020: EUR 147.1 million). Property plant and equipment and Property Investments accounts for EUR 100.1 million (2020: EUR 97.7 million) to computer software EUR 22.0 million (2020: EUR 18.4 million) and other intangible fixed assets EUR 30.6 million (2020: EUR 31.0 million).

The total investments analysed by the Investment Committee in 2021 with comparative figures from 2020 are detailed below:

Millions of Euros	2020	2021
First Quarter	21.1	31.9
Second Quarter	13.5	37.2
Third Quarter	26.3	20.8
Fourth Quarter	28.0	28.0
<b>Total</b>	<b>88.9</b>	<b>117.8</b>

EUR 96.6 million was invested in property, plant and equipment in 2021 (2020: EUR 114.0 million). Furthermore, we invested EUR 47.5 million in computer software (2020: EUR 29.2 million).

### 2.1.2. Liquidity and capital resources

At Prosegur, we continue formalising strategic financing transactions designed to optimise financial debt, control debt ratios and meet growth targets.

We calculate financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies, minus equity instruments in listed companies (included under the non-current financial assets heading) and minus other current financial assets.

At 31 December 2021 net financial debt totals EUR 795.8 million (2020: EUR 728.6 million). The detail is part of the APMs in note 2.1.3 of the Directors' Report.

### 2.1.2.1. Liquidity

Prosegur keeps a reasonable level of liquid reserves and a great financing capacity available to ensure flexibility and rapidity in meeting the requirements of working capital, of investing capital or inorganic growth.

At 31 December 2021 Prosegur has available liquidity of EUR 1,447.2 million (2020: EUR 1,457.1 million). This amount is compounded by:

- EUR 584.9 million of cash and cash equivalents (2020: EUR 767.0 million).
- The balance of other current financial assets in an amount of EUR 1.0 million (2020: EUR 150.0 million).
- EUR 557.5 million of non-current credit available, relating mainly to the drawable syndicated loan arranged on 10 February 2017 and the credit with the European Investment Bank granted on 27 October 2021 (2020: EUR 305.0 million).
- Other unused credit facilities for EUR 303.8 million (2020: EUR 235.1 million) diversified in a wide banking pool featuring the top banks from each

country where we operate.

This liquidity figure accounts for 41.37% of consolidated annual sales (2020: 40.81%), which ensures both the short-term financing needs and the growth strategy.

The efficiency measures of internal administrative processes that we have implemented in recent financial years have helped to substantially improve business cash flow. The maturity profile of Prosegur debt is in line with its capacity to generate cash flow to pay it.

It is important to point out that, although part of the cash flow position at the close of 2021 is subject to certain regulatory conditions arising from Prosegur's geographical positioning, compliance with upcoming contractual obligations does not depend on distributions or payments from subsidiaries which are subject to insurmountable restrictions of a legal or regulatory nature. During the annual budget planning process, we designed a repatriation plan of dividends from subsidiaries, thus maximising the tax efficiency of the consolidated Group.

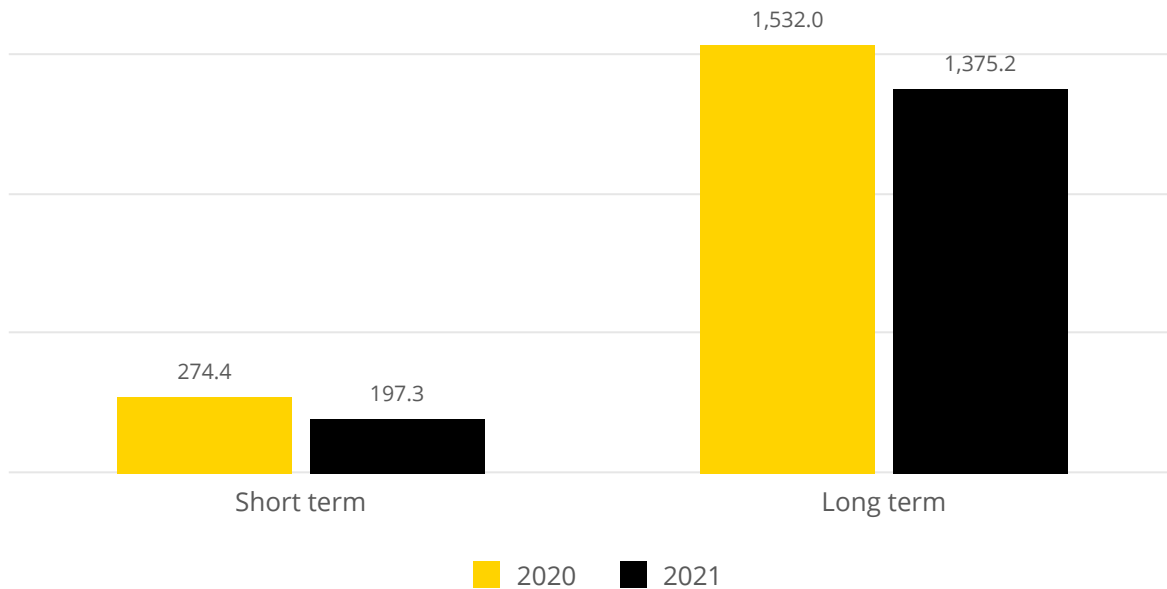
### 2.1.2.2. Capital resources

The structure of the financial debt is determined by the following contracts:

- On 8 February 2018, an issue of uncovered bonds with a nominal value of EUR 700 million, maturing on 8 February 2023, has been made. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.00% payable at the end of each year.

- On 4 December 2017 Prosegur, through its subsidiary Prosegur Cash, S.A., made an issue of uncovered bonds with a nominal value of EUR 600 million, maturing on 4 February 2026. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.
  - On 10 February 2017, two syndicated financing loans were contracted in the amounts of EUR 200 million and EUR 300 million both for a five-year term; the latter was taken out, by the Prosegur subsidiary, Prosegur Cash. In February 2021, both maturities were extended again until February 2026. At 31 December 2021, no amount of these two credit facilities has been drawn down.
  - On 28 April 2017, through its subsidiary Prosegur Australia Investments Pty Limited, Prosegur arranged a syndicated financing facility for the amount of EUR 70 million Australian Dollars, maturing in 3 years. In April 2020, the operation was renewed with a maturity ranging from 2021 to 2023. The first maturity was in the first half of 2021 for AUD 10 million. The second and third maturities will come in 2022 and 2023 (10 million Australian dollars and 50 million Australian dollars, respectively). At 31 December 2021, the drawn down capital corresponding to the loan amounts to AUD 60 million (at 31 December 2021 equivalent to: EUR 38.43 million). At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70 million (at 31 December 2020 equivalent to EUR 44.04 million).
  - On 2 June 2021, Prosegur, via its subsidiary in Peru Compañía de Seguridad Prosegur, S.A., arranged a credit financing facility for 300 million Peruvian sol for a five-year term. At 31 December 2021, the drawn down capital was PEN 270 million (at 31 December 2021 equivalent to: EUR 59.63 million).
  - On 27 October 2021, Prosegur Compañía de Seguridad contracted a financing operation with the European Investment Bank (EIB) with the aim of promoting investment in innovation, digital transformation and sustainability. The financing amounts to EUR 57,500 thousand with a flexible term of between 6 and 10 years as requested at the time of drawdown. At 31 December 2021, no amount of this credit had been drawn down.
- In consolidated terms, long term gross financial debt maturing over one year reached the amount of EUR 1,375.2 million at the end of 2021 (2020: EUR 1,532.0 million), mainly due to the bonds issued by Prosegur and Prosegur Cash.
- Short-term gross financial debt totals EUR 197.3 million (2020: EUR 274.4 million) mainly for bank borrowings and the availability of part of credit facilities.
- The current and non-current maturities of gross financial debt are distributed as follows:

**Groups' gross financial debt (in millions of EUR)**



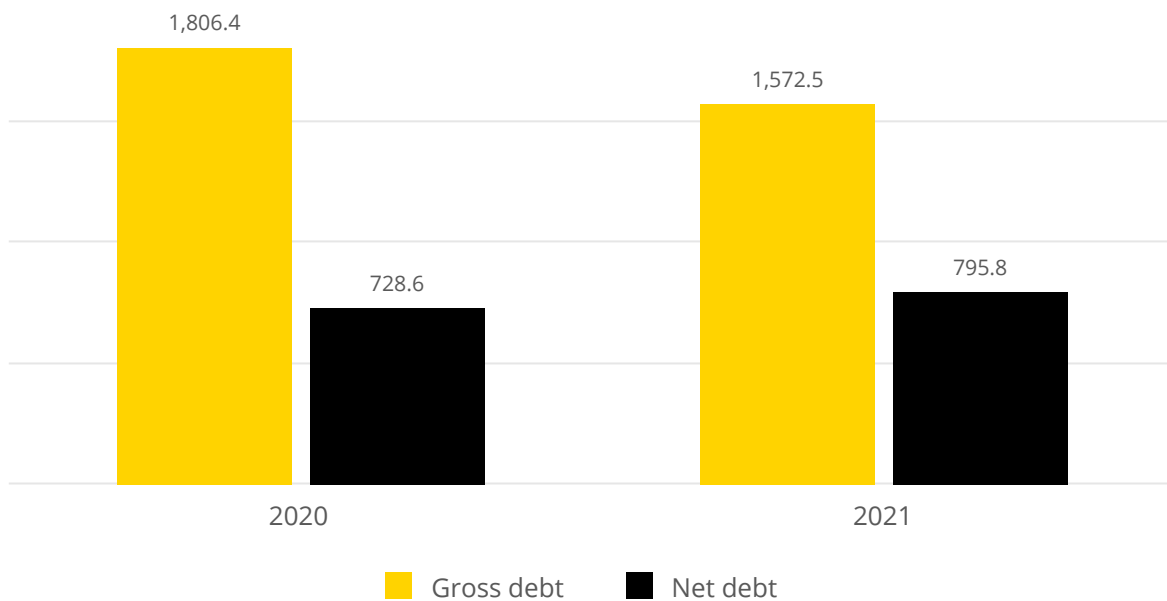
In 2021 financial debt had an average cost of 1.24% (2020: 1.12%), which means that it remains relatively stable compared to the 2020 financial year.

Net financial debt at the end of the 2021 financial year was EUR 795.8 million (2020: EUR 728.6

million) and went up mainly as a result of the cash outflows associated with the business combinations made during 2021, and to the own share buyback programme.

We make a comparison of gross debt and net debt from 2020 and 2021 in this table:

**Evolution of Groups' financial debt (in millions of EUR)**



We do not expect significant changes in 2022 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ended 31 December 2021.

The following table shows the maturities of the debt set out according to contractual cash flows at 31 December 2021:

Millions of Euros	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other securities	15.3	1,340.0	—	1,355.3
Bank borrowings	186.0	88.5	—	274.4
Credit accounts	4.3	—	—	4.3
Other payables	56.4	73.3	5.3	134.9
Finance lease liabilities	35.2	78.6	24.3	138.2
Suppliers and other payables	630.0	—	—	630.0
	<b>927.1</b>	<b>1,580.4</b>	<b>29.6</b>	<b>2,537.1</b>

Future lease payment commitments amount to EUR 5.6 million (2020: EUR 4.7 million) which mainly pertain to the contract of the office building in Madrid (Spain), operational bases located in Brazil, other business buildings and operational vehicles (Note 29).

At Prosegur, we calculate the leverage ratio as the quotient resulting from the net financial debt (including equity instruments in quoted institutions and liabilities due to current and non-current leaseholds) and total capital, the latter understood as the sum of the net financial

debt and net equity. The ratio at 31 December 2021 is of 55.82% (2020: 53.35%).

The net financial debt ratio (including equity instruments in listed entities and current and non-current lease liabilities) over own resources as of 31 December 2021 stood at 1.26 (2020: 1.14).

The net financial debt ratio (including equity instruments in listed entities and current and non-current lease liabilities) over EBITDA stood at 2.33 in 2021 (2020: 1.0).

### 2.1.2.3. Analysis of contractual obligations and off balance sheet transactions

Note 29 of the Consolidated Annual Accounts includes the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

Additionally, as indicated in Note 28 of the Consolidated Annual Accounts, Prosegur issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2021 amounts to EUR 426.0 million (2020: EUR 522.1 million).

### 2.1.3. Alternative Performance Measures

In order to comply with ESMA Guidelines on APMs, we present this additional information to aid the comparability, reliability and understanding of our financial information.

We present our profit/(loss) in accordance with International Financial Reporting Standards (IFRS). However, Management considers that certain alternative performance measures

provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the Company's performance. We provide those APMs it deems appropriate and useful for users to make decisions and those we believe represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Working capital	This is a finance measure that represents the operating liquidity available for the Company. Working capital is calculated as current assets less current liabilities plus deferred tax assets less deferred tax liabilities less non-current provisions.	Positive working capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as well as upcoming operating expenses. Working capital management consists of the management of inventories, payables and receivables and cash.
Capex	Capex (Capital Expenditure), is the expense that a company incurs in capital goods and that creates benefits for the company, whether through the acquisition of new fixed assets or by means of an increase in the value of fixed assets already in existence. Capex includes additions of property, plant and equipment as well as additions of computer software of the intangible assets.	Capex is an important indicator of the life cycle of a company at any given time. When the company grows rapidly, the Capex will be greater than fixed asset depreciations, which means that the value of the capital goods is increasing rapidly. On the other hand, when the Capex is similar to the depreciations or even less, it is a clear sign that the company is decapitalising and may be a symptom of its clear decline.
EBIT margin	The EBIT margin is calculated by dividing the operating profit/(loss) of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Organic Growth	Organic growth is calculated as an increase or decrease of income between two periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic growth provides the comparison between years of the growth of the revenue excluding the currency effect.
Inorganic Growth	The Company calculates inorganic growth for a period as the sum of the revenue of the companies acquired. The income from these companies is considered inorganic for 12 months following their acquisition date.	Inorganic growth provides the growth experienced by the company through new acquisitions or divestments
Exchange rate effect	The Company calculates the exchange rate effect as the difference between the revenue for the current year less the revenue for the current year using the exchange rate of the previous year.	The exchange rate effect provides the impact of currencies on the revenue of the company.
Cash flow translation rate	The Company calculates the cash translation rate as the difference between EBITDA less the Capex on EBITDA.	The cash flow conversion rate provides the cash generation of the Company.

Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies, minus equity instruments in listed companies (included under the non-current financial assets heading) and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodwill, or impairment of intangible assets or the amortisation of intangible assets, but including amortisation and depreciation of computer software.	The EBITA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill but including impairment of property, plant and equipment.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

Working capital (in millions of Euros)	31/12/2020	31/12/2021
Inventories	46.5	65.4
Clients and other receivables	675.7	733.2
Current tax assets	105.7	80.5
Cash and cash equivalents	767.0	585.0
Other current financial assets	150.0	1.0
Deferred tax asset	99.2	106.9
Suppliers and other payables	(714.9)	(814.7)
Current tax liabilities	(168.1)	(162.5)
Non-current financial liabilities	(325.3)	(246.7)
Other current liabilities	(30.7)	(41.6)
Deferred tax liabilities	(66.8)	(77.3)
Provisions	(191.5)	(202.3)
<b>Total Working Capital</b>	<b>346.9</b>	<b>26.9</b>

CAPEX (in millions of Euros)	31/12/2020	31/12/2021
Land and buildings (without decommissioning costs)	0.9	5.5
Technical installations and machinery	20.5	17.6
Costs of Obtaining	4.2	4.5
Other installations and furniture	30.3	24.7
Armoured vehicles and other property, plant and equipment	20.0	14.6
Advances and work in progress	38.1	29.7
<b>Additions of property, plant and equipment</b>	<b>114.0</b>	<b>96.6</b>
Additions of computer software	30.4	47.5
<b>Adjusted CAPEX</b>	<b>144.4</b>	<b>144.1</b>
<b>Total CAPEX</b>	<b>144.4</b>	<b>144.1</b>

EBIT margin (in millions of Euros)	31/12/2020	31/12/2021
EBIT	549.4	174.0
Revenue	3,570.4	3,498.1
<b>EBIT margin</b>	<b>15.4%</b>	<b>5.0%</b>

Organic Growth (in millions of Euros)	31/12/2020	31/12/2021
Revenue current year	3,570.4	3,498.1
Less: revenue previous year	4,198.2	3,570.4
Less: Inorganic Growth	(73.2)	(96.8)
Exchange rate effect	(536.8)	(167.3)
<b>Total Organic Growth</b>	<b>(17.8)</b>	<b>191.8</b>

Inorganic Growth (in millions of Euros)	31/12/2020	31/12/2021
Cash LatAm	61.2	41.2
Cash Europe	5.9	—
Cash ROW	8.3	3.2
ROW Security and Cybersecurity	30.9	1.5
Alarms LatAm	4.3	—
Disinvestments	(183.8)	(142.7)
<b>Total Inorganic Growth</b>	<b>(73.2)</b>	<b>(96.8)</b>

Exchange Rate Effect (in millions of Euros)	31/12/2020	31/12/2021
Revenue current year	3,570.4	3,498.1
Less: Revenue from the year underway at the exchange rate of the previous year	4,107.2	3,665.4
<b>Exchange rate effect</b>	<b>(536.7)</b>	<b>(167.3)</b>

Cash Flow Translation Rate (in millions of Euro)	31/12/2020	31/12/2021
EBITDA	821.7	385.9
CAPEX	144.4	144.1
<b>Translation Rate (EBITDA - CAPEX / EBITDA)</b>	<b>82 %</b>	<b>63 %</b>



Net financial debt (In millions of Euros)	31/12/2020	31/12/2021
Financial liabilities	1,910.0	1,680.0
Plus: Finance lease liabilities	92.6	102.1
Adjusted financial liabilities (A)	2,002.6	1,782.1
Cash and cash equivalents	(767.0)	(585.0)
Less: adjusted cash and cash equivalents (B)	(767.0)	(585.0)
Less: Other current financial assets (C)	(150.0)	(1.0)
<b>Total Net Financial Debt (A+B+C)</b>	<b>1,085.5</b>	<b>1,196.2</b>
Less: other non-bank borrowings (D)	(103.6)	(107.6)
Less: Finance lease liabilities (E)	(92.5)	(102.1)
<b>Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&amp;A and financial debt from lease payments) (A+B+C+D+E)</b>	<b>889.4</b>	<b>986.6</b>
Minus: equity instruments of listed companies (F)	(160.8)	(190.7)
<b>Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&amp;A payments, financial debt from lease payments and including the value of equity instruments of listed companies) (A+B+C+D+E+F)</b>	<b>728.6</b>	<b>795.8</b>
EBITA (in millions of Euros)	31/12/2020	31/12/2021
Consolidated profit/(loss) for the year	331.3	41.0
Non-controlling interests	3.6	2.7
Income taxes	148.9	95.3
Net financial expenses	65.7	35.0
Depreciation and amortisation	114.3	48.7
<b>EBITA</b>	<b>663.7</b>	<b>222.7</b>
EBITDA (in millions of Euros)	31/12/2020	31/12/2021
Consolidated profit/(loss) for the year	331.3	41.0
Non-controlling interests	3.6	2.7
Income taxes	148.9	95.3
Net financial expenses	65.7	35.0
Depreciation and amortisation	272.3	211.9
<b>EBITDA</b>	<b>821.7</b>	<b>385.9</b>

### 2.1.4. Important circumstances after the reporting period

At the date of formulation of the Prosegur Group's consolidated financial statements for the year ended 31 December 2021, there are no significant events after the reporting date.

## 2.2. STOCK-MARKET RESULTS

*'Behind every share you buy there is a company, and you should know what that company is like and what it is doing', Peter Lynch, United States, businessman and investor.*

### 2.2.1. Share evolution

Prosegur's shares started 2021 listed at EUR 2.46 per share, and at close, on 31 December at EUR 2.31 per share. Over the year, the share value of the company has fallen by 6.1%.

In the first half of the financial year, the share price maintained an eminently upwards trend despite the predominantly negative tendency of the stock markets, and stood at around EUR 2.8, reaching its maximum daily value after the Capital Markets Day (Investors' Day) was held, when it reached EUR 3.05.

Despite this positive trend, after the end of July, a series of macroeconomic events occurred, which negatively affected the evolution of the share price. The principal European and world indexes underwent serious adjustments resulting from the anticipation of high inflation during the second half of the year, energy and fuel prices and – finally – the health alert brought about by the emergence of the COVID-19 Omicron variant.

The same as for the majority of shares on the market, the Prosegur share price displayed a negative reaction to these effects and fell back from the levels reach up to July, closing the year at a price of EUR 2.31 per share.

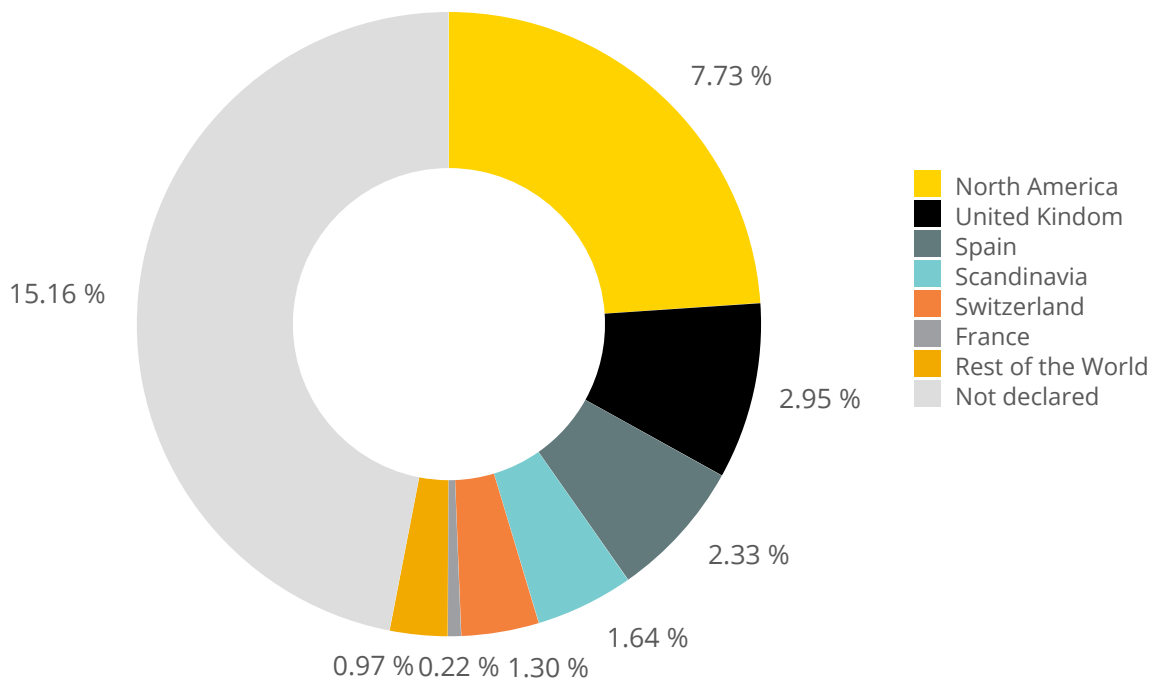
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**In the first half of the year, Prosegur shares maintained an average price close to EUR 2.8, reaching a maximum of EUR 3.05.**

### 2.2.2. Geographical distribution of free float

Excluding the significant stakes corresponding to Gubel S.L. and AS Inversiones, representing 65.77% of the share capital, the remaining 32.30% (excluding treasury stock) of the Prosegur shareholding structure is geographically distributed as follows:

Shareholder distribution by geography



At an international level and given its growth potential, Prosegur has always been well accepted among investors from different countries. There has been no significant change in the shareholdings in 2021 compared with 2020. Although the impact of certain investment funds has been noted. COVID-19 and the programme for purchase of treasury stock launched by Prosegur has meant that some of these institutions have protected their liquidity by selling their more profitable holdings. And also, in various cases, using the buy-back offer to transfer them to the Company.

An analysis of the geographical distribution of the shareholders reveals the strong presence of the United States and the United Kingdom, nations which have the principal financial markets and the greatest number of investment funds centred on the long term. Behind the British, come Scandinavia, Switzerland and Spain, these forming the lion's share of the European investors.

### 2.2.3. Relative to investors

Prosegur focuses its efforts on the creation of value for its shareholders, increasing profits and transparency. The policy of relationship with shareholders and investors of our Company aims to establish a communication that is direct, personal and stable over time. Prosegur has a close relationship with its shareholders, private and institutional investors and with the main stock analysts, to whom it provides detailed information on a continuous basis.

Our company uses a variety of channels to comply with this commitment to transparency. By way of example, we would mention the quarterly webcast held to inform on the profit/ (loss), the Investors' Newsletter or the publication of various information contents aimed at investors.

Communication has been a strategic priority for Prosegur in 2021. Despite the difficulty of travelling and holding meetings in person, the company has been in contact with the shareholders and investors in a manner very similar to that of previous years. The statistics tell the whole story. Not only has our activity moved to the virtual world, meetings are held online. In fact, we have been in contact with more than 190 investment funds and 22 analysis institutions, we have participated in 12 sector conferences and, to the extent that the health situation permitted, we have held an international roadshow.

In June, at Prosegur we held a Capital Markets Day. A whole day in which the Managing Director and the top executives (COO, CFO and the business Directors) made a virtual presentation to the market of the 21-23 Strategic Plan, the proposals for innovation and development for each business area and our ambitious digital transformation project. The event was attended by more than 80 representatives from investment funds and financial analysis firms from 20 different countries.

In the days following the event, the market recognised the value of Prosegur's proposal and this was reflected in an increase in the share price, which surpassed three Euros. The Capital Markets Day was judged very positively and the messages were well received by the investment community.

As far as environmental, social and good governance criteria are concerned, the company has responded this year to a large number of consultations and questions relating to its specific policies in these fields. These are not empty words. Nor is it greenwashing (a type of 'environmental whitewashing'). It is tangible. Prosegur Cash is among the main ESG ratings and pertains to the FTSE4Good IBEX index, which independently assesses and classifies the companies that best manage sustainability and meet standards of good practice and corporate social responsibility.

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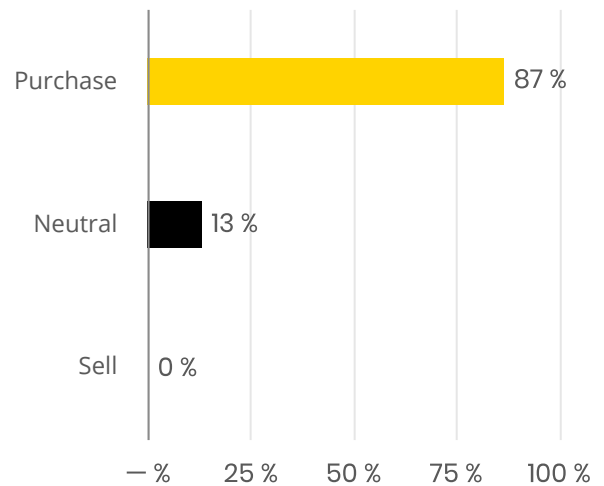
**In 2021, Prosegur contacted more than 190 investment funds and 22 research firms and participated in 12 sectoral conferences.**

### 2.2.4. Coverage of analysts and recommendations

2021 has been a year of certain changes in the stock markets. There have been some variations in the coverage of the analysts who regularly inform the market about the company. The Mifid 2 European regulation greatly limited the possibility of entities to distribute funds without giving any type of investment advice. This has increased the cost of the sales process and has obliged distributors to search for products for their clients with lower commissions. The regulation has been a two-way street. Some agencies have been obliged to close or suspend cover. Others, however, started new covers in Prosegur.

At the close of the 2021 market, the balance is very positive: of the 15 analysis institutions which regularly cover Prosegur's activities, only two maintain a neutral recommendation (there were three in 2020). The other 13 recommend buying, the same number as in 2020. None of the experts recommends selling or gives a negative evaluation of our shares.

#### Recommendations



### 2.2.5. Main shareholders

The shareholding structure of a Company reflects its strength and the soundness of its long-term corporate commitment and goes beyond specific junctures and opportunist strategies. At present, 65.77% of the Prosegur capital was in the hands of significant shareholders, 1.99% are own shares and the remaining (32.24%) are free float.

This distribution is evidence of the strong presence of the Board of Directors in the

shareholder structure. This is a huge advantage as it enables the management bodies to define the strategic lines and take decisions with the interests of all its shareholders in mind. A strong, stable shareholder structure is a sound framework. As we have seen, Prosegur is largely composed of significant shareholders and institutional investors. The best travelling companions for our company to engage in its project and attain its objectives.

#### Prosegur share distribution

Estimated free float (31/12/2021)	32.24 %
Own shares	1.99 %
Ms Mirta María Gieso	6.36 %
Members of the Board of Directors	59.41 %

# 3

## Risk management



## 3. RISK MANAGEMENT

*'The cautious man does not deplore the present evil, but spends his time preventing future afflictions', William Shakespeare, United Kingdom, playwright.*

### 3.1. MANAGEMENT SYSTEM

Ours is a complex organisation, diversified into large business units and present in very diverse geographical areas, and as such we are exposed to numerous risk factors linked to the nature of each of these markets. As befits a global benchmark company in the security sector, we have a complete Risk Management System whose objectives are as follows:

- To identify threats proactively and in changing contexts.
- To evaluate its most critical aspects.
- Based on this analysis, to implement measures based on key indicators and capable of reducing the probability of their occurrence.
- To mitigate their potential impact on business goals.
- To apply a comprehensive, continuous, capillary and consolidated management model in each activity, department, business unit, subsidiary, geographical area and support area.
- This model is based on the standard COSO standard (Committee of Sponsoring Organizations of the Treadway Commission) and works together with other standards such as Basel III, inherent to the financial industry or the ISO 31000 standard.
- Lastly, since we serve a huge constellation of clients, our system

also manages risks on their behalf and minimises those affecting our stakeholders.

During 2021, the new Risk Control and Management Policy —approved the previous year by the Audit Committee— was in force, specifying the control and management model, the different types of risks, as well as the powers, functions and responsibilities of the structure of government.

#### **Corporate governance structure and mission**

One of the principles of the government of the System is its transversal view. Management is not understood as a vertical task, exclusive to the leadership, but as a collective mission. Therefore, the new Risk Control and Management Policy involves employees in the risk management culture, encouraging them to identify the risks and actively participate in mitigating them.

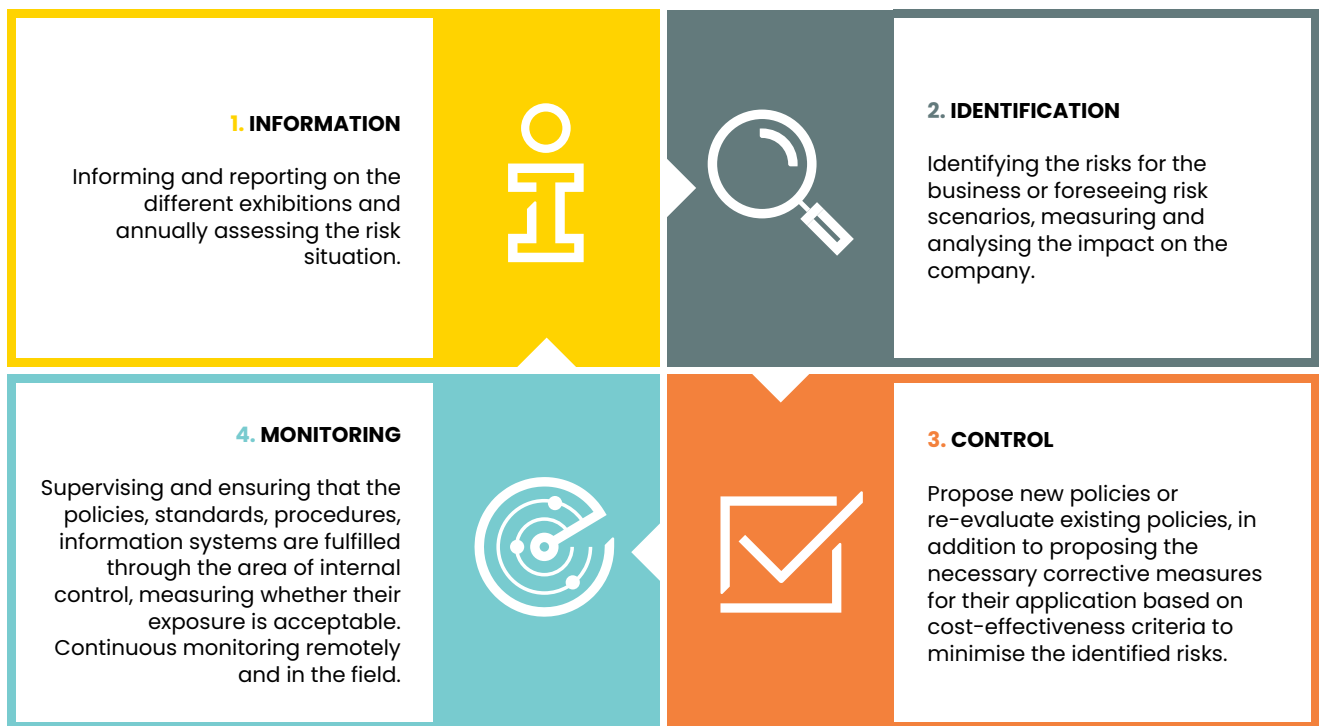
This does not, however, prevent the company's hierarchical structure from turning to management. Thus, the Prosegur Board of Directors, among its functions, assumes maximum responsibility for determining the general control and management strategy. Based on this leadership, it delegates the Audit Committee with the tasks of informing, advising and defining proposals in relation to said strategy, in addition to supervising the Risk Control and Management Unit through the Internal Audit Department.

