

Social Responsibility and Sustainability Report 2018





Letter from President

DEAR FRIENDS:

In this my first letter as Chairman of PRISA, I'd like to stress the crucial importance of this moment in time for the Group and its future prospects. We embark on an exciting new era in 2018, after nearly a decade of global economic crisis and enormous difficulties for the sectors and for the geographical areas in which we operate. This has required significant effort and sacrifice from our shareholders and employees. But such sacrifice has meant that we are now finally able to catch a glimpse of the much-needed financial stability that will allow us to forge ahead with the development of the Group in the long term.

PRISA has a solid project for the future, one that is based on professional talent and a firm commitment to defending the democratic values of freedom and equality, both essential if we are to meet the challenges facing our society, a society which is now part of a broader digital ecosystem and assailed on all sides by confusion, fake news and so-called post-truth.

Our company sets the gold standard throughout Ibero-America for the creation and distribution of quality cultural and educational content that seeks to safeguard the development and progress of all those societies in which we operate. Since the very outset, our company has actively promoted a wide range of social and cultural endeavors consistent with our business model while also promoting and raising awareness of social issues and sustainable development. Our work in the area of Corporate Social Responsibility has been recognized and honored repeatedly, and we actively participate in major social platforms, organizations and institutions such as the Global Compact of the United Nations, on whose Executive Committee we sit via its Spanish Network.

Our core operations are tightly linked to the creation of value and service to citizens. Value for our shareholders, our customers and our users, for our employees and for society at large. Testament to our constant innovation is the growth of audiences for all our media and the robust performance of our learning systems in Ibero-America.

I am convinced that PRISA has a future worthy of its prestige and institutional legacy. And I want to thank each and every one of those who are part of the Company for their invaluable contributions, their unceasing effort and commitment, all of which will be essential as the Group steps forward into a decisive new era. I am sure that we will succeed, thanks to your talent and enthusiasm.

Kind regards,
Manuel Polanco
Chairman of PRISA

DEAR FRIENDS:

As CEO of PRISA I would like to focus on the present and the future of the Group. In 2017, the Group undertook the final phase of its debt refinancing plan and announced a major capital increase. By the beginning of 2018, all of this had gone according to plan, just as we expected. It means we can now confidently say that we have achieved the necessary financial stability that will allow the management team to focus on the development and expansion of our businesses, which, despite having undergone profound changes, have, nevertheless, all continued to lead in their respective market segments and have seen both their audiences and prestige grow.

PRISA's management team now faces the challenges of 2018, a year that is set to be a crucial for the Group. But it faces these challenges armed with assets of extraordinary quality.

As clear leader in practically all of Ibero-America, Santillana is an example of innovation and strength, and boasts a business model that strikes the perfect balance between both traditional products and new digital learning systems. These deliver a range of content that comes complete with all the tools necessary to meet the new demands coming from the educational community in Spanish and Portuguese.

El País, which in 2017 reached a record 100 million unique browsers, is leading the digital transformation of the press while maintaining and reinforcing all those values that set it apart in the area of social commitment and the promotion of representative democracy.

Another example of success is the ambitious international expansion plan of *As*. Celebrating its 50 years of prestige and five decades as the sports newspaper of record in Spain, *As* has conquered Latin America with its newsrooms in Colombia, Mexico, Chile and Argentina.

The performance of our radio businesses is no less remarkable. Our radio stations are present in 13 countries, offering the most prestigious brands in news, music and sports. PRISA's radio news brands are undisputed leaders in Spain, Colombia and Chile, and its musical formats also rank as market leaders in Spain and Latin America. Indeed, LOS40 knows no borders and is the most prestigious music brand in the Spanish-speaking world's radio and concerts sector.

As we embark on this new stage, we will focus our efforts on monetizing our audiences and on driving further international expansion. We will concentrate on building content and projects with high added value for both our customers and our advertisers. We have the best professional teams, we have the know-how and we have the most prestigious brands and audiences. All of which puts us in the best possible position to lead the global market for news, education and entertainment in Spanish and Portuguese.



Kind regards,

Manuel Mirat

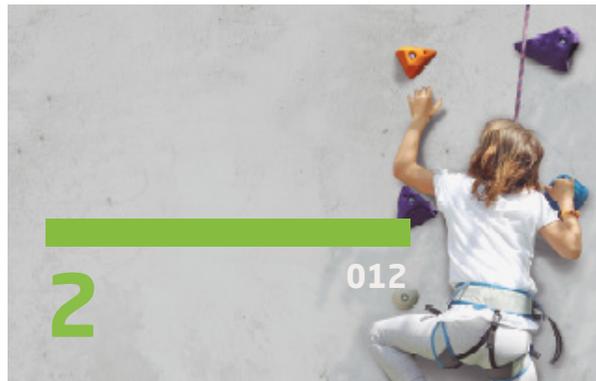
CEO of PRISA



Letter from CEO

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a global
group

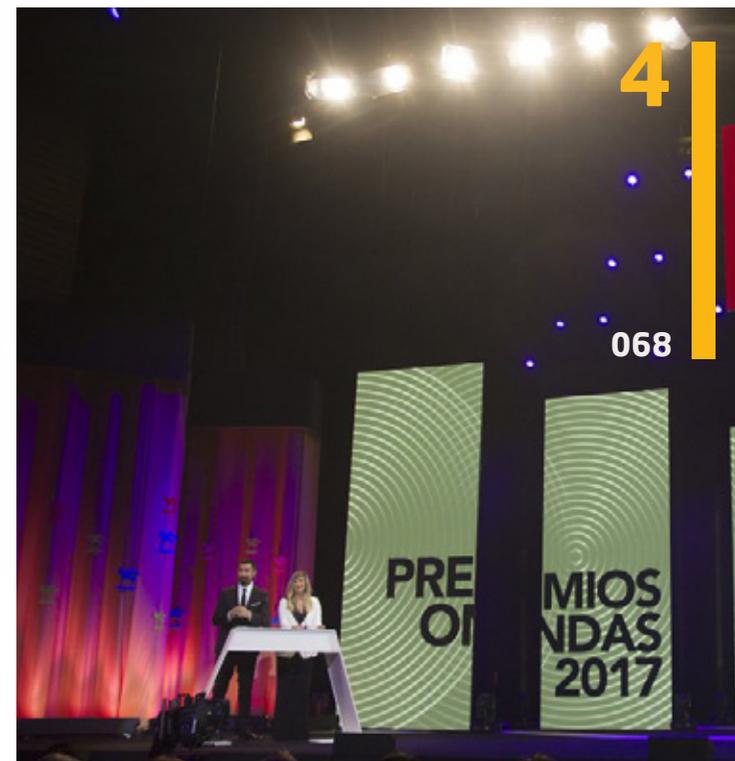
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YEAR

IN REVIEW

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1. YEAR IN REVIEW





2017

- Digital skills and personal transformation in teacher's daily lives are among the topics addressed at the annual event Grandes Profes 2017, held in Madrid and organized by Santillana and the Atresmedia and Telefónica; Foundations, and attended by nearly 2,000 teachers.
- Cadena SER presents its campaign Sin respeto no hay juego (No respect, no game), with big names from the worlds of football and sports journalism. The initiative combats discrimination and racism in football.
- *El País* wins the King of Spain Prize, in the category of digital journalism, for its report 40 años del 20-N: La transformación de un país (40 years after November 20: The transformation of a country).
- "Management and Educational Transformation" was the theme of the IV Congress of Santillana Compartir, held in Jalisco (Mexico), where experts Tyler DeWitt, Julia Borbolla, Marco Serrato, Ivan Barrera and Roxana Morduchowicz inspired teachers and school principals.

JANUARY

- PRISA Radio shows its commitment to its audiences with an unprecedented open day to mark 'International Radio Day'.
- Argentine President Mauricio Macri opens the 'Investing in Argentina' forum, organized by *El País* and PRISA.
- The 5th anniversary of '*Ruta Maestra*', the magazine specializing in education published by Santillana Colombia, which fosters communication and the sharing of knowledge and experience among experts, organizations and the educational community.
- TVI, Media Capital's TV channel, turns 24 and celebrates with a makeover. It remains audience leader, with a 25.4 % share in *prime time*.

FEBRUARY

- The 21st edition of the Cadena DIAL Awards enjoys record audiences for its TV broadcast, with 395,000 viewers.
- Máxima FM celebrates its 15th anniversary, a successful decade and a half marked by rapid growth and leadership as Spain's top radio station specializing in *dance* music.
- *El País* and the Government of the City of Buenos Aires organize the International Forum 'Cities of Latin America' to address global issues and major urban challenges in a global world.
- LOS40 celebrates the first ever edition of the World Dance Music Radio Awards at the iconic Azteca Stadium in Mexico City. These are the first such prizes for electronic music in the 12 countries where the station broadcasts.
- The *New Arrivals project is launched*, an initiative that deals with immigration in Europe as an issue for urgent journalistic analysis. It is coordinated by the European Journalism Centre and funded by the Bill and Melinda Gates Foundation – with the participation of *The Guardian*, *Le Monde*, *Spiegel Online* and *El País*.

MARCH

- Santillana launches the 2nd edition of the Educatividad Awards, a competition that seeks to identify innovative educational projects in which teachers open up new learning paths and develop new teaching techniques and methods.
- *El País*, *Cinco Días* and *El País Retina* come together for a joint initiative that offers the most comprehensive business and finance news in Spanish.
- Podium Podcast premieres *Bienvenido a la vida peligrosa (Welcome to the dangerous life)*, a ten-part series written by Arturo Pérez-Reverte and directed by Guillermo Arriaga.
- *El País* launches *ICON Design*, *ICON* magazine's look at design, architecture and interiors. The aim is to bring the world of interiors to the general public and keep them up to date with all today's design trends and the people behind them.
- *The Huffington Post*'s Spanish edition is renamed *HuffPost*. The company introduces several important changes such as a redesign of the website, a new logo and the official name change to *HuffPost* across all platforms and social media channels.

APRIL

- The 34th annual Ortega y Gasset Awards for Journalism pay tribute to the value of truthful news and information, freedom of the press and journalistic rigor.
- The LOS40 Primavera Pop festival gets three times bigger and better as it's held in three Spanish cities: Madrid, Malaga and Rubí (Barcelona).
- The director of the show 6AM *Hoy por Hoy*, Dario Arizmendi, on Caracol Radio, is awarded the Ibero-American Personality of the Year Award during a ceremony at the UNESCO headquarters in Paris.
- LOS40 launches four new online music stations: LOS40 No. 1, LOS40 Working, LOS40 Runners and LOS40 Latin. Primarily intended for mobile use, each offers carefully curated music for different times of day.

MAY

- The Students for Peace collection, published by Richmond in Brazil, receives the Eltons award in the category Excellence in Course Innovation, awarded annually by the British Council to the best products for English-language teaching.
- The sixteenth edition is held of *El País de los Estudiantes*, the competition promoted by *El País* and Endesa aimed at bringing journalism into the classroom. 2017 saw a clear trend towards social journalism 2.0.
- Google signs an alliance with *El País Retina* aimed at fostering constructive debate that will give a voice to different views on how our society might make progress and become more competitive.
- TVI and Plural, both owned by Media Capital, were the big winners at the eighth edition of the Television Awards 2017 in Portugal, given by the Impala group, with the two companies taking home 17 of the 25 awards.

JUNE

- As brings together Spanish Olympic medalists to mark the 25th anniversary of the Olympic Games in Barcelona in 1992 and celebrate 50 years of the sports newspaper.
- *El País* and Google launch VR-Infographics, an innovative project in the field of infographics and virtual reality that aims to offer support to high-quality journalism via the use of technology.
- The Association of Spanish Language Academies (ASALE) and Santillana sign a contract for the production, publishing and distribution of the schools dictionary *Diccionario escolar panhispánico*.
- *El País Retina* hosts the forum Digital Future. Policies and strategies to meet to the challenges of the new environment, in which the Minister of Energy, Tourism and the Digital Agenda, Alvaro Nadal, and former Prime Minister Felipe González participated.

- In Chile, Santillana welcomes the publisher Norma with the seminar 'Readers for the future'. Authors such as Ana Maria Machado, Maria Fernanda Heredia, Keiko Kasza, among others, reflected on the convergence of traditional and new formats in children's literature.
- Seville hosts the presentation of the Radiolé Awards 2017, with which the leading radio station for Spanish popular music pays tribute to the careers, work and popularity of the most important acts and performers on the Spanish music scene.
- The new 'Digital Educators' Program', launched by Santillana in Spain to coincide with the new school year, seeks to help teachers acquire the new and necessary methodological and technological skills for the process of digitizing the classroom.

- *Cinco Días* celebrates the tenth edition of its awards for business innovation, which seek to honor the most innovative business initiatives in CSR, the most innovative business project in the field of new technologies, and the most innovative entrepreneurial endeavor linked to a University.
- U2, Alejandro Sanz, Ed Sheeran and *Despacito* triumph at the LOS40 Music Awards, the year's major music event. Broadcast to 15 countries, the event has cemented its reputation and prestige as most important music prizes in Spanish.
- *El País Retina* hosts Retina LTD, the largest event to bring together leaders of digital transformation, at Madrid's Reina Sofia Museum.
- In Brazil, the publisher Editora Moderna takes home several Jabuti awards, the country's most important literary award.
- The Santillana Foundation and the Miguel de Cervantes Virtual Library Foundation join forces to host, in Alcalá de Henares, the Fourth Ibero-American Festival of Children's and Young Adult Literature, whose aim is to promote this vibrant sector.

JULY

SEPTEMBER

NOVEMBER

AUGUST

- Launch, in Colombia, of the book '*Pedagogy, Language and Democracy*', written by Santillana author Fabio Jurado, jointly with the Latin American Network for Transforming Language Teacher Training.
- *El País* ceases publishing personal contact ads. The decision was based on women's rights and took into account the views of readers.
- *As Arabia* is launched. This new edition of the world's leading sports newspaper will now reach 25 Arabic-speaking countries across the Middle East and North Africa.
- Cadena SER kicks off the new sports season by reinforcing its commitment to new ways of narrating and understanding sport. Dani Garrido y Manu Carreño are once again the stars of radio sports journalism in Spain with their shows *Carrusel Deportivo* and *El Larguero*.

OCTOBER

- In Chile, the Lectópolis seminar – organized by Santillana in cooperation with the Telefonica Foundation and the Andrés Bello National University – explored major challenges such as ways of promoting reading comprehension and improving access to information among children and young people.
- *Meristation*, PRISA's digital publication specializing in video games, and which is integrated into *As*, celebrates its twentieth birthday.
- Santillana Peru celebrated the 16th School Principals' Convention, under the title "Innovate to Educate". This academic event brings together the heads of leading educational institutions in Peru.
- Publishing house Taurus publishes the stylebook for radio journalism on behalf of *Cadena SER*. Titled "*En antena. Libro de estilo del periodismo oral*", the stylebook seeks to be the most complete and definitive guide for journalists and the general public on how they should behave in front of a microphone.

DECEMBER

- Santillana's Global Learning Technology area brings together technology service providers and international experts to share experiences on educational technology in a new edition of the Annual Workshop Santillana Technology Network.
- The King and Queen of Spain preside over the gala for the 50th anniversary of the newspaper *As*, during which the very Spanish sporting greats, such as Rafael Nadal and Mireia Belmonte, and the British athlete Sebastian Coe were honored.
- Gala ceremony for the 64th Ondas Awards at FIBES (Congress and Exhibitions Center of Seville), presented by Toni Garrido and Cristina Boscá.
- PRISA teams up with the FAO and the Global Compact in Madrid for the first International Forum on Human Rights: From the Global to the Local.
- "*El País* with Your Future" holds its third edition in Madrid – with hundreds of students embracing a new and changing employment landscape.

Inspire them and you'll be surprised at just how far they'll go.

2 PRISA,

A GLOBAL GROUP

- MISSION, VISION AND VALUES
- BUSINESS AREAS
- MAIN FIGURES
- CORPORATE GOVERNANCE
- SHAREHOLDERS AND INVESTORS



**AWAKEN THEIR
POTENTIAL**

2. PRISA, A GLOBAL GROUP

PRISA is the world's leading Spanish and Portuguese-language media group in the creation and distribution of content in the fields of culture, education, news and information, and entertainment.

Present in 23 countries, PRISA reaches more than 60 million people through its global brands *El País*, LOS40, Santillana, W Radio and As.

As market leader in press, TV, both spoken-word and music radio, and education, it is one of the Spanish-speaking world's largest media groups thanks to its high-quality content and its eagerness to embrace the digital economy through the connectivity and innovation of its products and services. Its presence in Brazil and Portugal, and among the growing Hispanic community in the US, opens up a global market of 700 million people. With 134 million unique browsers* worldwide, PRISA is at the forefront of communications companies, and has a solid strategy of content creation and distribution, offering products and services adapted to users' changing consumer habits through a wide range of formats, channels and platforms.

* (Source: Adobe Omniture + Netscape, 2017)



Mission, vision and values

A commitment to society is at the very core of PRISA. From the very beginning, the founders and promoters of *El País* have been committed to Spanish society, to defending and expanding democratic liberties, equality and civil rights for all. All too aware of this responsibility, now, more than four decades on, this commitment remains as strong and vital as ever and now embraces Ibero-America. This vision is shared by all those who work in our organization and is evident in the work and in the day-to-day operations of all those who work for PRISA. These values have always been embraced by the teams of professionals working at *El País* and have subsequently been taken on board by all the Group's companies as they strive to be both socially responsible and world leaders in the fields of education, and news and entertainment in the Spanish and Portuguese-speaking markets. We are thus responsive to the needs and expectations of a free, responsible, respectful and sustainable society. As a brand, we aspire to be the world's gold standard in culture and education in Spanish and Portuguese. And the rapid changes taking place in the media and content sector have spurred PRISA's transformation into a "new

company", focused not only on the production and distribution of quality content, but also on learning more about each of our stakeholder groups, as well as on the use of new technologies.

BASIC FOUNDATIONAL PRINCIPLES



Independence and rigor in our role as informers, educators and communicators.



Self-criticism aimed at achieving personal and business improvement.



Responsibility, intellectual honesty and transparency.



Creativity and innovation in the development of business.



Pluralism and respect for all ideas, cultures and people.



Attention to the demands and concerns of **society** and stakeholders.



Defense of **freedom**, peace, equality and the protection of the environment.



Responsible, efficient and sustainable management, which generates added value for both the shareholder and for society as a whole

MISSION

To contribute to the cultural development of individuals and to the progress of society at large, by delivering high-quality content in the areas of education, news and information, and entertainment.

VISION

To set the gold standard as a brand, **worldwide, in culture and education** in Spanish and Portuguese.

VALUES



Integrity. PRISA sees integrity as **encompassing honesty, rigor, self-criticism, responsibility, independence and impartiality.**



People. Everything we do as a Group **revolves around** people.



Pluralism. We see pluralism as embracing **freedom of expression, transparency and diversity.**



Creativity. Creativity is the Group's most **basic tool** in our ongoing drive to constantly **innovate.**



Connectivity. At PRISA, we are aware of the importance of being connected and being **accessible in order to share and collaborate.**



Dedication. Our dedication **guarantees value, quality and excellence.**



Security. The new digital paradigm requires us to guarantee **a secure environment in order to maintain our users' trust.**

EDITORIAL CODE. *EL PAÍS*

“*El País* is an independent newspaper with a clear international vocation and a champion of pluralist democracy based on liberal and social principles. It is committed to the defense of the democratic and legal order established by the Constitution. Within this framework, it embraces all tendencies, with the exception of those seeking to achieve their ends through violence (...) the paper is dedicated to providing daily, accurate, complete and high quality information of interest to the public, thus enabling the reader to comprehend reality and form their own opinion of the world.

El País should be a liberal, independent, socially responsible, national and European newspaper, attentive to the changes taking place in Western society.

Liberal, in my understanding, means two things: to be willing to understand and listen to those holding different views and to reject the idea that the end justifies the means. In our times, liberal also implies the belief in popular sovereignty, that is, in the equal rights of each and every individual citizen.

We must, therefore, defend plural democracy, exercised through universal suffrage, as the least bad mechanism invented for the exercise of this sovereignty. We must recognize the fundamental rights of all people, while denouncing all types of totalitarianism, as the inescapable consequence of these beliefs.

El País must also be an independent newspaper, not party to or mouthpiece for political, financial or cultural organizations or groups, and, while it defends free enterprise and depends on revenues from its advertisers, the newspaper rejects all conditions from economic pressure groups.

El País must also champion solidarity, as in today’s world, at least in Western countries, every member of society is a participant in the general welfare. For this reason, it must defend the establishment and proper administration of a Social Security system and a fair and just sharing of wealth through the proper imposition of taxation without inhibiting individual growth. It must also defend the environment, as the patrimony of all humanity; it must defend civic virtues, and endeavor to combat all corruption, fraud or abuse, and private and state monopolies. The solidarity of all Citizens before the law is also its mission, for which reason we consider the independence of the judiciary to be fundamental”.

José Ortega Spottorno
March 5, 1977

SANTILLANA



[DOWNLOAD](#)



SANTILLANA

Santillana is one of the world's most important companies in the area of educational content and services. It is present in 22 Spanish and Portuguese-speaking countries.

Santillana delivers inspiring and engaging student-centered learning experiences, and recognizes the work of teachers in educational improvement. It provides service and support to schools, involves families, and is firmly committed to innovation and creativity as the cornerstones of learning.

87
millions
OF BOOKS

30
millions
OF STUDENTS

EDUCATION



PRISA NOTICIAS

PRISA Noticias includes a range of leading news brands, all with a clear global vocation.

The very best and most varied range of Spanish current affairs, business and finance, and sports content, all available in a wide range of narratives and in multiple media formats.

108 millions
OF BROWSERS
UNIQUE

GENERALIST



SPECIALIZED



MAGAZINES



PRISA RADIO

PRISA Radio is the world's largest Spanish-language radio group, with a presence in 13 countries.

The company is structured around two business areas: Radio (spoken-word radio and music radio) and Music, with a management model aimed at revitalizing radio formats, at promoting greater technological innovation and at increasing the availability of content across all digital platforms.

39
millions
OF BROWSERS
UNIQUE

22
millions
OF LISTENERS

TALK



MUSICAL



PODCAST



PRISA AUDIOVISUAL

PRISA Audiovisual is the leading producer of commercial television in Portugal, with TVI, and Number One for TV online channels. It sets the gold standard for the production and distribution of news content and soaps and dramas in Portuguese, and enjoys a reputation for quality in Brazil and in Portuguese-speaking countries in Africa.

PRISA Video focuses on the production and development of a range of television formats, as well as on creating content for broadcast through Internet-connected devices.

COMMERCIAL TV



CONTENTS PRODUCTION



DIGITAL



Business areas

AWAKENING ITS FULL POTENTIAL

2017 was a phenomenal year for Santillana, in terms of both results and new business initiatives and educational projects. Whereas 2016 witnessed the successful acquisition of Carvajal Soluciones Educativas, one of the leading companies in Latin America for educational content, learning technology and children's literature, 2017 was marked by the integration of its brands (Norma and Kapelusz, among others) into Santillana, with each brand keeping its own personality in content development, marketing and customer service.

The year was characterized by a strengthening of comprehensive solutions that provide an integrated approach to the learning experience and that seek to foster a more complete and in-depth approach to education and skills acquisition. In addition, the company has opted for further development of assessment tools that will analyze not only the academic progress of students, but also their cognitive and social/emotional skills, and programs that develop literacy skills more fully.

New trends towards greater flexibility and personalization of educational curricula have been reflected in projects such as **Escuela de Autor** in Spain, which offers modular materials adapted to

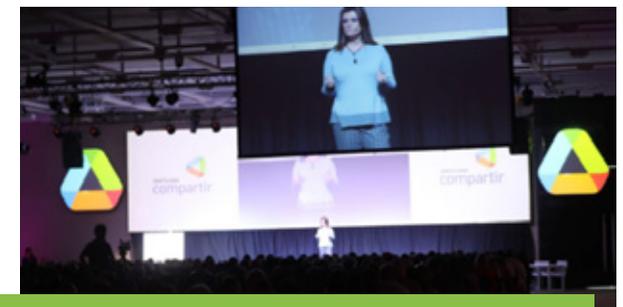
new ways of understanding education and teaching in the classroom, and **SET VEINTIUNO**, a program that provides resources and services to nurture the talents and skills required by citizens of the 21st century. Santillana has also reached an agreement with Marshall Cavendish for the marketing of its Singapore mathematics methodology in certain territories.