The governance structure is completed with the Risk Committee, which ensures the proper functioning of the system by identifying, quantifying and mitigating significant risks with the maximum possible efficiency. It also participates in the general definition of the strategy and key decisions.

### How the process is organised

In addition to identifying, evaluating, monitoring and prioritising the management of critical risks, the System is perfected through regular monitoring of both the results of the evaluation and the measures applied based on said prior analysis. The continuous improvement strategy is also reviewed by the Risk Committee and supervised by the Audit Committee.

### Prosegur Risk Management Cycle



## 3.2. MAP AND CATEGORY OF THREATS

What can we understand by risk in the private security business and the context of each market? Anything that may affect the key purpose of our activity, that is, the objectives of our Strategic Plan both in the main global areas and in the work of those responsible at each local level.

We are talking about a wide variety of factors linked to changing circumstances in different

scenarios, markets and times. Therefore, evaluating the probability that they will materialise, assessing their potential impact and defining the responses adjusted to that reality depends first on their accurate classification. To ensure this first key, we have developed our own identification tool within a risk catalogue or map updated each year with homogeneous and consolidated information.



This system currently identifies six different types of risks:

- Strategic risks that can compromise the company's main objectives, which is why we manage them proactively and prioritise them over any other.
- Operational risks, related to the organisation's operational management.
- Reporting risks, which affect the information reported to the company itself or to third parties.
- Those that compromise internal or external regulatory compliance with third parties.
- Cybersecurity risks for computer systems and information technologies.
- Risks that affect ESG criteria and standards: environmental, social and good corporate governance.

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**We consider strategic risks to be those that may compromise the company's main objectives and that therefore require priority and proactive action.**

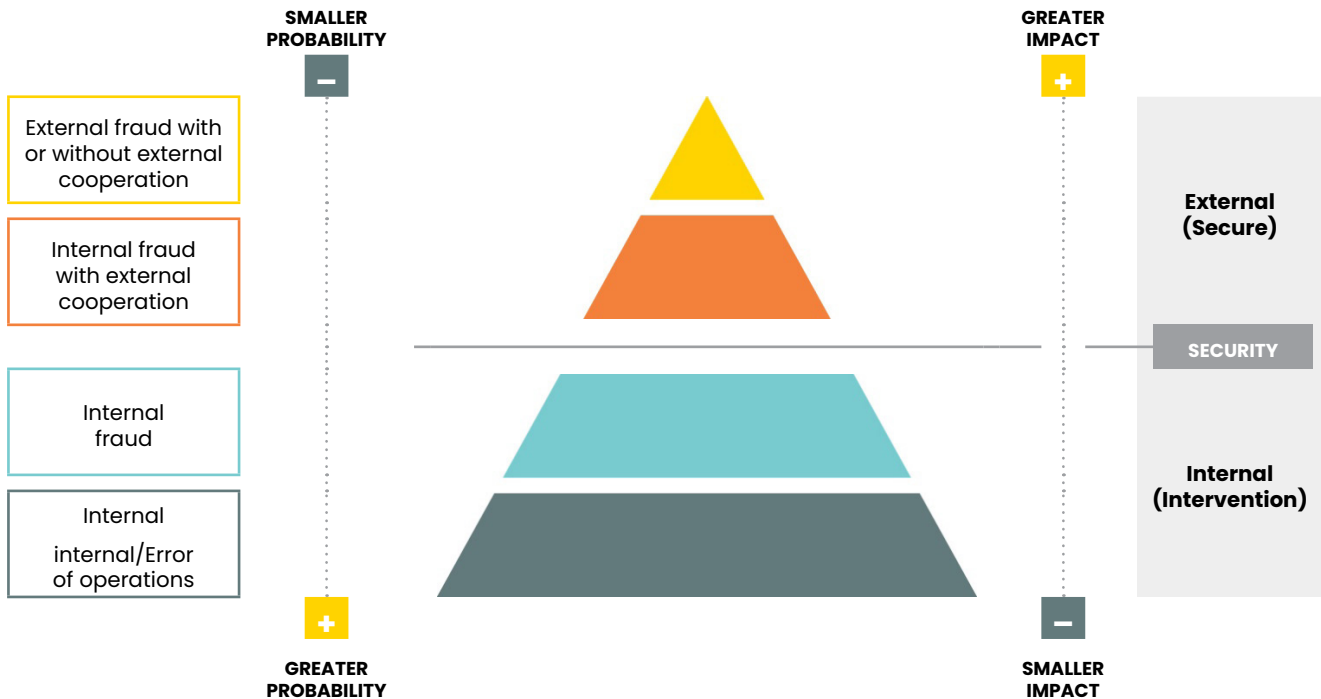
### **3.2.1. Operational and business risks**

Prosegur carries out its activity in very diverse sectors and markets. Adverse situations occur in some of them that may limit the company's income. The list of possible circumstances with a negative impact on our results includes concentration processes in the financial sector that could lead to: a drop in the use of cash (which would affect Prosegur Cash); a reduction in the demand for security services by the public sector or cost containment policies in private companies (which would have an impact mainly in the surveillance area), or; a prolonged halt in construction with the consequent deterioration of the property market (technology and alarm businesses would suffer).

Faced with this volatile scenario, our company has drawn up a strategy that includes business diversification in different markets, the creation of new value-added products and services, the recognition of the Prosegur brand and the increase in our operating efficiency.

Prosegur makes a very significant effort in reducing the risks inherent to its business due to the potential impact that they could have on the commitments made to clients, employees and other stakeholders. The company's approach to risk management is based on strict control of three axes in all its areas of activity: infrastructure, processes and people.

### Probability and impact of risks of fraud



In order to improve efficiency in operating risk management, the Company has a Global Risk Management Directorate, an area that, given its structure and organisation, provides a competitive advantage with respect to other companies of the sector. This Global Management provides us with the necessary instruments to effectively resolve contingencies associated with the safety of operations. It furthermore offers appropriate tools to ensure the maintenance of the standards and procedure defined by the Company, together with the compliance required by national regulations.

With a corporate structure located in Madrid (Spain), the Directorate is structured into three departments with regional and national representation: Security, Intervention and Insurance. In fact, integrating these three areas under a single Management maximises the effectiveness of the operations at less cost, as a result of having in-house specialists who share common procedures.

The Security department manages the risks and legal regulations regarding security and acts as the company's second line of defence. It actively participates in the development and execution of business operations in security matters. This department has employees distributed in two global support areas: Security of Bases and Facilities and International Tactical Training Team.

The Intervention department, on the other hand, is organised into two units: Intervention and Loss Control (UCP). Both combine in situ reviews of the business operations (audits of valuables in custody, controls, operating security and of the facilities, and compliance with legal regulations), with the remote monitoring of the close of daily accounting entries for all regional offices, thus minimising the losses of the Prosegur Cash business. The department is also responsible for reviewing the operations in all Prosegur Security and Prosegur Alarms business, as well as all special corporate audits (procurement, fleet, among others).

During 2021, the company continued to advance in the innovation and transformation plans of both units through the use of techniques and tools based on machine learning and artificial intelligence. Our model change puts the emphasis on monitoring operations remotely. There is also a whole development of innovative fraud control tools, in line with the new services offered by Prosegur.

Finally, the Insurance Department identifies and controls operating risks and determines

the bases for assurance and management, guaranteeing minimum impact on the Income Statement. The department creates insurance schemes, signs corporate and local policies with first rate insurance companies, covering a wide range of risks: direct and indirect employees, Prosegur's activity and its fixed assets. This department also manages a credit insurance programme that protects the possible non-payment of client bills and another assistance coverage associated with the alarm product.

### **3.2.2. Other potential risks**

#### **Legal, corporate and regulatory**

When we talk about security services, we refer to a business that is especially subject to different regulations in each country where we operate. The list is huge: from authorisations to provide services to labour and social security legislation, arms control, prevention of money laundering, as well as privacy and data protection, competition rights, stock markets or information reporting on different activities, among others.

These regulatory limits, which also tend to change constantly due to the reformation or incorporation of laws, in themselves imply a risk of non-compliance that we mitigate through the identification of operations, periodic evaluation of the control environment and the continuous monitoring of the controls.

The local Business Divisions play a decisive role in this mission with knowledge of the reality on the ground that allows them to define procedures and tools that identify, monitor and assess any deviation from the tolerance levels in the control of operations, security and regulatory compliance. They start from the common procedures throughout the company, but adapt them to the requirements of each country, and also receive the support of the Internal Audit and Compliance Department through their periodic evaluation.

#### **Financial**

They are listed among the main types of strategic threats on the risk map and are broken down into the following specific categories:

- Interest rate related. Related to monetary assets and liabilities on the company's balance sheet. To monitor them we carry out a dynamic analysis of our exposure to fluctuating rates and simulation of different scenarios which take into consideration refinancing, the renewal of current positions at any given time, alternative financing and hedging. On the basis of these scenarios, we calculate the effect that a specific variation of the interest rate could have on profits/ (losses). The different simulations use the same variation in the interest rate for all currencies and they are only performed on liabilities that represent the most significant positions subject to variable interest. In 2021 our financial liabilities at variable interest rates were denominated mainly in Euro and Australian Dollars.

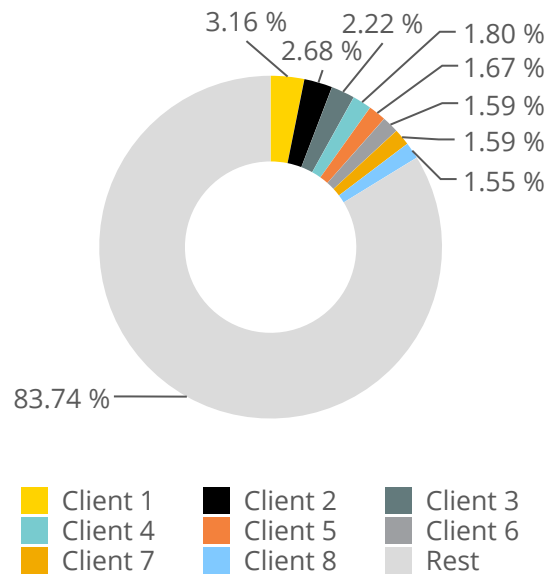
- Exchange rate risk. The natural coverage made by Prosegur is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow and it is possible to time the investments in each country based on operating requirements. In 2021, we held debts in the currencies of our main countries to minimise the exchange rate risk. Most of our financial debt is held in euro (88%), Argentine pesos (3%), Australian dollars (2%) and Brazilian reals (2%); the rest (5%) is distributed among the other currencies of our countries. Note 24 of the Consolidated Annual Accounts reflects the value of financial liabilities by currency. And Note 32.1 sets forth relevant information —which affects assets and liabilities— on the exposure to the exchange rate through the prices of the main currencies.

- Credit related. To manage and control this type of risk, our Credit and Collection Departments in each country assess client risk on the basis of basic contracting information, they establish credit limits and payment terms registered in the Prosegur management systems which are regularly updated, they perform monthly monitoring of clients' credit standing and make any necessary valuation allowances based on clearly established policies. Note 32.1 of the Consolidated Annual Accounts shows tables of representativity of the main clients over the overall turnover of the Company.

As for financial investments and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). The counterparty risk limits are clearly defined in the corporate policies of the Financial Department and updated credit limits and levels are periodically published.

**Client concentration**

At Prosegur we do not have significant concentrations of clients. In this respect, Note 32.1 of the Consolidated Annual Accounts points to the following data on the representativity of the main clients over the overall turnover:



## Technology and cyber security

The digital transformation of Prosegur is among the most intense in our sector, therefore we accelerate the development of Information and Communication Technology (ICT) infrastructures and with them the technological dependency of our operations, for example, security logistics and cash management services or connections to alarm receiver centres. In short, in our daily lives we collect, process and retain increasing amounts of sensitive information, from business and operational data to the private information of clients and employees.

In the context of economic digitalisation and the increase in cyber attacks, any company is obliged to protect its systems, but even more so a company specialised in security. Therefore, we reinforce our technological risk management to shield our information and that of our clients from attacks, sabotage, computer viruses, data loss and human error.

We develop this task from several fronts. In the organisation, each business unit has a CISO (Chief Information Security Officer) who in turn reports to the CISO of the Information Security area; we report the Security Policy directly to the Board of Directors; we apply a hybrid vision between technical and risk management to understand the specific needs of each business, and; we rely on the NIST framework to improve all functions, especially protection, detection and recovery.

We focus our Cybersecurity strategy on identifying and protecting all our physical and digital assets, as well as the information they manage; detecting and responding to any information security event to minimise its impact and prevent its spread; and recovering the technological and/or operational services in the event of disruptive events or those that affect their normal course.

With this strategy and guidelines, the area seeks to ensure the dimensions of confidentiality, integrity, availability, authenticity, non-repudiation and traceability, guaranteeing that all actions carried out on the information or on an asset can be traced and that these actions can be unequivocally associated with an individual or entity.

Contrary to the classic vision of cybersecurity, we do not consider people the weakest link but as the last line of defence. With this in mind, we promote the awareness and training policy for all employees through different channels: from courses at the Prosegur Corporate University—more than 90% of the new people have done them—to massive practical advice campaigns or phishing simulations to train the staff from personal experience.

## For the brand reputation

We know to what extent the success of a company depends on its good name, on the trust that the quality of its services arouses not only among clients but also in the sector. In a business as sensitive as the security of goods and people, that credit is earned slowly and can be lost with a single incident that affects the ability to operate ethically, responsibly and safely. Any breach of the expectations of our stakeholders, no matter how small, can undermine decades of prestige.

Therefore, it is critical to manage real or perceived incidents that threaten our brand value. We have integrated management and control principles into our Corporate Compliance Programme, including independent diligence processes and the detection of irregular situations from an ethical point of view.

## Environmental

Although these threats cannot be classified as strategic given the low impact of our businesses, we want to further reduce our environmental footprint based on the management model and continuous improvement of the ISO 14001 standard. Not only for objective control and regulatory compliance issues, but also for ethical responsibility in the face of the climate challenges facing our societies.

In this sense, we measure, evaluate and reduce the environmental impact associated with the activity of each business in each country, we establish specific commitments and objectives that comply with each legislation, we make employees aware of the importance of caring for the environment through good sustainable development practices, and we extend this risk reduction to suppliers and subcontractors through compliance commitments.

## Corruption and fraud related

Not only can these negatively affect the financial health and reputation of the company in any country, but if they reach a sufficient scale, they harm the development of entire nations, threaten equality and free competition, and even undermine the social order, economic health and political stability to the point of threatening governance models.

To confront a risk that can lead to systemic crises, we have developed a solid programme with control and management policies and procedures. Its objective is preventive or at least quick reaction: it tries to deter or detect early any activity that might be suspected as corruption or fraud by employees, administrators, shareholders, clients, suppliers or third parties who act dishonestly.

## Political

Political instability can trigger a dangerous domino effect in other spheres: from economic crises to the growth of crime or social conflicts that threaten the security of goods and people. In other words, they can compromise the activities of the company and its stakeholders.

The prevention of this scenario, or even of partial aspects that may lead to it, implies an analysis of the political circumstances connected with the social and economic, in addition to continuous monitoring of emerging risks through the Security department.

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**We have developed an internal system to deter or detect early activity that might be suspected as corruption or fraud.**

### 3.3. GLOBAL RISK ENVIRONMENT

Given the still high incidence of COVID-19, the environment in which Prosegur operates continues to be far from fully normal, despite progress in terms of vaccination programmes and the progressive reactivation of economies in which we are present.

If the change in the health trend is due to any factor, it is undoubtedly the massive distribution —though to a lesser extent in geographical areas such as Latin America— of vaccines developed in record time. Their effectiveness, indisputable in light of the data, has made it possible to reduce the severity of COVID-19 and therefore its mortality rate and to relieve the strain on health services.

It is important to note that, despite the generally favourable evolution, the return to normality is occurring unevenly from one market to another. As the World Bank points out in its Global Economic Prospects document, 'the recovery is uneven and mostly reflects strong upturns in some of the main economies', while 'in many emerging markets and developing economies, the difficulties that arise in terms of vaccination continue to affect activity'. Another important

aspect highlighted by the entity is the impact that the different waves and strains of the coronavirus are having on the development of economic activity.

The analyses of the International Monetary Fund indicate that the recovery prospects for Europe, the United States and the countries of Asia and Oceania in which Prosegur operates are generally solid. As far as Latin America is concerned, a first group of countries, including Chile, Brazil and Peru, would already be reaching GDP levels comparable to those pre-pandemics, while others, such as Argentina and, especially, Mexico and Colombia, point to a slower recovery and a greater degree of uncertainty.

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**IMF analyses suggest that the recovery prospects for most of the markets in which Prosegur operates are generally solid.**

### 3.4. CONTINGENCY PLANS AGAINST THE CRISIS

Carrying out our activities in this context is very demanding for all the teams. However, their response has been extraordinary and has allowed us to recover a path of organic growth in all our business lines and all our areas.

The launch of our new Strategic Plan or the update of our Sustainability Policy and the approval of the Sustainability Master Plan have been possible thanks to constant monitoring of the global environment in which we work.

In this sense, and in line with the capacities that we already deployed in 2020, during this year we have carried out a timely monitoring of the evolution of events and their impact on the operations of our company, our workers, clients and suppliers. In response, since the year before we have applied a series of action protocols in line with the recommendations of the health and administrative authorities, always adapting to the particularities of each market.

Following these protocols, we have chosen to create a multidisciplinary group of senior managers who have constantly evaluated the measures we should take. In practice, this working group has expressed the initiatives and action procedures necessary to guarantee the safety and health of all our employees, making it possible to maintain excellence in customer service and incorporate the suggestions and indications of the authorities at the risk of spreading the virus.



# 4

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## Responsible management



## 4. RESPONSIBLE MANAGEMENT

*'Let everyone sweep in front of his own door, and the whole world will be clean', Johann Wolfgang von Goethe, Germany, writer.*

At Prosegur, we are aware that our leadership in the private security sector implies a series of social, ethical and environmental demands. Among them, we especially assume the commitment to sustainability, the generation of decent and stable employment, the health and safety of our professional teams, scrupulous regulatory compliance and good governance and, of course, non-negotiable respect for human rights.

In 2021, we have taken a further step in fully assuming our corporate responsibility by including ESG (environmental, social and governance) criteria in the company's business model, the new compass that guides our activities. From this, within our 3P management system, a series of internal rules, procedures and criteria are derived for the provision of services that permeate the entire organisational structure of Prosegur:

- Sustainability Policy
- Environmental Policy.
- Human Rights policy.
- General Regulation Concerning Employee Complaints for Discrimination and Harassment.
- Occupational Health and Safety Policy.
- Inclusive Growth and Diversity Policy.
- Work Conditions and Social Dialogue Policy.
- Purchasing Policy.
- General Conditions of Purchase.
- Corporate Governance Policy.
- Regulation of the Shareholders General Meeting.
- Regulation of the Board of Directors.
- Regulation of the Committee for Sustainability, Corporate Governance, Appointments and Remuneration.
- Auditing Committee Regulation.
- Policy for the Selection of Candidates as company directors.
- Policy for Remuneration of members of the board of directors.
- Internal Code of Conduct on matters relating to securities markets.
- Dividend Policy.
- External Communication Policy.
- Investor Communication Policy.
- Code of Ethics and Conduct.
- Ethics Channel Policy.
- Tax Strategy.

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**ESG criteria are an integral part of our business model.**

## Main alliances

In the task of raising the standards of responsible behaviour in our sector and turning the world into a fairer, more supportive, resilient and greener place, our company is finding accomplices and powerful allies such as the International Security League, the organisation that brings together leading private security companies, present in 120 countries and gathering a total of more than two million professionals.

Since 2002, Prosegur has been one of the 13,000 signatories of the world's largest corporate responsibility initiative, the United Nations Global Compact. The Compact includes ten principles related to active respect for human rights, dignity of working conditions, preservation of the environment and the fight against corruption. This complete ethical programme includes, among other commitments, the abolition of any type of child labour, full freedom of association and trade unions, the promotion of clean technologies and the rejection and denunciation of corrupt practices such as extortion and bribery.

Other alliances related to the promotion of responsible management objectives are the adherence to The Climate Pledge and to Forética. In the words of Germán Granda, General Director of Forética, 'the incorporation of Prosegur into our network of more than 200 partners is a concrete commitment to the path outlined by Forética in sustainability, focused on three axes: increasing business ambition, accelerating action and promoting alliances that allow us to respond to the environmental, social and good governance challenges that we urgently need to address'.

## Presence in indices and ratings of sustainability and good governance

At Prosegur, we also accept that a simple declaration of intent is never enough. Good intentions must be endorsed with concrete actions, and these actions must be supervised and validated by independent observers. That is why our company, true to its commitment to transparency, is present in some of the most internationally recognised sustainability indices and ratings and maintains a fluid relationship with the most relevant stakeholders.

These are the main indices and ratings that evaluate our corporate commitment to sustainability:

- Standard & Poor's Corporate Sustainability Assessment (CSA). For the first time, in 2021 we presented the questionnaires to participate in the corporate sustainability assessment of the world's leading provider of credit ratings, market analysis and benchmarks.
- Carbon Disclosure Project (CDP). In 2021, we also disclosed our environmental impact for the first time through the system managed by this non-profit organisation. CDP offers logistic support to companies and institutions that want to make progress in areas such as the fight against climate change, water security and deforestation.
- Sustainalytics. Prosegur has achieved the rating of Low Risk company, as well as the best in the field of private security, in the corporate governance and ESG analysis index offered by this prestigious research company.

- Vigeo Eiris (V.E.). We are ranked 7th in the sector ranking and our ESG performance is above industry average.
- MSCI. We continue to work with MSCI, with whom we have had a relationship for almost ten years.
- FTSE4Good. Our company has been part of this index for more than ten years, which identifies the companies with the best corporate social responsibility policies on the planet.
- EcoVadis. This platform independently assesses the degree of corporate social responsibility and sustainable purchasing

of companies around the world. Prosegur is above the average of the companies analysed.

- AENOR Good Corporate Governance Index. Finally, Prosegur and Prosegur Cash have been the first companies to receive the Good Corporate Governance Index certification issued by AENOR, in what we consider an independent validation of the success of our commitment to a responsible, profitable and sustainable business model. Both companies obtained the maximum G++ rating.

**True to its commitment to transparency, Prosegur is present on some of the most internationally recognised sustainability indices.**

## 4.1. COMMITMENT TO SUSTAINABLE DEVELOPMENT

Actions based on solid principles generate true value. At Prosegur, we believe in the need for our actions to have a positive impact both in society in general and in the communities in which we are present, as well as among our workers, partners, clients, suppliers or the institutions with which we cooperate.

From the point of view of sustainability, the framework that provides this vision of value creation is that of environmental, social and governance criteria as an inseparable part of the way we operate our business, in which these three individual elements are also intertwined.

Much of this positive impact comes from drawing up and implementing a sustainable development

strategy, because few actions guided by ethical responsibility are right now as important as contributing to the good health and long-term future of the planet. Our company has a strategy and a non-negotiable plan that is based on the following pillars:

- A wide range of sustainable services. Since being competitive is not incompatible with environmental responsibility, Prosegur makes remote surveillance or cash management automation services available to its clients without associated increases in emissions. We also encourage both the suppliers we work with and require the raw materials we use to meet the

highest standards in ethics, transparency, human rights, labour relations and environmental commitment.

- Cost reduction. Not understood as a simple saving and expansion of the profit margin, but as an efficient management model based on the concept of circular economy. A clear example can be found in the design, production and management of our uniforms, in which criteria are applied to extend their useful life and facilitate the recycling of garments, drastically limiting the generation of waste.
- Increased productivity through efficient labour management. This point involves the creation of a motivating environment that fosters and stimulates the development and talent of our workforce, approximately 150,000 professionals who deserve fair remuneration, opportunities for promotion and job development, and options to optimally reconcile family life with work.

- The improvement of investment decisions. In this point, we have carried out significant projects guided by long-term sustainability criteria. Prosegur's investments, today more than ever, must be sustainable, not cause environmental, social or governance damage and contribute to a sustainable transformation of the business.
- Alignment with the new regulatory environment. Legal frameworks, both nationally and transnationally, are changing to better reflect new commitments and concerns. Prosegur includes both this legal evolution and the new recommendations and standards in labour, environmental and governance matters.

### **4.1.1. Sustainability Governance**

In line with its new commitments and the evolution of its business model, Prosegur has equipped itself with a renewed internal structure. At the top, as the highest decision-making body, except in matters of exclusive competence of the Shareholders General Meeting, remains the Board of Directors.

The Sustainability, Corporate Governance and Appointments and Remuneration Committee has the task of periodically evaluating and reviewing our environmental and social policy without ever losing sight of social interest and the United Nations Sustainable Development Goals (SDGs) and making them compatible, as appropriate, with the legitimate interests of the other stakeholders. The Committee is also responsible for supervising compliance with the corporate governance rules and internal codes of conduct in force in the company, also ensuring

the consolidation of a corporate culture fully in tune with our values and purposes.

In turn, the Audit Committee is responsible for supervising the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity.

The organisational framework in this area is completed by the Sustainability Committee and the Global Sustainability Department. The first, led by members of the Management Committee, defines objectives and action plans. This body ensures that our values and purposes in terms of sustainability and risk control are translated into scrupulous and consistent actions as a preliminary step to supervision by the Sustainability, Corporate Governance and Appointments and Remuneration Committee.

And the second, reporting to the Senior Management, is a transversal department that coordinates and supervises the operation of all

areas in environmental, social and corporate governance aspects.

**The sustainability governance model at Prosegur promotes a business model that seeks to respond to the needs and demands of our environment.**

#### **4.1.2. Sustainability Policy**

The company's Board of Directors on 28 October approved an update of our principles and general bases of sustainable development. The new conceptual framework strengthens sustainability as one of Prosegur's basic values, with the Sustainable Development Goals as its guiding principle and in full compliance with Recommendation 55 of the Code of Good Governance of Listed Companies, approved in Spain by the National Stock Market Commission in 2015 and updated in June 2020.

This Sustainability Policy permeates our entire corporate structure and admits no exceptions. It is non-negotiable in all Prosegur subsidiaries, activities and business lines and in all the countries in which the company is present. All contracted companies acting on behalf of the company must also adhere to it, as well as joint ventures, temporary ventures and other equivalent companies.

#### **4.1.3. Sustainability Master Plan**

Another important development in our company in 2021 was the approval of our Sustainability Master Plan, a detailed action guide that includes 63 specific initiatives in four areas: Environment; People; Safe Work and Ethics; Transparency and Governance.

Each of these areas in turn encompasses five pillars with initiatives and objectives to be pursued during the term of the Strategic Plan 21-23. The principles by which the Master Plan is governed are detailed below:

## Environmental issues

On this point, there is no room for reluctance or ambiguity: the preservation of the ecological environment is one of the fundamental challenges of our time, and any company that is willing to assume its corporate responsibilities must first commit itself to this objective. At Prosegur, we wanted to go beyond the new laws and regulations that are being implemented at international level and stick as strictly as

necessary to an internal plan for optimising resources and reducing environmental impacts.

The transition to a circular economy, waste reduction and accelerated decarbonisation are key priorities in our Master Plan. The long-term goal is to have achieved emissions neutrality by 2040. To get closer to that horizon, we have assigned ourselves a series of partial objectives for the period of the Strategic Plan 21-23.

### OUTSTANDING STRATEGIC OBJECTIVES:

- To increase the penetration of New Products that produce fewer greenhouse gas emissions, reaching a percentage of 21.6% by 2021, 23.2% by 2022 and 25.2% by 2023.
- 50% use of renewable energies
- 100% efficient lighting and a 5% reduction in electricity consumption before the end of 2023.
- 5% reduction in emissions from Prosegur Alarms and Prosegur Security.
- 3% reduction in consumption per kilometre and year of Prosegur Cash.
- Management of 85% of waste through approved suppliers.

## People

Our team is our most valuable asset. With a workforce of approximately 150,000 people of a wide variety of profiles, our top priority is to create a motivating, egalitarian, diverse work environment that fosters commitment to Prosegur's values.

We know that having a workforce like ours is our main competitive advantage and the key to being a sustainable company. We manage this enormous wealth by committing to equal opportunities; we offer work-life balance possibilities and a complete training and development programme, and we strive to attract and retain talent.

At Prosegur we are also aware that the nature of our activities and the characteristics of some of the environments in which we operate may threaten the safety and integrity of our staff. These situations may occur either as a direct consequence of our protection and surveillance tasks or as an effect of our commercial relations or within the communities in which we are present. This is why our main focus is to eliminate possible risks from the performance of the activity or, otherwise, to minimise the exposure to risk to prevent the materialisation of damage.

In these cases, Prosegur acts with a zero tolerance policy towards Human Rights violations and analyses each specific case in depth to take the necessary measures. To take stock of our actions in this specific area, we have standardised a Due Diligence process on Human Rights and established an external audit to take place every three years.

Regarding inclusive contracting and promotion of diversity, at Prosegur we have brought a significant number of people with disabilities into our workforce, to whom we offer a better future through decent employment. In this sense, our Centre for Robotisation, Excellence, Automation and Digitisation (CREAD) stands out, an area that combines technological innovation, people and operations and in which we plan to integrate a percentage of employees with disabilities accounting for nearly 10% of the total workforce. These will be engaged in value-added tasks such as the creation of machine learning models.

Another of Prosegur's essential goals is to achieve a gradual balance between men and women in our workforce. This is a process that has been going on for years and has already give us a percentage of women higher than average for the private security sector. In the period of our current Strategic Plan, we have proposed to increase the presence of women in positions of responsibility in our company by five points.

All this commitment to people has the ongoing training of our teams as an essential lever. Our medium-term goal is to increase the online educational offer by 10% and ensure that the training modules, whether face-to-face or digital, reach 90% of our workforce. In 2021 we provided mandatory training in sustainability, an essential and increasingly important subject for us, to more than 8,000 structural employees.

Another main focus is on our staff being trained in the technological transformation process that the company has embarked on. We thus reduce the effects of the digital divide as much as possible and ensure that no one is left behind.



**OUTSTANDING STRATEGIC OBJECTIVES:**

- Five-point increase in women's representation in positions of responsibility, management and leadership.
- Inclusion of people with disabilities, until they account for 10% of the workforce in the information technology area.
- 10% increase in online training hours on specific topics, including health and safety and human rights.
- 90% of employees receiving face-to-face or online training each year, aimed at their professional development or recycling.

**Safe work**

The commitment to create safe environments for all starts with our employees. Caring for and protecting those who care for and protect is one of Prosegur's essential concerns. This extends to all collaborators and suppliers, regardless of their relationship with the company.

Our management system focuses on the ongoing improvement of our processes, which makes it possible to increase the security level of our facilities and the jobs of our employees.

We will always aspire to decrease accidents to zero. To do so, each year we will establish specific objectives and monitor them continuously according to the line defined in our Master Plan. The goals in 2021 revolved around reducing the incidence, i.e., the number of accidents based on the number of employees. To this regard and compared with the target to reduce this rate by 2 points, we have had very positive results, with a decrease of 4.2%, which translates into a 21% decrease in minor accidents and a 6% decrease in serious ones.

As a complement to all this, we take our commitment to health both in and out of the workplace to the promotion of healthy habits among our employees to maintain an adequate state of physical and mental fitness.

**OUTSTANDING STRATEGIC OBJECTIVES**

- Update of the Global Occupational Health and Safety Policy.
- Holding quarterly meetings with the Business Management to monitor the main Occupational Health and Safety indicators.
- Weekly meetings with Safety and Health experts in each country in which Prosegur is present.

## Ethics, transparency and governance

We must forcefully state: Prosegur always acts with integrity, full respect for the law and principles guided by ethical responsibility in all the countries in which it is present. This is an essential element of our corporate identity and the best guarantee for our employees, suppliers, contractors and business partners.

For this reason, we have established specific training objectives for our staff on legal, regulatory and internal operational issues as

well as on the ethical principles that inspire us. In this way, we hope that they fully understand and internalise the company's values and help prevent cases of corruption, fraud or bad practices from occurring.