Within the framework of institutional co-publishing ventures, highlights include a collaboration with the Royal Spanish Academy on the Pan-Hispanic Dictionary of Legal Spanish (Diccionario Panhispánico del español jurídico)

In 2018, Santillana will continue to develop innovative new educational projects, such as a print and digital content platform aimed at early learners.



Skills Training Congress in 2017 Mexico.



6th Congress on Educating in the Digital Age in Argentina.

LEARNING SYSTEMS

The initiatives **UNOi** and **Compartir** are aimed at a wide range of key agents in learning and education and offer a comprehensive and integrated approach to learning. The systems have now reached more than 1,100,000 students in just six years since launch, confirming the success of this educational approach.

UNOi remains Santillana's most comprehensive and disruptive approach, and is one of the most innovative systems in Latin America with an extremely positive impact on the learning process of children. In addition, in 2017 it has evolved into a unique program focused on developing 21st-century and composed of three "languages": SE (in Spanish) + BE (English) + DO (maker). A number of new processes have been added to the initial processes of digitization (digital culture), training (active pedagogies) and evaluation: these include maker (Maker Culture), certification (teachers and schools) and assessment (qualitative assessment).

Santillana Compartir already reaches 640,000 students in 15 countries. This year it has incorporated the **Logros** (Achievements) program for the diagnosis and development of cognitive and emotional skills. It has now been deployed in four countries and will be expanded to include the rest in 2018.

The company has also strengthened the areas of English language learning (with a reading comprehension program) and evaluation of academic



progress (through the **Pleno** platform), and has enhanced the reading in Spanish program (with **Lo-quecuento**, **Lectópolis** and **Aprendizaje Eficaz** (Effective Learning), all of which favor skills development in students.

After several years of support for teachers in the use of digital tools, Santillana now also offers new features that allow them to create digital activities and enrich the classroom experience. Finally, the company has improved communication with families with the app **Compartir en familia**.

LANGUAGE LEARNING

Richmond Publishing maintains its leading position for English-language learning in Latin America, thanks both to its wide-ranging catalog for the regular school market and its successful participation in public procurement bids in Mexico, Brazil, Paraguay and the Dominican Republic. The Stu-

dents for Peace series, published in Brazil, won the prestigious ELTons award from The British Council in London in the Innovation category. This series is now gaining traction not only in Santillana's traditional markets but also in countries such as Turkey and China.

One of the most interesting initiatives for successful English-language learning is **Richmond Solution**, a flexible learning system covering all language-related needs, including evaluation.

In 2018, Richmond will take a major leap forward with the addition of a new series, Compass, serving the growing demand for bilingual education. This will be completely innovative and combines the Common European Framework standards with those of the US Common Core. In addition, the imprint will also launch the PERSONAL BEST series for teaching English to young adults, with an app that allows them to practice their English anytime, anywhere and on any device.



Book series Students for Peace.

Santillana francés once again reported excellent results in Spain, seeing growth in all market segments. It remains the absolute leader in primary, secondary education and among adult learners.

PROMOTING READING

2017 has been the year of consolidation for the Loqueleo imprint. Since its launch in October 2015, it has been rolled out in different countries to reach the current total of 19 in Latin America and Spain. In addition, it has launched in regional languages in Spain, with imprints in Galician (Oqueleo) and Valencian (Jollibre Voramar).

Meanwhile, this year also saw the return of Santillana to children's and young adult trade books in the area of literature, with releases like the film spin-off *The Little Vampire*; the hardback collection of *Natacha*, by Luis Pescetti; and the augmented reality title *¿Amigos?*, among others.

In 2018, the publishing house will continue to strengthen its commercial line with new global and local book launches. In addition, the reading comprehension platform Loqueleo will be rolled out in Argentina, Colombia, Mexico and Uruguay, among other countries. This platform enables teachers to help students to measure and improve their reading skills through interactive activities related to selected books.

The Norma catalog of children's literature has opened up new markets in the US, Uruguay, Chile and Bolivia, and its prestigious Norma Prize for Chil-

dren's Literature was awarded to Argentine writer Ezequiel Dellutri.

The year 2018 will also see the celebration of two important anniversaries for the imprint: the 20th birthday of *Zona libre*, a renowned collection aimed at young adult readers throughout Latin America, and the 20th anniversary of one of the most widely read titles from the publisher's catalog, *Los*

ojos del perro siberiano (*The eyes of the Siberian dog*), by Antonio Santa Ana.

In addition, some of the most important collections (*Buenas noches*, *Torre de papel*, *Zona libre* and *Cara Cruz*) will undergo a thorough redesign and relaunch, enabling the publisher to further expand its great catalog of titles.



Presentation of "Oqueleo", a new Galician-language children's literature project from the Santillana imprint Ediciones Obradoiro.

21ST-CENTURY SKILLS

The SET VEINTIUNO program, which provides materials and resources for the development of so-called 21st century skills, has implemented two initiatives in 2017. Firstly, Viveros de Experiencias (Experience Labs) that have allowed teachers and students from Spain and Latin America to work in areas such as programming and robotics, as well as education in values (the sustainable economy, critical thinking...) through a methodology based on challenges and teamwork. Secondly Expedición SET VEINTIUNO is an exclusive event where teachers can discover firsthand what skills are necessary for life in today's world.

In 2018, the publisher will strengthen its Santillana-LAB, a forum for research and dialogue on educational trends, with open monthly sessions that will bring together the experience of experts and an analysis of best practices for innovation that can be directly applied in the educational community.

EDUCATIONAL PLATFORMS

One of the **technological advances** implemented in 2017 in 18 countries was Version 3.0 of the LMS platform e-stela, the main digital tool for accessing the contents of Santillana Compartir and UNOi.

With regards to digital products, there were notable improvements to and increased use of **Libroweb 3.0**: generated in HTML5, it's more accessible (by the standards of W3C), with responsive design,

has multi-device availability (computer, tablet and smartphone) and is more intelligent, with tracking and tracing (xapi trace).

In 2018, Santillana is set to launch its digital platform for access to digital content, **EVA**, in five countries in Latin America. This is destined to become the most advanced tool in the textbook market. The year will also see the implementation of the so-called 360° view, in terms of analytics, which will provide information on the digital vitality of schools. Thanks to Learning Analytics, teachers will be offered a detailed knowledge of all the content consumed by their students and will be informed of their progress, ultimately enabling them to delve deeper into the customization of the teaching-learning processes.

FUNDACIÓN SANTILLANA / SANTILLANA FOUNDATION

In 2017, the Santillana Foundation has consolidated its prestige through forums in Argentina, Chile, Brazil and Mexico, among other countries, and by publishing reports and research together with the OECD and UNESCO, in both Spanish and Portuguese. The Latin American Festival of Children's Literature, with editions of Bogotá, Valladolid, Buenos Aires and Alcala de Henares, built on the solid success of previous years, with thousands of readers attending the events and many more following through social networks.

Noteworthy among the Foundation's cultural activities in Spain, were the 10th Annual Formentor Literary Conversations, the Festival of Philosophy and the Third Cultural Journalism Congress.

Culture: the 10th annual Formentor Literary Conversations .



PRISA NOTICIAS

EL PAÍS

2017 was also a busy year for institutional activity, with *El País* organizing numerous discussion forums with high-level government and business officials and important opinion leaders throughout Ibero-America.

As a result of an agreement signed between *El País* and Google, and with a view to fostering and enabling dialogue and constructive debate on the impact of digital transformation, *El País Retina* has organized several training workshops, panel discussions and debates. In November, the second edition of the landmark event *El País Retina* was held, bringing together leading players from the worlds of innovation and digital technology. Meanwhile, the third edition of *El País con tu futuro (El País with your future)*, was held. This event focused on the impact of digital transformation in the workplace, on training and education. The goal is to look at future careers and inspire and orient 2nd-year Bachillerato students on their career choices, with leading professionals from all sectors on hand to guide them.

In 2017, *El País* made available the widest and most comprehensive range of business, finance and economic news available in Spanish: *El País Economía*, a project that brings together content from *Cinco Días* and *Retina* for the newspaper's online edition. Business news is further complemented by the Sunday *Business*

(*Negocios*) section, which offers detailed news and coverage of the most important national and international stories.

In order to promote the Spanish language and Hispanic culture beyond the merely economic sphere, *El País* and the London School of Economics and Political Science launched in July 2017 the **Observatory of Spanish-speaking World**. This cultural and economic research center is aimed at building bridges between Spanish-speaking countries and the UK.

El País and Volkswagen Spain together launched the content platform **#talentodigital**, which brings together global innovative projects to give a voice to entrepreneurs – and a boost to digital transformation in all sectors.

Music also had an important part to play in 2017, with the newspaper continuing the daytime, family-friendly concert series, **Los Matinales de El País** to mark the paper's 40th anniversary.

Marking 40 years of democracy in Spain and the 40th anniversary of the newspaper, *El País* inaugurated the series of events *España 4040*, consisting of debates and talks that address the past, present and future of Spain in Europe and the world. The first such event took place in Madrid, with the participation of **Manuel Valls**, former Prime Minister of France; **Moises Naim**, writer and columnist for *El País*; **Alan D. Solomont**, president of the Chamber of Commerce Spain-United States; and **Beatriz Domínguez-Gil**, director of the National Transplant Organization, among others. The series



Debate forum with top government and business officials from Ibero-America.

will be continued in 2018, with events in Brussels and London.

During 2017, **the subscriber-exclusive program, *El País* +**, has continued to offer a range of the very best, free cultural activities, as added value for subscribers. And, with the aim of viralizing audiovisual content, *El País* + musical performances can also be followed via Facebook Live.

PRISA Noticias enjoyed robust performance in 2017, with record audiences. The *El País* web site posted an average monthly audience figure of 18.35 million unique users in Spain (ComScore PC + Mobile), a 33 % increase over the figure for 2016. Traffic from Latin America accounted for an average of 23 %, monthly, of the total for 2017. It should be noted that the Brazilian edition of *El País* has seen an increase of 34 %. Access through mobile devices was also up: in 2013 the percentage readers who used a mobile device to access the newspaper's website was 27 % of the total – compared to 64 % in 2017.

Throughout 2017, we continued with our commitment to the distribution of our content through social networks, where we have a community of over 20 million followers on all major platforms (Facebook, Twitter, Instagram and Youtube). *El País* goes wherever its users are and we are attentive to the interest generated by the various video formats among users on social networks. Video has become increasingly important in

coverage of some of the year's key events, such as the terror attacks in Catalonia and the Catalan independence movement.

Video content is now consolidated as one of *El País*'s chief strategic formats. The average monthly video views increased by 212 % over the previous year thanks to the creation of new content, live broadcasts on Facebook, the development of a Youtube channel and an increased presence on Periscope. Video audiences have grown continuously over the months to beat all records. Two years ago, the number of video starts was 2.5 million, and in October 2017 the number of starts had surged to 140 million.

AS

As celebrated its **50th birthday** in 2017 with a gala presided over by Their Majesties the King and Queen and during which the As Sports Awards were given out to the most outstanding sports men and women, including Rafael Nadal, Mireia Belmonte and Sebastian Coe. Throughout the whole year, there were several successful events revolving around sports, most notably the historic reunion of Spanish Olympic medalists held in July at the Montjuïc stadium and coinciding with the 25th anniversary of the Barcelona 1992 Olympic Games.

As audience figures were also outstanding in 2017. As in Spain reached 10.9 million unique users (according to ComScore PC and access from mobile



Leading Spanish and international figures from the worlds of culture, business and politics debate 40 years of democracy in Spain.

devices). During 2017, *As* continues to lead among sports media in Latin America thanks to its local editions in Colombia, Mexico and Chile, and three new editions in Argentina, Peru, and Venezuela. Latin America now accounts for 45 % of the total audience. Another noteworthy fact is that 79 % of *As* users access content from a mobile device. *As TV* has experienced steady growth in 2017 with more than 20 million video views per month – an interannual increase of 13 % in video views, according to data from Omniture.

August 2017 saw yet another milestone for *As* when the sports paper signed an agreement with the Qatari media group Dar Al Sharq for the launch of *As Arabia* in 2018, which will meet the growing demand for sport news and content among the Arabic-speaking public.

Also noteworthy was the full integration into *As* of *Meristation.com*, the top video games portal in Spain and Latin America. Since June, the more

than 4 million monthly unique browsers of *Meristation* have helped expand the range of audiences and content of *As*.

Finally, Google and *As* have collaborated on an innovation project within the framework of the Google Digital News Initiative and which has allowed journalists easier and more intuitive access to media data. During 2017 there has also been a significant increase in AMP format news for Google and those using the format Facebook Instant Articles.

Cinco Días

As Spain's veteran business and finance daily prepares to celebrate its 40th anniversary, the newspaper has undergone, in 2017, the most comprehensive overhaul in its history. Starting last April, the paper has thoroughly revamped its digital edition, which has been incorporated into *El País Economía*. The print edition has also been trans-



Iñigo de la Serna, Minister of Public Works, at the Cinco Días Forum.

formed, with the aim of consolidating its strengths and revalidating *Cinco Días* as the newspaper of record for companies, investors, savers and professionals. Across the board, there has been a design overhaul and it has been adapted for use across all devices and for readers who increasingly consume content on mobile devices.

In October, the online edition of *Cinco Días* reached a record audience of 4.62 million unique users, representing growth of 77 % over the same period last year, according to ComScore (PC + Mobile).

As it enters this new era, *Cinco Días* has shifted the focus to the sections Companies, Markets and My

Signing of agreement with Qatari media group Dar Al Sharq.



Money, which are now joined by the Fortunes section, covering lifestyle for top-tier professionals, and a selection of digital content from *Retina*. There's also a Legal section, contributed by Wolters Kluwer, leader in legal information. And the paper maintains the sections Smart Life, the portal on consumer technology, and PYME (SMEs) Territory with practical information for freelancers, entrepreneurs and small businesses.

During 2017, the *Cinco Días Forum* has consolidated its reputation as a space for dialogue with business and finance policymakers. Treasury Minister Cristobal Montoro; the Foreign Minister Alfonso Dastis; the Minister for Public Works Development, Iñigo de la Serna; President of the CNMV, Sebastián Albella; and the Secretary of State for Economic Affairs, Irene Garrido, are just some of the voices that have participated in these informative breakfast debates, broadcast live on the *Cinco Días* website and on social networks.

The *Cinco Días Awards* for Business Innovation celebrated their tenth year, at a gala presided over by the Minister of Economy, Luis de Guindos, and which featured a masterclass by Fuencisla Clemares, country manager of Google Spain and Portugal. This year's winners were Inditex, for its trajectory throughout the decade, Libelium, BEOnChip and Via Célere.

El HuffPost

El HuffPost reported a record audience in 2017 and consolidated its position among the four



The fifth anniversary of El HuffPost.

most-read digital natives in Spain, with more than 13.5 million unique users according to Omniture and nearly 10 million according to Comscore. It has also reached record figures on social networks and consolidated video as one of its chief narrative formats. It has a million followers on Facebook, nearly half a million on Twitter and 20,000 on Instagram. On the occasion of its fifth anniversary, it redesigned its logo and website to adapt it to all devices, especially mobile.

PRISA REVISTAS (MAGAZINES) / LA FACTORÍA

In 2017, The Factoría– the content factory belonging to the magazines division PRISA Revistas – has consolidated its position as a leading company in the field of branded content publishing, increasing its turnover from external customers by 39 %. The Factoría was also a leading producer of branded content for the Group's marketing arm, PRISA Brand Solutions.

Meanwhile, the company has continued to manage the magazines available alongside Saturday's *El País: Icon, S Moda, BuenaVida, Tentaciones, Retina and Shopping*. These brands have increased their advertising market share during 2017 to reach 11.5 million euros in turnover. November 2017 saw the launch of the magazine *Retina*, effectively the third leg of a PRISA Noticias 360° project on digital transformation. The magazines also increased their digital audience by 12 % to 10.5 million unique users (Omniture).

Especially noteworthy is the performance of *elmotor.com*, launched in 2016, and transversal to all PRISA Noticias brands. It increased its audience by 119 %, putting it among the Top 5 automotive websites in Spain (Omniture / Comscore).

MERISTATION

2017 was a decisive year for *MeriStation* in its quest to lead the gaming industry. Since June, it has formed part of the vertical AS.com and, once it has met SEO costs deriving from the change of URL, it will incorporate the same technology platform used by other Group titles. The newsdesk has been completely transformed to meet the challenges of this exciting new phase which seeks to make *MeriStation* the true hub for all games-related technology, the go-to site for anything a player might need: all the latest news, tips and hacks, entertainment and an unbeatable community.

PRISA RADIO

PRISA Radio is the world's largest Spanish-language radio group with 22,454,000 listeners and more than 1,250 stations, either directly owned or associates, spread out over Mexico, Spain, United States, Colombia, Costa Rica, Panama, Argentina and Chile, and through franchises in Guatemala, Ecuador, Paraguay and the Dominican Republic. PRISA Radio has a well-established business model in its various radio formats, and is committed to the expansion of radio and music in Latin America, and to innovation in the audio industry, specifically audio on-demand. This model has positioned PRISA Radio as a world leader for Spanish-language radio.

For yet another year running, PRISA Radio's spoken-word stations demonstrated their continued commitment to news and information, and sports and entertainment, through a powerful network of stations, websites, mobile applications and its podcast platform.

In **Spain**, PRISA Radio closed 2017 with 9,973,000 listeners (EGM). Cadena SER, with 4,317,000 listeners, is the absolute leader in the spoken-word segment. LOS40, with 2,862,000 listeners, has been the No. 1 radio entertainment brand in Spain for more than five decades and is present in ten Latin American countries.



The Cadena SER team.

Caracol Radio, with 1,859,000 listeners, remains the leading station for news, sports and entertainment in **Colombia** and is one of the most prestigious broadcasters in Latin America. Alongside W Radio, the station is one of the pillars of PRISA Radio. Together, Grupo Caracol's stations reach 7,436,000 listeners.

In **Chile**, PRISA Radio is undisputed radio market leader with 2,349,000 listeners. Of the ten radio formats to be broadcast, six are among the top-ten ranking for audiences, noteworthy among them the spoken-word radio station ADN Radio Chile, and Radio Corazón, which remains the most popular radio station in the country

In the **Mexican market**, PRISA Radio operates through Radiópolis, co-owned 50/50 with Televisa, and to which PRISA Radio brings its extensive experience in the radio business. Radiópolis, through its 75 stations and affiliates, distributes six lines of spoken-word and music programming, reaching 1,653,000 listeners.

In **Argentina**, PRISA Radio reached 706,000 listeners in 2017. Radio Continental continues to go from strength to strength on the Argentinean spoken-word radio scene.

In the **U.S.**, PRISA Radio, with an audience of 148,000 listeners, operates two radio stations that broadcast in Spanish, one for the Los Angeles and southern California region, an area which encompasses more than 30 % of the U.S. Hispanic population, and another broadcasting in Miami, where we are No. 1 in the Hispanic spoken-word radio sector.



Penelope Cruz gives U2 their LOS40 Music Award.

In **Costa Rica**, PRISA Radio operates three radio formats through a company co-owned 50 % by the group and Grupo La Nación. Its three music

radio broadcasters – Bésame, LOS40 and Q 'Teja – reach 189,000 listeners daily.

In 2017, PRISA Radio redoubled its efforts to position its products as leaders in the digital media ecosystem, seeking to lead the development of online audio in all its markets. The company's stations already broadcast more than 52 million hours of live listening via digital media every month, boast more than 16 million monthly audio-on-demand downloads, and have surpassed 39 million unique browsers for their stable of web and mobile products. PRISA Radio also has a solid 58-million-strong fan base across the different social networks.

2017 was a busy year in terms of development and launch of digital products, following three trends: increased on-demand listening, the public's preference for mobile devices, and multi-channel distribution of content.

In response to the tendency of users to listen to audio wherever and whenever they want, on-demand content was expanded by the music radio stations, and usability for computers and mobiles was significantly improved. This initiative was accompanied by the implementation of a single measurement and monetization platform. Also, thanks to the support of the Google Innovation Fund, new features were implemented to facilitate the discovery and recommendation of audio content at Cadena SER (**HERTZ Project**).

To facilitate the use of mobile devices, which account for between 60 % and 80 % of total traffic, article pages on the major radio sites were redesigned, and are now responsively adapted to the

form factor of any device, be they desktop computers, tablets or mobiles.

MUSIC AT PRISA RADIO

In 2017, our music stations in Spain were once again audience leaders.

LOS40 continues to set the gold standard for music radio in Spain. Testament to this was the show of support from both audiences as well as the major national and international music stars who every day drop into our studios.

LOS40 Music Awards held one of its most exciting and international galas ever at Madrid's Wizink Center. U2, Ed Sheeran, Luis Fonsi, Alejandro Sanz and Penelope Cruz, among others, were cheered on by a 14,000-strong crowd and many more fans listening in 15 countries, confirming the event's reputation as the most important awards in the Spanish-speaking world.

Cadena DIAL, PRISA Radio's leading Spanish-language music station, continues to win over new listeners. What's more, this season welcomed the journalist and humorist Manel Fuentes at the helm of its breakfast show, *Atrévete*.



Manel Fuentes, presenter of *Atrévete*.

In **Chile**, 2017 was an excellent year for music radio stations: six stations remained in the top ten among the general public, and Corazón continued to hold the No. 1 spot. The six stations (Pudahuel, Corazón, Imagina, Concierto, FMDOS y Radioactiva) were all leaders in their audience segments. A further two reached second place in the ranking: Futuro and LOS40. The latter also beat its own record again with a musical milestone called Ultravioleta, a day with special programming which brought radio and the digital environment together to demonstrate the power of the brand. Just like every year, the events Festigame, Noche de la

Corazón and Gala Pudahuel were a huge hit with the public and a great marketing success.

In **Argentina**, LOS40 remains the go-to station for music, and is clear audience leader among young people aged 18 to 24. It consolidated the success of its top breakfast show Todos Arriba, with presenter Nicolás Magaldi, and of its second most popular morning show, presented by Juani Martínez. Meanwhile the station RQP set the standard for rock, with a presence at top rock events and sustained growth throughout the year.

In **Mexico**, Ke Buena continues to reign as the most listened to station in Mexico City, as well as being the station to see most digital growth on the most important platform for content distribution. LOS40 Mexico continues to hold its lead in its genre, gaining position among the general public.

In 2017, **Colombia's** music stations have staged events that made headlines. In addition to the popular regular events Tropicconcierto and Festival Urbano, which brought together 20,000 people and major tropical artists, there was the successful debut of the first ever LOS40 electronic music event, VIVA, which attracted 5,000 people and featured DJs Alan Walker and Jax Jones, as well as local talent such as DJ Argüello. Meanwhile, for the first time ever, Tropicana organized a salsa concert, attended by 5,000 fans: the Tropicana Salsa Festival. In August, Radioactiva celebrated the first ever Rock Day, which brought together more than 30 national rock bands at a single event that significantly strengthened the position of the station. Noteworthy among Caracol's successes were the growth of Bésame and the consolidation of the changes made to the Tropicana brand, making it Caracol's leading tropical station.

The **World Dance Music Radio Awards** debuted as the first electronic music awards organized by LOS40. The Azteca Stadium in Mexico City was the setting for the event, which featured some of the world's biggest DJs, including David Guetta, Martin Garrix, Steve Aoki, Alan Walker, Cedric Gervais, Nervo and Vassy. The gala brought together 90,000 fans, and had a global reach thanks

David Guetta at the WDM Radio Awards at the Azteca Stadium in Mexico City.



to broadcasts in every country where the brand LOS40 operates as well as being aired through SKY channel.

PLANET EVENTS

In 2016, concert promoter Planet Events worked with the hottest national artists from the current music scene such as Miguel Bosé (120,000 tickets sold in 17 cities, ten of which were sold out), Alvaro Soler and Dvicio. The promoter also managed tours, especially for Latin international artists like Maluma (80,000 tickets sold in nine cities, six of which were sold out), Juan Luis Guerra, Juanes, J Balvin, Bomba Estéreo, Carlos Rivera, Carlos Vives, CNCO, Carlos Baute, Fonseca, Ha*Ash, Jesse & Joy, Reik, Caetano Veloso, Franco Battiato and Giorgio Moroder.

The promoter also brought its flair and expertise to events such as the Premios Dial Awards, LOS40 Music Awards, As Sports Awards (50th anniversary) and the Ondas Awards. The company was also active in organizing festivals like MadTown Days and the eclectic Noches del Botanico, which featured artists such as Steve Hackett, Bryan Ferry and Jamie Cullum, as well as electronic events such as Oro Viejo The Big Show.

Highlights among its sponsorship partnerships in 2017 included teaming up with CEPSA for six months for a range of concerts in the Canary Islands, including Juan Luis Guerra and the Open Water Festival with Luis Fonsi, and David Bisbal, among others.

PODIUM PODCAST

PODIUM Podcast, the global network of podcasts in Spanish, celebrated its first anniversary with over 17,000,000 downloads to date. The largest production network of cultural, journalistic and editorial audio content in Spanish continues to grow, with an offer of over 30 programs in its first year.

The most successful podcasts were Bienvenido a la vida peligrosa, El gran apagón and V, las cloacas del Estado. In addition, new series like Rendición, O.V.N.I and Valencia Destro reported 200,000 downloads.

A noteworthy development was the incorporation of audio as a further channel for the distribution of content. A good example of this was the integration of a relevant podcast into a story on the *El País* home page.



Raphael wins the Dial Award for lifetime career and his contribution to Spanish pop.

PRISA AUDIOVISUAL

MEDIA CAPITAL

In 2017, TVI held on to its lead in commercial television in Portugal for the 13th consecutive year. It's also the country's top online TV channel. The show *Pesadelo na Cozinha* (Kitchen Nightmares), was the most-watched non-sports program to air in 2017, and, for the first time, TVI ranked first in prime time with *Apanha Se Puder* (Raid The Cage), a game show that airs at 7 pm every day of the week.

The year also saw the continued expansion of the channels TVI Internacional and TVI Ficção to new countries and new platforms. TVI's channels are now available in over 22 territories around the world. And TVI and Plural's soaps and dramas reach 64 countries. The 24-hour rolling news channel in Portuguese, TVI24, goes from strength to strength with regard to cable TV prime time, and the station won record audiences with its investigation into illegal adoptions involving the IURD and the mismanagement of Raríssimas Association. The ensuing televised debates on these issues also brought in record figures.

In the area of radio, Radio Comercial maintained its lead in the morning slot and is also the Number One radio station in Portugal for followers on social networks. M80 reported record audiences and climbed to third place in the music radio ranking in Portugal.

In the digital arena, TVI Player is a widely recognized and much lauded, both nationally and internationally, free digital platform, which enables viewers to watch TVI content live or in catch-up anywhere in the world. This is the first digital platform for Portuguese conventional television to be offered by a cable operator (Vodafone) and has a growing number of followers and subscribers.

Audiovisual producer Plural has held onto its lead for soaps and drama in Portugal, and has made a successful foray into entertainment production with the game show *Apanha se Puder*, the new prime time audience leader on Portuguese television. Soaps and dramas produced in Mexico, Galicia and Macau are also audience leaders in Portugal. The goal for 2018 is to maintain the leads enjoyed by all TVI channels, to forge ahead with digital development, to grow alternative revenue sources to traditional advertising, continuous innovation in content development and entry into new platforms and media. All this with a view to providing more interactive content and developing new forms of brand loyalty, while maintaining the ambitious goals of efficiency and profitability in audiovisual production.

Other objectives include holding on to Radio Comercial's lead, the consolidation of the other radio formats, such as M80, and an increased commitment to digital, as well as a presence at major musical events.

PRISA VÍDEO

PRISA Video continued to work, in 2017, in the production and development of television formats, as well as in the creation of content for broadcast through Internet-connected devices (OTT).

This division developed and co-produced the documentary film **The Best Day of my Life**, which followed the celebration of World Pride in Madrid, and which is set to be released in theaters in 2018. Directed by Fernando González Molina (director of *Palmeras en la Nieve* and *El guardián invisible*) and with music by Lucas Vidal (*Fast and the Furious 6*) and Antonio Orozco, it was a co-production with AMC Iberia, *El País* and sponsored by the Madrid city council.

In the last quarter of 2017, PRISA Video began shooting **Comerse el Mundo** (Eating the World) a 10-episode culinary adventure, presented by chef Javier García Peña, that takes in Colombia, Athens, Jordan, Bolivia, Peru, Mexico and many other countries for Canal Internacional.

In October 2017, pre-production got underway for the primetime program **Desaparecidos** (Missing) for TVE's La1. Directed by Paco Lobatón and presented by journalist Silvia Inchaurredo, it enjoys the participation of teams across the social networks who coordinate efforts to search for missing persons and reunite them with their families.

This year also saw the successful tenth season of hit coaching and mentoring show **Hermano**

Mayor, produced for Cuatro. Also for Cuatro, there was a TV series on music and urban culture sponsored by LG, in what was as a pioneer experience in branded content. Testament to the show's innovation was the fact that it was shot entirely using mobile phones.

2017 also saw the release in theaters and on pay platforms (Filmin, Netflix and Movistar) of the documentary co-produced by PRISA Video **El Fin de ETA** (The End of ETA), after its debut at the San Sebastian Festival in 2016.

In addition to these projects, PRISA Video has participated in the development of several documentaries and drama projects that are at various stages of marketing.



Main figures

Digital figures

Revenue source

| by geographic region in % |
| in millions of euros |

	2017		2016	
	Figure	Contribution	Figure	Contribution
Spain	521	45 %	558	47 %
International	645	55 %	617	53 %
Brazil	203	17 %	172	15 %
Mexico	87	7 %	81	7 %
Colombia	98	8 %	94	8 %
Chile	51	4 %	51	4 %
Argentina	61	5 %	38	3 %
Peru	23	2 %	49	4 %
CAN ¹	28	2 %	27	2 %
CAS ²	12	1 %	11	1 %
Ecuador	22	2 %	20	2 %
Dominican Republic	10	1 %	13	1 %
Puerto Rico	9	1 %	9	1 %
Uruguay	3	0 %	2	0 %
Bolivia	6	1 %	6	1 %
Paraguay	3	0 %	2	0 %
Venezuela	4	0 %	7	1 %
USA	22	2 %	31	3 %
Portugal	4	0 %	5	0 %

Revenue

| by business area in % |
| in millions of euros |

	2017		2016	
	Figure	Contribution	Figure	Contribution
Education	656	56.3 %	633	53.8 %
Radio	281	24.1 %	301	25.6 %
Press	221	18.9 %	240	20.4 %
Others	9	0.7 %	2	0.2 %
TOTAL	1,166		1,176	

The data are adjusted for all extraordinary effects related to changes in consolidation and severance.

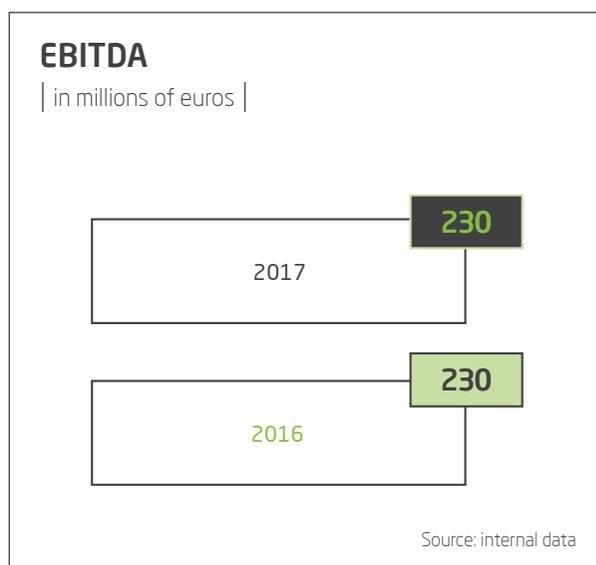
¹ CAN: Guatemala, El Salvador y Honduras.

² CAS: Costa Rica, Panama y Nicaragua.

EBITDA Geographical distribution

| Geographical distribution in % |

	2017		2016	
	Cifra	Contribution	Cifra	Contribution
Spain	50	22 %	61	27 %
International	180	78 %	169	73 %
Brazil	67	29 %	51	22 %
Mexico	16	7 %	18	8 %
Colombia	20	8 %	20	9 %
Chile	15	7 %	16	7 %
Argentina	20	8 %	8	3 %
Peru	5	2 %	16	7 %
C.A.North	11	5 %	10	5 %
C.A.South	4	2 %	4	2 %
Ecuador	8	3 %	6	3 %
Dominican Republic	4	2 %	6	3 %
Puerto Rico	3	1 %	2	1 %
Uruguay	1	0 %	0	0 %
Bolivia	3	1 %	3	1 %
Paraguay	1	0 %	1	0 %
Venezuela	2	1 %	2	1 %
USA	2	1 %	5	2 %
Portugal	0	0 %	0	0 %



DIGITAL FIGURES

Unique browsers

| in thousands |

	2017	2016
Browsers	133,700	114,831
Spain	62,783	52,459
Latam	56,431	49,892
USA	6,016	4,972
Other countries	8,469	7,508

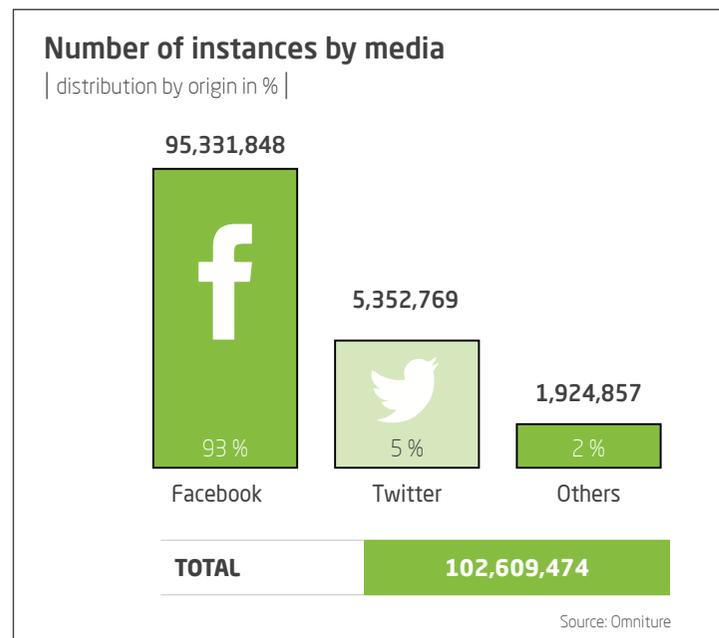
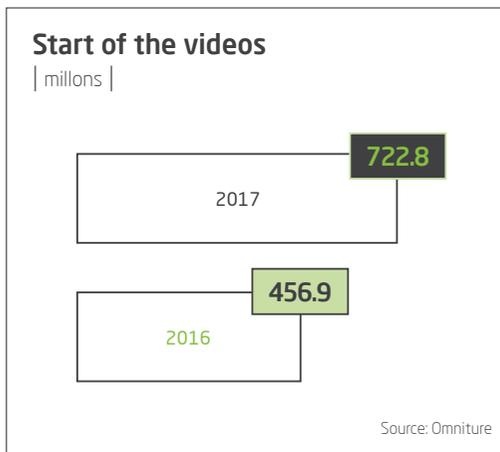
Source: Omniture

Source of traffic

| distribution by origin in % |

	2017		2016	
	Figure	Contribution	Figure	Contribution
Direct traffic	154,749,131	38 %	147,067,509	39 %
Search engines	126,717,864	31 %	113,271,041	30 %
Social networks	102,609,474	25 %	92,192,142	24 %
Others	26,022,649	6 %	25,467,768	7 %
TOTAL	410,099,118		377,998,460	

Source: Omniture



SANTILLANA

Book sales by geographic region

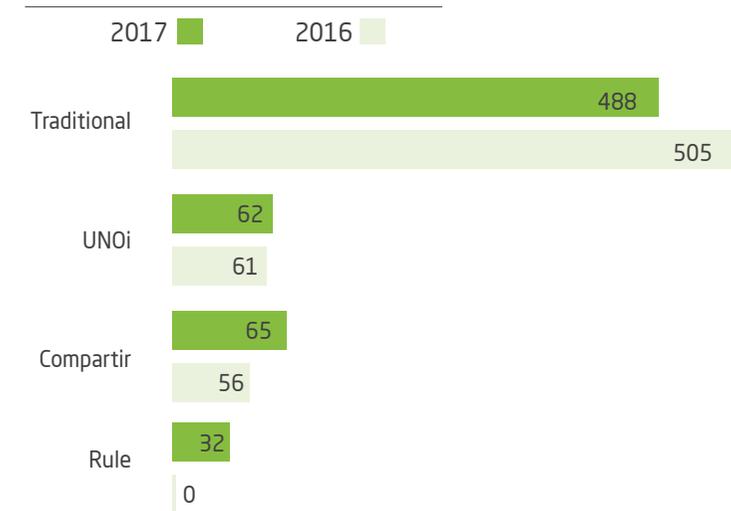
| in millions of euros |

	2017	2016
Spain and Portugal	121.5	138.6
Spain	117.8	133.8
Portugal	3.7	4.8
Brazil	199.8	167.2
Mexico	83.6	77.3
Venezuela	3.9	7.3
Argentina	50.4	27.5
Chile	26.5	26.6
Peru	22.7	48.5
Colombia	32.5	19.6
Rest of America	106.4	110.3

Source: internal data

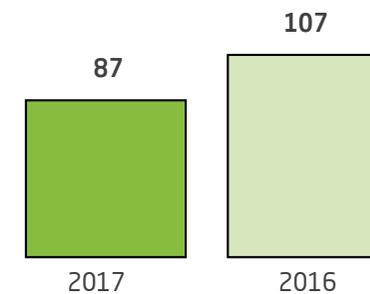
Sales business area

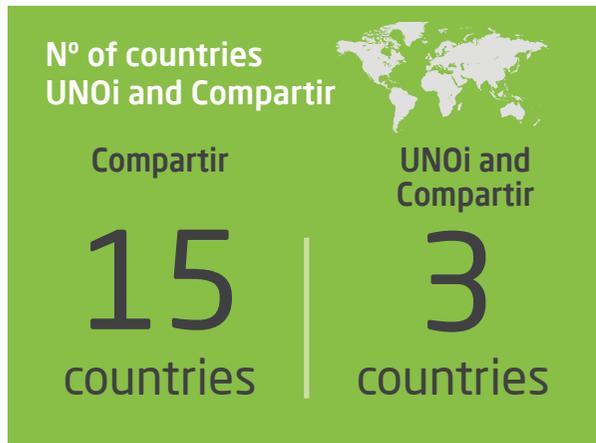
| in millions of euros |



Books sold per year

| in millions of euros |





Students UNOi and Compartir

| N° of students |

2017		2016	
UNOi	Compartir	UNOi	Compartir
276,176	656,430	282,034	585,844
932,606		867,878	

| N° of schools |

2017		2016	
UNOi	Compartir	UNOi	Compartir
893	1,894	905	1,712
2,787		2,617	

PRISA RADIO

PRISA Radio Audience by country

| thousands of listeners |

	Position market	Share audience audience	Listeners	Source
SPAIN	1	41 %	10,032	EGM January-December 2017
LATIN AMERICA			12,540	
CHILE	1	41 %	2,376	IPSOS January-December 2017
COLOMBIA	1	27 %	7,436	ECAR November 2016-Oct 2017
MEXICO	2	15 %	1,701	INRA January-December 2017
US - MIAMI	4	8 %	148	NIELSEN January-December 2017
ARGENTINA	5	11 %	690	IBOPE January-December 2017
COSTA RICA	4	14 %	189	EGM October 2016-Sept 2017
PORTUGAL	2	36	2,009	Baremo Radio Olas Jan-Dic 2017
TOTAL WITHOUT PORTUGAL			22,572	

Radio audience in Spain

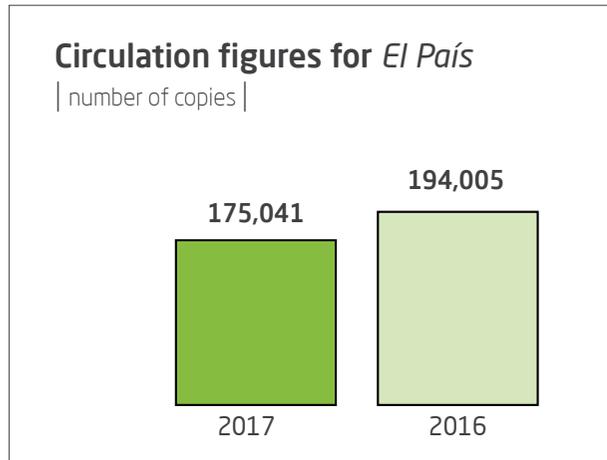
| EGM 3ª Ola 2017 |

| millions of listeners |

	2017	
	Listeners	
CADENA SER	4,336	
40 PRINCIPALES	2,806	
CADENA DIAL	2,179	
MÁXIMA	370	
M80	362	
RADIOLÉ	499	
	9,891*	
	Listeners	Share
SER	4,336	36,7 %
COPE	2,824	23,9 %
ONDA CERO	1,950	16,5 %
RNE	1,391	11,8 %
TOTAL LISTENERS GENERALISTS	11,811	
	Listeners	Share
PRISA RADIO	5,923*	42,6 %
LOS40	2,806	20,2 %
DIAL	2,179	15,7 %
MAXIMA	370	2,7 %
M80	362	2,6 %
RADIOLÉ	499	3,6 %
CADENA 100	2,254	16,2 %
EUROPA FM	1,715	12,3 %
ROCK FM	1,129	8,1 %
KISS FM	1,048	7,5 %
TOTAL LISTENERS MUSICAL	13,895	

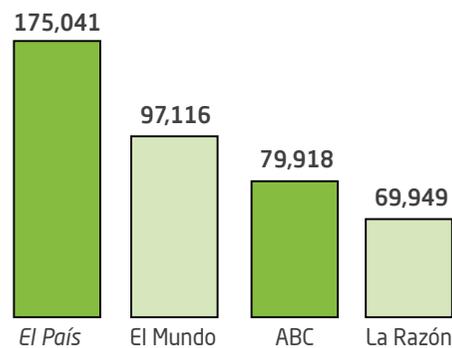
* Number of net listeners without duplications

PRISA NOTICIAS



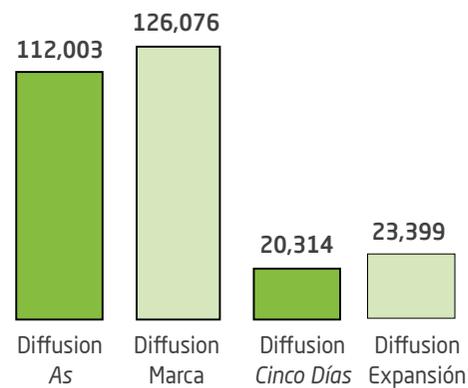
Circulation figures for leading Spanish general-interest printed newspapers

| number of copies 2017. Source: (OJD) |



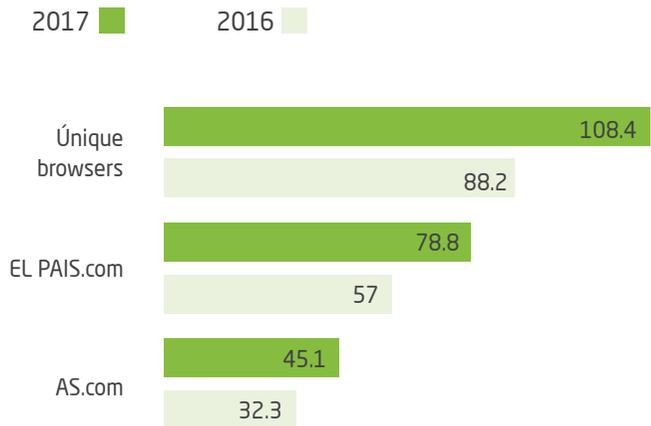
Circulation figures for leading Spanish sport printed newspapers

| number of copies 2017 |



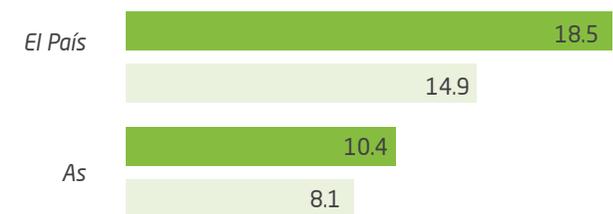
Browsers and multiplatform users PRISA Noticias

| Millions of Unique Browsers | | Averages |



Fuente: Omniture

| Total Mobility PC+ mobile Spain (Multi platform Spain) |
| Averages | | Millions of Unique Users |