Likewise, we have launched an Internal Control System for Non-Financial Information the objective of which is to identify associated risks and implement controls that guarantee that the information reported to the company's management bodies is accurate and complete and that it meets our standards.

### OUTSTANDING STRATEGIC OBJECTIVES:

- Creation and updating of the internal regulatory framework for sustainability.
- Updating of the Code of Ethics and Conduct.
- Monitoring of 100% of the complaints filed through the Ethics Channel.
- Implementation of a supplier risk monitoring, approval and assessment system.

## 4.1.4. Commitment to Sustainable Development Goals (SDG)

On 25 September 2015, world leaders from 193 member states of the United Nations adopted 17 Sustainable Development Goals (SDGs). The aim was to work for the present, but also for the future: to protect the planet, fight against poverty and build a fairer, more sustainable and prosperous world for future generations.

All these challenges found their space in the framework of the 2030 Agenda on sustainable development. These are challenges that call states, civil society, and especially companies, to action. Within each objective, different goals are set, each with its own indicators, green or red lights that serve to determine whether the objective is met or not.

At Prosegur we interpret the SDGs as an opportunity to deepen our company's social and ethical commitment. We have therefore brought them into our strategy and our business plan. They form a decisive part of our roadmap to contribute to a more sustainable society.

The algebra is simple, but ambitious. Our company works directly on the ten objectives that are closest to our sphere of activities and in which we believe it is more feasible to achieve results that make a difference.

Listing them is easy, but making them reality is a formidable challenge:

- SDG 3: Health & Well-being.
- SDG 4: Quality education.
- SDG 5: Gender equality.
- SDG 7: Affordable and non-polluting energy.
- SDG 8: Decent work and economic growth.
- SDG 9: Industry, innovation and

infrastructure.

- SDG 12: Production and responsible consumption.
- SDG 13: Climate action.
- SDG 16: Peace, justice and solid institutions.
- SDG 17: Alliances to achieve objectives.

At Prosegur we know that this commitment will be a firm guide that will permeate our daily action in the coming years.



### SDG 3: Health & Well-being

In this specific area of action and as indicated, we aspire to decrease our accident rate to zero. To do so we have designed a complete shock plan that includes pre-defining the goals, specific quantitative as well as qualitative ones.

In addition to the outstanding results in the reduction of occupational accidents cited above, from a qualitative viewpoint the focus is on traffic accident prevention, the main cause of serious accidents in the company, with measures such as the successful road safety campaign that took place in June with over 28,000 participants.

These measures and accident rate data are measured in three ways. In the first place by our local expert teams and, secondly, by the safety and health committee meetings held quarterly by the corporate team, which is also led by its Managing Director in the case of the business line with greatest exposure, Prosegur Cash.

Lastly, in 2021 this monitoring was reinforced with the creation of weekly meetings of the Safety and Health Expert Groups. It is the sum of professionals in this field from the different countries where Prosegur is present. Its purpose is to identify trends and needs and implement a policy of best practices.



### SDG 4: Quality education

In an environment as competitive as ours, the training and qualification of workers is one of the best ways to make a difference. At Prosegur, we commit firmly to the talent and the professional development of our employees. They are the pillars of the company. And today, the updating of knowledge comes in different ways. This structure allows workers to move up in their careers, improve the performance of their duties and increase their job visibility. In figures, more than two million training hours were given in 2021, implying an average of 14.4 hours of training per employee.

Of course, today's society cannot be understood without online learning. Our company has a global digital platform, the Prosegur Corporate University, a virtual space to acquire knowledge, live out the company's values and develop talent through a common culture. In total, more than one million hours of training were completed during the year.

Furthermore, sustainability has been included in our basic training offer, which includes knowledge that all employees must acquire. We thus aspire to making the company's commitment to the future of the coming generations even more evident.



### SDG 5: Gender equality

In Prosegur we opt for internal talent, especially the talent of our women. This is why we consider the active promotion of equality and empowerment of women as an essential goal.

Despite the fact that the percentage of women in Prosegur now stands at 21% of the total workforce, above average for our sector, it is our goal to continue to increase women's representativeness to achieve a gradual balance between men and women.

Since equality is one of our cornerstones, we specifically created #EmpoweredWomen, a programme through which we encourage women's talent. This includes an individual work plan for all women with increased responsibility as well as #EmpoweredWomen scholarships, whose goal is to provide opportunities to women in all Prosegur professional categories through training programmes.



### **SDG 7: Affordable and non-polluting energy**

Our Strategic Plan includes the line of action and the commitment that Spain has adopted as a whole: that all electricity consumed might come from renewable sources as soon as possible. Rapid progress is being made in this regard with the north committed to the exclusive use of affordable, safe, sustainable, modern and non-polluting energy.

Among the specific initiatives carried out by our company, a pilot project to install photovoltaic panels in 15 Prosegur Cash delegations in Brazil stands out. At the end of the Strategic Plan 21-23, this is expected to reach 95% of the delegations in that country.



### **SDG 8: Decent work and economic growth**

Prosegur's commitment to the communities in which we operate begins with offering quality employment and ensuring decent working conditions as well as a constant and fluid social dialogue.

It is our firm goal to maintain the connection between social progress and economic growth, reaffirming our commitment to strict compliance with the law in all those regions in which we are present, complying with local legislation and the requirements that exist in each one of them.

We likewise maintain constant collaboration with legitimate employee representatives for effective communication and open dialogue. So much so that 14% of the workforce are union members, and 77% of our employees are covered by existing Collective Bargaining Agreements.

The maintenance of stable and productive working relations is a priority for Prosegur, which is why we seek to enhance trust and mutual respect among employers, employees and their organisations in order to identify common interests to increase productivity and improve the working conditions of our professionals.



**SDG 9: Industry, innovation and infrastructure**

The company has launched an ambitious Innovation and Digital Transformation Plan. The future of the business lies in R&D and this pillar has been endowed with a certified total investment of 26.6 million euro. At Prosegur, technology is part of the DNA of its activity.



**SDG 12: Production and responsible consumption**

The fight against climate change is a task taken on with the utmost seriousness at all levels of the company. Carbon dioxide emissions are controlled, there is a smartphone application that allows you to reserve ecological vehicles (electric and natural gas) by time slots, and a multifunctional model of printers has been installed in the offices, which contribute to reducing paper consumption.



**SDG 13: Climate action**

The mitigation of climate impact is essential in our company discourse. To begin with, we closely monitor the volume of our carbon dioxide (CO2) emissions with the aim of gradually reducing it and fully offset it before 2040. This objective is reflected in the signing of The Climate Pledge initiative. Older vehicles with high consumption are also being removed from the Prosegur Cash fleet.



### **SDG 16: Peace, justice and solid institutions**

Make the world a safer place. This is the inherent responsibility of an activity such as Prosegur's. All company workers, regardless of their position, have an ethical commitment and strict compliance standards. The company has a Code of Ethics and Conduct, which accurately outlines the behavioural guidelines of the firm's professionals.

This regulation focuses above all on compliance with the law, respect for human rights, equality and fair treatment among workers. But it goes further and also implies a code of respect in the relationship with our stakeholders. We are talking about a circle and it has a space that closes it. The Corporate Compliance Programme eliminates or reduces breaches that may arise in daily work.



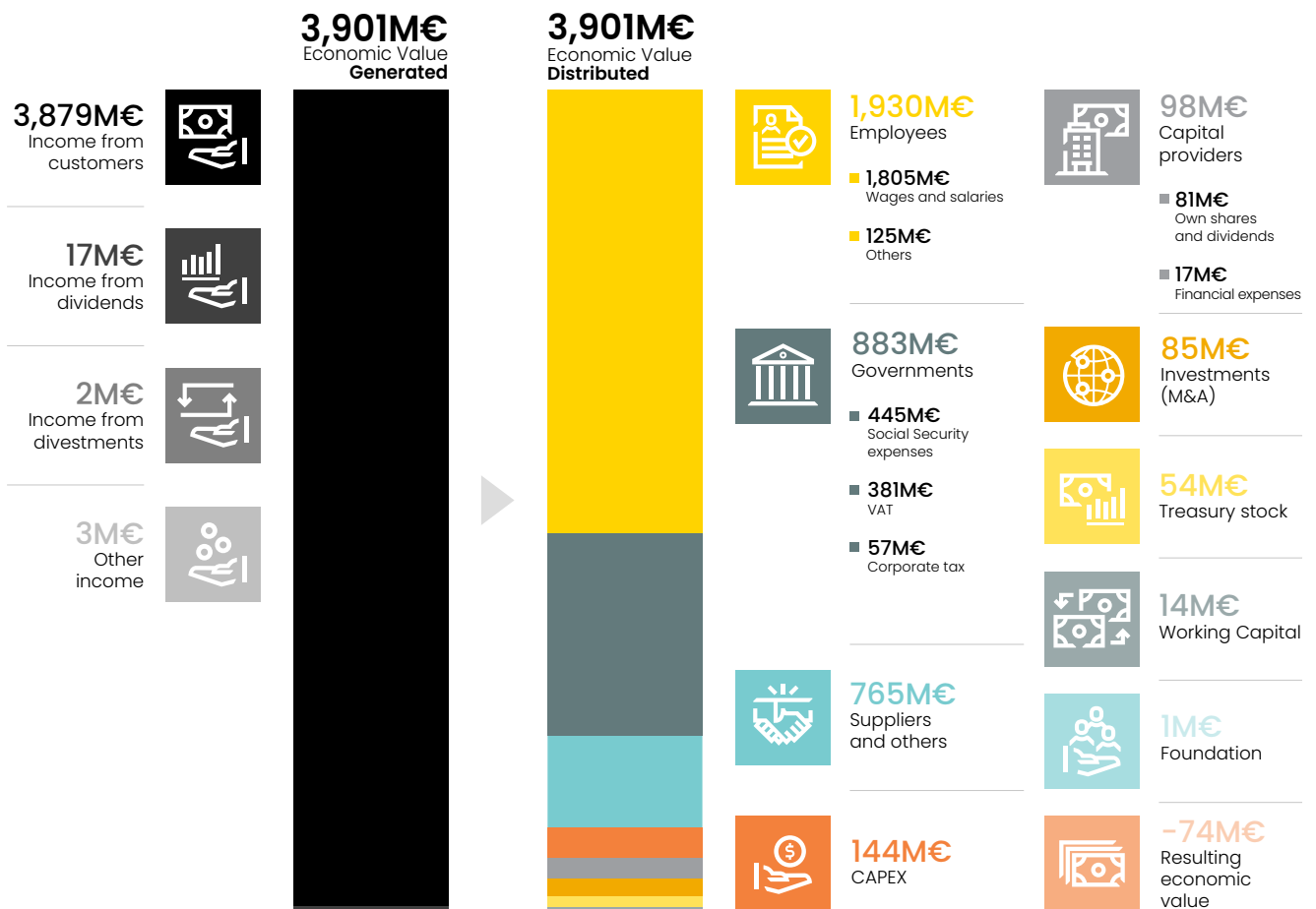
### **SDG 17: Alliances to achieve objectives**

Prosegur understands that in order to make this program a reality, it is necessary to work jointly and in coordination with the civil, state and business worlds. The company is part of various organisations that share this philosophy. It also supports the United Nations Global Compact, a call for companies to incorporate ten universal principles related to human rights, the environment, labour and the fight against corruption in their strategies. This pact is also an engine for moving forward in the implementation of the SDGs, reinforced by the already-mentioned integration of Prosegur in The Climate Pledge and Forética.

## 4.2. CREATION OF VALUE

Prosegur is a company that generates value. And part of our essence consists of a just and equitable distribution of that income. There are three basic destinations: employees (49%), public

administrations (23%) and suppliers (20%). By extension, our activity benefits investors and shareholders, and the company overall.





## 4.3. IMPACT OF NON-FINANCIAL QUESTIONS ON THE BUSINESS MODEL

Sustainability is a demand of the market, society and clients. The environment varies and requires continuous transformation. The value-added products and services associated with technology will be a pair that dances their particular tango. The music playing in the background is the score for artificial intelligence, big data analytics, the internet of things, and less reliance on carbon-based energy.

This new vision comes at a price. In accounting terms, it would be the financial impacts of

non-financial issues. Far from the economic tongue twister, they are simple concepts. Prosegur is investing (in financial terminology we speak of Capex) today to achieve benefits tomorrow. For example, in the purchase of less polluting vehicles that allow access to city centres. But the balance is dressed. The reduction of emissions and the purchase of electrical energy increase operating expenses (Opex). Although at Prosegur, sustainability is priceless.

## 4.4. MATERIALITY ANALYSIS

This materiality analysis of Prosegur—that is, of its responsibility to deal with impacts and risks—revises and updates the previous materiality matrix and adapts its most relevant aspects to the sector context and evolution.

We have followed the concept of 'simple materiality', while keeping in mind the internal and external relevance. To do this, we not only identify the most significant economic, social and environmental impacts of the company, we also include their assessment for both external stakeholders, that is, clients and shareholders, and internal: senior management and employees. With the latter we maintain a constant dialogue through unions and workers' organisations. We thus aspire to show its progress and determine the most appropriate actions to continue generating value.

The analysis of priorities carried out this year results in a Materiality Matrix with 36 relevant issues. We have classified 20 of them as priorities for our Sustainability Strategy and the actions that we will develop next year.

In the following, we detail the materiality goals and the process to achieve them:

### Objectives

- To each year define and update the material issues three years ahead, considering the maturity of emerging aspects among Prosegur's stakeholders and the response capacity of our organisation.
- To anticipate the concerns and expectations of internal and external stakeholders to improve our sustainable behaviour.
- To focus on the most relevant issues to manage and implement sustainability in the company, in order to mitigate risks and align the reports with said priority objectives.
- To integrate knowledge about the latest sustainability trends in the market and the sector, and to analyse the sustainable

policies of the main companies in the field of security (benchmarking).

- Through interviews and questionnaires, to find out what the company's senior management and its main stakeholders think about the material priorities.
- Likewise, to know our employees' opinion through a climate survey.

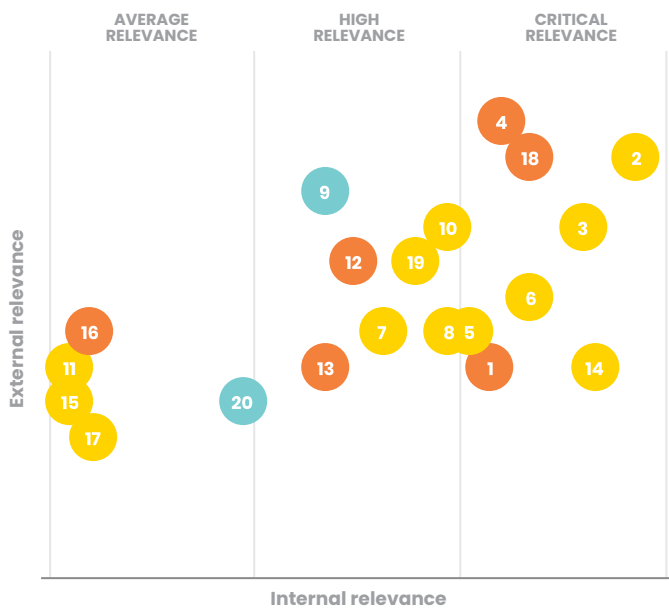
**Methodology**

- Identifying material issues with possible impacts on the environment and non-financial issues that may affect Prosegur. In this way:
  - A. We review the company's Sustainability Strategy and the latest materiality analysis to also determine its validity.
  - B. We delve into specific material aspects by analysing the main trends in the sustainability and security sectors and their

reference companies.

- We classify and structure the material issues around the following axes: People and safe work; Ethics, transparency and governance, Environment.
- We prioritise the most important issues through a double analysis: external relevance for stakeholders and internal relevance for senior management and employees.
- We prepare the Materiality Matrix with the results of said prioritisation based on relevance and its possible impact on the business.

In the following table we detail the classification of the 20 main issues resulting from the materiality analysis in three categories of importance —critical, high and medium. These take into account the level of priority when implementing plans, projects and actions, from those that require immediate development to those that can afford longer deadlines:



- 1 Diversity, equality and integration
  - 2 Ethics and anti-corruption
  - 3 Human Rights
  - 4 Occupational health and safety
  - 5 Customer relations
  - 6 Good Governance
  - 7 Risk management
  - 8 Economic performance
  - 9 Atmospheric Pollution: reducing CO2 emissions
  - 10 Regulatory and legal compliance
  - 11 Discussion with stakeholders
  - 12 Talent management
  - 13 Promoting Technology and innovation
  - 14 Data protection and information security
  - 15 Responsible supplier management
  - 16 Supply chain management
  - 17 Community relations
  - 18 Labour Relations
  - 19 Business continuity
  - 20 Sustainable mobility as a fight against climate change
- People and safe work ● Ethics, transparency and governance ● Environment

The materiality analysis points out determining aspects for Prosegur: firstly, the occupational health and safety of its employees, together with the fight against corruption and respect for the code of ethics and labour relations, in addition to respect for human rights, good governance, diversity, equality and inclusion, data protection and information security.

Compared with the previous year, we have increased the importance we attribute to aspects related to air pollution and the reduction of CO2 emissions. And following the 2021 results, we do not include biodiversity and the fight against food waste among our priorities, since our activities do not have a significant impact on any of them.

# 5

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## Environment



## 5. ENVIRONMENT

*'If you serve Mother Nature, she will serve you', Confucius, China, thinker.*

At Prosegur, in 2021 we adopted a new, much more committed, demanding and ambitious Environmental Policy, which affects all company instances, from our internal daily action protocols to our purchasing management model.

Within the framework of this process of transition towards a low-emissions model, we once again reiterate our adherence to the United Nations Sustainable Development Goals (SDGs), our commitment to a circular economy

that entails a drastic reduction in waste, and our firm will to make an exact measurement of our carbon footprint and the effect of each of our specific actions on this indicator.

We also work on identifying the main environmental risks and developing measures to mitigate them. We apply the principle of precaution, seeking to guarantee a high level of environmental protection by taking preventive decisions in the event of risk.

### 5.1. ENVIRONMENTAL ASPECTS

The business activities we develop do not have a significant impact on the environment, accelerate climate change or pose a threat to biodiversity. Nor do they have a significant impact in terms of acoustic or light contamination. They are activities related to the provision of services, not transformation or production. They are very labour-intensive activities, such as security logistics services or surveillance work. The main environmental aspects inherent to our activities are:

- **Prosegur Security, Cipher, Prosegur Alarms and AVOS** business involve activities considered to be of low environmental impact. The most significant are the consumption of paper, uniforms and fuel, and the generation of mainly low-hazard waste such as paper and cardboard.

- **For Prosegur Cash**, also considered a low-impact activity, though higher than the remaining businesses, the main environmental issue relates to the direct emissions of greenhouse gases associated with fuel consumption. There is also the consumption of electricity, paper and plastics at the operating centres.

It is important that the global changes caused by the COVID-19 pandemic have not had a significant impact on our environmental performance.

Prosegur was the first Spanish security company to achieve ISO 14001 certification. We are currently certified in Argentina, Colombia, Spain, Peru and Portugal. In those countries where certification is not available, the company will implement the best practices acquired that are not already under way.

As part of our commitment, we have a civil liability policy, valid until 31 December 2021, which includes coverage for accidental contamination that we might generate. This policy has a coverage of up to EUR 75,000,000 per claim to cover accidental damages that may be caused by the exercise of the activity.

## **Towards a low carbon economy**

The latest United Nations Climate Conference (COP26) yields a clear verdict: the decarbonisation process is advancing globally at an insufficient rate to contain the increase in temperatures. It is therefore essential to speed up the pace.

At Prosegur, we want to assume our responsibility in this collective challenge, aware as we are that whoever is not part of the solution is part of the problem. In the last year, we have renewed strategic commitments such as our corporate plan to achieve carbon neutrality before 2040 or our aforementioned adherence to The Climate Pledge, the project to combat climate change launched by Amazon and Global Optimism.

Likewise, in line with our ambition, we have begun work on the possible establishment of emission reduction targets both in the short and long term, in line with the Science Based Targets (SBTi) initiative.

We were pioneers in applying emission reduction measures in the private security sector, and we are doing so again by launching a specific large-scale decarbonisation project. Its first phase offsets the equivalent CO<sub>2</sub> emissions generated by the European operations through waste management in Rio de Janeiro (Brazil). Endorsed by international reference standards and aligned with the SDGs, the project has already avoided the emission of more than 2.5 million tons of CO<sub>2</sub> (Certified Emission Reduction).

The choice of Brazil is no accident; it is explained precisely by its status as a strategic market and its special importance for the health of the planet

given its immense biodiversity and the CO<sub>2</sub> sink concentrated in its territory. The emissions compensation model will gradually be extended to the Asia-Pacific region and all of LatAm, until it covers the 26 countries where Prosegur operates in the medium term.

On the other hand it is worthy to note that 100% of the energy consumed in Spain comes from renewable sources.

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**We have launched a pioneering programme in our sector to offset the equivalent CO<sub>2</sub> emissions generated by our operations in Europe.**

## **Risks and opportunities derived from climate change**

Throughout 2021, we carried out a specific project to analyse potential risks and opportunities arising from climate change. This examination was made under a GHG (greenhouse gas) emissions scenario and in different time periods, in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The aim is to incorporate climate change into the short, medium and long-term business strategy, to manage risks appropriately and to maximise opportunities for our business.

**Chosen scenario:**

In recent years, climate change has become one of the most relevant risks within the Risk Management Model.

The study focuses on the exposure of our business to physical risks, the risks arising from the transition to a decarbonised economy, and the opportunities that might arise as a result of climate change and the transition to decarbonisation of the economy. To do this, we have analysed the probability and impact in the RCP 2.6 scenario (Representative concentration pathway, which assumes a substantial reduction in GHG emissions over time, to ensure that its radiative forcing first reaches 3.1 W/M<sup>2</sup> in 2050 and 2.6 by 2100. The temperature probably does not exceed 2 °C) and in several time horizons in the short, medium and long term.

**Context of the chosen scenario:**

At the time the scenario was chosen, the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) had not been published, so the scenario was established with the data available up to that time. The most optimistic scenario was set.

- The scenario chosen by Prosegur is halfway between two of the scenarios used by the IPCC in AR6.
- The chosen scenario complies with the TCFD recommendations to choose a scenario of 2 °C or less.
- The scenario is aligned with the objectives of the policies developed from Europe.
- The chosen scenario assumes that policies will continue to be developed throughout the decade, which will make it even more plausible than SSP2 -4.5.

Additionally, we will continue to periodically evaluate climate risks and opportunities in the different scenarios, taking into account those of greatest probability according to the conclusions

emanating from the main international organisations.

**Climate risk and opportunity analysis methodology:**

Each of the climatic risks and opportunities has been analysed taking into account different sources of internal and external information, according to the nature of the risk or opportunity. For physical risks, existing maps with climate projections have been used to find out how our facilities will be affected, alongside qualitative information from reputable sources. For transition risks, the regulation established by governments and institutions and the various future development plans and their implications were analysed. Finally, qualitative information from recognised sources was studied for opportunities.

In this way, for each of the areas, the particular impact that the risks and opportunities derived from climate change have on the assets and activities of Prosegur was evaluated, analysing their current and future implications on our activities. The study allowed us to establish the values of probability of occurrence and potential impact, identifying the time horizon of significant materialisation.

Furthermore, the established values of probable occurrence and impact on our activity, allowed us to prepare the different heat maps for each of the identified risks and opportunities.

**Climate change risks:**

The results of this scenario analysis indicate that in the SSP2 -2.6 scenario, the most relevant global risks that would affect our business are transition risks (twenty-one transition risks versus nine physical risks). On the time horizon, eight risks are current, fourteen risks are concentrated in the short term (from one to five years), four in the medium term (from six to fifteen years) and four in the long term (from sixteen to thirty years).

Physical impediments on mobility and new information reporting requirements stand out as current risks. In the short term, transition risks related to evolution towards low-emission technologies and new rates linked to GHG emissions derived from operating activity. In the medium term, transition risks such as geopolitical and social instability and loss of asset value. Finally, in the long term, the transition risk of variation in the availability of resources and physical increases in environmental temperature and sea level.

**Physical risks**



**Chronic**

- The increased environmental temperature or sea level, as well as rainfall and river flooding.



**Acute**

- Extreme rainfall (torrential rain, hail or snow) and extreme weather events, such as forest fires.

**Transition hazards**



**Regulatory**

- Rates related activity GHG emissions.
- Regulatory restrictions on vehicle mobility.
- New information reporting requirements.
- New legal requirements regarding energy efficiency in buildings.
- New legal requirements regarding the reduction of GHG emissions and climate change management.
- Increased exposure to environmental lawsuits/violations.



**Technological**

- Transition towards low emissions technologies.



**Market**

- Variation in resource availability.
- Changes in client behaviour/preferences. Inappropriate insurance cover.
- Change in insurance conditions. Market uncertainty.
- Difficulties achieving financing. Geopolitical and social instability.
- Loss of value in assets.



**Of Reputation**

- Increased concern or negative comments from stakeholders.
- Changes to the Group's structure.
- Prosegur loss of image due to the use of resources/services.
- Non-fulfilment of climate goals.
- Deterioration of the image of the sector.

**Climate change opportunities:**






Climate change and the transition to a decarbonised economy not only pose risks for companies. Opportunities also arise.

The results of our analysis establish thirteen opportunities (nine market opportunities and four of various types).



On the time horizon, we have identified one current opportunity regarding direct incentives from the administration related to energy efficiency and resource consumption; ten short-term opportunities, among which the direct incentives of the administration related to the

decarbonisation of transport and differentiation from the competition stand out; one opportunity in the medium term related to changes in client perception; and one long-term opportunity related to improving the image of the sector.

				
<p><b>Markets</b></p> <ul style="list-style-type: none"> <li>■ Improvement of the image of the sector.</li> <li>■ Differentiation over the competition.</li> <li>■ Indirect incentives of administration.</li> <li>■ Changes to the Group's structure</li> <li>■ Opening up new markets.</li> <li>■ Increased demand for products and/or services.</li> <li>■ Change in insurance conditions.</li> <li>■ Achievement of financing.</li> <li>■ Asset capitalisation.</li> </ul>	<p><b>Resilience</b></p> <ul style="list-style-type: none"> <li>■ Direct incentives from the administration in the fight against climate change.</li> </ul>	<p><b>Products and services</b></p> <ul style="list-style-type: none"> <li>■ Changes in consumer preferences.</li> </ul>	<p><b>Energy source</b></p> <ul style="list-style-type: none"> <li>■ Indirect incentives from the administration in transport decarbonisation.</li> </ul>	<p><b>Resource efficiency</b></p> <ul style="list-style-type: none"> <li>■ Indirect incentives from the administration regarding energy efficiency and resource consumption</li> </ul>

**Awareness raising and volunteering to face the sustainable challenge**

In the fight against climate change, business decarbonisation is part of a larger strategy. We therefore prioritise the environmental awareness of our public through communication campaigns, training activities and corporate volunteering.

As an example: in 2021, several volunteer employees and their families planted 500 trees on moorland in Perales del Alfambra, Teruel, one of the areas most affected by deforestation in Spain. This is the first step in the development of a much larger forest mass, the Prosegur Forest, in alliance with the ReTree technology development company.

Thanks to the algorithms trained with artificial intelligence and the monitoring technology developed by the start-up, our employees will be able to consult the positive impact on the environment online, with specific indicators such as the amount of CO2 captured by the trees. Environmental benefits are increasingly closely linked to social. In this sense, the forest could offer the inhabitants of the area an ecosystem and green areas that contribute to the rural economy.

## More energy efficiency

At Prosegur, we are developing several efficiency initiatives that will eventually be extended to all the countries in which we have business activity. These are the most outstanding:

- **LED lighting.** Although since 2015 we have developed a global plan to replace lighting with LED technology, we have set ourselves the goal of achieving 100% efficient lighting in the next three years. In the first phase of this new project, the Madrid-Vicálvaro Delegation (Spain) will reduce total energy consumption by 30%. A second phase will complete the installation of lighting in 19 locations in Spain and Portugal, with a potential impact of reducing the carbon footprint by 35% in total consumption, a potential reduction of 50% in electricity consumption and an environmental impact of 225 tons of CO<sub>2</sub>.
- **Photovoltaic self-generation.** We have followed in the footsteps of the pilot programme started in 2020 with the installation of photovoltaic solar panels in 15 Prosegur Cash branches in Brazil. During 2021, we extended this line of action to Europe. The Madrid-Vicálvaro Delegation will serve as a laboratory to generate its own renewable energy through photovoltaic solar panels, with a potential reduction in the carbon footprint of 348 tons of CO<sub>2</sub> and self-generation of 15.4% of the total energy demanded. The plan is for it to be replicated in ten Spanish and Portuguese buildings to self-generate an average of 25% of the energy demand.

In Spain, these actions will entail a foreseeable improvement in the energy certification label of the linked properties.

## More ecological, agile and urban mobility

We have been advancing for years in assuring the sustainability of our heavy and light vehicle fleet. In renovating, we choose vehicles in consideration of compliance with the Euro VI legislation, lower fuel consumption and the least direct emissions of CO<sub>2</sub> possible. In 2021, 440 vehicles with ECO or ZERO environmental category were available, with 100% electric, Ethanol, LPG, Hybrid or CNG engines, depending on the country and the ease of their implementation.

Similarly, we have continued to implement the shared fleet model in Spain, now for the fourth year, by means of which a broad group of users, through a reservation platform managed in their smartphone terminals, access this to reserve the use of a fleet of ecological vehicles by time slots. This model is designed to cover mobility needs based on use.

At Prosegur Cash, we have continued making progresses in the policies promoted at the global level to control fuel consumption establishing, among other measures, armoured vehicle fuel reduction goals at the operating base level. Likewise, 334 armoured units have been deactivated as part of a permanent renewal plan for the heavy fleet, identifying those vehicles that have higher fuel consumption due to their age or state of preservation, in order to reduce the impact on the carbon footprint and streamline the variable costs of the fleet.

Two pilot projects started in 2021 will improve the environmental impact of our vehicle fleet:

- Research and development of new, lighter materials for armoured vans to reduce consumption and streamline their urban operations: one 3.5-ton and 100% electric, and another 5.5-ton, which will first be used in the Iberian Peninsula.
- Hybridisation of armoured vehicles with more ecological LPG (liquefied petroleum gas) engines, less polluting than diesel or petrol engines.

These efforts come in addition to the pilot initiatives of 100% electric armoured vehicles implemented in Germany in 2020 and hybrid armoured vehicles with a 110 HP EURO VI thermal engine and a 40 KW electric motor and ECO environmental category already operating in Spain.

We have also maintained our collaboration with different companies in the automotive sector, universities and scientific research centres to seek a collaborative environment that allows the achievement of new sustainable mobility solutions. In particular, we contemplate the designing of armoured vehicles with alternative fuel engines, such as green hydrogen and other renewable sources.



## Recycling and circular economy

At Prosegur, we aim to extend the life cycle of products. To do this, we are carrying out a plan to transform traditional operating material into more sustainable and ecological solutions.

We want to keep waste to a minimum and ensure that the materials we use in the products remain in the economy wherever possible. Therefore, as for used tyres, we perform a standardisation process with suppliers to ensure recycling is duly guaranteed.

At Prosegur own workshops in various countries in LatAm, the manner of collecting tyres is established to ensure they are properly recycled. We also have a waste producer registration license for our workshops in Buenos Aires (Argentina).

In Spain, the tyre waste treatment follows the requirements established in Royal Decree 1619/2005, prioritising reduction, reuse and recycling by an approved supplier. For the management of the NFU (Out of Use Tyre) in the rest of the European countries, this is governed by the attribution of the EUROTASA by the producing companies, which is applied in the purchase of the new tyre and is intended for the removal and recycling treatment by organisations approved for this purpose.

Likewise, we are progressing in reducing the plastics consumption. We have incorporated sustainability requirements for the bags used in cash transport services at Prosegur Cash, replacing those traditionally used in Europe (made with virgin polymer material) with more sustainable alternatives made with recycled material (post-consumption recycled polyethylene). The main suppliers have the European Natur Cycle and Blue Angel Certificates. Additionally, we are moving forward with the innovative project to create the first compostable cash-in-transit bag made from 100% biodegradable materials.

We contribute to reducing toner and paper waste linked to printing services through a

new country-homogeneous global printing model that allows the control and monitoring of associated policies. Together with the progressive implementation of teleworking and the digitisation of administrative processes, we favour a very significant reduction in the consumption of these materials. Likewise, we work to define a global waste management process with suitable containers to deposit different waste or residues such as cardboard, plastic, batteries and scrap.

Moving towards a more circular economy not only generates benefits such as reducing pressure on the environment, but also in social aspects. This is the case of our uniform, which has been designed with eco-design criteria to extend its useful life. Prosegur operative uniforms are distributed centrally for all Europe from the warehouse that we manage together with the Aprocor Foundation in Madrid (Spain), thus fostering the inclusion of individuals with disabilities. A circular management is applied that includes direct logistics, reverse logistics and garment recycling.

At 31 December 2021, hazardous and non-hazardous waste managed amount to 116 tonnes and 1,714 tonnes, respectively (2020: 94 ton and 1,831 tons respectively).

## Measures aimed at minimising water consumption

Our activities are not intensive in water use. We are nevertheless conscious of the enormous challenges facing the planet with regard to this scarce commodity.

This is why we verify the consumption of cubic metres of water per occupied square metre and

resident users, to assess any discrepancies that may indicate poor consumer habits in general or undetected failures.

In addition, the number of vehicles will be included as a variable in LatAm countries, for comparison with possible inefficient water uses.

## 5.2. EUROPEAN TAXONOMY ON SUSTAINABILITY

When can it be said with certainty that a business activity is sustainable from an environmental point of view? The answer to this question is not simple and, in fact, the lack of a criterion that specifies the degree of sustainability of a project is considered a strategic barrier to sustainable development. The objective of the European Taxonomy that is part of the Sustainable Finance Plan of the European Union is to remedy this deficiency in the following way:

- By establishing the criteria and guidelines for measuring the degree of sustainability and unifying the reporting systems to facilitate comparisons.
- By helping investors to make decisions and companies to better plan their sustainable transition, as well as the information they disclose.
- By allowing business projects to be aligned with major environmental agreements such as the Green Deal or the Paris Agreement.
- By contributing to financing the transition towards a carbon-neutral, resilient and sustainable community economy.

### 5.2.1. Introduction to taxonomy

One of the most important goals of the EU Action Plan on Sustainable Finance is to direct cash flows toward sustainable investments. Within this context, the EU Taxonomy Regulation entered into force in mid-2020, establishing some new obligations with which companies must comply.

Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment (hereinafter,

'Taxonomy' or 'the Regulation') seeks to serve as a standard and obligatory classification system for determining which economic activities are considered 'environmentally sustainable' in the EU.

The EU has currently published a catalogue of sustainable activities that address two of the six environmental goals that will be available: the mitigation of climate change and the adaptation to climate change. Companies should therefore report annually on the classification of their

activities as 'environmentally sustainable', in accordance with EU Taxonomy. This will require an initial distinction between Taxonomy-Eligibility and Taxonomy-Alignment.

It is first necessary to examine whether or not an activity is described in Annexes I and II to the Commission Delegated Regulation (EU) 2021/2139, since only those activities are eligible for Taxonomy.

A second step requires an analysis on whether the activities previously identified as eligible for Taxonomy may be considered aligned with Taxonomy and, therefore, 'environmentally sustainable'.

In 2022, using data corresponding to the 2021 report, in accordance with the reduced reporting obligation granted by the EU, only the proportions of activities eligible and ineligible for taxonomy must be published in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx). Since this is the first year in which this exercise is performed, it should be considered that prior data are unavailable for comparison.

### **Subject matter and scope**

In accordance with Article 1.1, Regulation (EU) 2020/852 applies to companies that are subject to an obligation to publish a non-

financial reporting statement or consolidated non-financial reporting statement in keeping with article 19(a) or article 29(a) of Directive 2013/34(EU) of the European Parliament and of the Council, respectively.

In accordance with these regulatory obligations, Prosegur Compañía de Seguridad, S.A. is obligated to comply with Taxonomy and to report the specific Key Performance Indicators (hereinafter, 'KPI') on the eligibility of its activities.

Therefore on the basis of an integral analysis of its economic activities, Prosegur Compañía de Seguridad, S.A. provides the proportion of turnover/capital expenditure (Capex)/operating expenses (Opex) eligible for Taxonomy in their respective totals for financial year 2021.

This process includes the analysis of the company's percentage of Turnover, Capex and Opex at the consolidated group level for all divisions, companies and subsidiaries. The structure of the Prosegur Group by business is as follows:

- Security
- Cash
- Alarms
- Cipher (cybersecurity)
- AVOS

### **5.2.2. Main results**

During the 2021 financial year, Prosegur Compañía de Seguridad obtained a total turnover of EUR 3,465,904,403, with a total Capex of EUR 144,136,600 and a total Opex of EUR 148,870,119.

Following the analysis, the following percentages of eligibility and non-eligibility were concluded in accordance with Regulation (EU) 2020/852.

## KPIs for Prosegur in 2021

KPIs	Climate change mitigation	Climate change adaptation
Eligible turnover (%)	28.58%	28.58%
Eligible Capex (%)	4.20%	4.20%
Eligible Opex (%)	21.13%	21.13%
Ineligible turnover (%)	71.42%	71.42%
Ineligible Capex (%)	95.80%	95.80%
Ineligible Opex (%)	78.87%	78.87%

### 5.2.3. Qualitative information

In accordance with point 1.2 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, in the 2021 financial year non-financial entities should report the following qualitative information.

#### 5.2.3.1. Accounting policy

Next is a description of the manner in which the turnover, investments in fixed assets and operating expenses were determined and how the numerator and denominator for each indicator was assigned.

To this regard, to calculate the amount and percentage of eligibility of the Prosegur activities within the various indicators, the total amount was taken of the specific Turnover, Capex and Opex amount required by regulation for eligible activities: vehicles related to activity **6. Transport and data centres** related to eligible activity **8. Information and communication**. To report Capex and Opex ratios, purchases of assets and processes or services were assessed and it was considered that if they are essential for an eligible activity in particular, they are likewise eligible.

In the case of the Turnover indicator, the accounts are identified on the basis of the Delegated Regulation (EU), within ordinary income for the year, that comprises the company's Turnover. No income from other Group companies, grants or donations, among

others, are considered. Once this figure is obtained, it will be the denominator for calculation of the Turnover, the eligible income is taken, as part of the Prosegur income, that will be generated by the Cash, Alarms and Security businesses (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

To calculate the Capex, an analysis is made of the joint project reported for all businesses of the various countries, whose total amount is taken. In this case the accounts are divided into two main groups, 'clients' and 'infrastructures', which are in turn divided into sub-categories that are itemised differently according to the COCE (Cost Centre) and business to which they belong. This figure is the indicator's denominator. To obtain the numerator, all eligible activities are taken into account (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

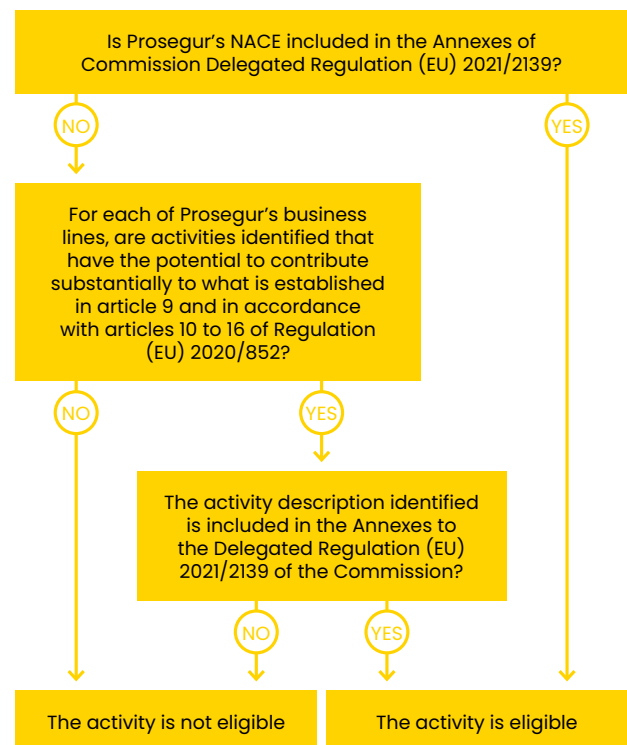
Lastly, for the Opex, the accounts are identified on the basis of the Delegated Regulation (EU) whose type corresponds to expenses in research and development, renovation of existing buildings, short-term lease expenses and maintenance and repairs or expenses that ensure proper asset operation. Once this figure is obtained, which will serve as the denominator for calculation of the Opex, the amount of the numerator should be identified, which is the sum of operating expenses of the Prosegur eligible activities (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

In order to prevent counting those activities twice, the organisation has established supervision and control measures necessary to ensure the consistency and reliability of the process to extract and transform the information, and by doing so guarantee the integrity and traceability of the information from its source through the reporting of the calculated indicators. To do so it has defined the appropriate responsibilities and mechanisms for segregation of duties that enable supervision of the process tasks, as well as to ensure the uniformity of accounting criteria used and avoid any duplicity in the assignment of inter-company activities or relations in the various indicators.

**5.2.3.2. Assessment of compliance with Regulation (EU) 2020/852**

In accordance with point 1.2.2.2 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, Prosegur performed an analysis to determine whether any of its activities are included among the activities described in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139.

Despite the fact that Prosegur's main activity is identified with NACE code N80.19 (Private Security Activities), and this activity is not included in any of the above documents, the Prosegur Accounting department has identified a series of transversal activities that are eligible and included as potentially sustainable activities covered in Regulation (EU) 2020/852. The following logical sequence was used for this identification:





To assess compliance by the description of the activities identified in the Annexes to Delegated Regulation (EU) 2021/2139, specifically regarding '6. Transport', the model was considered in terms of vehicle use (lease, ownership...), vehicle type, characteristics, fuel and the Prosegur business area to which it is assigned. This makes it possible to conclude whether the various vehicles comply with the descriptions of the major activities:

- a. 6.4.- Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.
- b. 6.5.- Purchase, financing, renting, leasing and operation of vehicles designated as

category M1 and N1, or L (2- and 3-wheel vehicles and quadricycles).

- c. 6.6.- Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI (242), step E or its successor, for freight transport services by road.

In the case of the security operations centres (SOC) included in the Cipher business, this area is considered eligible in keeping with activity '8.1 Data processing, hosting and related activities': Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.

In keeping with the results of this analysis, it may be concluded that the predominantly eligible activities by business line are:

<b>Business line</b>	<b>Description of the identified activity</b>	<b>Activity number included in Regulation (EU) 2020/852*</b>	<b>Description of the activity number included in Regulation (EU) 2020/852</b>	<b>Mitigation goal (Annex I)</b>	<b>Adaptation goal (Annex II)</b>
Cipher (cybersecurity)	Activities for rendering cybersecurity services, including data processes, aimed at ensuring the security of assets and persons.	8.1	Data processing, hosting and related activities	Yes	Yes
	Employee transport activities for technology installation and maintenance tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
Prosegur Alarms	Employee transport activities for alarm installation and maintenance tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
Prosegur Security	Employee transport activities for private security tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
	Personal mobility activities for on-site surveillance services	6.4	Operation of personal mobility devices, cycle logistics	Yes	Yes

Prosegur Cash	Activities related to the cash-in-transit service and armoured vehicle operation.	6.6	Freight transport services by road	Yes	Yes
	Employee transport activities to perform tasks.	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes

*\*Additionally five vehicles will be considered eligible in keeping with activity 6.7 Inland passenger water transport. This is not included in the above table, as it is not considered significant.*

### 5.2.3.3. Contextual information on eligibility indicators

In keeping with point 1.2.3 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, the informed results of the key indicators reported under 'main results' are set out, specifically the criteria applied and assumptions reached:

#### Turnover

This considers the income generated for the transport activities considered eligible as set out above. This income derives from the following businesses:

- a. Security, obtained from the mobile surveillance figure at year-end,
- b. Alarms, choosing the amount that corresponds to the number of additions during the year per average income, for each country, since it is the only sale assignable to vehicles with the exception of Spain, where they are equity-accounted and therefore ineligible,
- c. Cash, taking the income generated by direct transport reported for the year, and a percentage of income from new products, deriving from the use of transport for the new businesses but for which transport is not their main source of income.

#### Capex

Starting from the 'Capex cube' that includes the amount of the indicator for the entire company, it identifies the following:

- a. the transport activity is composed of the 'traffic and fleet' and 'armoured vehicle' business lines that are chosen in their entirety, less: the amount that corresponds to PGA (support company), since it is not a business unit; and the amount of the alarms business for Spain, which in this case is zero,
- b. for the data centre activity, composed by cybersecurity in its entirety, the total Capex is chosen for the business during the year.

## Opex

For the transport activity, all vehicles that were active sometime during 2021 were analysed, selecting those that were under a 'leasing' or 'renting' agreement, therefore entailing an operating expense. Following currency translation into Euros, the months that the vehicles were active during the year and the monthly amount entailing a monthly expense was calculated, in order to obtain the Opex amount. Lastly, the amounts of PGA (support company), Prosegur and the Foundation are subtracted, since they are not business units; and Alarmas España, for the reasons cited above.

In terms of the data centre activity, which corresponds entirely to the cybersecurity business, all expenses associated with this business are selected, contained in the income statement for the year. 'Coming together is a beginning. 'Keeping together is progress.

# 6

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Social



## 6. SOCIAL

*'Coming together is a beginning. Keeping together is progress. Working together is success', Henry Ford, United States, businessman and entrepreneur.*

The past financial year stands out as a period of favourable evolution in terms of social and labour concerns. In 2021, we perfected the selection and loyalty of the talent we need to advance in line with emerging social values, such as equal opportunities or the fight against any kind of discrimination, among others.

Despite a particularly difficult economic and health context, we focused this adaptation in 26

such diverse countries from various fronts. For example, on the training of our staff in general and through digital channels in particular, the promotion of teleworking that contributes to the family-work balance and, of course, respect for labour rights and commitment to human rights. And not just at home but in any other organisation where we can influence, even beyond our supply chain.

### 6.1. EMPLOYEES AND PROFESSIONAL DEVELOPMENT

At Prosegur, we understand our relationship with our employees as an agreement of mutual benefit and long-term vocation with a direct impact on the quality of the service we offer.

Therefore, our selection of talent, in addition to technical training, prioritises a high level of ethical values and essential human qualities for the protection of goods and people, such as a sense of responsibility, honesty, and psychological maturity.

Investment in the best possible human capital for our ethical and professional commitments is undoubtedly the basis of success that we measure with client satisfaction. Taking care of this investment therefore implies a process of continuous improvement in the selection processes, first to find the most suitable people and then to maintain their long-term loyalty.

#### **Leadership Model, the pillar of talent management**

In 2021 we strengthened this process of permanent improvement by adapting our dictionary of competencies (employees' personal and professional qualities) to the principles of the Leadership Model common to all countries. This implies a leap forward, since this model can be considered the backbone of our talent management.

The goal is to enrich the workforce with the best people available. How? Through a structured, standard selection process and with the same evaluation criteria based on homogeneous and thoroughly detailed information on the candidates.



**The basic pillars of our leadership model include passion for clients, team spirit and results orientation.**

Thus, the five basic principles of the model guide the personal behaviour and professional performance of all employees, regardless of their activity, business, country or hierarchical position. Namely:

- Passion for clients.
- Results orientation.
- Transformation and innovation.
- Responsibility and commitment.
- Team spirit.

These principles give rise to the following management tools that Prosegur has implemented to optimise the performance and harmonious operation of our teams:

- Performance evaluation. This allows employees of the structure group to self-assess and to create a space for dialogue and feedback with their managers, in order to establish development plans.

- 360° evaluation of the Management Committee that complements the previous assessment, including evaluation among colleagues and direct collaborators to gain a panoramic view of our first-line managers.
- Talent reviews of the key management group. After identifying direct supervisor strengths and specific points to improve, we design the tailored development plans and ensure succession plans.
- Assessment Plans. Carried out ad hoc for specific groups at the request of the different businesses. They are carried out through the Panorama analysis tool, with the aim of identifying employee strengths and areas for improvement and designing tailored development plans. As an example: in 2021 we carried out an assessment for the group of Prosegur Cash business delegates, in which 337 employees in 19 countries participated.
- We implemented predictive selection tests in Spain that improve the fit of key job profiles. In the case of security guards for the Prosegur Security and Prosegur Cash businesses, the use of these tests made it possible to reduce rotation by 13%. And in the selection of hunters for Prosegur Alarms, they contributed to a 32% increase in passing the test period.
- We have improved the curricular enrolment, selection and onboarding processes (the step from candidate to employee) through the Alta Digital tool. This allows applicants to self-manage all the necessary information in a simple and intuitive way, avoiding trips to the offices, making Human Resource management more efficient and deepening digitisation from recruitment to contracting. It is already implemented in Argentina and Brazil, is advancing in Peru and is planned for deployment in Portugal and Spain in 2022.

## Technological solutions for the selection of talent

In 2021, we strengthened the personnel recruitment and selection systems through technological tools integrated into the company's process of digital transformation, and therefore of its workforce:

- The curricular robotisation processes; in other words the qualitative use of intelligent analysis technologies to screen applications, improve the experience of both candidates and employees and optimise recruiter handling.
- In a context of a prolonged pandemic, teleworking and digitisation, 88,512 candidates have used the deferred or live video-interview platform, which provides a useful solution to get to know the applicants better and enhance our employer brand image.

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**88,512 candidates to join Prosegur have used the video-interview platform in their selection processes.**

### 6.1.1. Training

We are convinced that our main asset, human capital, is revalued with the highest possible quality in qualification and degree of professional specialisation. That is, with training as a differentiating factor and to be up to a mission as sensitive as protecting our clients' assets and personal integrity.

This conviction translates into a commitment: to deploy a continuous, diverse, multi-platform training model across the company, specialised according to each business, which aspires to excellence and not only improves employees' ability in their specific positions, but stimulates their proactivity to bring ideas, put them into practice and open new professional paths. These objectives materialise in the following initiatives:

#### **Prosegur Corporate University**

It is a virtual space developed on Cornerstone's LMS (Learning Management System) platform, accessible from any connected device or mobile and integrated into our company's intranet. At the Prosegur Corporate University (UP), professionals from any line of business share knowledge, good practices and experiences, develop their talent through different training tools, deepen their immersion in corporate values, improve their performance and prepare for accelerated changes of the sector, the market and society.

Its catalogue of courses is aligned with the company's professional development plans, varies according to the needs and requirements of each country and focuses on employee self-management. The platform was renewed in 2019 with new resources and tools, and in 2021 we increased the number of active users by 40%, we integrated new educational applications to improve the learning processes and we completed the catalogue with leadership courses such as 'Talent management', 'Agile team management' and 'Learning to delegate'.

#### **Global training plan for structural employees**

In the past year we also launched a training programme as part of the Human Resources department's global strategy, aimed at the structural groups of 23 of the 26 countries where we operate, with content on Sustainability Awareness, Information Security, Property Intellectual, Innovation (Internet of things or Products of the future), Agile Mentality (agile methodologies, Kanban method and continuous improvement) and Change Management, as well as specific subjects for each business with a client-centred vision.

The Plan is designed to support the company's Perform & Transform strategy and in 2021 it achieved a new milestone by extending to the Asia-Pacific region, Germany and the United States. In total, more than 12,000 structural employees completed 130,000 hours of training during the year.

#### **New record in online training**

Not only have we broken the record for online hours studied in one year at the UP, we have pulverised it by going from 643,000 in 2020 to 1,064,728 hours in 2021, with an increase of 66%. What is the reason for such a jump in scale? To a large extent, the reason is very well received two projects from the Talent Team in Brazil: a pioneering Diversity and Inclusion (D&I) programme and a didactic and prescriptive itinerary with 16 business acumen courses aimed at the entire workforce, such as regulatory compliance, corporate culture and practices, management skills, and work management.



The online training model matures along with the company's digital transformation process. In this sense, during 2021 the impacts of virtual and face-to-face training were balanced and e-learning design skills were notably improved.

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## **In 2021 we increased the time spent on online training at the Prosegur Corporate University by 66%, to over a million hours.**

### **Local and global management at the same time**

Another of the milestones in the process of continuous improvement last year was the management and planning of the entire training online and face-to-face training programme by the specialised teams of each country and according to the specific needs of businesses and clients. This proximity management allows content to be personalised based on what the local market is asking for at any given time.

Each country develops a strategy that combines the advantages of the local and the global. On the one hand, it has its own training team that, based on their knowledge of the terrain, defines needs and responses for their case. At the same time, it supports the company's overall vision and makes use of the synergies with the global training team. In this sense, the Corporate Management coordinates some general training actions that any employee can follow through the online training platform. For example, those of regulatory compliance or the Global Training Plan for structural employees.

In 2021, we also contributed to employees' professional and academic training by offering facilities for them to pursue higher education. Law or Business Administration and Management studies in Spain, through the Layret Foundation, serve as examples. In this case, the Layret Foundation makes it easier for the syllabus to be compatible with working hours and video conference class attendance, and at Prosegur we offer the possibility of taking the exams at the company's facilities to save time and travel. Furthermore, in Brazil we awarded 59 partial scholarships for university studies related to business and areas of specialisation for employees having done at least one year at Prosegur. Finally, Argentina opted for an aid programme with preferential discounts at leading private universities, in addition to scholarships that cover 75% of postgraduate studies or master's degrees in business administration (MBA). In 2021, we awarded five scholarships of this type in this country.

In total, the training provided during 2021 added up to more than two million hours, which represents an average of 14.4 hours per employee and a growth of 7% over the previous year.

## 6.1.2. Remuneration

Our pay systems always meet the corresponding labour legislation, although they may vary with the market context and the company's financial situation. From this preamble, the pay policy meets the following general principles:

- It must be competitive enough not only to attract, but also to retain the best talent. We also take into account the search for professional motivation and direct this stimulus towards business results through variable pay for the management group and key positions in the short, medium and long term.
- It must align with internal equality, as well as comparable market practices and conditions.
- It must take into account the economic situation of the company both at present and in the medium and long term to define the pay schemes and evolve towards a model with a greater proportion of variable remuneration.
- It must apply controls to ensure compliance with the pay policy and to guarantee non-discrimination by gender, race or age.
- It must include evaluations of worker performance (both that of the senior management and the rest of the workforce) that link remuneration to specific objectives, including those of sustainable development.
- It must promote a flexible remuneration system that adapts to the different interests of the employees with both salary and non-salary benefits.
- Finally, the salary structure contemplates a fixed remuneration in accordance with the legal guarantees, living standards and labour practices of each country, and variable remuneration for most of the

groups linked to specific objectives and meritocracy.

An external supplier audits the system for the evaluation of the different jobs based on objective criteria such as responsibility, impact or scope of action, among others. We thus guarantee that the remuneration of all our staff conforms to local salary bands completely free of any type of discrimination.

### **This is what variable pay is about**

We apply different plans according to the functions and responsibilities of each group:

- DSO. An objectives plan linked to the performance of the most operational teams based on absenteeism ratios, efficiency in services, etc.
- PIC. An incentive plan for commercial groups.
- DPO. An annual bonus plan for structural personnel.
- ILP. A long-term incentive plan aimed at management personnel and linked to different strategic objectives, such as increased sustainability. In some cases, the participation is associated with concrete values of specific units of the company.
- Additional plans for specific groups that align teams with the company's objectives and strategies.

## Remuneration to Senior Management and the Board of Directors

The average pay of directors in 2021 was EUR 275,486 (in 2020 it was EUR 249,631 on average). By gender, it breaks down as follows:

- Women: EUR 377,005 on average, including the President. In 2020, the pay stood at EUR 281,869.
- Men: EUR 246,480 on average, including the Managing Director, whose remuneration this year rose to EUR 238,885.

In 2021, the average pay of senior management stood at EUR 269,556, while in 2020 the figure was EUR 292,517. By gender, it breaks down as follows:

- Women: An average EUR 144,430.
- Men: EUR 290,410 on average.

In all cases, the calculation considers paid fixed and variable remuneration as well as allowances and remuneration for being on committees.

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**The average pay of our directors in 2021 was EUR 275,486 (broken down by gender, EUR 377,005 for women and EUR 246,480 for men).**

### 6.1.3. Employee relations

The company's relationship with its workers in all countries is governed by principles of justice, fairness, dignity and respect. To ensure compliance, it builds this relationship on three pillars: offering the best working conditions, giving a voice to both employees and their representatives, and applying proactive management that ensures productive and stable labour relations.

We have strong local labour relations teams that guide employee relations around these principles. From the corporate department, the different practices are accompanied and supervised, always with respect for national legislations.

We have deployed new digital management tools to support the management of these teams. Specifically, in 2021 we implemented the innovative litigation tool in Argentina, Chile, Paraguay, Peru and Uruguay, after the success of its application in Spain and Colombia in 2020. The solution has been designed and developed within the company to:

- Automate various tasks in the management of litigation and work inspections.
- Register all work files in a single repository.
- Carry out exhaustive country-by-country traceability.
- Apply strategic analyses that detect areas for improvement and proactive actions to reduce labour conflict.

### Work conditions and social dialogue

2021 marks a new milestone with the publication of the Global Policy on Working Conditions and Social Dialogue, which develops the commitment included in the Corporate Human Rights Policy for decent working conditions in all company activities.

This new strategic document:

- Reaffirms strict compliance with the law in all jurisdictions where we operate.
- It considers the different economic and social conditions in each country, as well as the different legislative frameworks and labour relations systems.
- From adaptation to this specific reality, it establishes the basic principles and practices in working conditions and freedom of association, and extends them to all processes according to the international guidelines that regulate these matters.

Our labour relations policy encourages more agile and flexible ways of organising work to contribute to work-life balance. As part of the intense digital transformation of the company, it addresses aspects such as digital disconnection and promotes hybrid models that alternate face-to-face work in the office with teleworking from home (provided the specific functions of the job allow it), which brings different benefits for the employees, the company and society: for example, the saving of resources, time and travel expenses and the contribution to decongesting cities and reducing polluting gas emissions.

All these measures come with others that make working hours more flexible, improve visibility over schedules and guarantee weekly and monthly breaks, in addition to those linked to maternity and paternity.

## **The employee satisfaction benchmark**

We believe that the entire labour policy would be incomplete without the assessment that its main protagonists, the employees, make of it.

We have a programme that analyses the opinions of professionals, assigns ratings above or below their expectations and identifies both the areas for improvement and the initiatives that bring them the most satisfaction, and which therefore most increase the degree of engagement or sense of belonging to the company.

In order for the assessment to be as accurate as possible, we apply the eNPS (employee Net Promoter Score) methodology as a standard indicator, which also guarantees anonymity in order to avoid bias. It poses a single unequivocal question: 'Between 0 and 10, to what extent would you recommend working at Prosegur to a friend or relative?' The indicator value is calculated by subtracting the percentage of proponents (only those who gave scores of 9 or 10) from that of opponents (those who gave scores from 0 to 6).

Another strength of the model is its frequency: the questionnaire is sent each day to a certain group of professionals until it covers the entire workforce in Argentina, Brazil, Chile, Spain, Paraguay and Uruguay and each person takes part twice each year at most. Measuring the results in real time makes it possible to understand the relationship between employee satisfaction and important events that have occurred in the company or in its environment.

We are talking about the voice of the employees and a way to evaluate the company from a genuine personal opinion. In other words, it is key information that, when analysed, allows us to prioritise urgent initiatives or define specific action plans. For example, the continuous improvements in the Prosegur Corporate University, new functions in the employee mobile app or the teleworking policies for reconciling work and family, all carried out during 2021.

In fact, this model of labour relations has contributed to Prosegur receiving the following awards in the past year:

- Human Resources Forum Award for Risk Management of Employees Abroad (Spain).
- Cegos Award with E&T for Best Practices in the Development and Learning Category for the Innovation Immersion Programme (Spain).
- Comenius EduMedia Award 2021 - Scanner-Support App (Germany).
- EU Excellence (India).
- Great Place to Work (India).

But the main award for the company is undoubtedly the positive view of our people. At the end of 2021, the average assessment exceeded 61 points when this value in all Spanish companies in 2019 stood at 18, according to the latest Employee Experience Barometer published by the Centre for Human Resources Studies of the Business Institute.

If we refer to team satisfaction, we also talk about generating the framework of trust necessary to express it. We believe it is essential to maintain constant contact with employees to share information and understand their needs. This two-way communication also makes it possible to promote corporate values, the company's social purpose and the sense of belonging to the same corporate culture.

With these objectives, in Human Resources we promote different channels such as the global intranet and its mobile application that receive requests from the teams. In 2021 we updated it with a more intuitive, manageable and scalable interface for new solutions to be added. It includes key functions such as salary viewing, access to the Prosegur Corporate University, and, depending on profile and location, work quadrants or contact with the Operational Management Centre for Prosegur Security guards, among others. Other developments

were additionally added this year, such as access to social benefits, advantages for employees, welcome plans or information about the Prosegur Foundation.

Its status as a multitasking tool with growing utility explains why during 2021 more than 100,000 users in 24 countries used the app, that is, 71% of the total workforce.

### **Collective bargaining processes**

Our corporate policy recognises the fundamental right of workers to establish, participate in or join unions or other representative bodies without any type of interference, in accordance with Convention 87 of the International Labour Organisation.

In this sense, we hold frequent meetings with the workers' representatives and we start from the commitment to negotiate in good faith, in a constructive manner that respects the parties' independence to assume the commitments reached. We believe that this climate of trust and mutual respect, of active listening and dialogue, of willingness, contributes to understanding the positions of the parties until they agree on common objectives.

The result of this dialogue is specified in the more than 300 Collective Covenants signed, which affect 77% of the total workforce. During 2021, new covenants went ahead in Brazil, Colombia, Spain, Peru, Portugal and Uruguay among other countries, and labour conflict was considerably reduced, with the exception of Brasil and Peru.

If the evolution of the pandemic allows it, in 2022 we plan to resume the physical holding of the European Works Council. However, in 2021 we maintained fluid contact with the parties by telematic means.

## 6.2. RESPECT FOR HUMAN RIGHTS

We take an active position that protects and promotes sustainability criteria and human rights from all our activities. And we guarantee compliance with the United Nations Guiding Principles on Business and the obligations imposed by the International Labour Organisation in terms of freedom of association and collective bargaining, discrimination, forced labour and child labour, among others.

In 2020 we already developed the Human Rights Policy as the specific instrument that enhances the protection of human rights, which until then had been reflected in other corporate mechanisms such as the Code of Ethics and Conduct or the Corporate Social Responsibility Policy.

In 2021 we developed said Policy in independent instruments that assume specific commitments and detail the lines of action to safeguard them. Specifically, this year the Diversity and Inclusive Growth, Labour Conditions and Social Dialogue policies were approved, and a comprehensive review of the Occupational Health and Safety Policy was carried out.

Along these lines, we also joined initiatives such as those promoted by the UN Special Rapporteur on human rights defenders, and also the Inclusive Growth Observatory, at the invitation of the NGO Codespa.

### Due diligence

Through our Human Rights Policy, we have systematised the management of Due Diligence (the measures or tools that allow identification, prevention, mitigation and accountability in respect of Human Rights) based on the continuous improvement cycle methodology, which sequences management in four phases:

- **Planning.** We evaluate and identify the company's impact on human rights and prepare a risk map to project the measures that allow us to meet our commitments.
- **Deployment.** We apply the measures defined in the planning phase. We not only involve all levels of the organisation, but also suppliers, clients and communities related to the company.
- **Verification.** We quantitatively and qualitatively control compliance with respect for human rights. This supervision task is performed by the audit and internal compliance committees.
- **Action.** We correct the human rights violations detected in any area and the processes that may be deficient or improvable.

Our risk management and control system also identifies the different types of threats, from operational, regulatory or business risks, to critical financial and reputation risks.

In addition to internal controls, we have voluntarily decided to be submitted to an external review by a specialised supplier every three years. The last evaluation (by KPMG in 2021) concludes that the company shows a high level of maturity in the protection, respect and fulfilment of its human rights commitments. Among its conclusions, it highlights that, of the 49 recommendations issued by the Due Diligence management in 2018, we have already adopted 67% and 27% are in process.

## **The Ethics Channel to report and resolve violations**

On the other hand, our Ethics Channel is designed as an internal conflict resolution mechanism that allows any person, even from outside the workforce, to report a possible human rights violation safely and anonymously. Once said situation has been reported, the Internal Audit Department ensures equality between the related parties and independently and confidentially coordinates the management, investigation and resolution of the case.

This past year, in line with previous years, we have not received any complaints in relation to Human Rights breaches.

## **Specific training in human rights**

In a previous section we talked about the importance of training in having the best possible workforce for business objectives, clients and, by extension, society. The same principle governs the defence of human rights, which is why we include this commitment in the Human Resources and Regulatory Compliance training plans. In fact, some compulsory courses include sessions on issues such as the control of aggressiveness and the use of force, gender violence, cultural diversity or human rights in the context of companies.

In 2021 we reviewed a good part of the training material to enrich it with the principles and spirit of the new Human Rights Policy. Following the strong momentum for this type of content in 2020, an additional 38,051 hours were taught in 2021, and all mandatory courses for office staff already include specific content on human rights.

### **6.2.1. Health and occupational safety**

At Prosegur, occupational health and safety as a means of ensuring a decent, safe and healthy environment is a priority for all organisational levels. This responsibility begins with the management of the group, whose commitment materialises in the quarterly Health and Safety Committees, led by the management committees of the different business lines.