Source: Data based on comScore

| Monthly | | Millions of Unique Users |

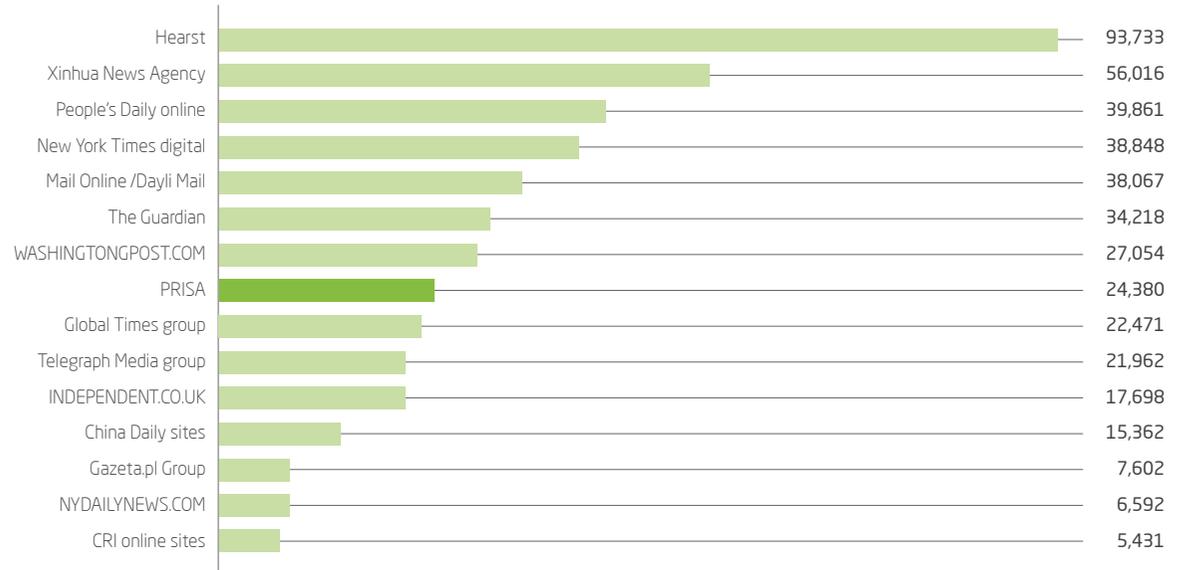


Source: Data based on comScore

Audience world of sites of information

| in thousands of unique users |

Source: comScore average to december 2017

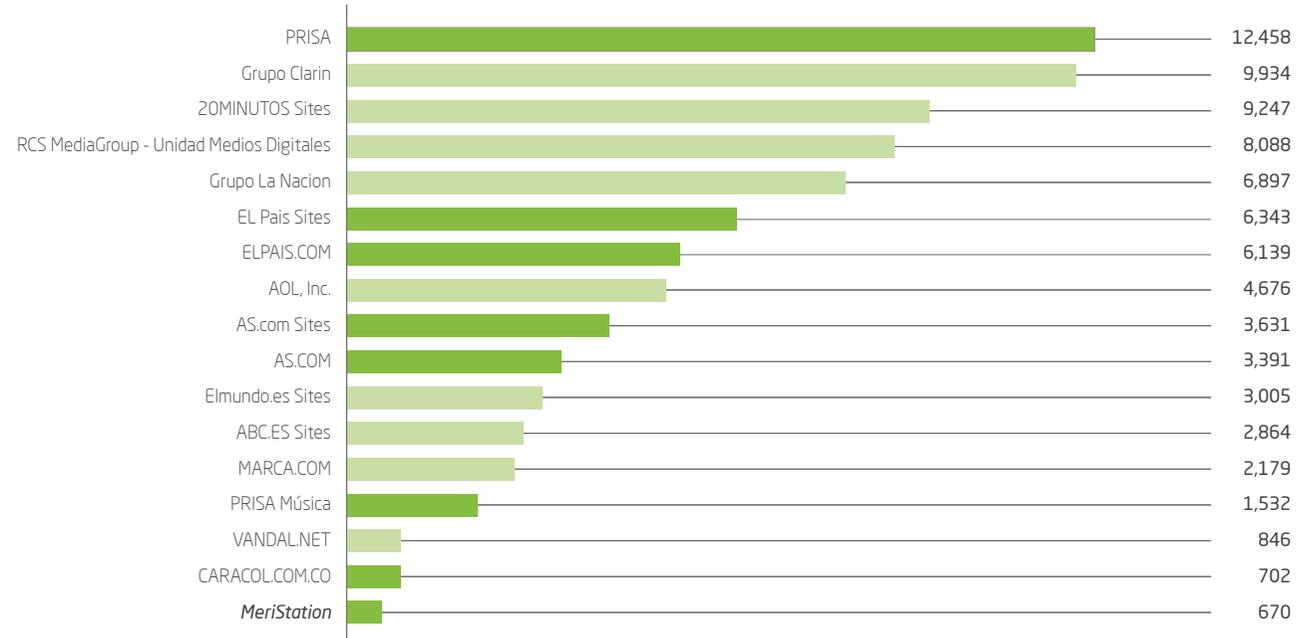


Audience Latin America of sites of information

| in thousands of unique users |

■ Companies that belong to PRISA

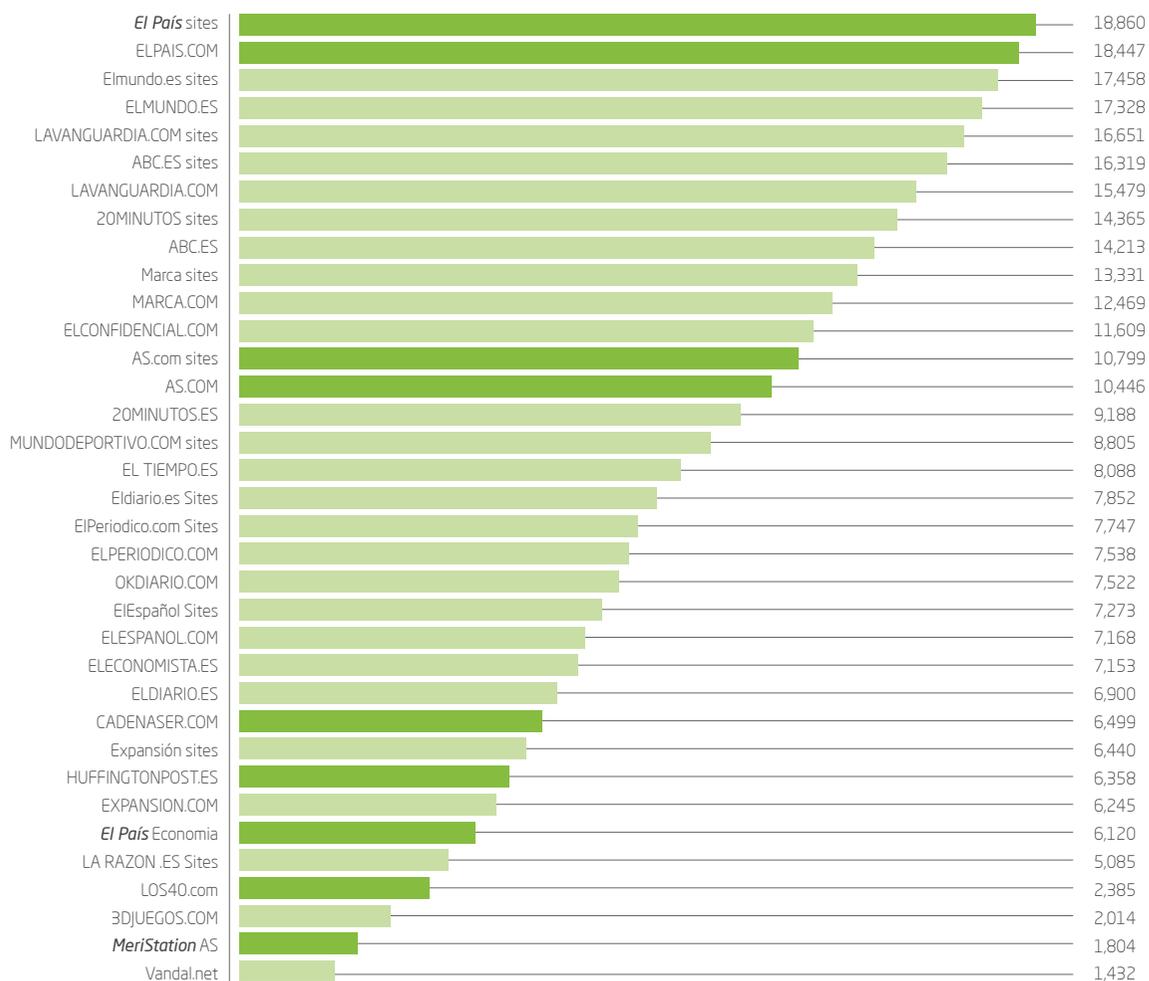
Source: comScore average to december 2017



Audience spanish of sites of information

| in thousands of unique users |

■ Companies that belong to PRISA Source: comScore average to december 2017



PRISA AUDIOVISUAL

Television PORTUGAL

| january-december | | Average of 2017 |

	24HOURS	Prime time
RTP	17.6 %	16.7 %
SIC	17.8 %	22.4 %
TVI	21.8 %	25.3 %
PAY TV	34.1 %	28.7 %
OTHERS	8.8 %	7.0 %

Corporate governance

MAJOR DEVELOPMENTS DURING THE YEAR

The main changes to the Board of Directors of PRISA in 2017 were:

- **Succession of the Executive Chairman:** Last October the Board of Directors initiated the succession of the Executive Chairman, Juan Luis Cebrián Echarri. After considering several alternative candidates, the Board of Directors, at the meeting held in December 2017, accepted Juan Luis Cebrián Echarri's resignation as a director and Executive Chairman and appointed Manuel Polanco Moreno – at that time an executive and Deputy Chairman – as non-executive Chairman of PRISA with effect from January 1, 2018.
- **Succession of the CEO:** In June 2017 Manuel Mirat Santiago was appointed CEO, replacing José Luis Sainz Diaz in the post, with effect from September 4, 2017. From January 1, 2018 and after the replacement of the Chairman, Manuel Mirat has held this post in his capacity as chief executive of PRISA.
- **Reorganization of the Board of Directors:** Throughout the year 2017, the composition of

the Board of Directors has undergone reorganization, with the departure of 9 directors and the entry of 6 new directors, including the succession of the CEO, all of which has also led to a reconfiguration in the composition of all committees of the Board. The succession of the Chairman took effect from January 1, 2018.

In February 2018, the Board of Directors appointed the independent director Javier Monzón de Cáceres, as non-executive Deputy Chairman of the Board.

This reorganization is linked to changes in the Chairmanship of the Company and to capital operations carried out in recent months.

INTRODUCTION

An ongoing review of company performance in the area of corporate social responsibility informs and guides all the work of the highest governing bodies. This is in keeping with a strategy of sustainability and of enhancing corporate reputation – to the benefit not only of the shareholders and investors, but also company employees, suppliers and other stakeholders, all with a view to being a socially responsible and sustainable company that is accountable to society at large.

In late 2017, the Corporate Governance Committee conducted a preliminary analysis of the corporate governance framework of the Company, which is set to be revised in 2018 to adapt to the new circumstances of the Company (including the Chairmanship of the Board) as well as to reorganize the board committees and adapt their rules and performance standards to the latest recommendations and best practices in corporate governance.

[2017 Consolidated
Financial Statements](#)
[2017 Report Management](#)

[DOWNLOAD](#)

[2017 Corporate Governance
Annual Report](#)

[DOWNLOAD](#)

Board of Directors and Board Committees

Board of Directors

EXECUTIVE DIRECTORS

D. Manuel Mirat (Chief Executive Officer)

EXTERNALS DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDINGS

D. Manuel Polanco (Presidente)
 D. Roberto Alcántara
 D. Shk. Khalid Thani A. Al Thani
 D. Joseph Oughourlian
 D. Waleed Alsa'di

INDEPENDENT EXTERNAL DIRECTORS

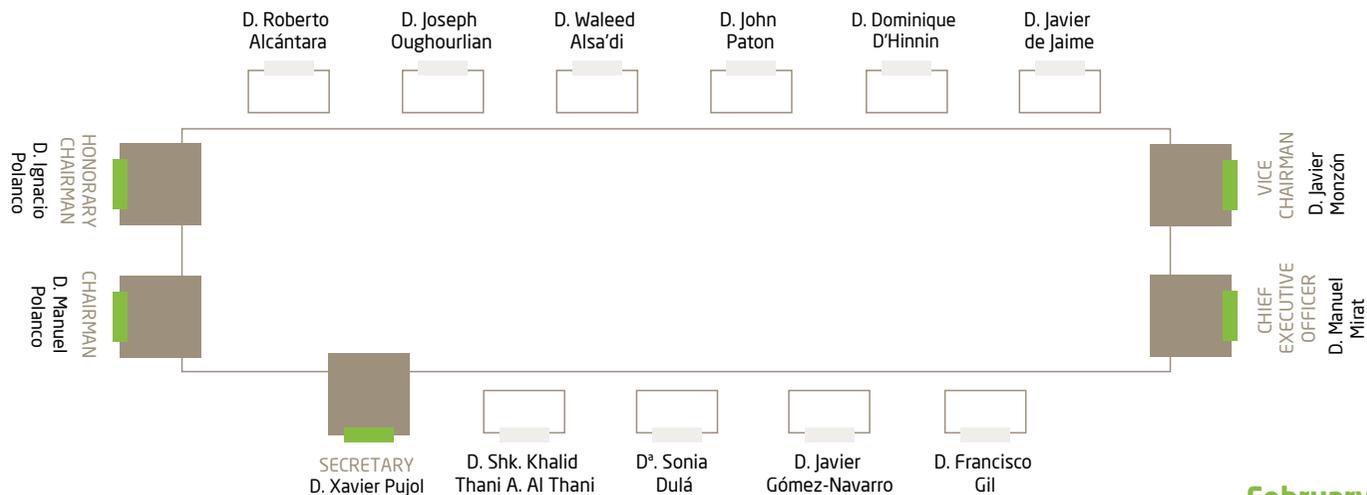
D. John Paton
 D. Dominique D'Hinnin
 D. Javier Monzón
 D. Javier de Jaime
 D^a. Sonia Dulá
 D. Javier Gómez-Navarro

OTHER EXTERNALS DIRECTORS

D. Francisco Gil

SECRETARY NON-DIRECTOR

D. Xavier Pujol



Delegated Commission

CHAIRMAN

D. Manuel Mirat

MEMBERS

D. Manuel Polanco
 D. Javier Monzón
 D. Joseph Oughourlian
 D. Roberto Alcántara
 D. John Paton

SECRETARY

D. Xavier Pujol

Audit committee

CHAIRMAN

D. Dominique D'Hinnin

MEMBERS

D^{ña}. Sonia Dulá
 D. Waleed Alsa'di
 D. Javier Gómez-Navarro

SECRETARY

D. Xavier Pujol

Corporate governance committee

CHAIRMAN

D. Javier Monzón

MEMBERS

D. Dominique D'Hinnin
 D. Javier Gómez-Navarro
 D. Joseph Oughourlian
 D. Shk. Khalid Thani A. Al Thani

SECRETARY

D. Xavier Pujol

Appointments and remuneration committee

CHAIRMAN

D. Javier Monzón

MEMBERS

D. Dominique D'Hinnin
 D. Javier Gómez-Navarro
 D. Joseph Oughourlian
 D. John Paton

SECRETARY

D. Xavier Pujol

GOVERNING BODIES

The General Shareholders' Meeting and the Board of Directors are the highest governing bodies of the Company.

The Board of Directors of the Company has a non-executive Chairman, a non-executive Deputy Chairman and a CEO, who is the chief executive of the Group.

Notwithstanding the powers delegated to the CEO, the Board of Directors has an Executive Committee, to which have been delegated all the powers and duties of the Board that may be so delegated.

The CEO is supported by members of the Executive Committee, whose members make up the senior management of the Company.

Senior managers are appointed by the Board, on a proposal from the Chief Executive and subject to a report issued by the Appointments and Remuneration Committee. Senior managers report directly to the CEO. The functions of the Board, as defined in the Board Regulations, and in accordance with the recommendations on Good Governance as issued by the CNMV, are chiefly economic, social and environmental in nature, such as the approval of the policy on Corporate Social Responsibility and this report, following a proposal from the Corporate Governance Committee.

In addition, the various committees (the Executive Committee, Audit Committee, the Corporate Governance Committee and the Appointments and Remuneration Committee) also have responsibility for decision-making on economic, environmental and / or social matters.

The Audit Committee, in addition to the powers provided for in the applicable legislation, also oversees the evaluation of all matters relating to non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational issues.

The Corporate Governance Committee has, among other duties and powers, those relating to the strategy in the areas of corporate governance, corporate social responsibility and sustainability.

COMPOSITION OF THE BOARD

The Board of Directors is composed of reputable and highly qualified professionals, with skills from a wide variety of academic and professional backgrounds and sectors of interest to the Company and are from a range of different countries.

The company has a Policy for the Selection of Directors, whose principles and objectives can be summarized as follows: i) diversity in the composition of the Board; ii) proper balance throughout the Board as a whole that favors diversity of persons, knowledge, experiences, origin and gender; and iii) that by 2020 the number of female directors be at least 30 % of all board members.

In compliance with recommendation 14 of the Code of Good Governance issued by the Spanish National Securities Market Commission, or Comisión Nacional del Mercado de Valores (CNMV), (which states that "the appointments committee shall annually verify compliance with the selection policy and duly report their findings in the annual Corporate Governance Report") the Appointments and Remuneration Committee has verified that, during the year 2017, all principles, objectives and procedures provided for in the Policy for the Selection of Directors, were taken into account regarding the proposed ratification and / or appointment of directors, although circumstances surrounding the recomposition of the Board during the year did not allow for achieving the objective regarding the 30 % figure for female directors.

The Appointments and Remuneration Committee shall take appropriate action over the coming months to make improvements in this area.

OPERATION OF THE BOARD

The Board of Directors conducts an annual assessment of the performance, functioning and operation of the Board and its committees including, among other matters, an evaluation of issues relating to corporate governance and social responsibility.

The Group has a clear structure and rules of governance, and is equipped with a corporate communications policy that facilitates, in every area of activity, the conditions for dialogue with stakehol-

ders. Specifically, PRISA has a “Communications Policy with Shareholders, Institutional investors and Proxy Advisors”, which regulates the general principles and general information and communication channels for relations between the Company and the market and its agents.

The Regulations of the Board of Directors, the company’s Code of Ethics and the Internal Code of Conduct on matters relating to the securities markets define the appropriate courses of action in order to avoid potential conflicts of interest.

The management of each of the business units adopts all necessary measures in order to ensure fluid communication with the plurality of interests and social currents in society at large. The Group’s various media have permanent institutional channels to receive and attend to suggestions, concerns and complaints, and regularly organize events such as visits to their facilities, in order to engage a wide range of social groups and remain attentive to the concerns of various stakeholders and to remain open to debate on ideas which serve to enrich society as a whole.

CHOICE OF CONTENT

EDITORIAL GOVERNANCE

The Board of Directors is not directly involved in the process of defining content.

However, the Board of Directors of PRISA, at its meeting in December 2017, agreed to regulate the operation of the Editorial Board of the Group as a body reporting to the Board of Directors of PRISA and whose mission is to support the Group’s media and to ensure that media managers carry out their their work after appropriate corroboration and debate on the selection of topics and the approach to be used.

The Editorial Committee is governed by its own “Principles of Operation and Organization”.

The following are ex officio members of the Editorial Committee: the Chairman of PRISA, the CEO of PRISA, the Editor-in-Chief of the newspaper *El País* and the Managing Director of Cadena SER. The Editorial Board is composed of a minimum of fifteen (15) members and a maximum of eighteen (18). Nine (9) members of the Editorial Committee are internal members of Grupo PRISA and the other members, that is between six (6) and nine (9), are external members. External members are leading figures of recognized professional expertise from the areas of politics and society, public service, academia, journalism, economics and bu-

siness, culture, arts, science and technology. At all times, the Committee will seek to foster gender plurality and diversity.

It is the prerogative of the Board of Directors to name the Chairman of the Editorial Committee. At their meeting last December they appointed Juan Luis Cebrián to the post.

The Editorial Committee meets weekly to analyze and discuss current issues and affairs that merit careful, joint reflection. Such meetings may include external experts from the relevant areas.

Also, in January 2018, the Board of Directors of PRISA appointed an Editorial Director for the whole group (Augusto Delkader), who sits on the Management Committee and is supported by the CEO.

EL PAÍS

The editor-in-chief is responsible for the editorial line of *El País*, and is answerable to both readers and the judiciary, within the framework of the principles set out in the statute. To this end, he or she retains the right of veto over all originals, including advertising. Likewise, the editor-in-chief organizes and coordinates all the work in the newsroom. Before the Board of Directors of the publishing company appoints a new editor-in-chief for *El País*, the chairperson or CEO must submit to the Journalists’ Committee any proposed nominee. If two thirds of the total census of the Journalists’ Committee oppose the nomination, by means of

a written argument, the Board will take this opinion into consideration, although it is not binding. Likewise, the appointment of deputy editors and section editors will be previously communicated to the Journalist's Committee by the editor-in-chief. If two-thirds of the Committee are opposed the measure, this opinion, though not binding, is taken into account. Their opposition will be presented in writing, laying out their arguments.

Likewise, the publisher of *El País* has an Editorial Statute, approved by the general meeting of shareholders of PRISA, and its own Journalists' Committee, a body representing newsroom professionals. The statute governs the professional relationships between the *El País* newsroom and its management and the PRISA publishing company, independently of trade union and labor relations. The newsroom includes all journalists, regardless of the university degree they hold, who write content, and who have been on the staff for at least six months.

The statute states that *El País* rejects all pressure from individuals, political parties, and economic, religious or ideological groups seeking to make the news serve their own interests. This independence, and the non-manipulation of news, safeguards the rights of readers, whose protection is the ultimate mission of the publisher.

The Statute of *El País* states that the Journalists' Committee acts as mediator between the newsroom and the publishing company.

The editor-in-chief of *El País* must convene, at least once a month, a meeting with the Journalists' Committee, to discuss initiatives and conflicts that may have arisen in the newsroom on professional issues. The Committee, in urgent cases, may request a special meeting with management.

It is the responsibility of the Journalists' Committee to convene and preside over its own assemblies, delegating one of its members as chair (except in the case of trade union issues) following agreement with the management. At the end of its mandate, the Journalists' Committee shall organize the election of the new Committee which is to replace it. The Committee shall meet at least twice a year.

Newsroom professionals shall elect the Journalists' Committee annually from among their members. The Committee shall be composed of five members. The editor-in-chief and deputy editors and related personnel are not eligible. The quorum for any valid election is 50 % plus one. The publishing company and management will provide the Committee and its meetings with all the necessary facilities for the performance of its mission. Committee members may not be penalized or dismissed for their activities as professional representatives.

MEDIA CAPITAL

With regard to Media Capital, in Portugal editorial independence is protected by law in matters affecting the work of journalists and the news and information they produce (though not content of

a different nature). Such guarantees are set out in the Constitution, as well as in laws and statutes covering the different sectors (TV, press, radio), and Editorial Statutes, all overseen by a regulatory authority for media (ERC). It is forbidden by law for managers or board members to interfere in the editorial line or in journalistic content, these being matters reserved for the news editor, who is responsible for the guidance and supervision of journalistic content. Penalties are severe and set by law. There is no single committee, therefore, at Media Capital that specifically addresses journalistic content or news outside the scope of the news directors or newsroom professionals at TVI/ radio / press.

SANTILLANA

With regard to Santillana, the contents of all books published by Grupo Santillana worldwide are conditioned by the curricula set by the governments or administrations of each country for each school subject. The contents offered and how they are taught in schools are key to the learning process and, therefore, are a vital part of our work. Our challenge, our duty and our aspiration should be, therefore, that of interpreting the curricula of the countries where we operate, responding with quality teaching and learning projects that provide teachers with a range of different working methods, while presenting content across new media platforms that facilitate the digitization of education.

Wherever Santillana publishes books and learning materials, there are corporate, global and national

committees which meet regularly and continuously, to make decisions regarding the editorial process: basic projects, publishing plans, innovative educational targets, business, sales and company strategies, and goals in the areas of creation, communication, innovation etc. At each Santillana publishing house there are editorial committees for dealing with the content to be published, as well as all aspects of a scientific, graphic, editorial or production nature. These committees meet regularly at a national level (management, editorial, sales and marketing) and at a global level (with individual countries or regions of countries sending a representative, or countries running a certain program participating). The corporate center coordinates the committees and ensures compliance with the rules and laws of each country.

RISK MANAGEMENT

The Group's System for Risk Management operates by business unit, and is then consolidated, in turn, at the corporate level.

The Group continuously monitors all of the most significant risks that might affect business units. To this end, a risk map is used as a tool for the graphic representation of the risks inherent in the Group. It is used to identify and assess any risk affecting the development of the activities of the various business units.

The identification of risks is carried out by the managing bodies of the business units and by the

corporate center. Data are then consolidated and standardized by the Internal Audit, which reports the results periodically to the Audit Committee.

The managing bodies of the respective businesses are entrusted with determining who shall be responsible for managing each risk and for the action plans and associated controls to be implemented.

The Audit Committee raises issues of relevance to the Board, which in turn, oversees the Group's risk map.

The effective implementation of the internal control model is the responsibility of the CEO and the Chief Financial Officer of PRISA, as well as the CEOs and Managing Directors of business units who are involved in the preparation of financial information which forms the basis for the preparation of the financial statements of the Group.

Supervision of the system for internal control of financial reporting (ICFR hereinafter) is carried out by both the Audit Committee and the Board of Directors of PRISA, with the support of the Internal Audit. In addition, the effectiveness of the system is annually evaluated by external auditors at the request of the Group.

COMPLIANCE AND CODE OF ETHICS

PRISA's Compliance Unit is an independent body with autonomous powers of initiative and control and is made up of the Secretary General, the Di-

rector of Internal Audit and the Director of Human Resources This unit reports to the Audit Committee and is entrusted with identifying, managing and mitigating compliance risks and ensuring and promoting compliance with applicable laws, the Code of Ethics and the internal regulations governing all the Group's activities. Other functions are to identify, manage and mitigate any risks affecting compliance with this regulation.

The Compliance Unit also assumes the functions of the Criminal Prevention Body as foreseen in the Penal Code.

In addition, the main business units of the Group have their own compliance units.

As part of its mission, the Compliance Unit promotes a culture of prevention based, firstly, on the principle of "zero tolerance" toward the commission of unlawful acts, and, secondly, the promotion of ethical principles and responsible behavior among all Group employees, regardless of their rank or the country in which they work. The Compliance Unit reports regularly to the Corporate Governance Committee on all incidents and decisions related to the Internal Code of Conduct regarding the securities markets (RIC), as well as the Code of Ethics, so as to enable this Committee to assess compliance with corporate governance rules and accordingly make the necessary proposals for improvement (a task entrusted to the committee by the Board Regulations).

2017 saw the completion of the process of implementing and reviewing the Crime Prevention Model, spearheaded primarily by the Compliance Unit.

PRISA's Compliance Unit is ultimately entrusted with the interpretation of the Code of Ethics and the Internal Code of Conduct (RIC) and must resolve any doubts or questions that arise with regard to their application and content.

CODE OF ETHICS

PRISA's Code of Ethics encompasses a range of principles and rules of conduct that govern the actions of the companies that form part of Grupo PRISA and its professionals (members of the governing bodies, managers, workers, trainees and interns – regardless of the legal form of their employment or service, their rank, geographical or functional location or the specific Group company they provide services for) in order to ensure ethical and responsible conduct in their business activity.

The Code sets out general ethical principles (such as human rights and civil liberties, professional development, equal opportunities, non-discrimination and respect for people, health and safety at work, as well as environmental protection) and general rules of conduct relating to:

- Regulatory compliance and integrity of professional conduct.
- Use of resources for the performance of professional activity.

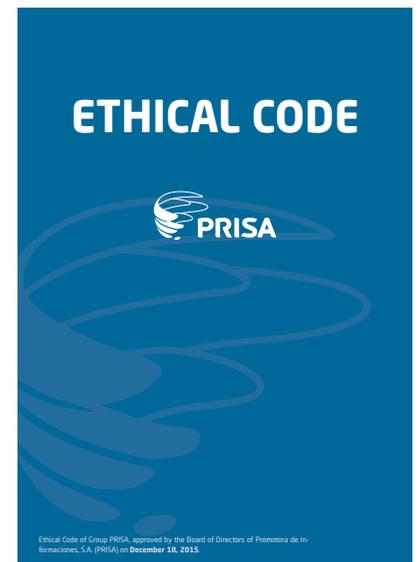
- Conflicts of interests among professionals, and customer relations with the Group.
- External activity of professionals and competition. This has been reinforced with the Policy for the Protection of Competition, approved by the company in 2017.
- Internal control and prevention of corruption. This has been reinforced with the Anti-Corruption Policy approved by the company in 2017, and the Gifts Policy and the Policy for the Prevention of Money Laundering, both approved by the company in 2016.
- Corporate image and reputation.
- Relations with other stakeholders.

Professionals subject to the Code should raise any issues or queries regarding the Code to their immediate superior or their Human Resources Department, who must address them.

The Code of Ethics, available in Spanish, English and Portuguese, has been communicated and disseminated among all Group employees to whom it applies. In 2017, the Communications Department of PRISA carried out, under the supervision of the Compliance Unit, a plan for internal communications of the Code, covering its basic principles and other important information. In particular, there was a focus this past year on how to behave on social media, data protection, conflicts of interest, antitrust and anti-corruption.

The Code of Ethics is permanently available on

the corporate website www.PRISA.com and the global intranet of the Group, Toyoutome



GRUPO PRISA'S GENERAL ETHICAL PRINCIPLES

Ethic Code

Acting with integrity is more than just protecting the image and reputation of the company; it also means ensuring that our workplace is a place we are all proud to work in.



HUMAN RIGHTS AND CIVIL LIBERTIES

PRISA is firmly committed to respect for human rights and civil liberties, the construction of democracy and freedom of speech, conservation of the environment, and to collaborating in the development and wellbeing of the communities we touch.

WORKPLACE HEALTH AND SAFETY

PRISA will adopt preventive measures in the area of workplace health and safety in accordance with current legislation.

PROFESSIONAL DEVELOPMENT, EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND RESPECT FOR OTHER PEOPLE

PRISA is convinced that our professional teams constitute our company's greatest asset, which is why we promote equal opportunities in access to employment, training and promotion, as well as non discrimination based on social, physical or social status.

PROTECTION OF THE ENVIRONMENT

PRISA will conduct all its operations in a way that will minimize their negative impact on the environment, and will ensure that all legally established environmental standards are rigorously met.

INTERNAL CODE OF CONDUCT REGARDING THE SECURITIES MARKETS (RIC)

The Internal Code of Conduct regarding the Securities Markets (RIC) sets the standards of conduct to be followed in proceedings relating to securities markets, and establishes rules on the communication of relevant information about the Company to the market, in a timely and accurate fashion, to thereby prevent the misuse of inside information and resolve any possible conflicts of interest.

This regulation is applicable to all members of the Board of Directors and members of senior management, as well as corporate center directors and other officers and employees of the Group who may be privy to inside information. The Internal Code of Conduct is communicated to all persons to whom it is applicable, and who are requested to sign that they are aware both of its contents as well as the obligation to adhere to it.

PRISA's Compliance Unit, with the support of the Secretary General of the Group, will oversee compliance with the Codes of Conduct included in this Regulation.

COMPLAINTS CHANNEL

PRISA has a complaints channel for receiving and dealing with complaints concerning irregularities or breaches of both external and internal regulations in matters affecting the Group, its employees or its activities. The channel is managed by the Compliance Unit, which reports regularly to PRISA's Audit Committee.

The complaints channel is available on the corporate intranet Toyoutome or via a PO Box. It enables any employee, anonymously and confidentially, to report complaints concerning irregularities or breaches of both external and internal regulations. Additionally, there is a confidential complaints channel enabled for third-parties on the corporate website.

There are mechanisms in place to promote awareness of the existence and operation of the complaints channel, chiefly on the PRISA intranet and website, where both employees and third parties can consult the rules governing how it works.

In 2017, meanwhile, all communications issued by Corporate Communications in relation to the Code of Ethics and Compliance Unit, have made reference to the Complaints Channel and have indicated the process for reporting irregularities and breaches through it.



COLLABORATION WITH SIGNIFICANT ASSOCIATIONS AND INSTITUTIONS

PRISA's companies are members of some of the most important national and international professional associations and organizations, and they participate actively in different bodies within the sector in order to foster best practice and to exchange information and ideas in all the countries where they operate.

In Europe, PRISA is a member of the European Publishers Council, an important association of leading media organizations and which represents our common points of view to the EU. We are also affiliated to the International Press Institute (IPI), WAN-IFRA (World Association of Newspaper and News Publishers), OPA Europe (Online Publishers Association Europe), and the Club of Rome, ASI-

MELEC (Asociación Multisectorial de Empresas de Tecnologías de la Información, Comunicaciones y Electrónica), IAB (Internet Advertising Bureau), AIMC: Asociación de Investigación de Medios de Comunicación, and the APD (Asociación para el Progreso de la Dirección), among others.

In the Ibero-American world, PRISA is part of the press association, Sociedad Interamericana de Prensa (SIP), the Organización de Telecomunicaciones de Iberoamérica (OTI), the Ibero-American business alliance Consejo Empresarial Alianza por Iberoamérica (CEAPI) and the Americas Society / Council of the Americas (AS/COA). The Group has been instrumental in the success of the Foro Iberoamérica (Ibero-American Forum), which it founded and which every year brings together leading figures from the worlds of politics, business and culture from all across the region to discuss common problems throughout this geographical and cultural area.

In the Spanish education arena, since 2017 Santillana has been an active member of the World Wide Web Consortium (W3C), an institution that oversees and ensures the correct growth of the Internet at a global level. Santillana is also an active member of the National Book Publishers Association, ANELE, the Federation of Spanish Book Publishers (FGEE), the Madrid Publishers Association, IMS Global Learning Consortium, as well as other educational organizations with common interests and values such as teaching, quality and responsibility. In Latin America, the company belongs to a wide range of important relevant associations from all over the region, which are detailed at this link.

With regards to the press, the Group's newspapers and magazines belong to the Association of Spanish Newspaper Publishers (AEDE). We are also active in the Leading European Newspaper Alliance (LENA), which champions and promotes quality

ASSOCIATIONS AND INSTITUTIONS



journalism, in ARI (Association of News Magazines) and the Spanish Association of Publishers of Cultural Magazines (ARCE). All the Group's media in Spain are signed up to the Association for Self-regulation in Commercial Media (Autocontrol) and, in the area of intellectual property rights, to CEDRO (Centro Español de Derechos Reprográficos).

In the area of radio, Cadena SER is a member of the Spanish Association of Commercial Radio Broadcasters (AERC), the EBU (European Broadcasting Union), the AMPE (Association of Advertising Media in Spain), AEDEMO (Spanish Association of Market Research), AEA (Spanish Association of Advertisers), ARTE (Association of Performing Arts Technicians), the APM (Association of Music Promoters) and PROMUSICAE, whose main purpose is to represent and defend the interests of the Spanish music industry.

In Colombia, the Group is a member of ASOMEDIOS, SAYCO & ACINPRO, and ACIM (Colombian Association for Media Research). In Mexico, we are active members of ARVM (Association of Radio for the Valley of Mexico region) and in Argentina of ARPA (Argentinian Association of Private Broadcasters) and CCMA (Chamber for Audience Measurement).

In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Confederation, which brings together more than 600 companies from the press, radio and TV sectors, AEMETIC (Association of Electronics, Information Technology, Telecommunications and Digital Content), APDC

(Portuguese Association for the Development of Communications), AEM (Association of Issuers of Listed Securities), CAEM (Commission for media research and analysis), ACEPI (Association of digital economy and e-commerce businesses), AIABP (Interactive Advertising Bureau) and APR (Portuguese Association of Broadcasters).

PRISA is also a member of the Spanish issuers' association, Emisores Españoles, a body representing listed companies. Its main objectives include: the development of a better legal framework, the development of high standards of corporate governance, the promotion of communication between companies and their shareholders, and dialogue and cooperation with the Administration.

**Detail of the list of institutions
to which Santillana belongs**

DOWNLOAD

Shareholders and investors

SHAREHOLDER STRUCTURE OF PRISA

As of December 31, 2017, PRISA's share capital was made up of 88,827,363 ordinary shares, all belonging to the same class and series, with a nominal value of 0.94 euros each and numbered consecutively from 1 to 88,827,363.

These shares are listed on the Spanish stock exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System (SIBE).

The largest shareholders in the company in 2017 were Amber Capital, Telefónica, Rucandio, Consorcio transportista Occher S.A, International Media Group, HSBC, Banco Santander and Caixabank, with the company's free float at around 19 %.

Over the course of 2017, PRISA issued 10,491,405 new shares following the early conversion of mandatorily convertible bonds into shares at the request of all the holders of such bonds as agreed by the General Shareholders' Meeting 2016.

CHANNELS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

PRISA has a policy of communication with shareholders, institutional investors and proxy advisors, which regulates the general principles and general information and communication channels for relations between the Company and these groups.

The main communication channels are:

COMISIÓN NACIONAL DEL MERCADO DE VALORES (CNMV) AND OTHER GOVERNMENT AGENCIES

The website of the CNMV is one of the main channels of information about the Company.

CORPORATE WEBSITE

The corporate website publishes all the information that the company makes available to shareholders and the general public. It is therefore a key tool for strengthening communication between the Group and market players.

The corporate website provides in-depth information on all of the Group's areas of activity and its geographical presence, as well details of the Group's CSR initiatives. Press releases relating to the Group are also published.

In addition, the corporate website includes a special section for shareholders and investors, which provides all the information required by the Ley de Sociedades de Capital (Companies Act) and by market regulations, and which is continuously updated:

1. The Company immediately publishes via the website all information disclosed to the CNMV and other official bodies.
2. Also published are all documents required by current regulations concerning the convening and holding of general meetings of shareholders.
3. All other information that might be required and which is deemed appropriate or useful to the above mentioned groups is also disclosed.

This information is added simultaneously, whenever possible, in Spanish and English.

This section of the web site provides Company financial information and presentations to analysts, indicating the share performance. Furthermore, the website contains all information submitted to the CNMV, information on Corporate statutory norms and regulations (Statutes, Regulation and Policies), information about the Board of Directors, the Executive Delegate Committee, and all the other Committees. Information about Shareholders' Meetings, as well as the Corporate Governance Reports issued by the Company, is also available online.

MEETINGS WITH SHAREHOLDERS AND INVESTORS

The Company organizes regular briefings on the performance of the Company and the Group, as well as any other aspects that might be of interest to analysts and institutional investors in important financial centers (roadshows), and also attends events organized by investment banks to meet with institutional investors. In addition, the company organizes a quarterly conference call between management teams and analysts and institutional investors to discuss the most significant aspects of the financial results published by the Company.

At these meetings and events, the company attends to the requests for information, unless this

is confidential, and subject to strict compliance by the Company with the principle of equal treatment of all shareholders.

INVESTOR RELATIONS DEPARTMENT AND SHAREHOLDER SERVICES OFFICE

The Company has two permanently open and transparent communication channels with shareholders and institutional investors: the Investor Relations Department and the Shareholder Services Office, which deal with queries, questions and requests for information. In all such interactions, precedence is given to general social interest and respect for the law and the rules of corporate governance of the Company. In compliance with rules on insider trading, in no event will information be provided that might provide a privilege or advantage over other shareholders.

1. The Investor Relations Department primarily serves analysts and institutional investors, and the information it provides is fundamentally linked to the management and financial performance of the company and its performance in the markets. This department also addresses any issues raised by retail shareholders in relation to the share performance.

The department may be contacted at the email address ir@PRISA.com and telephone number +34 91 330 10 85.

This department is integrated into the Office of Investor Relations, which reports, in turn, to the Finance Department of the Company.

At least once a quarter, and following the publication of the Company's financial results with the CNMV, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and the Investor Relations department hold a conference call in which the financial results are explained in detail and all queries are addressed.

PRISA attends various types of meetings with shareholders and institutional investors, organized by national and international business banks:

- a) Roadshows in a number of financial centers worldwide.
- b) Conferences.
- c) Occasional breakfast and group meetings.

2. The Shareholder Services Office caters mainly to minority shareholders and provides information related to matters of corporate governance of the Company (availability of information, guidance on the corporate website, questions relating to general meetings of shareholders, etc.).

The office may be contacted at the email address ia@PRISA.com and telephone number +34 91 330 11 68.

This department is integrated into the General Secretariat of the Company.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

With regard to the Annual General Meeting of Shareholders of the Company, the Board of Directors is committed to encouraging the informed and responsible participation of all shareholders, and to take all appropriate measures and safeguards to enable the General Meeting to effectively exercise its functions, as stipulated by law and the Company's corporate governance rules.

In the period between the notice to convene the Meeting and until it is held, the Shareholder Services Office will inform shareholders about the various procedures that are available to them so that they may exercise the rights to which they are entitled under the rules governing Shareholders' Meetings (especially the right to information, voting and representation).

The Annual General Meeting takes place during the first half of the year and gives the Executive Chair of the Company and its CEO the opportunity to explain the annual financial results of the Company and to review the business situation and market that the Group faces.

Additionally, in specific cases, PRISA may organize Extraordinary General Meetings to discuss specific issues which need the approval of the shareholders of the Company.

Shareholders may attend the General Meeting or confer their representation to another person, granting them the right to exercise their vote.

The Investor Relations Department strives to maintain and improve the flow of communication with shareholders, investors and financial markets, and endeavors to increase the transparency of all information provided. This objective has been even more important during 2017, in light of the following circumstances:

- A recovery in macroeconomic conditions in Spain, against a backdrop of political uncertainty.
- Uneven performance of Latin American currencies in those countries where the Company operates.
- Negotiations to reach an agreement to refinance the company's debt.
- Strategic review process evaluating different alternatives available to the Group.
- Various changes to the Group's consolidation perimeter.
- Early Conversion of mandatorily convertible bonds into PRISA shares.
- Announcement of capital increase.
- Changes to the composition of the Board of Directors and to management .

The abovementioned factors mean it is crucial to provide greater levels of attention to shareholders

and investors, both debt and equity, and, consequently, greater efforts by the Investor Relations department.

As well as contact with shareholders, investors and financial markets, the department has sought to provide all the necessary information to financial analysts covering the company so that they can conduct a correct analysis of Grupo PRISA.



3

COMMITMENTS

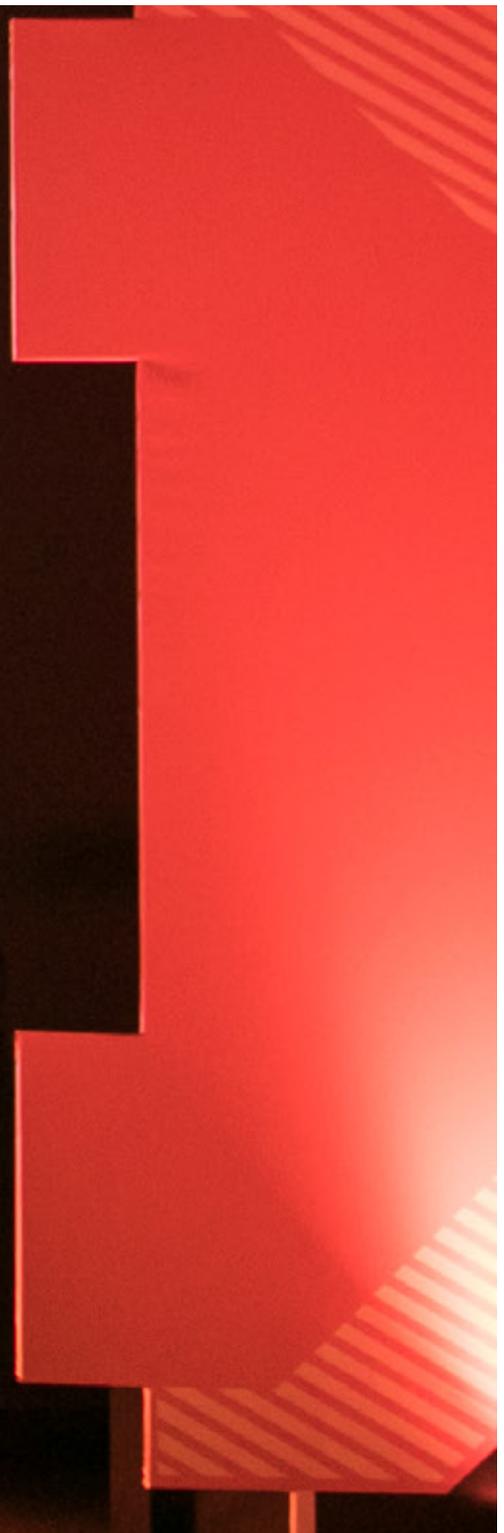
AND FUTURE CHALLENGES

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3. COMMITMENTS AND FUTURE CHALLENGES

A commitment to the cultural development of citizens and the continued progress of society through quality news and information, education and entertainment is in PRISA's very DNA.

From the very beginning, PRISA has championed constant innovation and rigor as the best ways to guarantee the improvement of service to the public across all our products. Indeed, this commitment is our most valuable asset. Indeed, one of the main challenges for the future is to continue holding ourselves to our own exacting standards.

Globalization and the free-market economy have fostered the development of a consumer culture that all too often often relegates to the sidelines the true value of institutions, knowledge and reflection.

Companies such as PRISA are duty bound to offer quality journalism and education, both of which are crucial to the construction of the critical and informed public opinion that is required by future citizens. PRISA, therefore, has to take on the added challenge posed by the environment in which it operates by embracing the necessary transformation of its business model – while holding on to the basic values and principles that set us apart in a world beset by the proliferation of untrustworthy news media, fake news and post truth.

We are committed to our duty of offering news media, education and entertainment that safeguard the future of responsible citizenship and a fairer, more sustainable world.

A RECOGNIZED COMMITMENT TO FACING ONGOING CHALLENGES

PRISA's commitment to sustainability has been recognized by investors since 2008, when the international index for corporate social responsibility and sustainability, the FTSE4Good Ibex, was established. FTSE4Good is a package of indices aimed at measuring the efforts of 30 Spanish companies to meet globally recognized standards, and PRISA has been included on the index since the very beginning in recognition of its good practices and for maintaining the required standards on corporate social responsibility, human rights, labor, environment and anti-corruption.

PRISA has also been signed up to the United Nations Global Compact since 2008. The company has thus signaled its commitment to aligning its operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption, as promoted by the UN. Since 2010 the Spanish Network for the UN Global Compact has consistently congratulated PRISA for its Progress Report, lauding the quality of the information reported, the organization of the document, and the initiatives carried out by the company and its business units to integrate CSR into the Group's management. In May 2013, the Group went from being a mere signatory of the Compact to being a full member of the Spanish Network for the UN Global Compact, thereby setting itself the challenge of identifying and promoting best practices in the media and educa-

tion sectors to promote sustainability. As a result, every year since 2013 we have obtained the GC Advanced level for the reporting of non-financial information, and in 2015 we launched a series of debates in partnership with the Global Compact to champion the most important issues of the year: the new Millennium Sustainable Development Goals (SDGs), climate change and human rights. In 2016, the Global Compact invited us to join its Executive Committee in recognition of our commitment to society and our continuous improvement in CSR. From this position we are even more proactive in promoting the Ten Principles and SDGs, both through our own projects and those we undertake with third parties.

PRISA is part of the SERES Foundation, which promotes corporate engagement to improve society. We have actively participated in its steering committee since 2014 and we are a member of the jury for the Awards for Corporate Innovation and Social Commitment. Since 2016 we have also been a member of its Communications Committee, from where we help promote and publicize the social initiatives of companies.



FTSE4Good



Network Spain
WE SUPPORT

seres
fundación sociedad y empresa responsable

COMMITMENT TO TRANSPARENCY AND ACCESSIBILITY OF INFORMATION

Our commitment to transparency and accessibility of information vis a vis our stakeholders is what drives the constant evolution and progress of PRISA's Communication and Sustainability Report.

In 2016, we reviewed and updated our materiality matrix to incorporate, into 2017's Report, the Sustainable Development Goals in order to align these with our own material issues – with a view to better measuring the impact of our organization and its activities on Agenda 2030. This has involved a thorough analysis of our map of stakeholders, as well as the communication channels we use to interact with them. And this analysis is ongoing as part of a strategic process of fostering the integration of these goals into the management model as well as measuring the evolution of the identified indicators.



Ever attentive to new trends, and in anticipation of the implementation of the new Sustainability Reporting Standards (SRS) for GRI (Global Reporting Initiative), this year we have analyzed the existing gap with our previous report, carried out using GRI-G4 version, and have decided to write this Annual Sustainability Report 2018 in accordance with the new SRS GRI-indicators, ahead of its mandatory deployment.

Meanwhile, in 2017 the Spanish Government approved a bill (Royal Decree 18/2017) amending the Trade Bill (Código de Comercio), and the Capital Companies Bill (Ley de Sociedad de Capital) and Accounts Auditing Act (Ley de Auditoría de Cuentas) in the areas of the disclosure of non-financial information and diversity, with the aim of improving sustainability and increasing investor confidence in listed companies. This effectively translates into the obligation to integrate the Management Report (financial information) and Sustainability Report (non-financial information) at the very least with regard to material issues. To meet this new requirement, we have made an extra effort to single out those material indicators of non-financial information and incorporate them into the Management Report. And we have adapted the preparation of this Sustainability and CSR Report to the calendar for Accounting and the approval of the accounts by the Board, effectively giving both reports equal status. We thus comply with this new requirement and rise to the challenge of moving forward in the progressive integration of the contents of the two reports over the coming years. These advances also help us meet the requirements and recom-

mendations of the CNMV Code of Good Governance and we can confidently state that, once again, PRISA's disclosure and reporting of non-financial information is at the forefront of major international standards.

COMMITMENT TO CORPORATE GOVERNANCE

PRISA continues to strengthen its compliance structure through its Compliance Unit. In 2017, it has redoubled its work of supervising the operation and enforcement of the Group's criminal prevention model and the promotion of ethical behavior among employees. Furthermore, it also oversees compliance with the legislation applicable to the Group's activities and the internal rules of the organization.

PRISA's Compliance Unit is made up of the Secretary General, the Director of Internal Audit and the Director of Human Resources. The Compliance Unit reports to the Audit Committee of PRISA. Other compliance units have been created at Santillana, PRISA Noticias, PRISA Radio, PRISA Brand Solutions and Media Capital, which together oversee all companies making up their respective business units.