Here, the management of occupational risk prevention in each country and its indicators are analysed and supervised, initiatives are proposed and adopted, allocating the necessary resources to their implementation, and a specific analysis is made of all serious or fatal accidents that may have occurred.

In line with the Global Occupational Health and Safety Policy, revised in 2021 and applicable to all lines of business, its employees, activities and collaborators, Prosegur pursues the firm objective of reducing the accident rate to zero, by implementing specific objectives, actions and indicators that are included in its Global Standard for Occupational Health and Safety Indicators, and that are reviewed on a quarterly basis with the company's management.

Apart from the above, the Committee of Experts on Safety and Health, made up of experts in occupational risk prevention from the different countries where Prosegur operates, meets each week to identify needs, trends in the exercise of function and best practices. As a result of its sessions, various initiatives have been set up, such as the Global Road Safety Campaign developed in June 2021, which had more than 28,000 participants from different parts of the world.

## Occupational Risk Prevention Management System

Prosegur's Occupational Risk Prevention (ORP) Management System is doubly reinforced. Beyond the corporate mechanisms mentioned in the section above, Health and Safety management is administered locally. For this reason, the company has experts assigned in each country, which guarantees both strict regulatory compliance in accordance with local laws, and a management close to the different work environments.

As a result of the above, Prosegur presents a large number of initiatives to improve workers' well-being both locally and as part of the corporate projects.

All of this is accessible along with the rest of the information on ORP through the Prosegur Intranet app, and the new operational tools developed thanks to digitisation such as the Prosegur Operative Security Platform (POPS), which offer employees all the updated information and send notifications focused on their well-being.

But the main guarantee in terms of systematic risk reduction is to give our teams detailed training on the potential threats they face and the necessary measures to prevent them.

As a result, in 2021 a 4.2% decrease was achieved in the incidence rate, compared to the 2% defined as the 2021 target.

This decrease is the result of the reduced number of minor accidents by 21% and 6% for serious ones and was also reflected in the 0.35% decrease in the frequency rate.

In a similar proportion, the severity rate decreased by 0.34%, which was negatively impacted by the increase in the number of fatal accidents.

A close monitoring and analysis of the indicators reveals that the main cause of serious and fatal accidents is vehicle-related, which is why

special emphasis has been placed on road safety awareness and control. Among the measures implemented, the Global Road Safety Campaign is worthy of emphasis, in which over 28,000 employees participated from all regions in which we operate.

Similarly, the prioritisation of health and safety is extended to relations with third parties according to the provisions of the 3P General Purchasing Standard. Prosegur therefore has solid systems for coordinating preventive activities, an essential tool to guarantee optimal working conditions throughout the supply chain and services received by the group.

This exhaustive management architecture is regularly subjected to internal and external checks and evaluations. Obtaining the ISO45001:2018, SRC Act 1988 Self Insurance or NORSOK-S-WA 006-2018/GTC 310:2000 certifications in 2021 is palpable proof of the success of our efforts in this area.

## Health crisis

Lastly, as regards management of the health crisis, our company continues to be guided by a strict action protocol to prevent contagion in the work environment:

- The weekly Global Crisis Committee has been maintained to promote agility in decision-making and critical actions.
- There has been a gradual return to face-to-face activity in our offices, always depending on the epidemiological situation in each area, and maintaining teleworking for discretionary use by all staff whose duties allow it.
- The organisational redistribution of shifts and work spaces has been maintained to limit the number of people who come into daily contact in the course of their activities.



- We have made information and awareness campaigns, enabling digital tools for access control, facilitating the traceability of infections and giving agility to the various procedures as far as possible.
- At present we continue to use a hybrid telework system, alternating this with several days of in-office presence, for those types of position for which this is possible. The future projection is to continue this hybrid model, adapting it to the operating needs of the company.

## 6.2.2. Non-discrimination and diversity

Plurality, diversity and multiculturalism have been part of Prosegur's corporate identity since its inception, as befits a company with such large staff and presence in such different geographical areas.

In 2021, we updated this commitment by approving the Global Diversity and Inclusive Growth Policy, which serves as an umbrella for the different local equality instruments and plans where the main lines of action are specified to ensure equal treatment and opportunities within the company (work-family life balance measures, publishing of the harassment protocol, among others). Such is the case of the Spanish Equality Plan signed in 2021.

The policy focuses on the active promotion of equality, non-discrimination and the full acceptance of any person regardless of their nationality, ethnic origin, gender, sexual identity, age, marital status, political ideology, economic capacity or social condition.

### Gender equality

The promotion of female employment is a pending issue in an environment as traditionally masculine as that of private security. According to 2021 data from the employers' association APROSER, only 13% of active security professionals in Spain are women. The figure has increased in recent years, but remains far from parity.

Prosegur, with 20.8% of female workers, presents data above the average for its field of activities, but we are not in a position to fall into complacency: accelerating the process of balance between men and women in our workforce is one of our main priorities in the field of gender equality and one of the strategic objectives of our Sustainability Master Plan.

Prosegur's main tool for attracting, promoting and developing female talent is our #EmpoweredWomen programme, based on three pillars:

- Raising awareness. We offer our staff training sessions on gender equality issues. The last, which had more than a thousand attendees, focused on the impact of unconscious biases.
- Acting. Our High Performance Women programme monitors the members of our workforce with greater responsibilities and more possibilities to develop in the company. Every six months, the Human Resources department reports its progress, skills acquired or challenges faced. The programme also includes specific ongoing training and safe spaces for sharing concerns and experiences.

- **Motivating.** The #EmpoweredWomen Scholarships, developed together with the Prosegur Foundation and open to all female workers regardless of their position, focus on operational personnel (guards, assistants, etc.) and bring training programmes to those women who have not had the resources, the time or the support necessary to access them. This gives visibility to their achievements and enhances their chances of internal promotion. The scholarship programme includes a quarterly accompaniment by women with a long career in the company.

This innovative programme began to be implemented completely telematically in the midst of the pandemic. A toll imposed by the circumstances that was, however, a great opportunity, since it facilitated contact between women from different geographical areas and very diverse operating units and business areas. Launched in Spain in 2021, #EmpoweredWomen is currently spreading to 16 countries in Latin America and Europe. In the medium term, it will be available in all the territories in which Prosegur operates.

## **Wage gap**

In the analysis of this aspect, the company takes into account four main categories (Directors, Middle Managers, Analysts and Operations) and compares them with variables associated with specific geographical areas and the different lines of business. Taking these parameters into account, the salary gap at Prosegur currently stands at 9.4%, a figure fundamentally attributable to differences in remuneration in operating positions.

This calculation takes into account the diversity of the teams that make up our different lines of business, first analysing the salary gap registered in these teams and weighing it according to the number of employees in each one. Through the global compensation tool, the company has specific analysis reports by gender and wage gap that facilitate constant monitoring and allow salary variations that must be corrected to be identified.

Worker remuneration is adjusted in all cases to what is stipulated by law and what is specified in the Collective Agreements, without discrimination in any of the pay elements or conditions. Prosegur guarantees the objectivity of all items in the salary structure.

What's more, in 2021 we contracted an independent and specialised consultancy to audit the job levelling system, not only in order to guarantee pay equity as a whole, but also to ensure that any difference in pay is never due to a matter of gender, ethnic origin, age or any other circumstance that may lead to some type of discrimination. This first audit found no significant incidents.

## Employment opportunities for people with disabilities

Prosegur has established a series of measures to boost integration of physically or intellectually disabled people in the labour market, offering them a more stable future through employment. The main activities in this sense were as follows:

- Inclusion of people with disabilities in our document digitisation processes, especially in the management of the large amount of paper generated.
- Gradual increase in the percentage of people with disabilities in our workforce and progressive expansion of the type of positions and tasks they can apply for in our company
- Active search for this type of professional profiles through our online job offers.
- Integration of digitisation services offered by disabled personnel in a technological area (our Robotisation, Excellence, Automation and Digitisation Centre 'CREAD'). Here, people with disabilities are placed at the centre of the operation, offering them the chance to move from routine tasks to performing tasks with greater added value such as the training of machine learning models. Prosegur has four Digitisation Centres in the world, in Brazil, Chile, Spain and Peru and here it employs 36 people with some type of disability. As relevant data, these centres have managed more than 34 million pages of the different departments of the company and there is a commitment not only to increase the volume managed but also to export this internal service to third-party clients who might be interested. The CREAD team was awarded the worldwide Innovation Excellence in Robotic Process Automation (RPA) award at the Blue Prism Awards.

- Finally, our company has a Special Employment Centre in Spain, fruit of the partnership between Aprocor and Prosegur to provide disabled people with employment opportunities. For a similar purpose, the 'CICLO' training centre in Brazil: a partnership between Prosegur and the São Paulo Association of Parents and Friends of the Disabled (Brazil).

Additionally, through the Code of Ethics and Conduct, policies that favour integration are promoted in a concrete and effective manner, especially with regard to contracting processes.

Prosegur guarantees all employees access to its facilities by adapting and improving accessibility to all the Group's operating and corporate buildings.

The total number of disabled employees in 2021 was 831 (2020: 819 employees). The medium and long-term objective is to fully integrate such people into our structure.

## 6.3. PURCHASES AND SUPPLY CHAIN

*'If supply fails, activity ceases abruptly, like the music of an organ when it is deprived of wind', Frederick Soddy, UK, scientist.*

At Prosegur, we have a Media Management Department that is responsible for organising the company's purchasing and supply processes and ensuring that they are carried out in a responsible and sustainable manner.

This Department is transversal to all the business units; it manages resources to optimise their efficiency and reduce costs, and projects these objectives on relationships with suppliers from the areas of Purchasing and Supply Chain; Fleet; Property and Service Management.

All services and goods are purchased in accordance with the new Purchasing Policy approved in 2021, a specific general, mandatory rule that will be applied to all purchases and contracts of goods and/or services, with the aim of ensuring a homogeneous sustainable supply policy, adequate expense management, process standardisation, protecting the company from unnecessary risks and ensuring legitimate use of company funds. In addition to the legal requirements in each country. In the same way, relations with suppliers are guided by the ABC supplier studio, which defines the strategies, identifies those most critical and determines the treatment according to that importance.

We are talking about key management for our sustainable behaviour given the volume of purchases and contracting of our company: more than 30,000 suppliers in 18 countries, with a large contribution to their economies since 85% of them are local, and in sectors as diverse as technology, fleets, building maintenance, travel, telecommunications, machinery, equipment, marketing or consulting, among many others.

Among this enormous mass of candidates, we prioritise the contracting of suppliers that meet criteria of sustainability and corporate social responsibility. We additionally ask them to subscribe to and promote the United Nations SDGs and to have some type of certification in ESG criteria. They must also accept, by contract, Prosegur's right to carry out an audit on them. In 2021, we have not advanced any audit process.

Furthermore, we include supplier management in our Code of Ethics and Conduct, and their selection follows criteria of independence, objectivity and transparency compatible with obtaining good business conditions. In this regard, we have defined a procedure for action in the event of any conflict of interest or possible fraud in the relationship between an employee and a supplier.

Purchasing and relationships with suppliers follow a process of continuous improvement. In 2021, we added additional sustainability criteria in line with the corporate strategy, we provided training in sustainable purchasing and delivered the first Annual Award for Sustainable Purchasing Initiatives and Projects.

### Imminent improvements in management

To deepen the sustainability and gradual optimisation of our supply chain, since May 2021 we have been developing a new global supplier approval process. Alongside this, we improve risk management through assessment and rating tools based on business continuity, environmental impact, employment and contracting conditions, or the reputation of suppliers, among other criteria.

At the same time, we will start sales and operations planning (S&OP) as key support to decision-making across all supply chains. Together with process standardisation, automation and robotisation this new procedure will allow the efficiency, resilience and agility of the operations to be increased.

**We are developing a new global supplier approval process that was launched in 2021 and will be progressively extended to all markets until 2023.**

## 6.4. CONSUMERS

At Prosegur we aim to always meet the expectations of our clients and anticipate their needs through a friendly service based on transparency and a proactive approach.

In recent years, we have implemented a platform for B2B (Business to Business) clients, through which operational and administrative information is available in real time, which allows us to manage security for clients and streamline decision-making. The purpose is to ensure an adequate response to their requirements and maintain the traceability required for this.

These values of transparency and service are conveyed by all our employees, particularly those in direct contract with clients (sales staff, facility technicians, customer service or security guards).

We also have a CEM Client Experience platform. Its objective is to identify the action levers in order to continue improving the quality of the service. The high level touchpoints in the customer journey for our B2B clients include those relative to the selling experience, the service provision experience and the global experience, each with specific associated indicators.



For its part, at Prosegur Alarms, the main goal is to guarantee B2B as well as B2C (Business to Consumer) clients a quality security system where customisation and trust take priority. In order to be able to rigorously evaluate the quality of the service provided, we have implemented the 'Right Now' tool which is constantly improved and enhanced. This is used to measure client satisfaction with the service provided in five different touchpoints: Client service, service contracting, installation process, technical revision and alarm sounding/response.

## Complaint channels and operation

For the claims that derive in Civil Liability, the usual channel is to make a formal claim exposing the facts and the amount claimed for the damages suffered. The salesperson sends the claim to the Legal department and this in turn and with the Risk Management area arranges the processing of compensation, if applicable.

For the rest of claims, there are multiple channels:

- Billing claims, received by the salesperson and resolved by the Prosegur Advanced Administrative Centre (CAAP).
- Operational claims for deficiencies in the operation, received by the salesperson or the operational department.
- Others.

## 6.5. PROSEGUR FOUNDATION

*'No one who has set out to help his fellow man can say that he has failed in this world'*, Charles Dickens, United Kingdom, writer.

At Prosegur, we believe in people who improve the world. Human beings who share their efforts with others to build a more supportive, inclusive, ethical and sustainable society. With humility and conviction, we believe that what is to come depends above all on what we do today. We aspire to building the future.

In this spirit, at the Prosegur Foundation, a non-profit entity, we channel the company's social and cultural action, generating development opportunities for people. A commitment to the communities in which Prosegur operates, materialised through projects in the following fields of action: Development Cooperation, education, labour integration of people with

intellectual disabilities, corporate volunteering and the promotion of culture; seeking more innovative approaches every day to respond to new social challenges.

In 2021, at Prosegur Foundation we have developed projects in 14 countries on three continents (Argentina, Chile, Colombia, Costa Rica, El Salvador, Spain, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Portugal, Singapore and Uruguay), progressively implementing the initiatives in the different countries under criteria of sustainability, transparency and replication of good practices.

A social work which, aligned with the United Nations 2030 Agenda for the fight against poverty, inequality and the defence of the planet, complements and strengthens our company's action in achieving the Sustainable Development Goals. Specifically in Quality Education (SDG4), Decent Work (SDG8) and Generation of Alliances (SDG17).

To carry out these projects, at the Prosegur Foundation we have a professional team headed by the President of Prosegur. The Board of Trustees is made up of representatives of the Board of Directors and the Prosegur Management Committee, who encourage social commitment and promote the institution's activities. Teamwork and continuous improvement processes govern the work, which aspires to be an area that generates shared value for society, the company and its stakeholders.

On an annual basis, the Prosegur provides the Prosegur Foundation the funds necessary for its operation. The contribution made by Prosegur to Prosegur Foundation in 2021 amounted to EUR 1,464,918.52 million.

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## **The social work of the Prosegur Foundation complements and strengthens the action of our company in achieving the Sustainable Development Goals.**

### **6.5.1. Our adaptation to the environment in 2021**

Our innovative approach has been put to the test during the pandemic. Without a doubt, the most difficult context we have ever faced and with the greatest economic, labour and social impact; a human impact. Social challenges have evolved and, consequently, so has our response capacity.

In this context, we have developed new forms of collaborative work to continue responding to beneficiary needs, in order to be more efficient and scalable. Technological solutions such as online platforms and formats have been key in this regard: they have allowed us to keep educational or volunteer activities alive that could not be carried out as before, in person.

In short, the difficulties experienced have also been an opportunity to deepen our strategic and digital adaptation as a Foundation, prioritising agility, creating internal collaboration networks that break down silos and generating alliances with leading entities and entrepreneurs to achieve a more systemic impact.

## 6.5.2. Main actions in 2021

### Against the educational gap

We believe in quality education as the most powerful tool to generate future opportunities. And for this reason, in 2021 we prioritised support for children and young people from the most vulnerable environments, to prevent the pandemic from opening the educational gap. Putting special focus on the students of our Development Cooperation programme, Picitos Colorados.

The 36 schools attached to Picitos Colorados in the six LatAm countries (Argentina, Chile, Colombia, Paraguay, Peru and Uruguay) and their 4,800 students, were seriously affected by the closure of the classrooms and the lack of connectivity and devices. To confront this sustained precariousness, which the United Nations has already defined as 'learning poverty', we promoted the following actions to ensure that no student was left behind:

- Workshops for headmasters and headmistresses, in alliance with the Teach for All international educational network, to improve institutional and pedagogical management in times of pandemic.
- Training through playful-educational primers with transversal contents of science, spelling, artistic drawing or emotional intelligence.
- Promotion of reading and digital skills in alliance with the Leer Foundation in Argentina.
- Computational thinking courses aimed at Peruvian teachers, to train them in the fundamentals of computer science and programming, which they then transfer to their students.
- First LatAm Writing Contest for Picitos Colorados, in alliance with Fundalectura. A transversal project that has developed

new learning methodologies, such as infographics and podcasts. The *Sueña tu historia, escribe tu futuro* (dream your story, write your future) initiative received 458 stories, from which an international panel chose 20 winners.

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### **The Picitos Colorados scholarship programme allows students to continue their education beyond school, as is the case of Paraguayan Marlene Palma, an International Baccalaureate graduate from the United World School in Wales.**

In addition, in 2021 we reinforced the accompaniment of the 41 Picitos Colorados students awarded scholarships for their talent in secondary school and university, so that they do not stop their training in this complex educational context. Thus, thanks to the alliance with the Asociación Conciencia entity, we have trained volunteer employees from Colombia and Paraguay as mentors. The aim has been to monitor scholarship students in their countries, to guide them with their experience, to support them in their projects and to strengthen their skills.

Students who, with the right tools, together with their abilities and effort, are called to be agents of change. This is the case of the young Paraguayan 'piecito' Marlene Palma whose talent brought her a scholarship from the Foundation to study the International Baccalaureate at Atlantic College in Wales (belonging to the United World Schools network). After graduating in May 2021, her outstanding performance brought her



a full scholarship to study Political Science at a university in the United States.

**Bridging the digital gap**

We refurbish the company's unused computers thanks to the work of professionals in the ICT (Information and Communications Technology) area, to give them a second life, reducing the digital divide that compromises the future of the most vulnerable people.

In 2021, we recycled and delivered nearly 400 computers to Picicitos Colorados students in LatAm, to social integration centres and students at risk of exclusion in Spain, as well as to people with disabilities to support their employment.

Among the digital divide actions carried out in the different countries, which carried out in Chile together with the company B Kyklos stands out. The initiative transcended the educational impact on the students of Picicitos Colorados, to add in the process of reconditioning equipment, the environmental sphere and inclusive growth. The computers are recycled by people with disabilities in an integration centre, where non-reusable components are destroyed following environmental criteria. A 'virtuous' circle or circular economy, thus exemplifying the triple impact.



**Talent at the service of innovation**

In a context of uncertainty, innovation is even more necessary to adapt and design creative solutions that respond quickly and appropriately to the needs of the moment.

Under this premise, collaboration with the Innovation area of our company has allowed us to continue discovering new, more agile and disruptive ways of working. In 2021, we applied

this joint action in two initiatives, aimed at both internal and external talent.

First of all, at the Foundation we joined the Prosegur Intrapreneurship and Ideation Programme, launching a challenge to discover the entrepreneurs within our organisation. Among all the proposals received worldwide, three 'changemakers' were selected, with the following projects:

- Development of infrastructures in vulnerable populations in Africa, designed by young talents from the ICAI University in Spain.
- A platform aimed at children, to bring the programming language closer in a playful and digital way.
- Entrepreneurship training to reduce the gender gap in STEM (science, technology, engineering and mathematics) vocations, by supporting girls' talent.

Regarding external talent, our action in 2021 was aimed at searching for innovative, digital and open corporate volunteering initiatives, which will mitigate the effect of the pandemic restrictions on our face-to-face model.

With this challenge, we join the 5th edition of Hunger4Innovation: an innovation programme that connects young university talents with leading companies and institutions from different sectors, to generate creative solutions to the proposed challenges, through a team competition. After 24 hours of intense remote work following agile methodologies, the jury chose the proposal from the In Extremis team as the winner. A solution that stands out for its disruptive nature when it comes to involving company volunteers globally in an online and gamified format, oriented towards security training issues.

## **We accompany talent and promote excellence**

Since 2007, the Talent Scholarships have represented the Prosegur Foundation's commitment to academic excellence and the personal effort of the company's professionals and their children, benefiting more than 15,200 students in 14 countries to date. Through its different forms, and depending on the needs of each country, the programme helps high school, technical or university students in their studies.

In the last financial year, and hand in hand with the Human Resources area, we offered our support to the children of employees facing the challenge of looking for their first job in a context of job insecurity. To achieve this, we gave online orientation workshops and training sessions focused on the current demands of companies, with useful tools to access said market.

What's more, in 2021 we expanded our Scholarship programme with a new form aimed at supporting the talent of women in Prosegur and promoting their professional development. Thus, the Empowered Women Scholarships were created in Spain in collaboration with Human Resources, with the aim of being replicated in other countries in the coming years. The professionals benefiting from this aid to training also have a support and mentoring programme given by other women leaders of Prosegur.

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**In 2021 we expanded our Talent Scholarship programme with a new form that recognises the effort and professional excellence of women at Prosegur.**

## **Our volunteers, the leaders of environmental awareness**

We encourage the participation of Prosegur professionals in different volunteer actions, channelling their solidarity to achieve a positive impact on society.

In addition, as a business foundation, we support the company in achieving its objectives in ESG (Environmental, Social and Governance) matters and in its commitment to sustainability. To this end, we have been developing environmental education initiatives since 2014 aimed at making children aware of the proper management of resources and their active role in caring for the environment.

Following this line, in 2021 we wanted to extend this awareness to Prosegur professionals and their families, supporting our company's project to reforest an uninhabited area of Spain with the participation of volunteers. The growth of this forest mass started with the planting of more than 700 trees and can be followed digitally through a geolocation platform developed by the company ReTree.

## **New image, new website**

Finally, in 2021 we tackled the official launch of our new graphic identity and we launched a new website. At the Prosegur Foundation we have therefore joined yellow to further reflect the brand that we carry within, through a more innovative, current and adaptable image. A change in form that does not alter our essence. Because we evolve to strengthen our purpose and continue adding to our company's social commitment.

# 7

Governance



# 7. GOVERNANCE

*'A winner is a dreamer who never gives up'*, Nelson Mandela, South Africa, politician and activist.

## 7.1. CORPORATE GOVERNANCE

Prosegur's corporate governance is based on five essential pillars that serve as a framework and reference point for further development: independence, transparency, protection of minority shareholders, effectiveness and efficiency, and integrity.

This scaffolding responds to the provisions and recommendations of the Unified Code of Good Governance of Listed Companies, which was approved, at the time, by the National Stock Market Commission (CNMV). Under this regulatory structure, Prosegur has maintained its commitment and effort to consolidate a responsible, profitable and sustainable business.

Our Corporate Governance System is a river into which different regulations flow that help to control and express it. As could not be otherwise, the list is extensive and covers all the margins. Articles of Association, Regulations of the General Meeting and of the Board of Directors, Regulations of the Audit Committee, Sustainability Committee, Corporate Governance and Appointments and Remuneration.

This framework is completed with other internal procedures that further filter responsibilities and commitments:

- Internal Code of Conduct on Matters Relating to Securities Markets. It is a legal chapter that sets the standards of behaviour that workers, managers and members of
- the Company's bodies must comply with in securities markets matters that affect the company.
- Code of Ethics and Conduct, which includes the values, principles and standards of action that the employees, managers and members of the governing bodies of the Company must respect, both in their internal professional relationships and in external relationships with shareholders, clients and users, suppliers, public administrations, regulatory bodies and competitors. That is, with society in general.
- Internal Audit Statute, which ensures efficiency and effectiveness in the use of resources, the reliability of accounting and management information and compliance with the law.
- Framework Agreement on Relations between Prosegur Cash and Prosegur Compañía de Seguridad, as the controlling shareholder of the Company, the purpose of which is to establish a transparent space of relationships between them, defining their respective areas of activity, the scope of commercial relationships and the mechanisms provided to resolve any possible conflicts of interest.

### 7.1.1. Ownership structure

The share capital of Prosegur Compañía de Seguridad, S.A. is of EUR 32,916,253.32, represented by 548,604,222 shares each of a par value of EUR 0.06, belonging to one same class and series.

All shares have been fully paid up and subscribed, and are traded on the Stock Exchanges of Madrid and Barcelona (Spain). Each share carries the right to one vote and there are no legal or statutory restrictions on the exercise of this right. Nor are there any legal restrictions on the acquisition or transfer of stakes in the share capital.

#### Acquisition and disposal of own shares

On 24 February 2021, the Company's Board of Directors agreed to carry out a new Own Share Buyback Programme under the provisions of Regulation (EU) No. 596/2014 on market abuse (RAM) and in the Delegated Regulation (EU) 2016/1052 of the European Commission, making use of the authorisation conferred by the

Shareholders General Meeting on 29

October 2020, for the purchase of treasury stock, in order to comply with the commitments and obligations derived from the share compensation plans for the executive directors and employees of the Company.

Under said programme, the company acquired a total of 4,000,000 shares, representing approximately 0.73% of its share capital. With this percentage, the objectives are achieved that were set in the Programme, which therefore ended on 14 April 2021.

On 14 April 2021, the Company agreed to reactivate the Own Share Buyback Programme approved by the Board of Directors on 30 September 2020, and announced as a communication of other relevant information on 5 November 2020 (no. 5533), which is still in force at the end of financial year 2021.

As a result of this programme, to date the company has acquired a total of 3,298,933 shares.

#### Share information

Share capital of Prosegur Compañía de Seguridad, S.A.	EUR 32,916,253.32
Number of shares	548,604,222 shares
Par value per share	EUR 0.06

## 7.1.2. Governance of Prosegur

The Shareholders General Meeting is the principal body representing the share capital of Prosegur, and exercises the functions granted by law and the Articles of Association. In 2021, the Annual General Meeting was held on 3 June, and dealt, amongst other issues, with the approval of the Company's Annual Accounts, approval of the Statement of Non-financial Information, approval of the proposal for the allocation of profit/(loss) for 2020, approval of the management of the Board of Directors during 2020, re-election of Directors, approval of the capital decrease and the director remuneration policy.

The representation power of the Parent Company of the Group pertains to the Board of Directors acting collectively and by majority decision. The Board has broad powers to manage the activities of the companies, with the sole exception of matters under the jurisdiction of the Shareholders General Meeting or which are not included in the Prosegur corporate purpose.

The delegated committees of the Board of Directors are the Audit Committee and the Committee for Sustainability, Corporate Governance, Appointments and Remuneration. Each one has its own responsibilities.

The responsibilities of the Audit Committee, composed 66.6% by independent directors, include, among others: proposing the appointment of the auditor; reviewing the Prosegur accounts; ensuring compliance with legal requirements and the application of generally accepted accounting principles.

For its part, the duty of the Sustainability, Corporate Governance, Appointments and Remuneration Committee is to establish and study the criteria and programmes for the composition and remuneration of the Board of Directors, and of the members of the Company management team. But these are not its only functions. It is also responsible for providing information, consultancy and proposals in areas

relating to environmental, social and corporate governance. And, of course, in meeting the company's commitments to achieving the United Nations Sustainable Development Goals (SDGs).

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### **In October 2021, Prosegur was the first Spanish company to obtain the AENOR Good Corporate Governance Certification with the highest possible rating: G++.**

Corporate Governance lies at the heart of Prosegur. This explains the existence of other programmes that underpin the company's responsibility and good practice. For example, the Regulatory Compliance Programme. A system that serves to enhance the functioning of the company. In practice, it is a series of procedures, best practice manuals and training activities, together with a continuous process of critical evaluation that enables an immediate response to issues such as the prevention of money laundering, defence of competition, unfair competition and combating corruption. It complements and implements the Prosegur Code of Ethics and Conduct.

In order to meet all these commitments, a series of standardised procedures have been implemented in each of the aforementioned corporate policies, along with the implementation of collegiate, internal, permanent and multidisciplinary supervision and control bodies, such as the Risk and Regulatory Compliance Committees, which are responsible for ensuring the effective implementation and promotion of the company's best practices, policies and commitments.

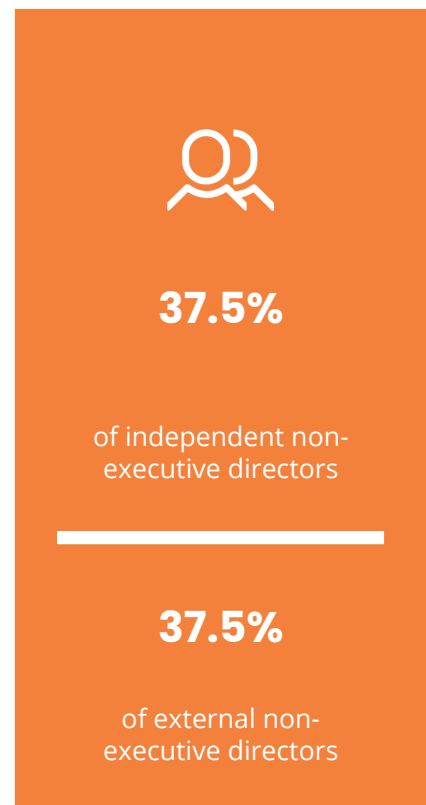
In October 2021, Prosegur was the first Spanish company to obtain AENOR Certification of

Good Corporate Governance with the highest possible rating: G++. This achievement is

recognition of the company's efforts to ensure responsible and transparent stakeholder relations and corporate governance protocols.










### 7.1.3. Structure of the Board of Directors

On 3 June 2021, the Shareholders General Meeting appointed Rodrigo Zulueta Galilea director with the consideration of Other External. If we review the Board of Directors of Prosegur at 31 December of that year, it was made up of nine members (22% are women). The distribution is one executive and eight non-executive, of which three (37.5%) are independent, another three external and two proprietary. The responsibilities of the president and the Managing director are different and complementary. The company follows the main international standards in matters of Corporate Governance that advise the separation of both functions.