One of the pillars of our corporate governance is the **Code of Ethics**, which was revised and updated in 2016. This code, mandatory across the entire Group, sets out and defines appropriate conduct that makes our company a world leader



for excellence in education, news and information, and entertainment throughout Ibero-America. We have carried out a range of awareness-building activities among our professionals to underscore its importance, aware that the reputation of prestige and quality that we have been building since the very beginning of our group derives from our day-to-day collective work. All of us who form part of the PRISA project are duty bound to ensure its survival. The smooth and successful running of the organization depends upon our commitment to, and individual responsibility for, these principles and values. We have therefore communicated specific items of interest to appropriate groups, such as senior management, who must demonstrate exemplary conduct, and communication and content managers on social networks, who have a constant impact on the Group's reputation and who are brand ambassadors and are responsible for direct dialogue with customers and users. By means of PRISA's intranet, and other communication channels, we have distributed informative

digests that are to be taken into account when designing new policies and regulations, such as the policy on company gifts. In 2018, we will continue to inform on other policies and articles enshrined in the Code of Ethics.

In our ongoing quest to improve transparency and the access to information about PRISA, we are committed to increasing the flow of communication with shareholders and investors through all channels and media at our disposal, as well as to improving the information made available to the markets, in order to facilitate comprehension and understanding. The goal is to provide all necessary, timely and appropriate information to financial analysts covering our company so that they can more accurately analyse and reflect the situation of the Company and its future prospects.

CULTURAL TRANSFORMATION

Undoubtedly, one of the main challenges for the future is to know how to attract, foster and develop talent, something that is particularly important in an organization where people are at the center of everything we do, from the end user who chooses us to the people involved in the creative process and distribution of our content.

The most prominent sustainability initiative at PRISA is the ongoing cultural and organizational transformation of the Group, seen as key to meeting the challenges of the new digital paradigm. We are committed to working as a truly connected organization and to promoting the professional

development of all employees and teams in the area of knowledge management, career development, training and leadership. Even so, it remains an ongoing challenge that requires the daily participation and commitment of the whole organization to ensure that all Group employees are aware of the importance of their individual role for the optimal performance of the Group in this new digital ecosystem, and to thereby ensure that PRISA, as a global company in the creation and distribution of quality content, continues to be major player.

With regard to the management and development of talent, in 2017 the focus has been on transforming the commercial strengths of PBS and, subsequently, to extend the results to other business units through an action plan aimed at transforming corporate culture. A model for the identification and measurement of talent has been designed (launched in the technology area in 2016), which includes a career development plan, a competence matrix to guide training, and a succession plan. In order to develop the competency matrix and improve the climate and cohesion among sales and marketing teams, we designed a comprehensive training program covering digital skills, management skills and teamwork.

COMMUNICATIONS MASTER PLAN 2016-2020

PRISA continues to forge ahead with its commitment to proactive communication and sustainability, in compliance with the Communications Master Plan 2016-2020, with the aim of enhancing the reputation and the institutional profile of the Group with regards to the importance and social impact of its activities.

This new stage in our journey is marked by three major trends: hyper connectivity, ongoing global re-design and the creation of shared value. This means putting people at the center of all our communications and marketing activities, with a clear focus on the differential values of our company. We have redoubled our attention to the management of the Group's brands in order to make them true guarantors of credibility and quality for all our stakeholders. The plan is aimed chiefly at constantly improving the corporate reputation of the company as a whole and at strengthening our product brands. In addition, we aim to transform Corporate Reputation and CSR into strategic assets of PRISA.

We continue to work on designing a system of key performance indicators to measure Group intangibles and the return on and impact of CSR actions. This will allow us to adapt and improve such actions and enhance our organization as an institutional asset.

We aspire permanently to ever new and broader recognition that validate the progress of our com-

mitments and good practices. In this way, our stakeholders may clearly identify us with our principles and values.

COMMITMENTS AND CHALLENGES OF THE BUSINESS UNITS

PRISA NOTICIAS

With a firm commitment to Ibero-America, PRISA Noticias seeks to contribute to the transformation, modernization and progress of all societies and become the media group of record in the region. To this end, it is crucial that the company continue forging ahead with the ongoing work of digital transformation enabling us to be closer to our users – without losing sight of our hallmark values and the founding values of each newspaper title. To this end, we will continue to work on expanding audiences and consolidating our position as the leading creator and provider of quality content in Spanish, Portuguese and Catalan, in all formats, and with innovation and new narratives as key goals.

Our chief commitment is to offer our readers quality news, information and content. Our media must be adapted to contemporary communication, based on understanding our readers, on listening to them, and on offering a vantage point from which to understand the world around them. We will create increasingly personalized content, providing unique experiences and we will remain the benchmark for news on what is happening in the world.



El País will seek to consolidate its relationship with global Spanish-speaking audiences who demand truthful and accurate news and information. The newspaper already has more than 100 million unique browsers, positioning *El País* as one of the ten most read newspapers in the world and certainly one of the most influential. It will continue the process of development and constant improvement of content across all media platforms.

In terms of specific challenges, *El País Video* has set itself a triple commitment for 2018: to retain its audience, to advance into longer production formats and to begin regularly broadcasting a schedule of television programs that can be distributed by *El País* or be made available to other content platforms.

As will continue its international expansion, consolidating its leadership as a sports medium in Spain, Latin America and the United States. Its foray into the Arab world gets underway, having partnered with the Qatari media group Dar Al-Sharq to launch AS Arabia. AS will continue to work on knowledge of its users' profiles in order to provide them with more personalized content – thereby improving engagement and user experience on as.com and other platforms where it distributes its content. Video, mobility, quality content and immediacy in the transmission of sports results will all be key to sustaining growth and expansion of the brand.

Cinco Días, PRISA Noticias' renowned business and finance daily, turns 40 in 2018, and will con-

tinue to forge closer links between the economy and society, making the economy more understandable and, above all, useful for businesses, the self-employed, investors and consumers. Furthermore, innovation, technology and joint projects with companies and a range of bodies will enable *Cinco Días* to reach out to new audiences, either directly or via *El País Economía*.

HuffPost will seek to consolidate the *HuffPost* brand with a strategy of publishing quality content in the areas of Politics, International and Economy, through a reinforced team, in Spain, and collaboration with the international editions. It will pay special attention to the growing base of readers through Google, to the distribution of videos on social networks, to new narratives and more exclusives, all aimed at boosting its ranking among the top ten Spanish online media and among the top three for digital natives.

With an increasingly segmented market and a rapidly growing awareness of the importance of video games in the economy and society, the fight for leadership is the primary objective of *Meristation* in 2018. The content strategy has already been defined – much more vertical and specialized – and changes in technology should bear fruit, once the current platform has demonstrated that has reached its full potential. Sony and Nintendo have sold more consoles than ever in this generation, indicating that the electronic entertainment horizon is growing and now embraces older age cohorts, a thriving tech-savvy market for which we're more than ready.

PRISA RADIO

PRISA Radio intends to maintain and promote the leadership of its brands, continue to innovate in the creation of audio on demand, and increase the audiovisual output of its brands.

This year we aim to continue growing in the area of audio on demand with new narratives that allow us to target new audiences as well as advertisers. The focus on *branded content* in audio on demand paid dividends in 2017, thanks to new projects in collaboration with major brands such as Endesa, IBERIA, Correos and BP. This continued innovation in the marketing of audio content is one of the main challenges for PRISA Radio in 2018.

2017 saw the launch of innovative audio project HERTZ with the help of the Google Innovation Fund. New features were implemented to facilitate the discovery and recommendation of Cadena SER audio content. Innovative developments such as these will continue to be a priority focus for PRISA Radio in the coming years.

Implementing the transformation plan of LOS40 as a global entertainment and music brand was one of the challenges that PRISA Radio set itself for 2017. This transformation of LOS40 was reflected in the huge success of major events and initiatives such as the new format of the gala ceremonies of the LOS40 Music Awards, LOS40 World Dance Music and LOS40 Global Show. All were widely popular, with high audiences throughout Ibero-America. LOS40 Music Awards cele-

brated one of its most exciting and international galas ever in Madrid before a 14,000-strong audience. Meanwhile, Tony Aguilar's LOS40 Global Show aired simultaneously in Spain and Latin America, and was honored with a mention as Best Radio Show 2017 by the prestigious music magazine *Billboard*. Also in 2017, LOS40 World Dance launched the first edition of the WDM Radio Awards, the most important global event for electronic music in the region, which brought together hundreds of thousands of people at the Azteca Stadium in Mexico.

PRISA's spoken-word stations continue to set the gold standard in all countries where the Group operates. Its commitment to quality news, information and entertainment, to creating new formats geared towards the younger generation, and to greater engagement and interaction with users, beyond the airwaves via audiovisual and digital media formats that add value for the consumer, consolidate our lead, and enable us to position our brands at the forefront of the radio market. Of course, one of the hallmarks of PRISA Radio is its news coverage of major events. 2017 has been marked by election coverage in several countries where PRISA Radio operates, such as Chile and Argentina. In 2018 we will seek to continue setting the standard for news coverage of elections in Mexico, Colombia and Costa Rica, and for our coverage of one of the biggest sporting events of the year: the World Cup in Russia.

Our commitment to a wide range of social causes continues to be as strong as ever. PRISA Radio

has set itself the challenge of continuing to promote mobilization and social awareness in the various countries where it operates, by supporting third-party initiatives and creating initiatives of its own. One example is the high-profile campaign Sin Respeto No Hay Juego (No Respect, No Game), launched in early 2017 in collaboration with UNESCO to combat discrimination, racism and violence in football.

The campaign, which was presented to the media in January, was rolled out in schools and among children's football clubs in Spain in March, in the form of awareness talks. More than 3,000 children have participated in the No Respect, No Game talks, and these are set to continue throughout 2018. Additionally, as part of the campaign, this year will see the first report analyzing incidents of racist, homophobic, sexist and violent behavior among fans football on social media during matches.

In 2018, we will expand the campaign to PRISA Radio stations in Latin America, where we are already working with UNESCO on the drafting of a new report "Color, what color?", which is adapted to the reality of football in Latin America.

SANTILLANA

In 2018, Santillana will continue to work on improving all those projects currently underway, and, furthermore, will incorporate new content and services that respond to the educational needs of schools.

Improving comprehensive student assessment tools and English-language learning are among the company's priorities. Another vital area is the development of new skills and competencies in the area of collaborative learning in real environments – crucial for today's learners.

We will spend greater energy on analyzing educational trends as well as any learning outcomes from such trends. And we will share our findings with the different areas of the organization and incorporate them into our projects.

We will also forge new alliances with external partners through the implementation of high-impact educational initiatives that will be of enormous value to schools.

MEDIA CAPITAL

Our Portuguese company, leader in commercial television and radio, continues to explore new sources of revenue such as events, as well as the entry of TVI into new platforms that will enable it to offer more interactive content and develop new forms of brand loyalty. Media Capital will also remain committed to meeting the ongoing challenge of improving efficiency and profitability in the area of audiovisual production, maintaining the leadership of Radio Comercial, and consolidating other radio formats. The company is also committed to the digital world and increasing its presence at major music events in a bid to meet growth goals. Continuous innovation and the production of content for different platforms, inter-



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- INTRODUCTION
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 - CREATION AND DISTRIBUTION OF CONTENT
 - RESPONSIBLE MANAGEMENT:
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 - OF OUR USERS AND DIGITAL TRANSFORMATION
 - OF COMMUNICATIONS
 - OF OUR SUPPLIERS
 - OF THE ENVIRONMENT
 - SOCIAL, CULTURAL AND ENVIRONMENTAL ACTION

4. SUSTAINABILITY AT PRISA

At PRISA, we believe that our very business operations play a significant role in the development of a democratic and sustainable society. That's why the company has always focused on developing the best possible teams of professionals and on championing quality and credibility across all our products within the same ethical framework under which *El País* was founded: that is to say, solidarity, transparency, independence and the protection of the environment.

As a media and education group, we take our responsibilities seriously, not merely in how we manage our businesses but also, and more importantly, through our operations an content—through which we strive to raise awareness and educate, and foster and spread knowledge that will help build a fairer and more sustainable world.

We believe that our relationships with our stakeholders are key to our mission. That's why our sustainability policy is developed daily through dialogue with all these groups. Firstly, through content. Secondly, through responsible management. And finally, by broadening the scope of our operations to include a wide range of social and cultural initiatives that foster debate on the future of education and journalism and that give a voice to all those championing freedom of speech, human rights and the environment.

DIALOGUE AND COMMUNICATION WITH STAKEHOLDERS



USERS

Readers, listeners, teaching community, students, etc.

Websites, newsletters, social networks, interviews, contests, surveys, readers' editor, mailboxes, customer service, education portals, promotional materia, etc.

Customers, advertisers, advertising agencies, education sector

Sales network, websites, telephone, newsletters, promotional material, meetings with advertisers and agencies, etc.

SHAREHOLDERS AND INVESTORS

Reference shareholders, institutional investors, minority shareholders

Shareholder meetings, National Securities Market Commission (CNMV), Corporate website, Investor Relations Department and Shareholder Services Office (meetings with shareholders and investors, conference calls on results, other communication channels, electronic mailboxes and phone).

SOCIETY

General public, NGOs, associations, cultural and educational institutions

Collaboration agreements, debate forums, fairs and events, etc.

OPINION LEADERS

Press releases, websites, e-mail, telephone, interviews, meetings, social networks, etc.

SUPPLIERS

Corporate website, telephone, direct contact, conferences, meetings, e-mail, etc.

REGULATORS, ADMINISTRATION AND AUTHORITIES

CNMV website, important facts, websites, institutional relations, tenders, events, etc.

EMPLOYEES

Newsletters, intranet, blog, internal communications, trade union committees, complaints channel, suggestions mailbox, meetings on results, etc.

MATERIALITY ANALYSIS

In 2016 PRISA adopted the Sustainable Development Goals (SDGs) with a view to their integration into our materiality analysis, and where each SDG would be linked and aligned to a corresponding material aspect.

METHODOLOGY EMPLOYED IN THE MATERIALITY ANALYSIS

GOAL

The objective of this analysis is to **identify any material issues in Corporate Responsibility that may be deemed significant for either PRISA and/or its stakeholders**, in terms of business model and the requirements of the GRI standard. It also incorporates the equivalent **SDG for each material aspect.**



IDENTIFICATION - IDENTIFY RELEVANT MATERIAL ASPECTS

By **analyzing internal and external information**, we determine the chief expectations of our stakeholders.



REVIEW

Regular updating of the list of relevant aspects.



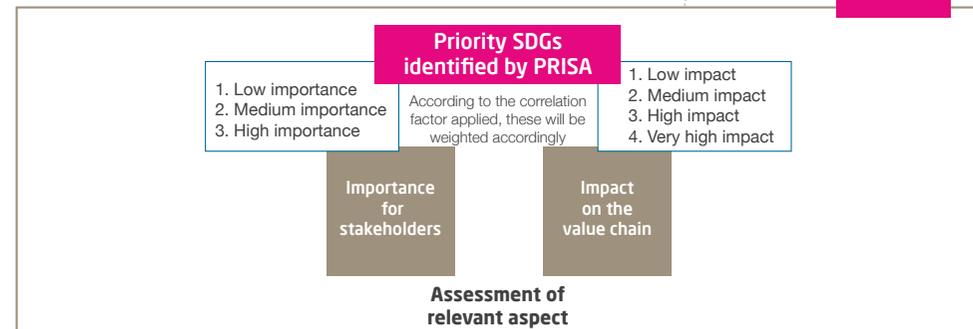
PRIORITIZATION

Prioritization of material topics according to a standard assessment system, and that looks at **the possible impact of each aspect on the value chain and on stakeholders.**

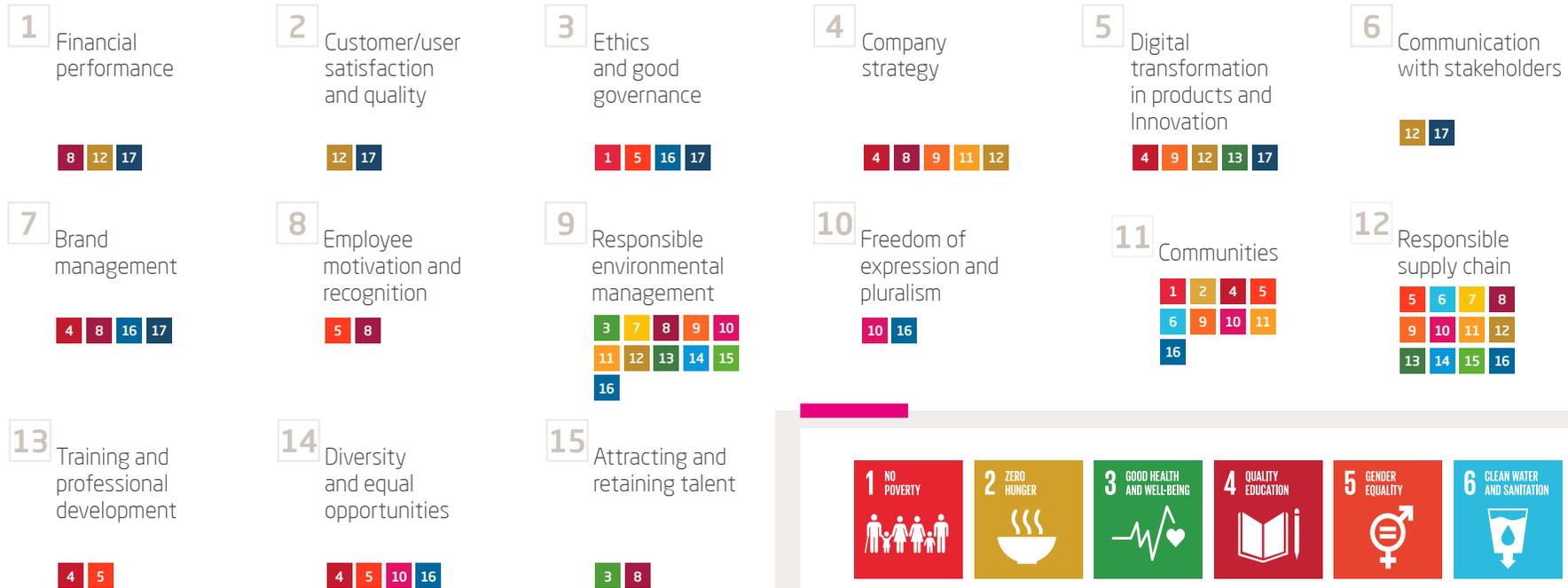
The results are weighted by relating material topics to **SDGs that are considered priority.**

VALIDATION

Systematic **validation** of the list of chief aspects by means of meetings **with those responsible for key areas in terms of environmental, social and economic aspects.**



RELEVANT AND MATERIAL TOPICS



15 relevant issues identified and classified according to the Sustainable Development Goals (SDGs)



OUR SUSTAINABILITY STRATEGY

OBJECTIVE

Create value for our stakeholder groups, championing sustainability in the areas of media and education in Spanish and Portuguese.

STRATEGY

Mission

To contribute to the cultural development of people and the progress of society by offering goods and services that will generate rewarding experiences and emotions in education, news and information, and entertainment.

DIFERENTIATION

Values

People, pluralism, innovation, rigor, transparency, independence, dedication, connectivity, self-critical, security.



Vision

To be the global brand of reference in culture and education in Spanish and Portuguese.

LEVERS

Corporate governance, senior management and communications departments.

APPROACH

TRANSVERSAL
AND INTEGRATED





AXES



Creation and distribution of content

- Press
- Radio
- Education
- Audiovisual

Responsible Management

- Of our professionals
- Of our users and digital transformation
- Of communication
- Of our suppliers
- Of environmental resources

Social, cultural and environmental Initiatives

- Sponsorship and strategic alliances
- Social initiatives
- Promotion of debate
- Promotion of culture, the arts and journalism

CHANNELS OF
TRANSPARENCY
AND DIALOGUE

CSR REPORTS

**PROACTIVE
COMMUNICATIONS**

ACTION
PLANS

ANALYTICS

CREATION AND DISTRIBUTION OF CONTENT

The chief social responsibility of a media group such as PRISA is to defend and practice, truthfully and vigorously, the right to information and freedom of expression. In this way we contribute to the growth and development of democratic societies everywhere we operate. With a view to guaranteeing the fulfillment of these duties and the exercise of these rights, *El País* was a pioneer from the very outset in Spain in adopting a series of professional and ethical frameworks such as the *Editorial Statute*, *Style Book* and the independent Readers' Editor, which have been subsequently embraced by all the businesses across the group and even by other media groups. These ethical standards have fostered the growth of a business culture that is rigorous, critical and of high quality, and that have set the gold standard in Spain and in the Americas.

Our credibility and prestige are among our greatest assets, which we place at the service of society. Since the very outset, PRISA has played the role of "responsible opinion leader" and watchdog, working in defense of pluralist democracy, and creating awareness around the issues that affect us. Our media have spoken loudly and eloquently – either through special coverage or by providing free advertising spaces for NGOs and Foundations – on a

wide number of campaigns and in defense of human rights.

PRISA content strives to provide truthful, complete, engaging, timely and high-quality news and information on a daily basis that enable readers to understand the world around them and to form their own opinions. To this end, all Group products are governed by rigorous quality control when it comes to the creation and distribution of our content. The management teams and the editors of each media outlet evaluate all original content, bought or syndicated content and advertising, for both print and digital editions, following the guidelines set forth in the *El País Style Book*. *The Style Book* establishes the procedures and criteria that allow us, for example, to check facts and distinguish news information from opinion, which must be clearly differentiated at all times. It also establishes how news and sources must be credited, whether or not it was written in the field, must identify the source of both the text and images, and must be on guard for possible manipulation. Independence and non-manipulation are not the only guarantee we offer readers and users, however, and the treatment and correct use of language and images are monitored at all times to avoid stereotyping, discrimination and vulgar expressions.

PRISA Noticias' news media reject all external pressure, since the aim of its newspapers and magazines is to safeguard the interests of readers by offering quality products and avoiding any type



El País Style Book.

of manipulation in the content offered. *The El País Style Book* sets out a number of guidelines in this regard:

- In financial or business news on any of the companies belonging to PRISA, express mention shall be made that it is the publisher of *El País*.
- *El País* journalists will not accept tickets, privileges or gifts whose value exceeds what might be understood as a simple gesture of courtesy. In case of doubt, the journalist will be subject to management discretion, after a hearing by the Professional Committee.
- *El País*, as a rule, does not accept requests to write news stories or provide coverage.
- Journalists should refrain from any journalistic work that conflicts with their personal interests, whether these be of a political, trade, economic or family nature.
- The treatment of advertising is also covered in the *Style Book*. The main guidelines are: advertising spaces cannot be used to contradict or clarify information published in the newspaper; the veracity of ads impinging on the strictly private sphere of individuals or families must be checked; the interests of advertisers must never influence the news that is published; the typography used in advertising must differ from that used in news stories; and finally,

during election campaigns, political advertising may not be displayed in the sections given over to this news and coverage.

These guidelines have inspired PRISA Radio to develop its own *Style Book*, released in October 2017 with the title *En Antena. Libro de estilo del periodismo oral*. This new publication includes wide-ranging ethical and aesthetic standards that enable the highest quality radio journalism and ensure that our professionals practise effective, rigorous and honest journalism.

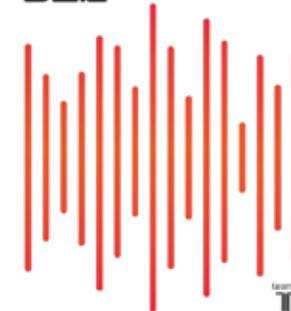
The radio journalism *Style Book* also guarantees our listeners that our radio journalists are committed to presenting true, proven and honest news and information. PRISA Radio, all too aware of its social impact, is fully focused on people when it comes to developing its own or third-party content, activities and initiatives, including events and social projects. Highly valued live broadcasts and programs from all kinds of locations where the news is happening are common, and these give a real voice to both experts and anonymous individuals involved, making radio the social medium par excellence. This standout feature of our radio model, both spoken-word and music, constitutes a very important differentiating value in the process of digital transformation that our radio stations are undergoing, and also offers us a huge opportunity for consolidation of the brands, such as SER, Caracol, W Radio and LOS40, as public service entities in the new ecosystem

One example is Caracol Radio in Colombia, which not only acted as a media outlet but also as a critical agent in the peace process. The station gave its full support and cooperation to this event of global importance, every step of the way. We have run special programs, offered analysis, open mics, participated in forums, events, and have supported national government campaigns and projects such as the National Peace Prize, among others.

EN ANTENA

Libro de estilo del periodismo oral

SER



As the world's leading educational and publishing group in Spanish and Portuguese, PRISA, through the publishing brands Santillana and Moderna, believes that education is a vital tool for the development of the societies in which we operate. As well as our commitment to quality, innovation and service, we have contributed over the decades to improving educational practice, and we have facilitated and fostered public debate on the future of the education and learning systems throughout Ibero-America.

All too aware of the influence that our content might have on children, teenagers and adults, PRISA has set itself certain criteria governing integrity, quality and adaptation of content. PRISA is also deeply committed to promoting Spanish language and culture worldwide. We have shown that

raising awareness of social and environmental issues can go hand-in-hand with entertainment, through programs that educate and inform, while also providing entertainment at the same time.

Santillana makes its textbook and general book content accessible, with versions in Braille and larger font sizes for people with impaired vision. For public schools in some countries, the company also produces CDs with audio descriptions of images as an additional aid for students with these difficulties. We take the utmost care when mentioning or suggesting web pages within our content. All suggested pages in our books, whether in print or digital format, are carefully analyzed by the editors. For print books we include the date the page was last accessed. We urge teachers and parents to visit these pages before suggesting them to students, in

case there has been an unforeseen or undesirable change. In the case of digital content, publishers constantly monitor the links.

As an extension of our educational products, we seek to improve how issues are addressed through seminars, events and workshops. For example, in Brazil we run workshops for journalists from the main media with educational experts in order to improve their understanding of the world of education and thereby ensure proper news coverage in the media. We also publish free technical manuals on trends in the different areas of education to increase the dissemination and revitalization of the educational community in the different societies where we are present.

All our media outlets are signed up to a *Code for self-regulation of televisual content for children*. The group also adheres to an *Agreement on self-regulation of television advertising*. Meanwhile, our music stations avoid subjects that might prove offensive to listeners or be discriminatory, particularly during timeslots when children might be listening.



RESPONSIBLE MANAGEMENT

RESPONSIBLE MANAGEMENT OF OUR PROFESSIONALS

OBJECTIVES AND POLICIES

PRISA's commitment to responsible management of human capital has these main objectives:

- To foster **the professional growth and personal development** of each employee by providing a work environment that promotes equal opportunities and the exclusion of discrimination. To base promotion on merit, ability and the performance of professional duties.
- To champion and implement the **principle of equality** between men and women, ensuring equal opportunities in income and professional development at all levels of the workplace.
- To promote and improve women's **access to positions of responsibility**, thereby reducing inequalities and imbalances that may arise in the company.
- To establish measures to promote a **better work-life balance** for workers.

To achieve these objectives, all Human Resources policies implemented by the Group are aimed at promoting the development of independent and committed professionals and the training of leaders in our teams, who will thereby be better equipped to inform, educate and entertain people and act in ways that are accountable to society.

The geographical, cultural and functional diversity of the workforce at PRISA and the challenges facing the sector coupled with the need for outside partners to develop our operations, require effective Management Policies as well as certain guiding principles and values that are outlined in the

PRISA *Code of Ethics*, which was approved by the Board of Directors in 2015.

The Compliance Unit, set up in 2016, was further strengthened in 2017. This is a tool that facilitates communication and the fulfillment of the aforementioned objectives and policies, as well as fostering a culture of compliance and setting in place procedures for preventing and dealing with non-compliance.



Universal day of the child in *El País*

A GREAT TEAM OF PROFESSIONALS

Both recruitment and training policy throughout the Group are focused on finding and training those employee profiles that are required for the digital transformation in which we are immersed. This, coupled with the commitment of our professionals, is again reflected in a voluntary turnover rate of 6 % – specifically 6 % for men and 7 % for women.

In Spain this figure is 3 %, for both men and women. In Brazil it's 6 %, Columbia 11 %, and in Mexico it's 12 %.

New hires represent 13 % of total workforce, of which 51 % are men and 49 % women. The number of new hires was notable in: Brazil with a rate of 27 %, Colombia 24 % and Mexico, 21 %, as a percentage of the total workforce in each country.

With regard to type of contract, 93 % of total PRISA workforce have permanent contracts, with the remaining 7 % on temporary contracts.

Criteria for the reporting of employee indicators have been changed this year. Until 2016, average workforce data was reported. From 2017 the data reported refers to the active workforce as of 31 December.

PRISA Employees by region and gender

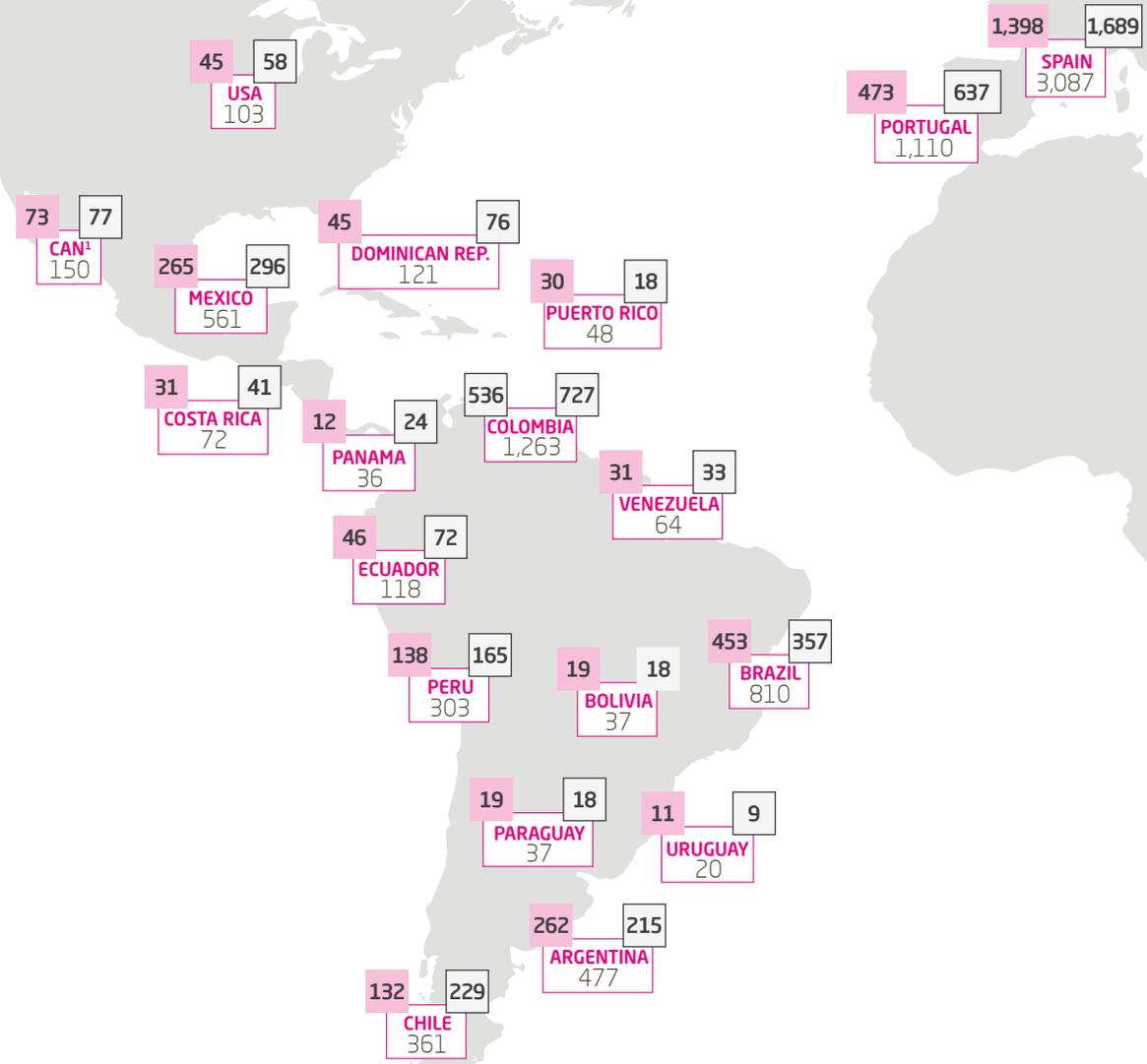
¹Northern Central America: Includes Guatemala, Honduras and El Salvador.

WOMEN
MEN

WOMEN
4,019

MEN
4,759

TOTAL
8,778





It must also be borne in mind that, in addition to the Group's own workforce, the very nature of our activity generates indirect employment through the recruitment of a large number of collaborators, freelancers and professional services, with Spain, Chile and Northern Central American nations being the countries with the highest number of such collaborators. At Santillana, for example, collaborators provide support in content development and sales management; at PRISA Noticias, collaborators are active in the newsroom, web development, photography and illustration.

Meanwhile, the broad geographic scope of our company means that the Group's companies believe in strict respect for the basic labor rights as recognized by the International Labor Organization, especially in issues related to equality and non-discrimination on the basis of sex, ideology or beliefs. The Group also complies with the labor laws and collective agreements of the country in which each company operates.

In each of these countries, the initial starting salary for new workers at PRISA always exceeds the local minimum wage.

¹Northern Central America: includes Guatemala, Honduras and El Salvador.

Employees by contract type

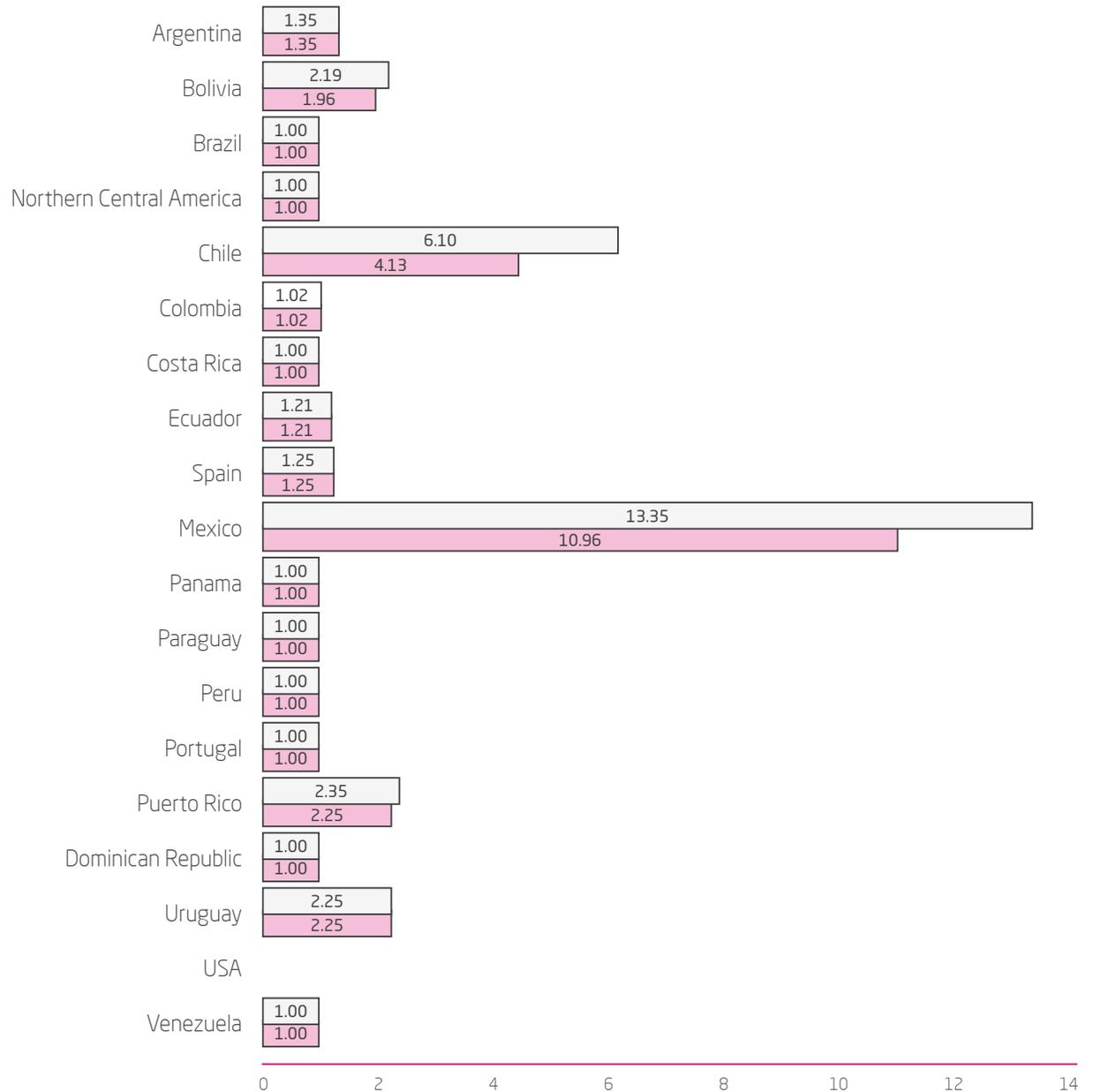
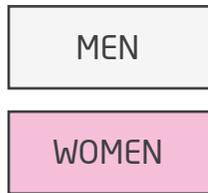
¹TSR Temporary Sales Representatives.

²PSR Permanent Sales Representatives.

	Temporary contract and +RCT ¹		Permanent contract and +RCF ²	
	Men	Women	Men	Women
Argentina	23	11	192	251
Bolivia	0	0	18	19
Brazil	0	0	357	453
Northern Central America *	1	1	76	72
Costa Rica	12	1	29	30
Panama	10	0	14	12
Chile	11	1	218	131
Colombia	11	4	716	532
Ecuador	0	0	72	46
Spain	96	103	1,593	1,295
Mexico	6	3	290	262
Paraguay	0	0	18	19
Peru	91	57	74	81
Portugal	117	83	520	390
Puerto Rico	1	5	17	25
Dominican Republic	0	0	76	45
Uruguay	0	0	9	11
USA	0	0	58	45
Venezuela	0	0	33	31
Subtotals	379	269	4,380	3,750
TOTAL	648		8,130	

Ratios of standard entry level wage by gender compared to local minimum wage

| Standard entry level wage / minimum wage by gender and region |



Note: in the US there are no defined minimum salaries for this area of Group activity.

PRISA also encourages not only the hiring but also the promotion of locally sourced managers so that all countries where we operate boast a high percentage of local team leaders and managers.

Many our staff (61 %), except for senior management, are subject to collective labor agreements in each of their companies. In Spain this figure is 99 %. Above and beyond these collective labor agreements, the Group's companies substantially improve conditions and thus provide our professionals with an attractive and competitive working environment.

Staff enjoy total freedom to participate in trade unions and the Group fosters social dialogue for any internal debate that might improve the development of its businesses. The Group establishes minimum periods of notice for structural / organizational changes in accordance with the time limit established by law or collective agreements applicable in the countries in which it operates.

Country	Percentage
Argentina	95 %
Bolivia	100 %
Brazil	90 %
Northern Central America	95 %
Costa Rica	75 %
Panama	0 %
Chile	92 %
Colombia	89 %
Ecuador	75 %
Spain	99 %
Mexico	73 %
Paraguay	75 %
Peru	80 %
Portugal	93 %
Puerto Rico	0 %
Dominican Republic	60 %
Uruguay	100 %
USA	50 %
Venezuela	100 %
TOTAL	90 %

Percentage of senior management¹ from local area²⁻³

¹Senior management refers to the top-tier head or manager of the business in each country.

²Local worker refers to an employee who is working in his or her country of origin (where they were born or where they reside legally).

³The ratio of local senior management to total senior management of PRISA, that is, local + PRISA.

EMPLOYEE TRAINING

Training and ongoing professional development of employees are a key component in the Group's policy to maintain the highest standards of professionalism and quality.

PRISA employees have access to a wide range of training opportunities, which are made available and are structured through different tools and formats— both classroom based and online (PRISA Campus).

Training costs, as reflected in the income statement, were € 721,000, with Spain accounting for 52 % of this figure and the remainder spread out internationally. This has translated into 39,178 hours of training over the year, an average of 4 hours per person.

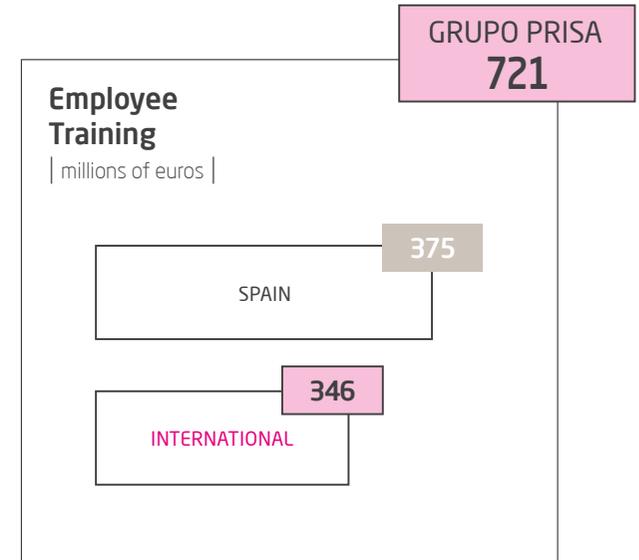
With regard to face-to-face classroom training in 2017, an effort was made to coordinate all initiatives transversally in order to optimize all training plans across the business units and thereby improve both satisfaction and results. As a result, the number of classroom students grew from 788 in 2016 to a total of 812 students* in 2017 (Spain only). Compared to 2015, which was when we embarked on the mission to improve the effectiveness and quality of training, quantitatively there has been a cumulative increase of 38.5 %. At the qualitative level, satisfaction rates at the group level increased from 7.89 in 2015 to 8.12 in 2016 to reach 8.35 in 2017. Meanwhile, the satisfaction rates among students regarding the teaching staff have remained excellent and rose from 8 in 2015 to 8.19 in 2017 (in 2016 the figure was 8.3).

In 2017, training was geared towards accelerating and improving skills and productivity in the area of digital transformation:

- Course for heads of transversal digital products for all Group companies, designed in partnership with the EOI.
- Advanced digital marketing course for PRISA Noticias marketing teams, designed in partnership with ESIC.
- Digital leadership course for *El País* newsroom teams, designed in partnership with ESADE.
- Cybersecurity course for technology teams, designed in partnership with INCIBE and EOI.
- Advertising sales program in the area of programmatic advertising, designed in partnership with BEJOB for PRISA Campus.

With regard to the transformation of HR, the initial focus was on the commercial strength of PBS with a view to building on this and subsequently extending the results to other business units. In this regard, activity was as follows:

- Design of a model for the identification and measurement of talent (launched in the technology area in 2016).
- Design of a professional development plan.
- Design of a succession plan.
- Design of a competency matrix to guide training.



In order to feed into the competence matrix and improve the climate and cohesion of commercial sales teams, a comprehensive training program was designed, covering both digital skills and management skills and teamwork.

With regard to the transformation of processes, the initial focus was on designing and supporting the consolidation of a project office in the area of technology in order to foster cultural change – with

* Student: professional who attends a course. An individual professional may have attended more than one course in a year.

a view to building on this and subsequently extending the results to other areas of the organization. Likewise, there was close collaboration with PBS in the design of a knowledge management platform for the international sales force.

PRISA Campus is an online training portal for all Group employees and is focused on developing employees' skill sets, and complements the process of sectoral professional retraining that is demanded by the dramatic metamorphosis of the traditional media economy into a digital one. In 2017, there were 468 new registered students, for a total of 2,176. In total, 374 students completed some of the courses and modules offered.

Seven new courses were offered in 2017:

- Master class in cybersecurity basics.
- Symphony course.
- Strategic digital transformation.
- Programmatic advertising, buying and selling.
- E365 tools.
- Introductory course on digital marketing.
- HTML5 introductory course.

PROFESSIONAL DEVELOPMENT

The current job performance appraisal system is part of the annual variable compensation program, applicable across the company. It is a system of individual performance evaluation, whereby a performance appraisal of employees is carried out over a given period within the organization, based on a series of criteria depending on the functions of the job and the sector. In 2017, the percentage of employees subject to performance appraisal (1) was 33 %, distributed as follows:

Percentage of employees subject to performance evaluation¹

| by professional categories |

Professional categories	Group data
Directors and senior management	75 %
Middle management	56 %
Qualified technical personnel	22 %
Other personnel	43 %
Total on annual variable compensation / total workforce	33 %

(1) Any employee on variable remuneration / active workforce at year end.

The ratio of employees by category on variable remuneration over the active workforce is as follows:

Distribution of employees by category

	Men	Women
Directors and senior management	71 %	81 %
Middle management	56 %	56 %
Qualified technical personnel	21 %	22 %
Other personnel	40 %	47 %

MANAGING EQUALITY AND DIVERSITY

Prisa endorses, supports and promotes all policies that contribute to **equal opportunities** and **non-discrimination** based on race, gender, political or religious beliefs. In their daily management, Group companies strictly comply with these principles.

It is worth reiterating that PRISA has adopted a Code of Ethics, mandatory for all employees, in which pluralism and respect for all ideas, cultures and people, are set out as the company's core values. PRISA is committed to respecting and protecting human rights and civil liberties, with the chief objective being respect for human dignity.

A statement of these principles is available on the Group's Intranet and the Intranets of the individual Business Units. These principles inform and guide company operations in the areas of equality, diversity and the integration of disadvantaged groups.

The principles that inspire both the Group and its workers are:

- Compliance with the principle of equal treatment at work.
- Rejection of any discrimination on grounds of sex, marital status, age, race or ethnicity, religion or belief, disability, sexual orientation, political beliefs, trade union membership, etc.
- Special attention to the implementation of equal opportunities between men and women

in access to employment, promotion, training, job security and pay equity.

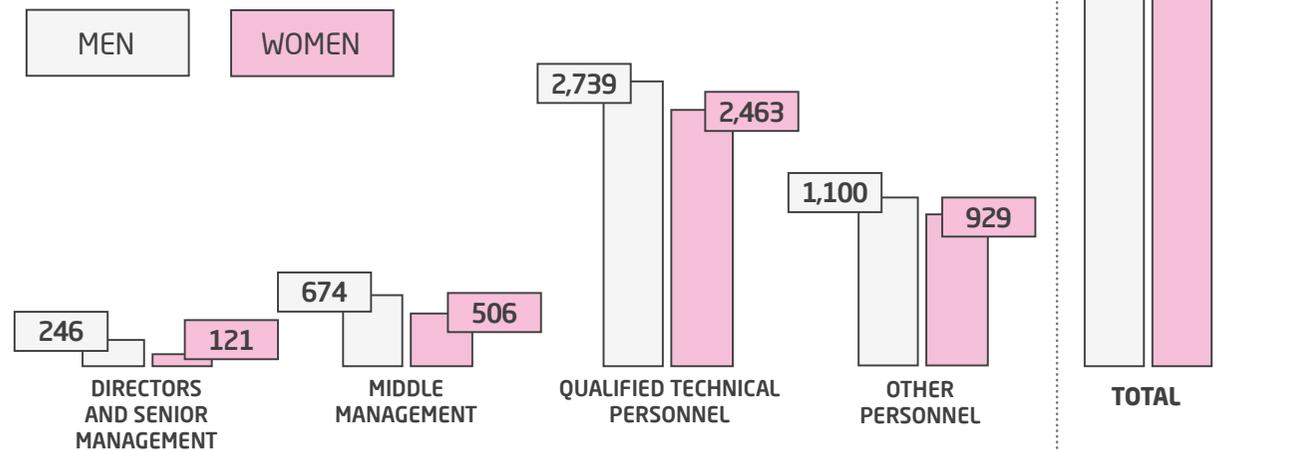
- A commitment to creating positive work environments, to preventing harassment and to the pursuit and resolution of any such cases that may occur.

With regard to the distribution of men and women in the workforce. PRISA's active personnel as December 31 is 8,778, of whom 4,019 (46 %) were women, and 4,759 (54 %) were men.

Also, of the total 367 executive/management positions, 32.9 % were held by women.

Employees by gender and professional category

| by gender and category |



WORKPLACE HEALTH AND SAFETY

PRISA remains committed to its objective of promoting a preventive culture throughout its businesses. Noteworthy in this regard is the Group's commitment to integrate risk prevention and workplace health and safety in the general management systems of companies.