**Composition of the Board of Prosegur Compañía de Seguridad, S.A.**

 <p><b>Ms Helena Irene Revoredo Delvecchio</b></p> <p>President (Proprietary Director representing Gubel, S.L.)</p> <p>○○</p>	 <p><b>Mr Christian Gut Revoredo</b></p> <p>Managing Director (Executive Director)</p> <p>○○</p>	 <p><b>Mr Isidro Fernández Barreiro</b></p> <p>Member (No-executive Vice-President and Other External Director)</p> <p>●●</p>	 <p><b>Ms Chantal Gut Revoredo</b></p> <p>Member (Proprietary Director representing Gubel, S.L.)</p> <p>○●</p>
 <p><b>Mr Fernando Vives Ruiz</b></p> <p>Member (Independent Director)</p> <p>○●</p>	 <p><b>Mr Fernando D'Ornellas Silva</b></p> <p>Member (Independent Director)</p> <p>●●</p>	 <p><b>Mr Ángel Durández Adeva</b></p> <p>Member (Independent Director)</p> <p>●●</p>	 <p><b>Mr Eugenio Ruiz-Gálvez Priego</b></p> <p>Member (Other External Directors)</p> <p>○○</p>
 <p><b>Mr Rodrigo Zulueta Galilea</b></p> <p>Member (Other External Directors)</p> <p>○○</p>	<p><b>Mr Antonio Rubio Merino</b></p> <p>Non-director Secretary</p>		

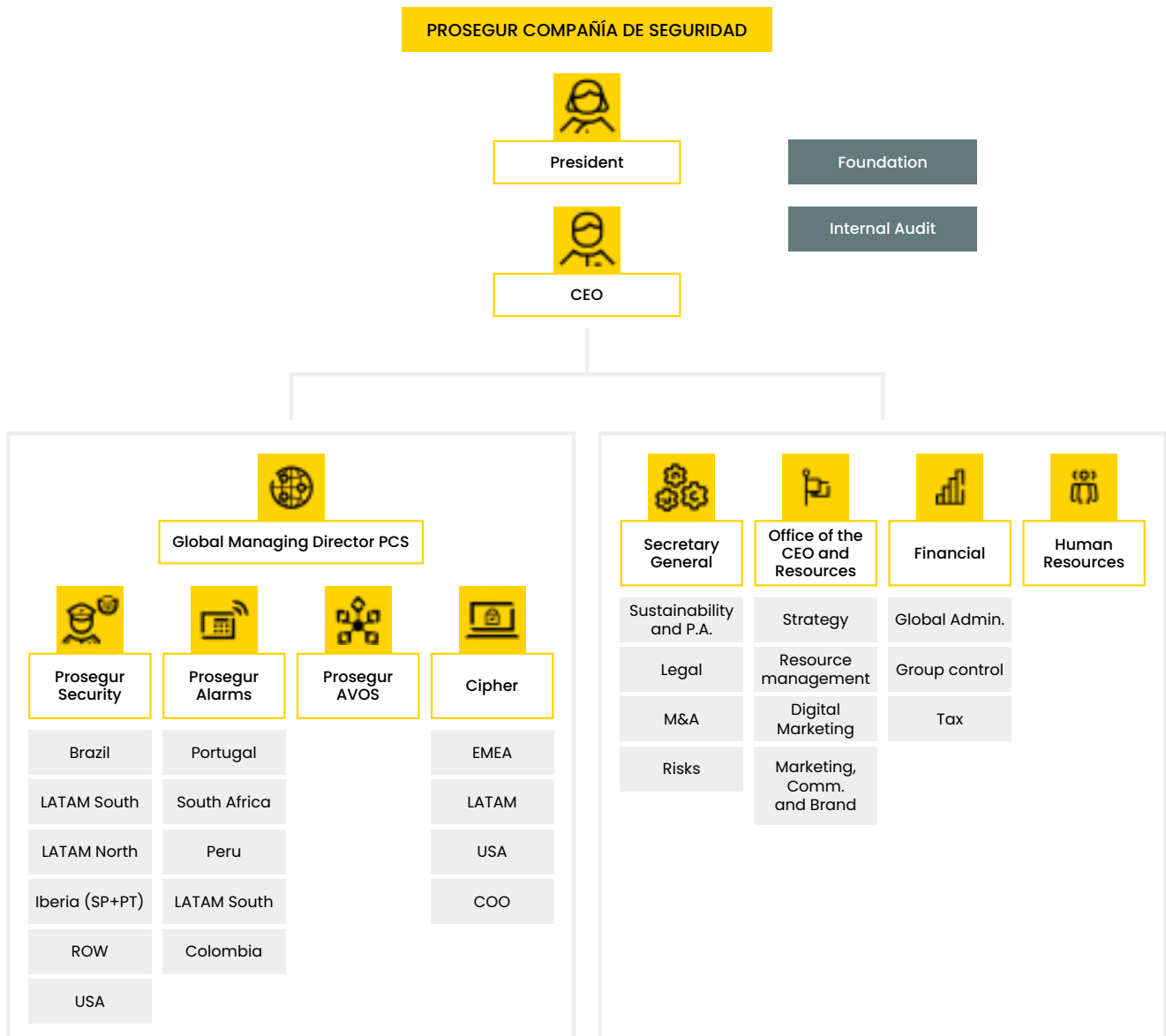
● Audit Committee   ● Committee for Sustainability, Corporate Governance, Appointments and Remuneration

### 7.1.4. Organisational structure

Our organisational structure of Prosegur is designed to improve business processes and add value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. It also allows the growth of the Company and provides broad autonomy to the business of Prosegur Security, Cipher, Prosegur Alarms, Prosegur AVOS and Prosegur Cash , since each one has different dynamics and, therefore, different needs. This way, we ensure the best service to its clients, wherever it operates.

Business is the backbone of the organisation and is represented in the Global General Management and in the General Business Management Areas which are responsible for the design of solutions for clients and cover the main business lines.

The corporate functions are supervised by the Global Support Divisions which cover the General Secretariat, the Managing Director's Office and Resources, Financial and Personnel Management.



### 7.1.5. Annual Corporate Governance Report

The Annual Corporate Governance Report of Prosegur for 2021 forms part of the Directors Report and is presented as a separate document in its corresponding format. It is therefore available on the CNMV and the Prosegur websites from the date of publication of the Annual Accounts.

This report includes section 'E', analysing control and risk management systems of the Company; and 'F', providing details on the risk control and management system in relation with the process of issue of financial information (ICFR) and which is included in section 9 of this Directors' Report.

Prosegur complies with 61 of the 64 recommendations of the Unified Code of Good Governance of Listed Companies, and partially carries out the remaining three.

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**Prosegur complies with 61 of the 64 recommendations of the Unified Code of Good Governance of Listed companies, and partially carries out the remaining three recommendations.**

### 7.1.6. Annual Report on Director Remuneration

The Prosegur Annual Report on Director Remuneration for 2021 forms part of the Directors' Report, and is presented in a separate document in its corresponding format. It is therefore available on the CNMV and the Prosegur websites from the date of publication of the Annual Accounts.

## 7.2. BUSINESS CONDUCT

*'Unfair and unworthy behaviours are human, but it is even more humane to fight against them', Bertolt Brecht, Germany, writer.*

At Prosegur we are strongly committed to ethical compliance and anti-fraud regulations. This has led us to design a structure of solid pillars to avoid the inherent risks in a business whose logistics move high-value items.

The pillars build a story of security that permeates the entire company. The top layer is the Prosegur Code of Ethics and Conduct. It is a reference that determines our daily activities and the way we relate to employees, shareholders, clients and users, suppliers, authorities, Public Administrations, regulatory bodies, the competition and, very especially, civil society as a whole.

Within this structure, the Code of Ethics and Conduct is not the only regulatory text that binds this behaviour. We also have a Corporate Compliance Programme aimed at all the governing bodies, managers and workers of the company. It produces a series of common standards that must be respected in the relationship with stakeholders, in addition to the Code of Ethics and Conduct.

This philosophy leads to an inalienable path: zero tolerance for any breach or irregularity. For this reason, the standards of the mechanisms for the control and prevention of irregular or illegal practices are of the highest level. However, behind all regulations are people. They are the ethical framework and this culture has spread through our organisation.

### 7.2.1. Anti-corruption and bribery

Our Corporate Compliance Programme establishes the measures designed to reduce or eliminate the risks of non-compliance with regulations in daily work. It encompasses any aspect, although it focuses above all on anti-money laundering, data protection, defence of competition and prevention of criminal offences.

This programme is approved by our Board of Directors and overseen by the Compliance Committee which acts in an autonomous and independent manner and reports to the Audit Committee. This Committee implements it in close collaboration with an internal structure: General Secretary and representatives of the Legal, Human Resources, Risk Management, Compliance and Internal Audit Directorates.

Our ethical vision is global and, therefore, we have compliance officers in all the countries where we are present. Their function? To implement the Compliance Programme in the countries under their responsibility and ensure that it is respected. The local Compliance Committee makes sure that this is the case. The regulations are very strict, especially in certain high-risk countries. Again the human factor comes into play. Employees, senior managers and members of the governing bodies are offered specific training on this subject.

### Due diligence in crime prevention

The principle of due diligence is at the core of Prosegur. It groups and gives coherence to the various elements of internal control that prevent crimes from being committed. It is not just about preparing reports on specific cases or conducting investigations, but also about establishing a corporate culture of extreme responsibility in daily practices that permeates the entire company and ensures that good practices are encouraged and irregularities are avoided, detected and eradicated.

The pattern for this line of action was found in the US Federal Sentencing Guidelines. These guidelines, once assumed, are supervised by North American federal judges. They are the ones who certify that the company acts with due diligence to avoid criminal activities or bad practices.

Prosegur's ethical and security framework, which the firm already has in place, fits in with this high level of demand. This 'architecture' of Prosegur can be summed up in five infinitive verbs:



### Preventive controls and risk group approaches

At Prosegur, we base part of our operations on crime prevention. They are a kind of customs barriers, controls which prevent situations that can lead to criminality.

The barrier works on two levels. On the outer margin are the general preventive controls, whose purpose would be to reduce the generic crime risk. After these come the specific controls, focused on mitigating criminal danger.

In 2021, the task of consolidating these specific controls continued to be deepened to guarantee that they satisfactorily cover most eventualities. These are some of the actions carried out:

- All Prosegur workers have been made aware of the importance of complying, in their daily work, with the General and Specific Preventive Controls.

- Employees have been clearly and unequivocally explained the labour consequences, among others, that a violation of the rules of the Code of Ethics and Conduct may entail.
- The firm condemnation by the company of any behaviour that is illegal or violates its ethical and social principles has been made explicit.
- The necessary measures continue to be adopted to prevent and intervene in the face of the risk of committing crimes.
- Controls have been strengthened in those operations liable (hypothetically) to generate criminal risks.
- Emphasis has been placed on the implementation of the principle of separation of functions.
- Emphasis has been placed on the supervision and control of Prosegur's behaviour, as well as its policies and procedures.
- The functions and rules of conduct of Prosegur have been updated following any possible changes in current legislation.
- There has been a monitoring and supervision board.

All this web of risk reduction rules is only effective if employees are made aware of them. Their involvement is essential to prevent crime.

## **Prevention of money laundering**

Our level of demand in terms of money laundering and terrorist financing is very high due to the activity carried out by the company. Above all, thinking about the logistics of transporting valuable assets. The company adapts its performance to each territory where it is present.

Obviously, we scrupulously comply with the requirements and guidelines of the European Union. In general, we also follow the recommendations of the Financial Action Task Force (FATF) and the best practices that are applied worldwide in this field.

Due to the nature of its activities, Prosegur Cash is the Prosegur business line most sensitive to this type of issue. Here, a series of principles are applied to avoid any irregularity, which include: knowledge of the client, analysis of operations, communication of suspicious transactions, development of training plans and continuous collaboration with the regulator.

One way to reduce this type of bad practice is permanent vigilance. We constantly prepare an Annual Risk Report (IAR). In it, the risks inherent to the activity are periodically identified and the clients' activity is analysed, paying particular attention to their possible exposure to money laundering. All these pages generate a detailed diagnosis of business risk levels, which is evaluated by the Committee for the Prevention of Money Laundering.

The subsequent step is to submit the conclusions reached to the supervision of the Internal Audit department and the control of external auditors. The reports issued are forwarded to the Governing Bodies of Prosegur and are available to the regulator. Workers also assume their share of responsibility through compulsory annual training (Prosegur Corporate University) in this area.

The system for the prevention of money laundering is based on three pillars:

- Identification and knowledge of the client. Different levels of risk are established, applying greater identification and knowledge requirements to those that present greater objective danger. No client is accepted without meeting the requirements established by our policy.
- Monitoring of the commercial relationship. A profile is drawn up for each client that seeks coherence between their operations and the activity they have declared. If in doubt, this disconnection is examined.
- System of communication to regulators. When any alert takes place, whether caused by a change in the profile of client transactions or by other means, such as the internal communications of employees or reports through the Ethics Channel, a file is initiated whose result may entail a communication of suspicious operation to the regulator.

During 2021, 18,820 workers of the Prosegur Group were trained in money laundering prevention compared to 13,708 in 2020.

## Privacy

The protection of personal data is a corporate requirement. And an ever greater one. This requirement is highly considered by Prosegur. The result is compliance with the standards that apply in this area in all the countries where the company operates. The aim is to protect the fundamental rights and freedoms of natural persons who intervene in the exercise of their activity.

Among its regulations, the company has a Data Protection Management System, which complies with the requirements established by Regulation (EU) 2016/679 of 27 April 2016 regarding the protection of natural persons with regard to personal data processing and their free circulation (General Data Protection Regulation - GDPR), and Organic Act 3/2018 of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD), and are implemented throughout the organisation.

Our Privacy Management System is based on the application of the most rigorous international security and privacy standards (ISO/IEC 27001 and ISO/IEC 27701: 2019). What the company has decided is to express all this information through the Privacy & Compliance Management System (P&CMS) tool. This instrument automatically manages Prosegur's privacy. It covers 16 domains. The main ones to comply with privacy regulations.

 <b>D01</b> Treatment Activity Register (RAT)	 <b>D02</b> Transparency. Duty to information	 <b>D03</b> Legality. Consent and other legislating bases	 <b>D04</b> Rights of those concerned
 <b>D05</b> Principles regarding treatment	 <b>D06</b> Standards, policies and procedures	 <b>D07</b> Roles and responsibilities for data protection	 <b>D08</b> Relations relations
 <b>D09</b> Group entity relations	 <b>D10</b> International Data Transfers (IDT)	 <b>D11</b> Risk analysis	 <b>D12</b> Assessment of impact on data protection
 <b>D13</b> Legal security and organisational measures	 <b>D14</b> Security Breaches	 <b>D15</b> Training and consolidation of employees	 <b>D16</b> Audits and ongoing monitoring

Under the certainty that the active protection of privacy must adapt to changing environments and the appearance of new potential threats, we have reinforced its internal legislative apparatus. New regulations, policies, procedures and action protocols have been added to it for the exercise of the rights of the stakeholders and management of breaches, among others.

The resulting equation are the so-called Binding Corporate Rules of the Prosegur Group. A legal instrument recognised in article 46 of the GDPR. They are also pending the approval of the European control authorities, as well as the definitive regularisation of international data transfers.

Much of the future in terms of these types of issues depends on the optimal development and implementation of Artificial Intelligence (AI). 2021 was a very important year technologically. We designed Prosegur's Responsible AI governance model. A new path emerges around this avant-garde vision, with a beginning: the preparation of the Responsible AI policy, the creation of the AI Committee, the design of the AI methodology and the evaluation of suppliers.

Responsible Artificial Intelligence for the company is the set of ethical, moral, regulatory and security values applied to the technological solutions that incorporate this tool. It is both an open space and a border. It preserves the rights and freedoms of users who may feel affected by the use of this technology. And it teaches and

establishes the limits, the rules of the game. At Prosegur we apply these criteria both to our own developments and in acquiring solutions that use Artificial Intelligence. This policy guarantees corporate solutions or solutions acquired from third parties and, at the same time, respects the ethical values of the Organisation and complies with regulatory requirements.

### Privacy training

This new regulatory platform requires training. During 2021, at Prosegur have trained our workers in data protection. The teaching was both online and face-to-face. The proposal was to segment this 'classroom' based on the needs of the company's businesses and the different profiles of the organisation. Last year, specific training in this area was offered to 10,000 employees, a figure much higher than the 2,850 in 2020.



## Code of Ethics and Conduct

It is part of the core values of our company. The latest version of the Code of Ethics and Conduct was approved by the Board of Directors on 23 October 2013 and is scheduled to be updated for next year.

It is a binding instrument. That is to say, it must be known and complied with by all workers and members of Prosegur governing bodies. It is a guide and, as such, outlines the standards of behaviour and good work of all the company's professionals. It covers aspects such as compliance with the law, respect for human rights and equality and, of course, politeness among employees. These are also those who must collaborate to facilitate its implementation and report (through the Ethics Channel) all possible breaches of which they are aware. It is accessible through the corporate website and is given to all workers when they join our organisation.

At Prosegur, we are not alone in this ethical reference. We have signed and promoted the Code of Conduct and Ethics of the International Security League (global association of security companies based in Switzerland) and we recognise the Code of Conduct and Ethics for the private security sector drawn up by the Confederation of European Security Services (CoESS).

## Ethics Channel

At Prosegur we have a permeable Ethics Channel through which incidents can be reported. Its purpose is to detect irregular, illegal or attitudes contrary to the Code of Ethics and Conduct. Through this Channel, available at Prosegur's website, anyone, whether they belong to the company or not, can report these behaviours securely and anonymously. The Internal Audit Department is responsible for independently and confidentially evaluating, investigating and resolving any reported incident.

In 2020, the channel was restructured to be sole and global across the organisation. This year we have approved the Ethics Channel Policy in order to regulate its operation. It has also been provided with all the necessary organisational resources. It is a unique tool that adapts to existing government and management needs. The purpose is to comply with the regulations that apply in the different jurisdictions while being faithful to the highest international standards applied to such channels. The purpose is to promote an ethical culture of transparency free from corruption or fraud.

Since the approval and launch of the Ethics Channel at the end of the first quarter of 2020, we have implemented and applied different policies and procedures in order to regulate the channel and guarantee that any communication is treated objectively, independently, anonymously and confidentially, taking all appropriate measures to ensure effective compliance with the Code of Ethics.

The main results obtained from the application of these policies have been:

- Determining what is considered an incident or irregularity and the preparation of a catalogue (non-excluding) on issues that can be reported through the Ethics Channel.

Excluding communications from the management of the channel that deal with issues for which there is a specific channel, such as client or employee service; the unification of the reporting of incidents through a single means enabled as an Ethics Channel on the corporate website and in Prosegur's premises, as well as on the Intranets of the different countries where we operate; and establishing a single management system in which, if a report is received that could be transferred to the Ethics Channel by a route other than that of the channel itself, employees are obliged to inform the Compliance department so that it can be redirected to said channel.

- Creation of the figure of the Ethics Manager as an independent figure who manages the Ethics Channel, continuously controlling incoming complaints and work units, with the aim of ensuring their correct processing and resolution through an objective and structured procedure.
- Establishing various guarantees within the management process, such as the protection of informants; confidentiality and anonymity in communications, establishing the obligation to ensure the protection of the identity of the accused during the process of managing communications, and, where appropriate, after their resolution; the management of conflicts of interest, by which it is guaranteed that the communications received through the Ethics Channel are managed out by an independent, impartial and objective team; the prohibition of retaliation against those who have reported an incident or irregularity through the Ethics Channel, in good faith; the presumption of innocence and professional integrity of the persons reported and persons involved through any communication received through the Ethics Channel.

The conclusion is that the tool has undergone a process of refinement and improvement. This

gives it more efficiency in the management and resolution of the communications received through the Channel. Furthermore, the requirements established by Directive (EU) 2019/1937 of the European Parliament and Council of 23 October 2019, are included. These resolutions protect the identity of the complainant and guarantee communications with them.

### **Contributions to sector-specific associations**

Our Code of Ethics and Conduct establishes the duty to act in accordance with the principles of legality, cooperation, truth and transparency in relations with the authorities, public administrations and regulatory bodies in the countries in which we operate.

Prosegur is a member of industry associations and organisations in order to promote the development of the sector, improved quality standards and to drive the most advanced public policies.

Among the professional organisations, our presence stands out, in addition to in the aforementioned International Security League, in: Confederation of European Security Services (CoESS), European Security Transport Association (ESTA), Asian Cash Management Association (ACMA), ATM Industry Association (ATMIA) and Aviation Security Services Association – International (ASSA-I).

Moreover, Prosegur is a member of the main sector organisations in the countries in which we are present.

### 7.2.2. Public administrations and tax contribution

Prosegur has agreed to grant government aid for the maintenance of employment in the security sector, associated with aviation in the United States in the context of the COVID-19 pandemic, amounting to EUR 26.6 million. In addition to those mentioned, there are other concessions of public material subsidies that warrant breaking down in the Statement of Non-financial Information.

At Prosegur we contribute to the revitalisation of the economies where we have operations

through our contribution to public administrations. Accordingly, our tax strategy is based on OECD (Organisation for Economic Cooperation and Development) guidelines, in compliance with recommendations set forth in the document Base Erosion and Profit Shifting, concerning how to combat tax evasion or reduction and practices tending to shift profits to territories with low or zero tax rates.

The breakdown by region of profit before income tax is as follows:

	Europe	ROW	LatAm	Total
Profit before tax	32,580	(23,488)	129,889	138,981

EUR 16 million of taxes were paid in the European region, 9 in ROW and EUR 33 million in LatAm.

The breakdown of the effective rate by country is as follows:

	Argentina	Peru	Portugal	Paraguay	Other
TFE	76 %	46 %	31 %	14 %	94 %

The breakdown of the effective rate by geographic region is as follows:

	Europe	ROW	LatAm
TFE	1 %	19 %	70 %

The effective rate of each company reflects the tax contribution as a percentage of the profit before income tax of each company. Therefore the tax paid or to be paid year on year for those profits.

The payment of income tax in 2021 was EUR 57 million (2020: EUR 103 million).

This Statement of Non-financial Information does not itemise the profit before income tax by country due to the risk that the disclosure of this information could pose in terms of competitiveness, assuming the flexibility allowed by Directive 2013/34/EU for the protection of sensitive trade information and assurance of fair competition.

8



# Appendices



## 8. APPENDICES

### 8.1. ABOUT THIS REPORT

This report responds to Act 11/2018 concerning non-financial reporting and diversity.

The scope of this Statement of Non-Financial Information is the same as that of the consolidation of the financial information and the consolidations by equity method (Cash India and Movistar Prosegur Alarmas). The tables including quantitative data contain notes indicating the scope of the data reported compared to sales or employees.

Sales and employees in the consolidation scope amount to EUR 3,498.1 million and there are 140,758 employees.

Most of the comparative figures for 2020 are shown for information purposes only and may not cover the same scope as the figures for 2021, although there are exceptions as a result of legal requirements for reporting the evolution.

Taking into account the profit/(loss) for this year, Prosegur does not consider the following to be material issues:

- Biodiversity: The Company does not have a significant impact on living creatures and the variety of ecosystems.
- Actions to fight the waste of food The company has no related business activity.

The contents of Act 11/2018 and GRI standards were used to compile this report, in accordance with the GRI option chosen, as detailed in the Appendix to this Statement of Non-financial Information.

In accordance with current commercial regulations, this Statement of Non-Financial Information has been verified by EY. The independent Verification Report is attached to this Statement of Non-Financial Information.

## 8.2. KEY INDICATORS

### 8.2.1. Environmental matters

KPIs		2020		2021
<b>Emissions</b>				
Direct CO2 emissions (t)	Security	26,808 T	Security	25,802 T
	Cash	112,628 T	Cash	125,462 T
	Alarms	10,252 T	Alarms	5,251 T
Indirect CO2 emissions (t)	Security	4,464 T	Security	2,895 T
	Cash	12,785 T	Cash	11,553 T
	Alarms	1,481 T	Alarms	235 T
<b>Waste</b>				
Non-hazardous waste managed (t)	Security	108 T	Security	94 T
	Cash	1,655 T	Cash	1,605 T
	Alarms	68 T	Alarms	15 T
Hazardous waste managed (t)	Security	5 T	Security	11 T
	Cash	82 T	Cash	92 T
	Alarms	7 T	Alarms	14 T
<b>Consumptions</b>				
Electricity consumption (MWh)	Security	14,196 MWh	Security	10,311 MWh
	Cash	53,471 MWh	Cash	49,865 MWh
	Alarms	5,388 MWh	Alarms	1,281 MWh
Fuel (millions of litres)	Security	10	Security	9
	Cash	41	Cash	46
	Alarms	4	Alarms	2
Natural gas (m3)	Security	44,827	Security	43,045
	Cash	150,956	Cash	140,211
	Alarms	11,703	Alarms	1,057
Paper consumption (t)	Security	55 T	Security	47 T
	Cash	628 T	Cash	859 T
	Alarms	12 T	Alarms	12 T
Number of uniforms distributed	Security	681,189	Security	925,866
	Cash	147,755	Cash	286,107
	Alarms	17,330	Alarms	15,844
Water consumption (m3)	Security	45,851	Security	33,419
	Cash	485,920	Cash	398,815
	Alarms	16,694	Alarms	7,981
Consumption of Operational Plastics (t)	Security	N.a.	Security	0.8 T
	Cash	1,577 T	Cash	1,362 T
	Alarms	N.a.	Alarms	0.6 T

- A. The scope of these KPIs covers 92%. The scope excludes Australia, the United States and the Philippines, the scope of the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted. The decreases in the levels of consumption, generation of emissions and waste in Alarms are mainly due to the change in the consolidation scope after the sale of 50% of Prosegur's alarm business in Spain.
- B. Direct emissions include those derived from the direct consumption of energy (petrol, diesel or natural gas) and correspond to scope 1. To calculate these emissions, the emission factors available in the UK Government GHG Conversion Factors for Company Reporting have been applied.
- C. Indirect emissions include those derived from electricity consumption and correspond to scope 2. To calculate these emissions, the emission factors of the International Energy Agency (IEA) have been applied.
- D. Information is provided exclusively on the withdrawal of water from the public network.













	Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA
<b>Turnover (terminations/total employees)</b>																									
<b>Gender</b>	Man	32.8%	40.5%	24.7%	14.2%	21.8%	17.3%	20.7%	39.0%	65.7%	29.0%	32.4%	9.2%	36.6%	13.8%	29.9%	33.4%	145.1%	41.7%	33.8%	17.2%	13.7%	29.6%	22.1%	12.8%
	Woman	42.0%	56.9%	36.0%	18.6%	30.0%	50.0%	27.8%	45.5%	76.3%	13.0%	31.4%	5.5%	48.7%	13.2%	23.0%	52.4%	144.2%	58.0%	34.3%	41.8%	21.1%	59.1%	32.8%	29.8%
<b>Age</b>	Less than 30 years	64.1%	114.9%	71.5%	43.8%	49.1%	20.6%	31.9%	88.0%	76.1%	37.0%	8.1%	9.9%	78.2%	29.4%	29.6%	61.1%	194.5%	65.1%	59.3%	47.5%	26.3%	48.4%	28.2%	70.2%
	30 to 50 years	31.9%	43.3%	24.5%	13.5%	26.5%	13.3%	16.1%	46.6%	75.8%	28.6%	26.7%	7.8%	38.1%	13.7%	29.5%	29.9%	140.9%	42.0%	25.1%	7.5%	14.2%	31.0%	21.1%	—%
	More than 50 years	20.0%	20.5%	16.6%	11.1%	15.8%	100.0%	11.1%	10.7%	62.0%	13.4%	4.9%	9.3%	19.2%	10.4%	20.0%	19.2%	66.2%	20.4%	2.9%	7.7%	6.3%	25.0%	26.7%	—%
<b>Professional category</b>	Executives and Managers	14.2%	9.2%	7.4%	32.0%	550.0%	100.0%	25.0%	—%	50.0%	40.0%	0.1%	5.5%	10.3%	—%	4.5%	18.2%	18.8%	10.0%	12.5%	—%	—%	—%	25.0%	3.0%
	Heads, supervisors and coordinators	19.4%	12.6%	15.2%	13.5%	48.1%	36.8%	95.5%	7.1%	52.2%	20.0%	0.8%	3.7%	22.1%	8.6%	14.8%	39.6%	59.3%	19.1%	80.0%	—%	15.4%	100.0%	17.2%	1.7%
	Analysts and office clerks	23.7%	7.3%	53.0%	15.5%	54.8%	72.7%	343.9%	23.1%	17.4%	31.9%	2.9%	7.4%	27.4%	5.6%	21.6%	20.0%	35.5%	36.2%	14.5%	17.9%	33.3%	27.8%	34.8%	2.6%
	Operational	36.1%	48.2%	24.6%	14.9%	18.2%	15.6%	0.6%	40.9%	68.8%	27.1%	36.0%	8.8%	41.5%	15.6%	31.1%	38.0%	153.1%	47.2%	36.4%	25.2%	12.6%	37.8%	22.4%	20.1%
<b>Number of days worked by all Prosegur employees</b>																									
<b>Gender</b>	Man	254,879,547	43,200,590	8,447,506	4,642,155	1,064,476	1,084,608	1,457,664	1,426,585	4,347,935	1,482,318	83,163,746	31,253,670	8,329,449	3,432,000	4,127,216	22,257,605	7,247,684	21,896,640	1,978,080	504,233	968,448	161,987	2,404,954	
	Woman	57,904,562	12,598,089	2,001,328	824,688	453,562	18,144	926,016	75,201	1,123,174	113,385	18,105,014	4,091,346	1,845,630	452,352	512,448	3,932,186	2,216,142	7,637,760	247,104	187,687	237,120	50,193	255,994	
<b>Total number of days lost through absence</b>																									
<b>Gender</b>	Man	9,126,999	2,352,513	631,515	427,432	28,745	720	0	10,181	41,960	11,896	893,588	2,675,218	801,468	168,643	10,894	537,512	6,150	379,432	90,636	88	2,464	176	55,768	
	Woman	2,612,094	867,293	189,528	74,979	9,880	184	0	628	14,184	572	294,961	337,335	411,184	20,294	2,136	126,896	2,859	245,000	8,964	40	80	48	5,048	
<b>Total number of hours lost due to work accidents and professional illness</b>																									
<b>Gender</b>	Man	1,241,438	250,210	28,116	0	4,203	240	0	3,877	8,854	1,152	15,418	634,689	13,552	8,092	13,192	11,848	110,784	114,160	0	176	15,888	2,064	4,923	
	Woman	178,497	54,580	3,548	0	2,663	0	0	0	2,232	0	6,661	49,623	4,272	1,200	1,464	472	42,672	1,640	0	208	6,176	992	93	
<b>Rate of absenteeism</b>		3.8%	5.8%	7.9%	9.2%	2.5%	0.1%	0.0%	0.7%	1.0%	0.8%	1.2%	8.5%	11.9%	4.9%	0.3%	2.5%	0.1%	2.1%	4.5%	0.0%	0.2%	0.1%	2.3%	

- A. The scope of these KPIs excludes the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.
- B. On 31 March 2021, Prosegur Compañía de Seguridad, S.A. signed with its subsidiary Prosegur Cash, S.A. a sale agreement for the purchase by Prosegur of certain areas of the added-value outsourcing services (AVOS) business for financial institutions and insurance companies, as well as the associated technology, from Prosegur Cash. As a result of this sale, the added-value outsourcing services (AVOS) business line on 31 March 2021 was no longer integrated in the CASH segment and was created as a new segment of the Group called AVOS (added-value outsourcing services).
- C. The data are presented at year close (31/12/2021).
- D. Indefinite contracts: Work contracts established for an indefinite period of time, in other words without end date.  
 Temporary contracts: Work contracts ending upon the expiry of a pre-set period of time or when a specific job for which a duration has been calculated comes to an end.
- E. Number of full-time employees: Number of employees as of 31/12/2021 who, as defined in legislation and national practice on working hours, work a full day.  
 Number of part-time employees: Number of employees as of 31/12/2021 in whose working day the provision of services is agreed for a number of hours per day, week, month or year that is fewer than the working day of a comparable full-time worker.
- F. Number of dismissals: Cumulative number from 01/01/2021 to 31/12/2021 of employees whose contract has been annulled by unilateral decision of the employer, including appropriate disciplinary dismissals and failure to pass the trial period.
- G. Number of recruits: Accumulated number of employees recruited from 01/01/2021 until 31/12/2021.
- H. Disabled employees: Employees as of 31/12/2021 with permanent mental or physical conditions that have been declared as limiting their capacities.
- I. Immigrant employees: Employees at 31/12/2021 from a country other than that where they are employed.
- J. Annual average pay: Median Annual Total Remuneration may include items such as salary, bonuses, share awards, share stock options, non-participating incentive plan compensation, changes in pension value, non-qualified deferred earnings, and any other remuneration.
- K. Wage gap: Consolidated wage gap (weighted median of wage gaps by professional category for the same country). Positive gap indicates the percentage by which the median salary for women is lower than the median salary for men and negative gap indicates the percentage by which the median salary for women is higher than the median salary for men. Calculated on the set of employees whose role is assigned in each of the professional categories described, taking into account the different lines of business to which the group belongs and weighting the number of workers in each case.

- L. People with work-life balance: Number of employees registered as of 31/12/2021 who have some type of adaptations in their working day or work system for the care of children/elders/sick relatives. Examples: temporary reductions in the working day, adaptation of timetables, teleworking or leave of absence.
- M. Hours of training given: Accumulative number of hours of training that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- N. Total number of training hours given on human rights: Accumulative number of hours of training in connection with human rights that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- Ñ. Hours of training given on occupational safety: Accumulative number of hours of training on occupational safety that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- O. Investment in training: Total invested in training (including costs of internal staff and suppliers) in millions of euro.
- P. Number of employees who receive performance and professional development evaluations regularly: Number of registered employees at 31/12/2021 who regularly receive performance and professional development evaluations.
- Q. Rotation: Accumulative number of employees from 01/01/2021 to 31/12/2021 who leave the organisation voluntarily or due to dismissal, retirement or death in service divided by the total number of employees as of 31/12/2021.
- R. Total number of hours lost through absence: Absence is understood as those employees who were absent from work due to any type of disability, not only due to accidents or professional illnesses. It does not include leave of absence (e.g. for training).
- S. Rate of absenteeism: Calculation of the total number of hours lost due to absence between the number of hours worked by all employees.

## Health and occupational safety

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
<b>Total number of training hours imparted on occupational safety</b>																											
<b>Gender</b>	Total	95%	497,075	265,062	992	264	4,329	0	0	7,534	2,865	276	38,006	28,808	16,285	342	333	90,721	9,202	22,499	285	33	289	38	8,913		
	Man		415,919	221,782	937	216	3,936	0	0	7,145	2,324	240	30,654	24,643	8,658	299	320	84,006	4,940	17,258	200	21	228	26	8,087		
	Woman		81,157	43,280	55	48	393	0	0	389	541	36	7,353	4,165	7,627	43	14	6,715	4,262	5,241	85	12	61	12	826		
<b>Total number of occupational accidents</b>																											
<b>Severity</b>	Total	95%	2,831	754	150	142	23	11	3	0	16	4	322	568	168	29	31	115	58	399	0	4	3	8	23		
	Minor accident victims		2,716	748	150	142	22	10	3	0	14	2	283	558	168	29	16	108	49	379	0	3	3	8	21		
	Man		2,358	626	126	128	19	10	3	0	11	2	234	525	128	27	16	103	31	340	0	1	3	7	18		
	Woman		358	122	24	14	3	0	0	0	3	0	49	33	40	2	0	5	18	39	0	2	0	1	3		
	Serious accident victims		106	5	0	0	1	1	0	0	2	2	35	9	0	0	15	6	9	18	0	1	0	0	2		
	Man		93	5	0	0	1	1	0	0	2	2	27	9	0	0	14	6	8	15	0	1	0	0	2		
	Woman		13	0	0	0	0	0	0	0	0	0	8	0	0	0	1	0	1	3	0	0	0	0	0		
	Fatal accident victims		9	1	0	0	0	0	0	0	0	0	4	1	0	0	0	1	0	2	0	0	0	0	0	0	
	Man		9	1	0	0	0	0	0	0	0	0	4	1	0	0	0	0	1	0	2	0	0	0	0	0	
	Woman		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Number of days lost owing to occupational accidents</b>																											
<b>Gender</b>	Total	95%	129,880	58,161	4,290	1,944	109	157	117	0	362	162	26,530	15,079	1,433	374	1,798	1,952	1,604	14,471	0	660	102	193	382		
	Man		116,019	47,791	3,659	1,775	101	157	117	0	298	162	25,686	14,345	1,211	344	1,621	1,881	1,335	14,273	0	610	102	182	369		
	Woman		13,861	10,370	631	169	8	0	0	0	64	0	844	734	222	30	177	71	269	198	0	50	0	11	13		
<b>Total number of occupational illness cases</b>																											
<b>Gender</b>	Total	95%	81	0	2	0	0	0	0	0	0	0	0	10	26	0	20	0	0	23	0	0	0	0	0		
	Man		45	0	2	0	0	0	0	0	0	0	0	7	18	0	17	0	0	1	0	0	0	0	0		
	Woman		36	0	0	0	0	0	0	0	0	0	0	3	8	0	3	0	0	22	0	0	0	0	0		
<b>KPIs</b>																											
			9.05																								
			20.11																								
		95%	0.42																								
			0.06																								
			3.53																								

- A. The scope of these KPIs excludes the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.
- B. The data are presented at year close (31/12/2021).
- C. Minor accident: Number of persons who sustained an accident not considered serious or fatal.  
 Serious accident: Any accident that results in the amputation of a body part; long-bone fractures (femur, tibia, fibular, humerus, radius and ulna); trauma to the head; second and third-degree burns; severe hand injuries, such as crushing or burns; severe injuries to the backbone with spinal cord involvement; eye injuries that compromise visual sharpness or field of vision or injuries that compromise hearing.  
 Fatal accident: Number of persons who died as a result of conditions deriving from an occupational accident within one year of the current one.
- D. Days lost owing to occupational accidents: Number of workdays lost by the injured worker as a result of temporary disability, regardless of whether the position is full- or part-time.
- E. Occupational illnesses: Pathological condition acquired as a result of the work or exposure to the setting in which the employee performs occupational tasks.
- F. Frequency Rate: Represents the number of occupational accidents that occur per million hours worked.
- G. Incidence Rate: Represents the number of occupational accidents that occur per thousand workers.
- H. Severity Rate: Number of workdays lost per thousand hours worked.
- I. Fatality Rate: Number of fatal accidents that occur per thousand workers.
- J. Training Rate: Represents the number of training hours on Safety and Health per worker.













		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA		
<b>Turnover (terminations/total employees)</b>																									
<b>Gender</b>	Man	100.0%	26.6 %	12.0 %	10.6 %	15.5 %	14.6 %	30.2 %	21.8 %	91.9 %	53.9 %	25.4 %	23.4 %	11.7 %	56.9 %	22.0 %	29.0 %	35.1 %	133.7 %	56.1 %	31.7 %	29.1 %	45.6 %		
	Woman		28.3 %	13.4 %	10.6 %	17.2 %	24.6 %	55.6 %	32.9 %	86.1 %	48.9 %	25.6 %	22.9 %	12.1 %	52.8 %	19.7 %	27.7 %	34.7 %	165.5 %	49.4 %	48.1 %	31.5 %	50.4 %		
<b>Age</b>	Less than 30 years	100.0%	46.6 %	29.3 %	24.8 %	48.3 %	29.5 %	27.6 %	28.3 %	179.2 %	59.8 %	27.6 %	32.9 %	16.3 %	99.8 %	46.0 %	30.1 %	52.7 %	174.0 %	73.8 %	45.4 %	48.0 %	79.9 %		
	30 to 50 years		24.0 %	10.8 %	9.4 %	12.8 %	21.1 %	34.2 %	24.9 %	100.0 %	49.1 %	25.4 %	21.0 %	9.0 %	56.5 %	18.9 %	28.8 %	29.6 %	134.5 %	51.3 %	32.0 %	26.5 %	48.7 %		
	More than 50 years		20.5 %	9.7 %	7.6 %	13.3 %	9.9 %	80.0 %	12.0 %	35.5 %	54.0 %	23.2 %	25.2 %	18.6 %	30.5 %	20.5 %	18.6 %	25.4 %	101.2 %	36.0 %	17.8 %	22.2 %	25.7 %		
<b>Professional category</b>	Executives and Managers	100.0%	14.9 %	11.7 %	— %	— %	57.1 %	32.3 %	— %	42.9 %	8.3 %	22.2 %	14.2 %	9.4 %	3.2 %	20.0 %	3.8 %	8.8 %	86.4 %	25.5 %	8.3 %	28.6 %	17.4 %		
	Heads, supervisors and coordinators		20.5 %	6.9 %	1.9 %	2.9 %	14.0 %	24.0 %	— %	— %	7.4 %	133.3 %	18.5 %	6.3 %	11.6 %	10.1 %	13.3 %	20.3 %	160.8 %	41.6 %	59.5 %	20.0 %	38.0 %		
	Analysts and office clerks		20.5 %	14.5 %	12.4 %	1.3 %	31.6 %	41.2 %	7.1 %	48.0 %	31.8 %	15.8 %	22.2 %	7.5 %	29.8 %	32.8 %	47.7 %	18.2 %	139.7 %	39.2 %	22.5 %	21.4 %	20.0 %		
	Operational		27.6 %	12.3 %	10.6 %	16.8 %	17.3 %	30.5 %	28.5 %	96.5 %	55.5 %	26.3 %	23.6 %	12.4 %	59.7 %	21.5 %	28.5 %	37.2 %	140.2 %	55.6 %	35.8 %	30.3 %	49.6 %		
<b>Number of days worked by all Prosegur employees</b>																									
<b>Gender</b>	Man	100.0%	30,729	5,406	898	533	136	138	192	152	535	163	9,564	3,560	1,059	459	440	2,731	676	2,578	379	585	546		
	Woman		6,905	1,585	197	88	61	2	127	8	122	15	1,857	685	231	55	59	394	187	755	65	50	362		
<b>Total number of days lost through absence</b>																									
<b>Gender</b>	Man	100.0%	1,428	256	76	47	1	1	0	1	14	3	114	578	65	37	9	124	5	68	10	18	0		
	Woman		325	97	30	8	0	0	0	0	3	1	43	75	22	4	4	16	2	17	3	1	0		
<b>Total number of hours lost due to work accidents and professional illness</b>																									
<b>Gender</b>	Man	100.0%	1,482	53	33	0	2	21	0	4	32	15	16	508	456	2	9	2	9	255	58	8	0		
	Woman		682	227	6	0	0	0	0	0	5	6	4	86	246	0	0	0	8	83	9	0	0		
<b>Rate of absenteeism</b>																									
			4.7 %	5.1 %	9.7 %	8.9 %	0.4 %	0.9 %	0.0 %	0.7 %	2.6 %	2.2 %	1.4 %	15.4 %	6.7 %	8.1 %	2.4 %	4.5 %	0.9 %	2.6 %	2.8 %	3.0 %	0.0 %		
<b>Training in health and safety to employees (hours) (absolute value)</b>																									
<b>Gender</b>	Security	100.00%	601,141																						
	Man		537,142																						
	Woman		64,000																						
	Cash		151,399																						
	Man		109,982																						
	Woman		41,418																						
	Alarms		14,161																						
	Man		10,017																						
	Woman		4,144																						
	Others		4,648																						
	Man		2,629																						
	Woman		2,020																						
	<b>No. of fatal accidents (absolute value)</b>																								
	<b>Gender</b>		Security	100.00%	3																				
Man		3																							
Woman		0																							
Cash		1																							
Man		1																							
Woman		0																							
Alarms		0																							
Man		0																							
Woman		0																							
Others		0																							
Man		0																							
Woman		0																							

Scope	Total
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**Accident rate (IR) = Frequency Rate IR=no. Accidents/no. hours\*10^6**

Gender	Scope	Total
	Security	8.78
	Man	8.06
	Woman	13.03
	Cash	12.74
	Man	14.98
	Woman	6.32
	Alarms	8.60
	Man	11.08
	Woman	1.60
	Others	2.99
	Man	4.15
	Woman	1.68

**Severity rate (IDR)**
**IDR=no. Days lost due to occupational accidents/no. hours\*10^3**

Gender	Scope	Total
	Security	0.67
	Man	0.49
	Woman	1.75
	Cash	1.12
	Man	0.97
	Woman	1.54
	Alarms	0.94
	Man	0.67
	Woman	1.67
	Others	0.34
	Man	0.13
	Woman	0.59

**Occupational illnesses (absolute value)**

Gender	Scope	Total
	Security	175
	Man	108
	Woman	67
	Cash	94
	Man	62
	Woman	32
	Alarms	3
	Man	1
	Woman	2
	Others	2
	Man	0
	Woman	2

**Number of occupational accidents (absolute Value)**

Gender	Scope	Total
	Security	2.239
	Man	1.758
	Woman	0.418
	Cash	1.300
	Man	1.133
	Woman	0.167
	Alarms	0.144
	Man	0.137
	Woman	0.007
	Others	0.019
	Man	0.014
	Woman	0.005

### 8.2.3. Other relevant indicators

#### Anti-corruption and bribery matters

KPIs	2020	2021
No. of complaints for breaches of the Code of Ethics	18	16
No. of complaints for fraud	9	8

A. The scope of these KPIs covers 100%. This excludes the scope of the new M&A acquisitions in 2020, disinvestments and the countries in which business are equity-accounted.

#### Consumers

KPIs	2020	2021
Number of complaints received from clients/Number of complaints solved	Security: 2,722/2,305	Security: 2,643/2,485
	Cash: 27,588/23,208	Cash: 39,865/38,436
	Alarms: 70,199/58,031	Alarms: 96,468/91,477

A. The scope of these KPIs covers 95%. The scope excludes Ecuador, Central America and Asia-Pacific (with the exception of Australia), the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.

## 8.3. REQUIREMENTS OF THE NON-FINANCIAL INFORMATION STATEMENT

Index of the contents required by Spanish Act 11/2018, of 28 December and the Taxonomy regulation.

Content	Rough connection with GRI indicators (reporting framework)	Pages
<b>General Information</b>		
- Brief description of the business model that includes its business environment, its organisation and structure.	GRI 102-2 GRI 102-7	181 / 302
- Markets in which it operates.	GRI 102-3 GRI 102-4 GRI 102-6	181
- Organisation objectives and strategies.	GRI 102-14	187
- Main factors and tendencies that affect its future evolution.	GRI 102-14 GRI 102-15	201
- Reporting Framework utilised.	GRI 102-54	314
- Materiality principle.	GRI 102-46 GRI 102-47	251
<b>Corporate matters and those relative to the staff</b>		
- Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	272
<b>Employment</b>		
- Number and distribution of employees by country, gender, age and professional category.	GRI 102-8 GRI 405-1	317
- Number and distribution of types of employment contracts, and the yearly average of open-ended, temporary and part-time contracts by gender, age and professional category.	GRI 102-8	317
- Number of laid-off employees by gender, age and professional category.	GRI 103-2	317
- Average remuneration and its evolution broken down by gender, age and professional category or similar value.	GRI 405-2	317
- Wage gap, remuneration for equivalent jobs or on average for the Company.	GRI 405-2	317
- Average remuneration of directors and managers, including variable remuneration, per diems, compensation, the payment into long-term savings systems and any other earning broken down by gender.	GRI 405-2	277
- Implementation of labour disconnection measures.	GRI 103-2	282
- Number of employees with disabilities.	GRI 405-1	317
<b>Work Organisation</b>		
- Organisation of working time.	GRI 103-2	272
- Number of hours of absenteeism.	GRI 403-9	317

- Measures aimed at facilitating the benefits of reconciliation and promoting the co-responsible exercise of these by both parents. GRI 401-3 278

### Health and safety

- Health and safety conditions in the workplace. GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7 282
- Occupational accidents, specifically their frequency and gravity, as well as occupational illnesses, broken down by gender. GRI 403-9 GRI 403-10 317

### Social relations

- Organisation of social dialogue including procedures for informing and consulting staff and negotiating with them. GRI 103-2 278
- Percentage of employees covered by the collective agreement by country. GRI 102-41 317
- Result of bargaining agreements, particularly in the field of occupational health and safety. GRI 403-4 278

### Training

- Policies implemented in the training field. GRI 103-2 GRI 404-2 275
- Total number of training hours by professional category. GRI 404-1 317

### Universal integration and accessibility of individuals with disabilities

- Measures adopted to promote equal treatment and opportunities between men and women. GRI 103-2 284
- Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment. GRI 103-2 284
- Policy against all types of discrimination and, where appropriate, diversity management. GRI 103-2 284

### Environmental issues

- Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group. GRI 102-15 GRI 103-2 255

### Detailed general information

- Detailed information on the current and foreseeable effects of Company activities on the environment and, where appropriate, on health and safety. GRI 102-15 255
- Environmental evaluation or certification procedures. GRI 103-2 255
- Resources devoted to environmental risk protection. GRI 103-2 255
- Application of the Precautionary Principle. GRI 102-11 255
- Quantity of provisions and guarantees for environmental risks. GRI 103-2 255

### Pollution

- Measures to prevent, decrease or remedy emissions that seriously affect the environment, considering any form of atmospheric pollution specific to an activity, including noise and light pollution. GRI 103-2 GRI 305-7 255



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**Circular Economy and waste prevention and management**

-	Measures for prevention, recycling, re-utilisation, other forms of recovery and elimination of waste.	GRI 103-2 GRI 306-1 GRI 306-2	255
-	Actions to fight the waste of food.	GRI 103-2	314

**Sustainable use of resources**

-	Consumption and supply of water in accordance with local restrictions.	GRI 303-5	315
-	Consumption of raw materials and measures adopted to improve the efficiency of use.	GRI 301-1	315
-	Direct and indirect energy consumption.	GRI 302-1	315
-	Measures to improve energy efficiency.	GRI 302-4	255
-	Use of renewable energies.	GRI 302-1	255

**Climate change**

-	Greenhouse Gas Emissions generated as a result of Company activities, including the use of the goods and services it produces.	GRI 305-1 GRI 305-2	315
-	Measures adopted for adaptation to the consequences of climate change.	GRI 201-2	255
-	Reduction targets established voluntarily for the medium and long term to reduce greenhouse gas emissions and the measures implemented for this purpose.	GRI 305-5	255

**Biodiversity protection**

-	Measures taken to preserve or restore biodiversity.	GRI 103-2	255
-	Impacts caused by activities or operations in protected areas.	GRI 103-2	255

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**Respect for Human Rights**

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	281
-	Application of due diligence procedures on human rights and the prevention of the risks of the infringement of human rights and, where appropriate, measures to mitigate, manage and remedy possible abuses committed.	GRI 102-16 GRI 102-17 GRI 410-1 GRI 412-1 GRI 412-2	281
-	Reporting in cases of the infringement of human rights.	GRI 103-2 GRI 406-1	281
-	Measures implemented for the promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation regarding the respect for the freedom of association and the right to collective bargaining, the abolition of discrimination in employment and occupation, the abolition of forced obligatory labour and the effective abolition of child labour.	GRI 103-2 GRI 407-1 GRI 408-1 GRI 409-1	281

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**Anti-corruption and bribery**

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	304
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-	Measures adopted to prevent corruption and bribery.	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	304
-	Measures to combat money laundering.	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	304
-	Contributions to foundations and not-for-profit entities.	GRI 102-13 GRI 201-1	289

### General information on the Company

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	232
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### Commitments of the Company with sustainable development

-	Impact of the Company activity on local employment and development.	GRI 103-2 GRI 204-1	243
-	The impact of the Company activity on local populations and the territory.	GRI 413-1 GRI 413-2	243
-	The relations with local players of local communications and types of dialogue with them.	GRI 102-43 GRI 413-1	243
-	Association or sponsorship actions.	GRI 103-2	243

### Subcontracting and suppliers

-	Inclusion in the procurement policy of social, gender equality and environmental issues.	GRI 103-2	286
-	Consideration of social and environmental responsibility in relations with suppliers and subcontractors.	GRI 102-9	286
-	Supervision and audits and their results.	GRI 102-9 GRI 308-2 GRI 414-2	286

### Consumers

-	Measures for consumer health and safety.	GRI 103-2	288
-	Systems for claims, complaints received and their resolution.	GRI 103-2 GRI 418-1	288

### Tax information

-	The profits obtained country by country.	GRI 207-4	310
-	Income tax paid.	GRI 207-4	310
-	Public grants received.	GRI 201-4	310

### Taxonomy Regulation

-	Proportion of the turnover (Net Turnover Amount) from products or services related to economic activities considered environmentally sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264
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-	Proportion of total fixed assets (CAPEX) in relation to economic activities considered environmentally-sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264
-	Proportion of total operating expenses (OPEX) in relation to assets or processes associated with economic activities considered environmentally-sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264

The page numbering refers to the first page of the caption in question.

## 8.4. COMPLIANCE WITH THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies and organisations to align their strategies and operations with ten universal principles on human rights, labour rules, the environment and anti-corruption.

It has the UN mandate for promotion of the Sustainable Development Goals (SDG) in the private sector.

Prosegur has been a member of the United Nations Global Compact since 2002.

Global Compact Principle	Chapter
<b>Human Rights</b>	
Principle 1. Business should support and respect the protection of international fundamental human rights recognised in their area of influence	6.2. Respect for Human Rights
Principle 2. Companies should make sure that they are not complicit in Human Rights abuses.	6.2. Respect for Human Rights
<b>Labour laws</b>	
Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	6.1.3. Employee relations
Principle 4. Companies should support the elimination of all forms of forced and compulsory labour.	6.2. Respect for Human Rights 6.3. Purchases and supply chain
Principle 5. Companies should support the effective abolition of child labour.	6.2. Respect for Human Rights 6.3. Purchases and supply chain
Principle 6. Companies should support the elimination of discrimination in respect of employment and occupation.	6.2.2. Non-discrimination and diversity
<b>Environment</b>	
Principle 7. Business should support a precautionary approach to benefit environmental challenges.	5.1. Environmental aspects
Principle 8. Companies should undertake initiatives to promote greater environmental responsibility.	5.1. Environmental aspects
Principle 9. Companies should encourage the development and diffusion of environmentally friendly technologies.	5.1. Environmental aspects
<b>Anti-Corruption</b>	
Principle 10. Business should work against corruption in all its forms, including extortion and bribery.	7.2.1. Anti-corruption and bribery

## 8.5. INDEX OF GRI STANDARD CONTENTS

The Directors' Report has been prepared in accordance with Global Reporting Initiative (GRI) standards, thus covering all indicators related to

the material aspects of the Company that were defined in the materiality analysis.

### GENERAL BASIC CONTENT

	Indicators	Chapter / Information	Global Compact Principle
<b>ORGANISATION PROFILE</b>			
102-1	Company name	Prosegur Compañía de Seguridad, S.A.	-
102-2	Activities, trademarks, products and services	1. Who we are, What we do	-
102-3	Location of organisation headquarters	Calle Pajaritos, 24, Madrid (Spain)	-
102-4	Location of Operations	1. Who we are, What we do	-
102-5	Ownership and legal nature	7.1.1. Ownership structure	-
102-6	Service markets	1. Who we are, What we do	-
102-7	Organisation size	2. Financial and investment	-
102-8	Information on employees and other workers	6.1. Employees and professional development	-
102-9	Describe the organisation supply chain	6.3. Purchases and supply chain	-
102-10	Significant changes in the organisation and its supply chain	6.3. Purchases and supply chain	-
102-11	Precautionary principle or approach	3. Risk management	-
102-12	Prepare a list of the letters, the principles or other external initiatives of an economic, environmental and social nature to which the organisation subscribes or has adopted	7.2. Business conduct 8.4. Compliance with the United Nations Global Compact	-
102-13	Association membership	7.2. Business conduct	-
<b>STRATEGY AND ANALYSIS</b>			
102-14	Statement of senior executives responsible for decision-making	Letter from the President Message from the Managing Director	-
102-15	Main impacts, risks and opportunities	1.2. Business environment 1.4. Strategic performance 1.5. Innovation and Digital Transformation 3. Risk management 5.1. Environmental aspects	-
<b>ETHICS AND INTEGRITY</b>			
<b>GRI 103: Management focus - Material topic: Ethics and anti-corruption</b>			
103-1	Explanation of the material topic and its coverage	1.1. Values 7.2. Business conduct	-
103-2	Management approach and its components	1.1. Values 7.2. Business conduct	-
103-3	Evaluation of the management approach	1.1. Values 7.2. Business conduct	-
102-16	Values, principles, standards and rules of conduct	1.1. Values 7.2. Business conduct	10
102-17	Mechanisms for consultancy and ethical concerns	1.1. Values 7.2. Business conduct	10
<b>GOVERNANCE</b>			
103-1	Explanation of the material topic and its coverage	7.1. Corporate governance	-
103-2	Management approach and its components	7.1. Corporate governance	-
103-3	Evaluation of the management approach	7.1. Corporate governance	-
102-18	Describe the governance structure	7.1. Corporate governance	-

102-19	Describe the process by which the Board of Directors delegates its authority to Senior Management and certain employees for matters of an economic, environmental and social nature	7.1.5. Annual Corporate Governance Report	-
102-20	Indicate whether executive posts exist in the organisation or any with responsibility for economic, environmental and social matters, and whether those holding them are directly accountable before the Board of Directors.	7.1.5. Annual Corporate Governance Report	-
102-21	Describe the consulting processes among stakeholders and the Board of Directors with respect to economic, environmental and social matters.	7.1. Corporate governance	-
102-22	Structure of the supreme governing body and its committees.	7.1. Corporate governance	-
102-23	Indicate if the person who presides over the Board of Directors also holds an executive post. If so, describe the executive duties and the reasons for this arrangement.	7.1. Corporate governance	-
102-24	Describe the processes for appointment and selection of the Board of Directors and its committees, as well as the criteria on which the appointment and selection of its members are based.	7.1.5. Annual Corporate Governance Report	-
102-25	Describe the processes by means of which the Board of Directors prevents and manages possible conflicts of interest.	7.1.5. Annual Corporate Governance Report	-
102-26	Describe the duties of the Board of Directors and of Senior Management in the development, approval and update of the proposal, the values or the mission statements, strategies, policies and objectives relative to economic, environmental and social impacts of the organisation.	7.1.5. Annual Corporate Governance Report	-
102-27	Indicate what measures have been adopted to develop and improve the collective knowledge of the Board of Directors in relation to economic, environmental and social matters.	7.1.5. Annual Corporate Governance Report	-
102-28	Describe the processes for evaluating the performance of the Board of Directors in relation to the governing of economic, environmental and social matters. Indicate whether the evaluation is independent and how frequently it is performed. Indicate if this is a self-evaluation.	7.1.5. Annual Corporate Governance Report	-
102-29	Describe the duty of the Board of Directors in the identification and management of the impacts, risks and opportunities of an economic, environmental and social nature. Likewise indicate the role of the Board of Directors in the application of due diligence processes.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-30	Describe the duty of the Board of Directors in the analysis of the effectiveness of risk management processes of the organisation with regard to economic, environmental and social matters.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-31	Indicate the frequency with which the Board of Directors analyses and evaluates the impacts, risks and opportunities of an economic, environmental and social nature.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-32	Indicate which committee or position of greatest importance reviews and approves the sustainability report of the organisation and ensures that all material Aspects are reflected.	The Annual Report is reviewed and approved by the Board of Directors.	-
102-33	Describe the process for conveying significant concerns to the Board of Directors.	7.1. Corporate governance	-

102-34	Indicate the nature and the number of important concerns that were conveyed to the Board of Directors; also describe the mechanisms used to address and evaluate them.	7.1.5. Annual Corporate Governance Report	-
102-35	Describe the remuneration policies for the Board of Directors and Senior Management.	7.1.5. Annual Corporate Governance Report	-
102-36	Describe the processes by means of which the remuneration is determined. Indicate if consultants are used to determine the remuneration and whether they are independent from Management.	7.1.5. Annual Corporate Governance Report	-
102-37	Explain how the opinion of stakeholders is requested and considered with regard to remuneration including, where appropriate, the results of votes on policies and proposals regarding this matter.	In 2021 there was no consultation relative to this matter in any of the Company communication channels.	-
102-38	Ratio of total annual compensation	7.1.5. Annual Corporate Governance Report 7.1.6. Annual Report on Director Remuneration	-
102-39	Ratio of the percentage increase of total annual compensation	7.1.5. Annual Corporate Governance Report 7.1.6. Annual Report on Director Remuneration	-

#### PARTICIPATION OF STAKEHOLDERS

102-40	Prepare a list of stakeholders associated with the organisation	4. Responsible management	-
102-41	Percentage of employees covered by bargaining agreements	8.2. Key indicators	1, 3
102-42	Indicate the basis for the election of stakeholders with which it works	4. Responsible management	-
102-43	Describe the approach of the organisation regarding the participation of stakeholders, including the frequency of collaboration with the different stakeholder types and groups, or indicate if the participation of one group took place specifically in the process for preparation of the annual report.	4. Responsible management	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
102-44	Indicate which key issues and problems were identified as a result of the participation of the stakeholders and describe the evaluation made by the organisation, by means of its annual report among other aspects. Specify which stakeholders raised each of the key topics and problems.	4. Responsible management	-

#### REPORTING PRACTICE

102-45	Entities included in the Consolidated financial statements	2021 Consolidated Annual Accounts Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>	-
102-46	Definition of the contents of the report and coverage of each aspect	4. Responsible management	-
102-47	List of material topics	4. Responsible management	-
102-48	Re-statement of the information	None of the information published in any prior reports has been restated	-
102-49	Significant changes in the scope and coverage of reported aspects	8.1. About this report	-
102-50	Annual reporting period (for example, fiscal or calendar year)	2021	-
102-51	Date of the last report (if appropriate)	2020	-
102-52	Reporting cycle (annual, biennial, etc.)	Annual	-
102-53	Provide a point of contact to resolve any doubts that may arise over the content of the report	<a href="mailto:accionistas@prosegur.com">accionistas@prosegur.com</a>	-
102-54	Statement of report preparation in accordance with GRI standards	8.5. Index of GRI Standard Contents	-
102-55	GRI indicator index	8.5. Index of GRI Standard Contents	-

102-56	External audit	The Statement of Non-financial Information, contained in the 2021 Consolidated Directors' Report, has been audited by EY.	-
<b>SPECIFIC CONTENT</b>			
<b>ECONOMY</b>			
<b>ECONOMIC PERFORMANCE</b>			
201-1	Direct, generated and distributed economic value	2. Financial and investment	-
201-2	Financial consequences and other risks and opportunities for organisation activities owing to climate change	5.1. Environmental aspects	7, 8, 9
201-3	Restriction of organisation obligations owing to social benefit programmes	N/A. There is no benefit plan for employees	-
<b>MARKET PRESENCE</b>			
202-2	Percentage of Senior Managers from the local community in places where significant operations are undertaken	8.2. Key indicators	-
204-1	Percentage of the expense in places with significant operations that correspond to local suppliers	6.3. Purchases and supply chain	-
<b>COMPANY</b>			
<b>ANTI-CORRUPTION</b>			
<b>GRI 103: Management focus - Material topic: Ethics and anti-corruption</b>			
103-1	Explanation of the material topic and its coverage	7.2. Business conduct	-
103-2	Management approach and its components	7.2. Business conduct	-
103-3	Evaluation of the management approach	7.2. Business conduct	-
205-1	Number and percentage of centres in which risks regarding corruption have been appraised, and significant risks detected	7.2. Business conduct	10
205-2	Policies and procedures for communication and training on anti-corruption	7.2. Business conduct	10
205-3	Confirmed cases of corruption and measures adopted	7.2. Business conduct	10
<b>UNFAIR COMPETITION PRACTICES</b>			
206-1	Number of legal procedures for causes regarding monopolies and other unfair competition practices, and their results	7.2. Business conduct	10
<b>REGULATORY COMPLIANCE</b>			
419-1	Breach of laws and legislation in social and economic areas	7.2. Business conduct	10
<b>ENVIRONMENT</b>			
<b>MATERIALS</b>			
301-1	Materials by weight or volume	5.1. Environmental aspects	-
301-2	Percentage of used materials that have been recycled	5.1. Environmental aspects	9
<b>ENERGY</b>			
302-1	Internal energy consumption	5.1. Environmental aspects	-
302-4	Decreased energy consumption	5.1. Environmental aspects	9
<b>WATER</b>			
303-1	Water extraction by source	5.1. Environmental aspects	-
303-3	Percentage and total volume of recycled and reused water	5.1. Environmental aspects	9
<b>EMISSIONS</b>			
305-1	Direct greenhouse gas emissions (Scope 1)	5.1. Environmental aspects	-
305-2	Indirect greenhouse gas emissions from generating energy (Scope 2)	5.1. Environmental aspects	-
305-5	Reduced greenhouse gas emissions	5.1. Environmental aspects	9



**EFFLUENTS AND WASTE**

306-2	Total weight of waste managed, by type and treatment method	5.1. Environmental aspects	-
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**SOCIAL PERFORMANCE**
**LABOUR PRACTICES AND DIGNIFIED EMPLOYMENT**
**EMPLOYMENT**

401-1	Number and rate of recruits and average rotation of employees, broken down by ethnic group, gender and region	8.2. Key indicators	6
401-2	Social benefits for full-time employees that are not offered to temporary or part-time employees, broken down by significant activity locations	The Company does not differentiate social benefits between temporary or part-time employees and full-time employees	-
401-3	Rates of returning to and remaining at the job following maternity or paternity leave, broken down by gender	8.2. Key indicators	6

**RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT**

402-1	Minimum notice periods for operating changes and possible inclusion of these in bargaining agreements	6.1. Employees and professional development	-
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**OCCUPATIONAL HEALTH AND SAFETY**
**GRI 103: Management focus - Material topic: Occupational health and safety**

103-1	Explanation of the material topic and its coverage	6.2.1. Health and occupational safety	-
103-2	Management approach and its components	6.2.1. Health and occupational safety	-
103-3	Evaluation of the management approach	6.2.1. Health and occupational safety	-
403-1	Employee representation on formal employee-company committees on health and safety	6.2.1. Health and occupational safety	1
403-2	Type of accidents and accident frequency rates, occupational illnesses, days lost, absenteeism and number of deaths by occupational accident or illness	6.2.1. Health and occupational safety	-
403-3	Employees with a high incidence or at high risk for illnesses relating to their activity	6.2.1. Health and occupational safety	-
403-4	Health and safety topics addressed in formal agreements with unions	The information is contained in the bargaining agreements of the various countries of operation.	-

**TRAINING AND EDUCATION**

404-1	Average hours of annual training per employee, broken down by gender and professional category	8.2. Key indicators	-
404-2	Programmes for skill management and on-going training that promote the employability of workers and helps them manage the end of their professional careers	6.1. Employees and professional development	6
404-3	Percentage of employees who receive regular evaluations on performance and professional development, broken down by gender and professional category	8.2. Key indicators	-

**DIVERSITY AND EQUAL OPPORTUNITIES**

405-1	Diversity in governance bodies and employees	7.1. Corporate governance	1, 6
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**EQUAL REMUNERATION BETWEEN MEN AND WOMEN**

405-2	Ratio of the base salary and remuneration of women vs men	8.2. Key indicators	1, 6
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**HUMAN RIGHTS**
**GRI 103: Management focus - Material topic: Human Rights**

103-1	Explanation of the material topic and its coverage	6.2. Respect for Human Rights	-
103-2	Management approach and its components	6.2. Respect for Human Rights	-

103-3	Evaluation of the management approach	6.2. Respect for Human Rights	-
<b>NON-DISCRIMINATION</b>			
406-1	Number of cases of discrimination and corrective measures adopted	6.2. Respect for Human Rights	-
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION</b>			
407-1	Identification of centres and suppliers in which the freedom of association and the right to bargaining agreements may be infringed or threatened, and measures adopted in defence of these rights	6.2. Respect for Human Rights	3
<b>SECURITY MEASURES</b>			
410-1	Percentage of security staff that has received training on the policies or procedures of the organisation on human rights relevant to the operations	6.2. Respect for Human Rights	1
<b>INVESTMENT</b>			
412-3	Number and percentage of significant investment contracts and agreements that include clauses on human rights or that have been the subject of analysis on human rights	6.2. Respect for Human Rights	2
412-2	Training hours of employees on policies and procedures regarding those aspects of human rights relevant to their activities, including the percentage of trained employees	8.2. Key indicators	1, 2
<b>CLIENT HEALTH AND SAFETY</b>			
416-1	Percentage of categories of significant products and services whose impacts on health and safety have been evaluated to promote improvements	6.4. Consumers	9
416-2	Number of incidents deriving from the breach of legislation or of the voluntary codes relative to the impacts of the products and services on health and safety during their life cycle, broken down by the type of result of those incidents	No incidents have been recorded in this aspect	-

**Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended December 31, 2021**

**PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and SUBSIDIARIES**

## **INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT**

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2021, of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's accompanying 2021 Consolidated Management Report.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in appendices 8.3 "Requirements of the Non-Financial Information Statement" of the accompanying Management Report.

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### **Responsibility of the Board of Directors**

The preparation of the NFS included in the Consolidated Management Report of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in appendices 8.3 "Requirements of the Non-Financial Information Statement" from the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

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### **Our independence and quality control procedures**

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of professional integrity, objectivity, competence, diligence as well as confidentiality and professional behaviour.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

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### **Our responsibility**

Our responsibility is to express our conclusions in an independent limited verification report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2021 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the NFS for the year 2021 based on the materiality analysis made by the Group and described in section 4.4 "Materiality Analysis", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2021 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

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**Paragraph of emphasis**

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying NFIS. Additionally, information has been included, for which the directors of PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within section 5.2 "European Taxonomy on Sustainability" of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter

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**Conclusion**

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the appendices 8.3 "Requirements of the Non-Financial Information Statement" of the Consolidated Management Report.

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**Use and distribution**

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Alberto Castilla Vida

February 25, 2022

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## Internal Financial Information Control System (ICFR)



# 9. INTERNAL CONTROL OVER FINANCIAL REPORTING SYSTEM (ICFR)

## 9.1. BUSINESS ENVIRONMENT

### Government and Responsible Bodies

The two main bodies responsible for the existence of an adequate and effective ICFR, as well as for its implementation and supervision, are the Board of Directors and the Audit Committee.

Therefore, in the first place, article 5 of the Prosegur Board of Directors Regulation, updated in October 2021, establishes that said body has a general supervisory function. Specifically, it establishes that 'Except in respect of matters reserved for the competency of the Shareholders General Meeting, the Board of Directors is the Company's most senior decision-making body'.

For these purposes, article 5 of the Prosegur Cash Board of Directors Regulation establishes that the Board specifically agrees to directly exercise the following powers: 'The determination of the general policies and strategies of the Company and, in particular: (i) the strategic or business plan, as well as the management objectives and annual budget; (ii) the investment and financing policy; (iii) the definition of the structure of the group of companies; (iv) the corporate governance policy of the Company and of the group of which it is the parent; (v) the corporate social responsibility policy; (vi) the remuneration policy and evaluation of the performance of senior executives; (vii) the treasury stock policy and, in particular, its limits; (viii) the dividend policy; (ix) the risk control and management policy, including tax risks, as well as the supervision of internal information and control systems'.

Additionally, article 16 of the Board of Directors Regulation, and article 8 and 11 of the Audit Committee Regulation establish that the latter will be responsible for the following, among other tasks:

- 'Ensuring that the annual accounts that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations (...)'
- 'Supervising and evaluating the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity. In relation to this, it is responsible for supervising and assessing the process for the preparation and integrity of financial and non-financial information, as well as the systems for control and management of financial and non-financial risks relative to the Company and to the Group, including operational, technological, legal, social, environmental, political and reputational systems or those regarding corruption, checking for compliance with legal requirements, the appropriate definition of the consolidation perimeter, and the proper application of accounting criteria, disclosing this to the Board of Directors'.
- 'Supervising the effectiveness of the Company's internal control and risk management systems, including tax risks, and discussing any significant weaknesses in the internal control system detected during the audit with the accounts auditor, all without violating their independence.'



For such purposes, and where appropriate, it may present recommendations or proposals to the Board of Directors and the corresponding term for its follow-up'.

- With regard to this, it corresponds to the Committee 'to make proposals to the Board of Directors regarding the risk management and control policy, which will identify or determine the following at minimum: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational, including those regarding corruption) that the Company faces, with the financial or economic risks including contingent liabilities and other off balance sheet risks; (ii) a risk control and management model based on various levels, of which a commission specialising in risks will form part when sectoral rules so provide or the Company deems its appropriate; (iii) the risk level that the Company considers acceptable; (iv) the measures to mitigate the impact of risk events should they occur; and (v) the reporting and control system to be used to control and manage those risks'.

- 'Supervising the operation of the Company's risk control and management unit responsible for: (i) to ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are properly identified, managed, and quantified; (ii) to actively participate in preparing the risk strategy and in taking important decisions regarding its management; and (iii) to ensure that risk control and management systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors'.

In addition, the Auditing Committee Regulation, determines in article 1 that 'The Auditing Committee, as a registered body, has specific responsibilities for advising the Board of Directors and for supervising and controlling the processes of preparation and presentation of the financial information, the independence of the accounts auditor and the effectiveness of the internal control and risk management systems, without prejudice to the responsibility of the Board of Directors'.

## **Responsibilities, General Code of Conduct, Report Channel and training**

### Responsibility functions

In keeping with its regulation, the Prosegur Board of Directors specifically undertakes to directly appoint and dismiss Managing Directors of the Company, as well as to establish the conditions of their contracts and the appointment and dismissal of executives who report directly to the Board of Directors or any of its members, as well as to establish the basic conditions of their contracts, including remuneration.

The design and review of the organisational structure and the definition of the lines of responsibility and authority is proposed by the Managing Director and validated by the Committee for Sustainability, Corporate

Governance, Appointments and Remuneration. The Human Resources Department is responsible for updating the information in the organisational chart, once the modification has been validated, and publishing it on the intranet.

The functions - responsibilities, as well as the job profile and the necessary skills for each of the jobs, are defined by each direct superior and are validated by the Directors of the corresponding areas based on the job evaluation policy for the Prosegur group. To do this, they have the help of experts from the Human Resources department.

This organisational structure is set forth in a chart showing the relationships among the various business and support departments comprising Prosegur. The Company's

organisation chart is located on the corporate intranet and is accessible to all personnel.

#### Code of Ethics and Conduct

The Company has a Code of Ethics and Conduct, approved by the Board of Directors on 28 October 2013, applicable to all the companies comprising Prosegur Group and to all businesses and activities performed by Prosegur in all countries in which it operates. It is binding upon all members of Prosegur governing bodies, executives and staff. The Code of Ethics and Conduct offers guidelines on how all Prosegur professionals are to behave and reflects its commitment to conduct itself at all times in line with common principles and standards in its relations with stakeholders affected by its activities: employees, shareholders, customers and users, suppliers and associates; authorities, public administrations and regulatory bodies; competitors and the civil society in which it is present.

All Prosegur professionals have the obligation to know and comply with the Code of Ethics and Conduct and to collaborate to facilitate its implementation, as well as to report possible breaches of which they might be aware.

The Code establishes that those who, by action or omission, violate the Code of Ethics and Conduct will be subject to disciplinary measures applicable in each case, in accordance with current labour regulations and internal policies and procedures. All breaches reported will be analysed through an investigation process by a team of impartial experts led by the compliance officer, who will present their conclusions and propose, where appropriate, the corrective measures to be applied, informing the people who have identified or reported the breach.

Within the legal compliance section of the Code of Ethics and Conduct, express reference is made to the preparation of financial information in a thorough, clear and accurate manner, using the appropriate accounting records, and its dissemination through transparent communication channels that enable permanent access to the market, and to Prosegur shareholders and investors in particular.

Likewise, the section on the use and protection of resources includes the need to ensure that all operations of economic significance carried out on behalf of Prosegur appear clearly and accurately in appropriate accounting records that represent the true image of the transactions made and are available to internal and external auditors.

The Code of Ethics and Conduct is available on the Prosegur corporate website.

Likewise, the third section of the Code of Ethics and Conduct describes that Prosegur professionals accept the rules summarised in said Code and are bound to complying with it by signing. New employees receive the Code of Ethics and Conduct physically with the welcome documentation.

Prosegur employees have training courses on the Code of Ethics and Conduct on the Prosegur Corporate University platform.

#### Ethics Channel

Prosegur has an Ethics Channel that allows any interested party to report any incident or irregularity of potential importance that could be contrary to the provisions of the Prosegur Code of Ethics and Conduct and guarantee that it will be treated objectively, independently, anonymously and confidentially, adopting the appropriate measures to ensure effective compliance with the Code of Ethics. Among the issues that may be reported through the Ethics Channel are financial and accounting irregularities.

The Ethics Channel consists of a reporting tool, available on the Company website as well as its Intranet, which is permanently open and provides anonymity to ensure the integrity of the individuals who use it.

The Internal Audit Department confidentially manages the communications received and transmits information on their results to the Audit Committee.

The Ethics Channel Policy was approved by the Audit Committee on 28 July 2021 and is available on the corporate website.

#### Training

Prosegur pays particular attention to continuing training and the development of its professionals for the proper performance of their functions.

The personnel of Financial Department (mainly the Tax and Financial Information area) and the Internal Audit Department continuously attend training sessions to ensure that they are up to date on regulatory and legislative changes.

The Company receives periodic training from certain organisations that allow the knowledge of the personnel involved in preparing the Group's Financial Statements and reviewing the financial information to be updated.

Prosegur also has an online platform for the management of training processes (Prosegur Corporate University), from where the Company's personnel can receive the training they need.

## 9.2. FINANCIAL INFORMATION RISK ASSESSMENT

The Corporate Finance Department, through the ICFR scope matrix, annually identifies the risks that affect financial information from the point of view of accounting records and a possible breach of accounting principles. After the risk analysis, the design of the controls that mitigate them is documented.

The purpose of the ICFR scope matrix is to identify the accounts and breakdowns that have a significant associated risk, whose potential impact on the financial information is material and therefore requires special attention. In this sense, in the process of identifying significant accounts and breakdowns, a series of quantitative variables (account balance in relation to the materiality established for these purposes) and qualitative variables (account composition, automation of systems processes/integration, standardisation of operations, susceptibility to fraud or error, complexity of transactions, degree of estimation/judgment and valuations, changes with respect to the previous year; changes and complexity in regulations; application of judgment and qualitative importance of the information, among others) are considered.

This ICFR scoping matrix is based on the statement of financial position and on the balance sheet and consolidated statement of comprehensive income included in the audited Consolidated Annual Accounts available. This matrix is updated annually, both for the entire group and for the different business lines, after the preparation of the Consolidated Annual Accounts. In 2021, the scope matrix was updated based on the figures contained in the Annual Financial Statements for 31 December 2020.

For each of the accounts and significant breakdowns included in the scope matrix, the critical processes and sub-processes associated with them are defined, and controls are implemented that could prevent errors and/or fraud in the financial information, covering

all of the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations).

The consolidation scope is identified on a monthly basis. Changes in the consolidation scope are recorded in the Group's consolidation computer system, in which the map of the ownership structure of the companies within the scope is constantly updated.

The Business Development Department, together with the Legal Department, are responsible for notifying the Corporate Finance Department of operations what they plan to carry out in their area and that affect the structure of the group and the consolidation scope.

The Corporate Finance Department, through its Tax Department, keeps a record of all the companies included in its consolidation perimeter, form of control or influence, legal form and the type of direct or indirect holdings in all the companies. It is continuously updated and allows historical changes in the scope to be traced.

Finally, in accordance with the provisions of the Regulations of the Board of Directors (article 16.3 k), the Audit Committee is responsible for 'analysing and reporting the economic conditions, the accounting impact and, where appropriate, the proposed exchange ratio of the structural and corporate modification operations that the Company plans to carry out, before being submitted to the Board of Directors'.

The Internal Audit Department identifies all types of critical risks (operating, technological, financial, interest rate, exchange rate, legal, tax, social, regulatory, reputational, environmental, political, corruption and fraud) that, were they to materialise, could have an adverse effect on the achievement of relevant goals for the Company.

Supervision of the effectiveness of ICFR is the responsibility of the Audit Committee. The Internal Audit Department applies specific

audit programmes on the financial information internal control system under the supervision of the Audit Committee.

## 9.3. CONTROL ACTIVITIES

### Financial information review and authorisation procedures

The annual accounts of the parent entity, the consolidated annual accounts and the consolidated quarterly and semi-annual financial reports of Prosegur are reviewed by the Audit Committee prior to their formulation by the Board of Directors, in accordance with article 16 of its Regulations. The Audit Committee also reviews any other relevant information prior to publication through the regulatory bodies.

The Board of Directors approves and, where appropriate, draws up the financial information presented, which is subsequently published through the National Securities Market Commission and presented to third parties.

Prosegur conducts periodic reviews of the financial information it prepares, as well as the description of the ICFR in order to ensure the quality of information. The Financial Department is in charge of preparing the description of the ICFR in coordination with the departments involved. This process culminates with the review by the Audit Committee and consequently, it is also approved through the Annual Corporate Governance Report validated by the Board of Directors as a whole.

Financial Management provides a detailed description of the flow of activities and controls on significant transactions that affect the financial statements. The documentation of these flows defines the applicable rules of action and the information systems used for the accounting closing process. The procedures for preparing the accounting close of the Consolidated and Individual Financial Statements and Annual Accounts are updated and sent to the personnel involved in the process

of preparing the financial information. The documents detail the basic tasks of preparation, review and approval of the consolidated accounting closings and of the individual companies that make up the Group.

Prosegur discloses financial information to securities markets on a quarterly basis. The Financial Department is ultimately responsible for financial reporting. In the description of the flow of activities of the accounting closing process, the control activities that ensure the reliability of the information are identified. The corporate departments that make up the Financial Department analyse and supervise the information prepared.

Financial Management documents the risk of error or fraud in financial reporting and the controls that affect all critical processes/sub-processes. These processes cover the different types of transactions that can materially affect the financial statements (purchases, sales, personnel expenses, etc.), as well as the specific consolidation and reporting process.

In this sense, Prosegur has identified all the necessary processes for the preparation of financial information, in which relevant judgments, estimates, valuations and projections have been used, considering them all critical.

The documentation of each of the critical processes consists of:

- Flow diagrams of each one of the sub-processes.
- Risk and control matrices that include:
  - Detail of the procedures and internal rules approved by the Management, and which regulate said sub-processes.
  - Description of the key and non-key controls that mitigate each of the identified risks.

For each control, the following were identified:

- Organizational structures and/or job functions responsible for each of the identified key and non-key controls.
- Frequency of controls.
- Automation of the controls.

- Type of control: preventive or detective.
- Existence of fraud risk.
- Business to which it applies.
- Detail of the information systems that affect the controls.

The specific review of the relevant judgements estimates and valuations for quantifying goods, rights and obligations, revenue and expenses and any other commitment listed in the Individual and Consolidated Annual Accounts is performed by Financial Management with the collaboration and support of the rest of Prosegur Cash's Support Divisions. Assumptions based on business performance are analysed jointly with the Business Divisions.

The Chief Financial Officer and the Managing Director analyse the reports issued and approve financial information before it is presented to the Audit Committee and Board of Directors.

### **Internal control policies and procedures for information systems**

Information Security, led by a Global CISO, reports directly to the Prosegur Group General Director and supports all those countries in which Prosegur is present. The Information Security area has the following responsibilities:

- To align information security objectives with the main strategic lines of business.
- To undertake Prosegur's information security as a global activity that is part of the business.
- To coordinate and approve the proposals received from projects related to information security.
- To provide the necessary resources for the development of information security initiatives.

- To identify and assess security risks against business needs.
- To raise awareness and train company employees on information security.

The Information Security Department is currently executing the 2021-2023 strategic plan, which includes the improvements necessary in relation to those matters and which serves as a guide for the ongoing and cultural process in relation to information security.

The Group has an updated Information Security Regulatory Framework that, among others, establishes the applicable guidelines in:

- Computer resource and system usage.
- Password management and use.
- Identity and access control management.

- Classification of the information
- Storage media protection.
- Security Incident management.
- Vulnerability management.
- Information security risk management.
- Asset Management.
- Training and awareness in Information Security.
- Management of cryptographic keys.
- Computer encryption and access to removable devices.
- System security requirements.
- Configuration, maintenance and change management.
- Network controls.
- Supervision of Systems and Networks.
- Suppliers management.
- Organisation of information security.
- Security in Cloud environments.

- Project Security.
- Systems auditability.

The Regulatory Framework has a global reach, it is under constant development and comprises the Information Security Policy, the Rules that emanate from it, and all procedures and technical instructions in compliance with the Group processes and assets (physical and/or digital), including systems with financial impact.

With this strategy and guidelines, the department seeks to ensure the following dimensions:

- Confidentiality, ensuring that the information is not placed at the disposal of or disclosed to unauthorised individuals, entities or processes.
- Integrity, protecting the accuracy and completeness of the information and processing methods.
- Availability, ensuring that the information is accessible and usable when required by an authorised individual, entity or process.
- Authenticity, ensuring that an entity is what it claims to be, which may be data, users or assets.
- Non-repudiation, ensuring the ability to prove the occurrence of an event or transaction and involvement of entities in it (which may be data, users or assets).
- Traceability, ensuring that all actions on information or an asset may be traced and that these actions may be unequivocally associated with an individual or entity.

## **Internal control policies and procedures for activities subcontracted to third parties and valuation services entrusted to independent experts**

Recurring activities in the process of preparing the financial information are not subcontracted by Prosegur. Prosegur occasionally seeks advice from independent experts in the following situations:

- Assessment of the tax impact of corporate restructuring transactions.
- Tax advice for subsidiaries in preparing tax returns subject to specific regulations.
- Appraisals of the fair value of certain assets, branches of activity or businesses.
- Verification of the effectiveness of the money laundering prevention system.
- Valuation of new company purchase price allocation.
- Accounting advice regarding the reporting of annual financial reports in ESEF format.
- Accounting advice on the treatment of certain specific operations.

When hiring external advisors, depending on the amount, decision processes include at least three proposals from the economic and training point of view. Prosegur resorts to expert services that underpin valuations, judgements or accounting calculations only when they are registered with relevant Professional Associations or have equivalent certification, and when they are companies of renowned prestige on the market. The results of the evaluations, calculations or valuations entrusted to third parties in accounting, legal or tax matters are supervised by the corporate departments of the Financial Department or the Legal Department. The corresponding Prosegur departments also have adequate personnel to validate the conclusions of the reports issued.



## 9.4. INFORMATION AND COMMUNICATION

### Function in charge of accounting policies

The Corporate Consolidation Department, which forms an integral part of the Corporate Finance Department, is responsible for preparing, issuing, publishing and subsequently applying the Accounting Standards applicable to Prosegur under the internal certification of the 3P process management system (Prosegur Policies, Processes). Likewise, it analyses and answers queries, doubts or conflicts about the interpretation and proper application of each of the policies.

The functions of the Corporate Consolidation Department include the analysis of International Financial Reporting Standards in order to comply with:

- The establishment of Support Standards or procedures to help personnel related to the process of preparing financial information.
- The analysis of transactions that require specific accounting treatment.
- The resolution of queries on the application of specific accounting standards.
- The evaluation of possible future impacts on the financial statements resulting from new developments or changes in international accounting regulations.
- The list of external auditors in relation to the criteria applied, accounting estimates and judgements.
- The resolution of any doubt caused by the different interpretations of the regulations themselves.

The process for updating Prosegur accounting procedures (3P accounting rules) is performed yearly. Fluid communication is maintained with all managers involved in preparing the financial information, and any updates made following the latest regulatory changes are also distributed and placed at the disposal of employees with accounting duties.

The consolidated financial information is consolidated and prepared centrally. The first phase of this process begins in the subsidiaries of the Prosegur Group, based on enterprise resource planning (ERP) platforms and under the supervision of Financial Management, which ensures that the financial information of these companies is reliable, complete and consistent. The individual and consolidated financial statements are consolidated and analysed based on the financial statements of the subsidiaries, and through computerised systems programmed for data extraction and aggregation.

There is a semi-annual reporting process to obtain the necessary information for the breakdown of the consolidated annual accounts and the interim consolidated financial statements. The Prosegur Accounts Plan is applied to all Prosegur subsidiaries for reporting purposes in the consolidation of financial statements.

## 9.5. SYSTEM SUPERVISION AND OPERATION

### Supervision activities and results of the ICFR

In accordance with the provisions of article 16.3 of the Regulations of the Board of Directors, the Audit Committee has the following among its basic responsibilities:

- To inform the Shareholders General Meeting on issues raised in relation to those under the authority of the Committee and, specifically, on the result of the audit, explaining how this contributed to the integrity of the financial information and the role of the Committee in that process.
- Ensuring that the annual accounts that the Board of Directors presents to the Shareholders General Meeting are prepared in accordance with accounting regulations and, in those cases in which the auditor has included any condition in their audit report, to clearly explain the opinion of the Committee on its content and scope in the Shareholders General Meeting, through the Chairman of the Audit Committee, making a summary of said opinion available to the shareholders at the time of publication of the call for the General Meeting, together with the rest of the proposals and reports.
- Submitting the proposals for the selection, appointment, re-election and substitution of the external auditor to the Board of Directors, taking responsibility for the selection process in accordance with the provisions of the law, and for the conditions of their contracting and regularly requesting information from the auditor on the audit plan and its execution, in addition to preserving its independence in the exercise of its functions.
- In relation to the external auditor, to: (i) in the event of the resignation of the external auditor, to examine the circumstances that motivated it; (ii) to ensure that the remuneration of the external auditor does not compromise its independence; (iii) to supervise that the Company notifies the change in auditor to the National Securities Market Commission together with a statement on the possible existence of discrepancies with the outgoing auditor, and a description of these if they exist; (iv) to ensure that the external auditor holds a yearly meeting with a plenary meeting of the Board of Directors to report on the work performed and on the developments of the Company's accounting and risk situation; and (v) to supervise compliance with the audit agreement, endeavouring that the opinion on the annual accounts and main content of the audit report are drafted clearly and precisely; and (vi) to ensure that the Company and external auditor respect rules in force on the provision of services other than auditing, restrictions to the concentration of the auditor business and, in general, all other rules on auditor independence.
- Establishing and maintaining the appropriate relations with the external auditor to receive information on those issues that may pose a threat to its independence, for examination by the Committee, and any others related to the process of auditing accounts, and, when appropriate, the authorisation of services other than those prohibited, in the terms contemplated in the law, as well as those other communications provided for in the account auditing legislation and in the auditing regulations. In any case, the Audit Committee must receive an annual declaration of its independence from the auditor in relation to the entity or entities linked to it directly or indirectly, as well as detailed and individualised information on additional services of any kind provided and the corresponding fees received from these entities by the aforementioned auditor,

or by the persons or entities linked to it in accordance with the provisions of current regulations.

- Each year, prior to the issuance of the accounts audit report, to issue a report expressing an opinion on whether the independence of the accounts auditor is compromised. This report must, in any case, be made on the reasoned assessment of the provision of each and every one of the additional services referred to in the previous point, considered individually and as a whole, other than the legal audit and in relation to the regime of independence or the regulations governing the account auditing activity.
- Supervising the internal audit and, in particular, (i) ensure the independence and effectiveness of the internal audit function; (ii) propose the selection, appointment and dismissal of the head of the internal audit service; (iii) propose the budget for that service; (iv) approve or propose to the Board of Directors the approval of the internal audit orientation and annual work plan and the annual activities report, ensuring that its activity is mainly focused on the relevant risks (including of reputation); (v) receive regular information on its activities, and; (vi) verify that the senior management takes into account the conclusions and recommendations of its reports.
- Supervising the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity. In relation to this, it is responsible for supervising the process for the preparation and integrity of financial and non-financial information, as well as the systems for control and management of financial and non-financial risks relative to the Company and to the Group, including operational, technological, legal, social, environmental, political and reputational systems or those regarding corruption, checking for compliance with legal requirements, the appropriate definition of the consolidation perimeter, and the proper application of accounting criteria, disclosing this to the Board of Directors
- Supervising the effectiveness of the Company's internal control and risk management systems, including tax risks, and discussing any significant weaknesses in the internal control system detected during the audit with the accounts auditor, all without violating their independence. For such purposes, and where appropriate, it may present recommendations or proposals to the Board of Directors and the corresponding term for its follow-up'. With regard to this, it corresponds to it to make proposals to the Board of Directors regarding the risk management and control policy, which will identify at minimum: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational, including those regarding corruption) that the Company faces, with the financial or economic risks including contingent liabilities and other off balance sheet risks; (ii) a risk control and management model based on various levels, of which a commission specialising in risks will form part when sectoral rules so provide or the Company deems its appropriate; (iii) the risk level that the Company considers acceptable; (iv) the measures to mitigate the impact of risk events should they occur; and (v) the reporting and control system to be used to control and manage those risks'.
- Supervising the operation of the Company's risk control and management unit responsible for: (i) to ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are properly identified, managed, and quantified; (ii) to actively participate in preparing the risk strategy and in taking important decisions regarding its management; and (iii) to ensure that risk control and management systems adequately mitigate the risks in accordance

with the policy defined by the Board of Directors.

- Analysing and reporting the economic conditions, the accounting impact and, if applicable, the proposed exchange equation of the structural and corporate modification operations that the Company plans to carry out, before their submission to the Board of Directors.
- Reporting, in advance, to the Board of Directors, on all matters provided for in the law and the Articles of Association, and, in particular, on: (i) the financial information that the Company must publish periodically, and; (ii) the creation or acquisition of shares in entities of special purpose or entities domiciled in countries or territories that are considered tax havens.
- Reviewing the issue prospectuses and any other relevant information that the Board of Directors must provide to the markets and their supervisory bodies.
- To establish and supervise a system which enables the employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to notify any irregularities of potential significance, including financial and accounting or any other type of irregularities regarding the Company that may be detected within the Company or its Group. Said mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and accused.
- To receive information and, as the case may be, to issue a report on all actions and decisions made by the Regulatory Compliance Department in the exercise of its authorities and, specifically, in relation to the provisions of the Company's Internal Code of Conduct on Matters relating to Securities Markets.

- Supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. Likewise, the way in which the Company communicates and relates to small and medium shareholders will be monitored.
- To inform on related transactions or any others that involve or may involve conflicts of interest, in the terms established by Law and in this Regulation.
- In general, to ensure that the policies and systems established on internal control are effectively applied in practice..
- Informing, prior approval by the Board of Directors, the annual corporate governance report regarding related operations and risk control and management systems

Prosegur has an Internal Audit Department that is functionally dependent upon the Audit Committee. Its objectives and functions include (i) assisting the Audit Committee in the objective fulfilment of its responsibilities, (ii) verifying proper risk management and (iii) ensuring the integrity and reliability of the accounting information.

The Internal Audit Department has prepared a programme for ICFR review that is regularly executed over two-year periods and is integrated in the annual work schedules submitted to the Audit Committee for approval.

The Internal Audit Department continuously updates its verification programmes in order to adapt these to possible changes to ICFR made by the Financial Information Department that provides the Group with support from Prosegur Gestión de Activos.

In 2021, significant processes were reviewed in relation to financial information in Spain and other European and Latin American subsidiaries.

The Internal Audit Department verifies the state of implementation of the recommendations included in its audit reports, including those related to the ICFR verifications. In 2021, two semi-annual reports were issued on the implementation of the recommendations sent to the members of the Audit Committee.

As Prosegur's risk control and management unit, the Risk Committee ensures the proper functioning of the risk control and management systems and, in particular, that all significant risks that affect the company are properly identified, managed, and quantified. Prosegur actively participates in preparing the risk strategy

and in the important decisions regarding its management and ensures that risk control and management systems adequately mitigate the risks.

In coordination with the Internal Audit Department, quarterly evaluations are made of critical risk management that may possibly include financial reporting risks, based on key risk indicators, their comparison with the established limits and their evolution over time. The results are presented to the Corporate Risk Committee for analysis and to the Audit Committee for the supervision of their management.

### **Detection and management of weaknesses**

During 2021, external auditors participated in two meetings of the Audit Committee to review the conclusions of their audit of the annual accounts as well as the procedures conducted within the context of the annual audit of planning and progress on the auditing task of half-yearly figures. Likewise, the external auditors report on any internal control weaknesses and opportunities for improvement that they have identified in the performance of their work.

Likewise, the Chief Financial Officer, with responsibility for preparing the annual accounts

and interim financial information that Prosegur provides to the markets and its supervisory boards, attends Audit Committee meetings to review and discuss any relevant matter in the process of preparing and presenting regulatory financial information.

In each meeting of the Auditor Committee, the Internal Audit Director provides conclusions of verification on the operation and efficacy of ICFR procedures, control weaknesses identified, any recommendations made and the status of execution of the action plans resolved to mitigate them.

## **9.6. REPORT OF THE EXTERNAL AUDITOR**

Prosegur has submitted the ICFR information sent to the markets for the 2021 financial year for review by the external auditor, whose report is included in the pages that follow. The scope of the auditor's review procedures has been determined to be made with the Guidelines for Action and the model auditor report referring to information concerning the July 2013 internal control system on financial reporting of listed companies, issued by the Spanish Association of Chartered Accountants.

Auditor's report on the "Information related to the System of Internal Control over Financial Reporting (ICFR-SCIIF in Spanish)" of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. for the year 2021

## AUDITOR'S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR-SCIIF IN SPANISH)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

In accordance with the request from the Board of Directors of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (hereinafter the Company) and our engagement letter dated December 15, 2021, we have performed certain procedures on the accompanying "ICFR-related information" included in section F of the 2021 Annual Corporate Governance Report of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. which summarizes the Company's internal control procedures regarding annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Company in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity's internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Company's annual accounts. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Company's annual financial information for 2021 described in the ICFR related information related information of the Annual Corporate Governance Report. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.



Likewise, since this special engagement does not constitute an audit of the annual accounts or a review in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures applied were as follows:

1. Read and understand the information prepared by the Company in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report - and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Company.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit Committee.
4. Compare the information described in point 1 above with our knowledge of Company's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the annual accounts.
5. Read the minutes of the meetings held by the Board of Directors, Audit Committee and other Company committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR-related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

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Ana María Prieto González

February 25, 2022

# STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2021

The members of the Board of Directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A. for 2021, authorised for issue by the Board of Directors at the meeting held on 24 February 2022 and prepared in accordance with applicable accounting principles and with the European Unique Electronic Format, present fairly the equity, financial position and results of Prosegur Compañía de Seguridad, S.A. and the consolidated subsidiaries taken as a whole, and that the respective consolidated directors' report provides a reliable analysis of the Company's performance and results and the position of Prosegur Compañía de Seguridad, S.A. and its consolidated group, together with the main risks and uncertainties facing the group.

In Madrid, 24 February 2022.

Ms Helena Irene Revoredo Delvecchio  
President

Mr Isidro Fernández Barreiro  
Vice-president

Mr Christian Gut Revoredo  
Managing Director

Mr Fernando D'Ornellas Silva  
Director

Ms Chantal Gut Revoredo  
Director

Mr Ángel Durández Adeva  
Director

Mr Fernando Vives Ruiz  
Director

Mr Eugenio Ruiz-Gálvez Priego  
Director

Mr Rodrigo Zulueta Galilea  
Director

# DIRECTORS' RESPONSIBILITY OVER THE CONSOLIDATED ANNUAL ACCOUNTS

The Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries are the responsibility of the directors of the Parent Company and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

The Directors are responsible for the completeness and objectivity of the Annual Accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by Management and that accounting records are reliable for the purposes of drawing up the Annual Accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the Annual Accounts and the protection of assets. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2021. Based on this evaluation, the Directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by Management, and that the financial records are reliable for the purposes of drawing up the Annual Accounts.

Independent auditors are appointed by the shareholders at their Shareholders General Meeting to audit the Annual Accounts, in accordance with the technical standards governing the audit profession. Their report, with an unqualified opinion, is attached separately. Their audit and the work performed by the Company's internal services include a review of internal accounting controls and selective testing of the transactions. The Company's management teams hold regular meetings with the independent auditors and with the internal services in order to review matters pertaining to financial reporting, internal accounting controls and other relevant audit-related issues.

Ms Maite Rodríguez Sedano

Chief Financial Officer