In 2017, the Joint Prevention Service completed, in all companies, its process of the identification of psychosocial risk factors that may pose a risk to the health of workers.

Regulatory audits in the area of prevention were carried out satisfactorily, where required.

Quarterly meetings with all health and safety committees have continued, and evacuation measures in case of emergencies have been implemented.

In short, the Group has done its utmost to safeguard and improve conditions for all its employees.

Specifically, 86 % of the Group's employees in Spain are represented in formal health and safety committees, while 100 % are covered by the joint prevention service. Worldwide, 42 % of employees are represented in such committees.

The number of work-related accidents, throughout 2017, was 78 (32 men and 46 women) and there was one fatality. The rate of absenteeism at Grupo PRISA is 1.77 %.

The severity rate was 0.16, the figure for incidence was 8.89 and that for frequency was 4.75.

Rate of absenteeism, severity, incidence and frequency

Rate ¹	Group Figure
Absenteeism	1.77 %
Severity	0.16
Incidence	8.89
Frequency	4.75

¹Absenteeism rate: (Total number hours absence / total hours worked) x 100; severity rate (No. days lost / number of hours worked) x 1000; frequency rate: (Total number of accidents / Total number of hours worked) x 1,000,000; and incidence rate (No. accidents leading to absenteeism / average number workers) x 1000

SOCIAL BENEFITS

It is Group policy to provide companies with adequate resources so as to offer employment benefits that will be sufficiently attractive to the very best professionals. It is worth noting that PRISA operates in 23 countries. Each market in which it operates has special characteristics to which Human Resource Management Policy must be sensitive and thereby be in a position to offer an appropriate response to both the needs and the expectations of the professionals joining these companies.

In Spain, social benefits for our employees include life insurance, sick and disability pay, and maternity / paternity leave. Generally speaking, Group companies in Spain do not distinguish between full or part time employees, or between employees with permanent and temporary contracts with regard to these these benefits.

Within this framework, the flexible benefits and remuneration program, first rolled out in 2012, remained in place throughout Group companies in Spain in 2017 with a broad range of products offered. Portugal has also implemented a similar system.

WORK / LIFE BALANCE

All PRISA's business units have come to understand the very real benefits of offering balanced work days that provide an optimum balance for our staff's professional and personal lives. Many of our companies offer employees flexible work days, home working, and the possibility of working intensive shifts in summer, at Christmas and Easter.

Additionally, in Spain, during 2017 these measures aimed at favoring a balance between work and personal life have been maintained, with the plan consisting of five elements, and likely to be extended in future years:

- Special voluntary leave with guaranteed readmission, financial benefits and social security contributions.
- Longer annual holiday with financial benefits and social security contributions.
- Longer weekend (4-day working weeks) while maintaining social security contributions.
- Leave for training, with help to cover costs as well as social security contributions.
- Reduced working hours without having to justify childcare or similar extenuating circumstances such as care for elderly or persons with disability.

Thanks to the various work / life balance policies and initiatives implemented across the group, 97 % of employees have returned to their posts after maternity or paternity leave.

Reincorporation rate¹

¹Number of employees who return to work after the end of their maternity/ paternity leave.

Men	Women	Total
100 %	95 %	97 %

RESPONSIBLE MANAGEMENT OF OUR USERS AND DIGITAL TRANSFORMATION

Digital technology has definitively placed people at the center of each and every company's strategy. Digital technology brings us closer to users and allows companies such as PRISA to learn more about their habits – thereby enabling us to offer an improved and more complete user experience. This entails responsible management of our users that must first start with focussing on and preparing our professional teams to face the challenge of digital transformation – a transformation that requires us to develop new skills, new procedures, new products and new ways of working. Fortunately, over recent years, PRISA has been energetically pursuing an ambitious culture of transformation that is attentive to change, and has fostered develop new skills, new procedures, new products and new ways of working, all of which are essential if we are to embrace the new opportunities offered by technology and digital environments. Direct dialogue between the media and readers has long been embraced by the Group and this dialogue is supported by technology that allows the user to see the effect of their active participation both on the collective opinion and on content creation, and this, in turn, contributes to audience growth.

This ongoing consideration for the user is repeated in every corner of the company. Thanks to technology, Santillana, for example, has been able to apply methodological formulas that are part of the

current transformation of schools and where parents, students and members of the educational community all play a fundamental role. A case in point is the SET VEINTIUNO project, a Santillana initiative for learning centers in Spain and Latin America aimed at educating 21st-century citizens in the skills and competencies they'll need in a world dominated by the Internet and by knowledge. Meanwhile, the event Expedition SET VEINTIUNO was aimed at introducing teaching professionals to 21st-Century Skills, based on research conducted by international organizations such as UNESCO and the International Consortium for the Development of Skills 21.

Last year also saw the third SantillanaLAB, the platform that serves as a forum for experts from different educational areas who come together to look at innovation, thereby allowing Santillana to get a broad view of the latest trends. The project looks at a range of areas of strategic interest to Santillana, such as the role of educational video, the impact of the new languages and formats, and the presence of maker culture in schools.

SantillanaLAB is also open to all aspects of the educational community and encourages a comprehensive analysis of changes occurring in schools and the creation of spaces for virtual conversation such as IneveryCREA.

This mission to be in alignment with the interests of users is also embodied in PRISA Noticias' media through the close rapport that journalists have with readers on social networks. This brings diversity, plurality of opinions and enormous added value to

brands in a community of over 20 million followers on all major platforms (Facebook, Twitter, Instagram and YouTube).

El País, for instance, goes wherever its users are and we are attentive to the interest generated by the various video formats among users on social networks. Video has become increasingly important in coverage of some of the year's key events, such as the terror attacks in Catalonia and the Catalan independence movement. In addition, *El País* has increased its presence on other audiovisual platforms such as Periscope.

Optimal user experience relies on quick and accurate access to content. That's why *El País*, as part of its constant commitment to innovation, has implemented the new AMP (Accelerated Mobile Pages) system promoted by Google, which quadruples the search and download speed for news on mobile devices and tablets. Access through such devices continues to surge, and now accounts for 64 % of online traffic.





The *El País* newsroom.

Another important channel of communication between readers and *El País* is the Readers' Editor, which was established to address complaints, comments and suggestions from readers regarding the contents of *El País*, as well as any of the products or collections that sometimes accompany the paper. The Readers' Editor ensures compliance with the ethical rules governing the practice of journalism and that are laid out in the *El País* Style Book. The existence of this figure and its continued activity over the years, demonstrate the commitment of the newspaper's management to the transparency of information and their respect for the ethical principles governing the profession.

El País closed 2017 with record audience figures thanks, in large part, to the newspaper's commitment to facing new challenges and its presence at the forefront of social issues such as the struggle of women for equality, and the Catalan crisis, as well as the paper's reputation and as the newspaper of record for coverage of all the major elections in Latin America. All this while maintaining at all times the newspaper's well-earned editorial integrity to retain the confidence of the millions of readers in Spanish and Portuguese who every day turn to us for guidance in a world obscured by half-truths and false news.

In 2017, the company continued to put the user at the center of everything we do. Testament to this commitment was the *El País +* program, exclusively for subscribers, which offers top-rate free cultural events as a reward for loyalty. Content, such as musical performances, can now be accessed around the world thanks to live broadcasting via Facebook Live. Meanwhile, with a view to offering a complete service to the reader, we launched *El País Escaparate* (Showcase), a section with the best online shopping recommendations where experts and journalists test, select and analyze products and services that can be purchased on the Internet, saving users both time and money.

Plural and participatory dialogue continues to strengthen the social role of PRISA Radio's broadcasters, where we have continued to give a voice to people through new technologies that complement the existing channels for interaction. These include online comments via social networks and airtime. This drive to win the listener's attention has once again helped the Group's radio stations hold their lead, as confirmed by the EGM which reported 4.336 million listeners and 25 uninterrupted years of leadership in all slots.

With technology as our constant ally, PRISA Radio maintained, for yet another year and thanks to funding from Google DNI (Digital News Initiative), its Hertz Project, aimed at boosting the consumption of on-demand audio through transcription and distribution.

Another platform that has continued to evolve positively as an innovative offer for radio enthusiasts is Podium Podcast, the global network of podcasts

in Spanish that features its own web site and app and is distributed across multiple channels via digital audio aggregators. In its first year of operations, Podium Podcast reported more than ten million downloads.

This year also saw the redesign of a number of spoken-word and music radio sites in the Americas, with the aim of providing them with all the tools they need for content management that will promote the consumption of audio, facilitate the publication of multimedia content, and that are adapted to mobile consumer habits. Mobile applications have undergone several improvements and innovations, with projects such as the Relicapp corporate platform, which involves several stations in the group, both in Spain and the Americas, and which has improved their interaction with users. Meanwhile Cadena Ser and LOS40 have increased the capacity of their applications to allow on-demand consumption of programs in the same environment, including LOS40's four thematic radios on OnePlayer.

With regard to our professionals, in 2017 we continued to promote initiatives within the overall project aimed at transformation and change of the organizational model. The overarching objective is to continue putting in place the organizational culture best adapted so as to develop fully in the digital economy, a culture that favors increased return for the Group and that fosters a sense of belonging.

Internal areas of action include:

- Organic development of the ecosystem Toy-otome to reinforce cultural change (global Intranet, Newsletter, Tweets, etc.). And expanded leveraging of this ecosystem's platforms as mechanisms to build internal reputation, to foster and communicate values, to encourage and incubate intellectual and social capital, and to identify profiles with potential for growth (Experience Factory)
- The retraining and reconversion of human capital to adapt it to the production needs of the digital economy. (PRISA Campus and PRISA Jobs)
- Process of cultural transformation through training in innovation, leadership and teamwork, in order to increase the production of value and to foster competitive versatility in the sector. (Mi idea and Innovation Workshops)

We have also strengthened the area of Expertise and the design of services, essential for the strategic development of our products. As industry leaders, we must be at the forefront of the very best experiences in user consumption of news and information. We also seek to reinforce our commitment in the area of Big Data in order to understand and anticipate the best ways to contribute to the creation and dissemination of content, and improve our impact on society.

RESPONSIBLE MANAGEMENT OF COMMUNICATIONS

The Communications and Corporate Marketing Department is guided at all times by the ultimate objectives of the company for the development of strategies and initiatives, and is ultimately responsible for image and corporate culture, the positioning of Group brands and its senior management. The focus of our efforts is on continuously improving reputation, and is addressed to each of the internal and external stakeholders of the organization.

We are aware that reputation is built and cultivated from a range of different perspectives, and that it is the responsibility of all members of the organization. The Communications and Corporate Marketing Department not only manages the reputation of the company but also ensures transparency, trust, dialogue and ethics at PRISA through: proactive measurable communications, promotion of the brand, events and content, internal communications and social responsibility.

PRISA's values revolve around people, who are at the very heart of all marketing and communication initiatives. Here, internal communications play a key role in the development of the human capital – our chief asset – that makes up the Group. Toy-otome is the name we've given to our intranet,

a common, global platform that gives our professionals all the information they need concerning the company. This is a meeting point for all our professionals and it offers them access to tools for knowledge, training and innovation. The platform is also endowed with a range of products that enable direct communication, such as the weekly tweet, which allows us to share news on issues related to transformation and innovation, plus an external blog on digital trends, and which brings together all the best Group content and initiatives.

The company also has a Communications Committee, which is the body established to support, coordinate and evaluate the strategies, procedures and operational needs of the business units in the area of communications and corporate identity – thereby ensuring the achievement of Company goals in this area and the integrated processing of all messages. Chaired by CEO, it is made up of all of the Group’s Directors of Communications, the director of relations with analysts and investors, the head of sales and marketing, and the Director of Human Resources, who together work to strengthen internal communications. On occasions, they are also joined by both internal and external experts from different areas, as the Committee sees fit.

Alongside the work of the communications and marketing departments of the business units, we have redoubled our attention to the management of the Group’s brands, to ensure that these are true guarantors of credibility and quality for our stake-

holders, as well as factors that enhance differentiation and loyalty. All this without losing sight of the vital need to cultivate engagement with and a feeling of motivation for our brands among all PRISA professionals.

RESPONSIBLE MANAGEMENT OF OUR SUPPLIERS

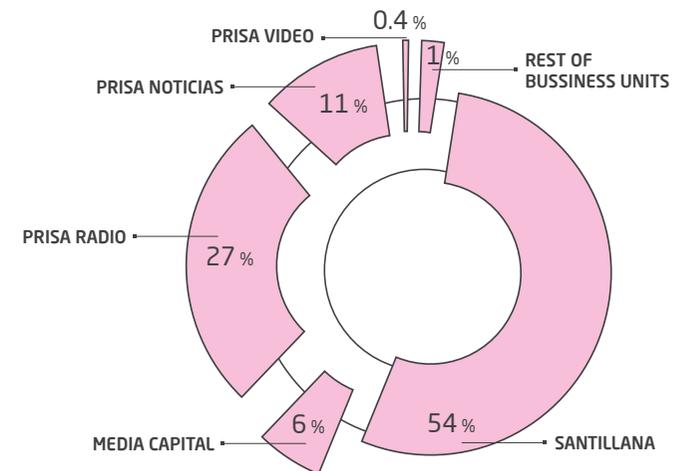
OBJECTIVES AND POLICIES

The chief goal of PRISA’s Procurement Policy is to build up a solid base of suppliers and collaborators, thereby enabling all our companies to acquire goods and services under the strict criteria of efficiency, cost, coverage and technical and productive capacity. Moreover, PRISA also evaluates and ensures the supplier’s integrity and its respect for basic human rights, and the environment. The Corporate Procurement Department coordinates all relations between Group companies and their suppliers, governed at all times by principles of objectivity, transparency and non-discrimination, in keeping with PRISA’s Code of Ethics and under the following criteria:

- Any information supplied will be identical for all suppliers, ensuring that no single supplier enjoys any initial advantage, thus fostering legitimate competition.

- Potential suppliers will not be invited to participate in the adjudication process.
- The results of the adjudication and certification process, including a summary of the criteria employed, will be communicated to the supplier in writing. Initiatives for constant improvement are in place, which boost quality to the benefit of both parties.

Distribution of suppliers by business unit in 2017



THE IMPACT OF OUR PROCUREMENT

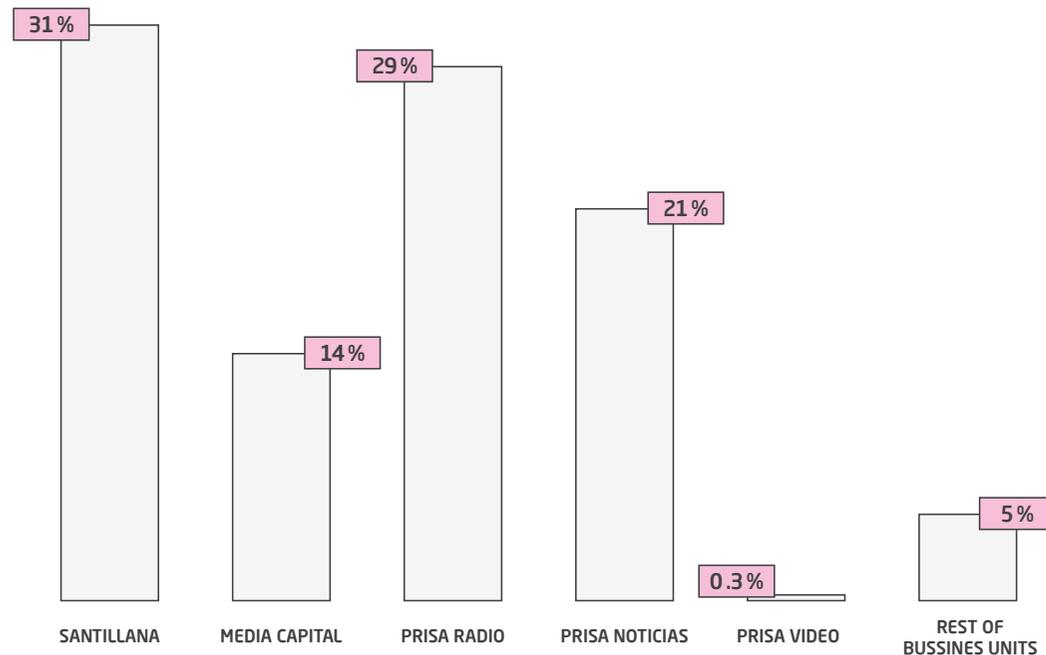
Over the course of the year, we have done business with suppliers for a total of more than 1,120 million euros, which highlights the importance of managing both our supply chain and any associated indirect impact.

PRISA is committed to using local suppliers in the countries in which it operates, meaning that, on average, 84.59 % of our spend on procurement goes to local suppliers, i.e. they are registered for tax purposes in the country where the acquisition is made and paid for.

Given the nature of our businesses activity, our supply chain may be divided, broadly, into six areas:

- Systems and Communications: Technology Providers (equipment and communications services and operators).
- Production: Encompasses content creators as well as suppliers of rights for the use of films and programs, and editorial content. Also includes industrial production.
- General Services: Energy supply, building maintenance, travel, vehicles, insurance etc.
- Media and PR: Advertising and media agencies.
- Logistics.
- Infrastructure: Rental and maintenance of buildings and refurbishment.

Spend on suppliers by business unit



PRISA has not identified via its communication channels any significant impacts on social or human rights in its supply chain, although, from an environmental point of view there is undoubtedly an impact particularly with regards to the consumption of paper by Santillana and Prisa Noticias, who together account for 65.19 % of our suppliers. To mitigate these effects, the Group carries out initiatives described in the section “consumption control”, which operate in tandem with the process of conversion to digital content that is sweeping the sector.

CERTIFICATION AND SELECTION OF SUPPLIERS

For suppliers who collaborate with PRISA transversely, that is, with more than one business unit, or for those that provide a high volume of goods or services, it is a prerequisite that they be duly approved and certified and added to our approved supplier list.

This approval process is carried out through the Electronic Procurement Platform – found on the Corporate website. This is the channel that manages the Group’s relationships with its collaborators, facilitates the processes of registration and certification, and carries out any subsequent monitoring and evaluation.

During 2017, PRISA did business with 39,048 suppliers, of whom 3,611 are certified suppliers of the

Group. 148 new suppliers were duly approved and incorporated over the year.

Once a supplier has entered into the negotiation process, the final selection is based on four criteria:

- Quality of goods / service offered.
- Suitability or appropriateness of the service.
- Cost of goods / service offered.
- Certification of compliance with PRISA’s Sustainability Policy.

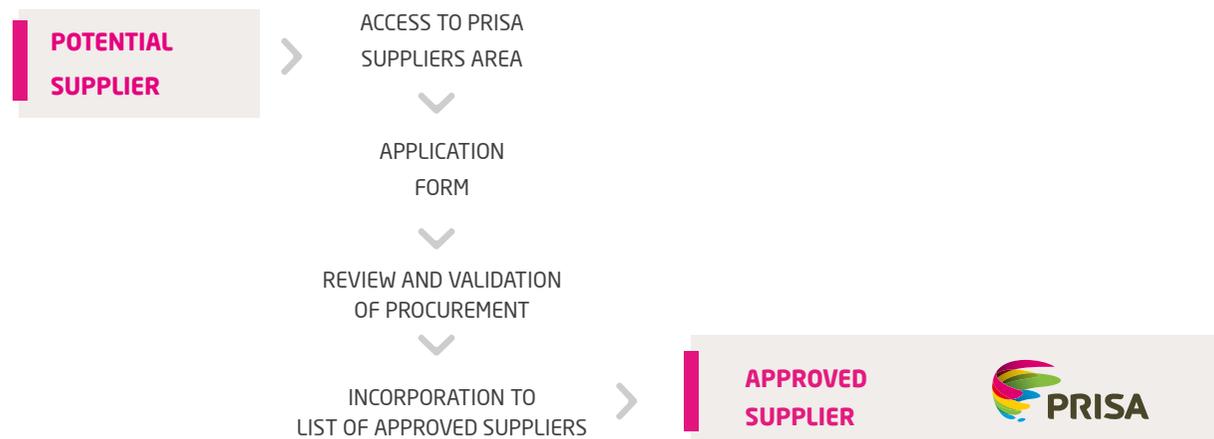
EVALUATION AND MONITORING OF SUPPLIERS

In Spain, some of the most significant suppliers (by volume) at both Group and Business Unit level, are subject to regular monitoring and evaluation with regards to 7 key performance areas, including ethics and good governance, environmental and quality management, and the prevention of occupational hazards, among others.

During 2017, such evaluations were carried out under these criteria for a total of 119 suppliers, in the areas of environment, labor practice, human rights and other social matters:

Percentage of new suppliers evaluated in each area

Area	%
Environment	48 %
Labor Practice	47 %
Human rights	48 %
Other social matters	48 %



Number of suppliers by country

Country of supplier	Number of suppliers	Total spend (Millions of €)	% Spend on local suppliers
Argentina	1257	19,602,006 €	90 %
Germany	9	535,709 €	0 %
Austria	2	240,659 €	0 %
Belgium	0	388,069 €	0 %
Bolivia	66	444,663 €	34 %
Brazil	5698	78,172,875 €	86 %
Chile	1533	18,398,032 €	86 %
China	9	8,302,114 €	0 %
Canada	10	6,325,735 €	0 %
Colombia	3750	46,442,225 €	87 %
South Korea	1	20,352 €	0 %
Cuba	0	4,286 €	0 %
CAS ¹	402	13,985,358 €	76 %
Denmark	0	2,303 €	0 %
Ecuador	1341	17,940,192 €	89 %
CAN ²	4333	13,272,405 €	79 %
United Arab Emirates	0	274 €	0 %
Spain	12656	589,872,039 €	83 %
USA	318	20,936,610 €	91 %
France	21	1,393,426 €	0 %
Finland	0	872,297 €	0 %

CAS¹ = Costa Rica, Panama and Nicaragua

CAN² = Guatemala, El Salvador and Honduras

Netherlands	4	500,128 €	0 %
Hong Kong	8	7,528,121 €	0 %
Italy	4	2,296,243 €	0 %
India	7	383,561 €	0 %
Ireland	7	498,759 €	0 %
Israel	1	331,890 €	0 %
Mexico	1905	83,777,921 €	86 %
Paraguay	720	1,001,202 €	85 %
Peru	1670	19,051,569 €	0 %
Poland	2	134,191 €	0 %
Portugal	2473	154,586,000 €	0 %
Puerto Rico	5	345,803 €	67 %
UK	149	3,214,866 €	0 %
Dominican Republic	484	3,119,848 €	53 %
Russia	0	82,733 €	0 %
Singapore	4	1,512,178 €	0 %
Switzerland	0	44,487 €	0 %
Sweden	0	349,254 €	0 %
Turkey	0	2,289 €	0 %
Thailand	1	106,956 €	0 %
Uruguay	123	1,887,490 €	96 %
Venezuela	56	765,460 €	100 %
Rest	19	2,031,665 €	0 %
Total	39,048	1,120,704,242 €	85 %

RESPONSIBLE MANAGEMENT OF THE ENVIRONMENT

OBJECTIVES AND POLICIES

PRISA is committed, in all its business operations, to the environment and to reducing both the costs and the impact that any such operations may have on the world around us.

The Group's Environmental Security Policy includes a series of basic principles with the aim of providing safe products and services that respect the environment throughout their entire life cycle. These principles state that:

- PRISA will comply with all applicable legal requirements, and will, whenever possible, make every effort to anticipate them.
- The group will actively strive to reduce and prevent pollution and waste, and to conserve energy in all its operations.
- The group will require its suppliers to conduct their operations in an environmentally responsible manner.
- The group will ensure the safety of industrial operations to avoid any negative impact on the environment.

This policy is divided into three levels of action:

- 1) Consumption control.
- 2) Emissions control.
- 3) Waste management.

1. CONSUMPTION CONTROL

1.1 Consumption of material

The most significant consumption of the Group is associated with printing operations. As can be seen in the following table, the most significant material for PRISA, in this regard, is of paper and paperboard/cardboard.

PRISA's suppliers must comply with certain minimum legal environmental requirements in the manufacture of paper, and most of them possess the capacity to produce PEFC and FSC accredited

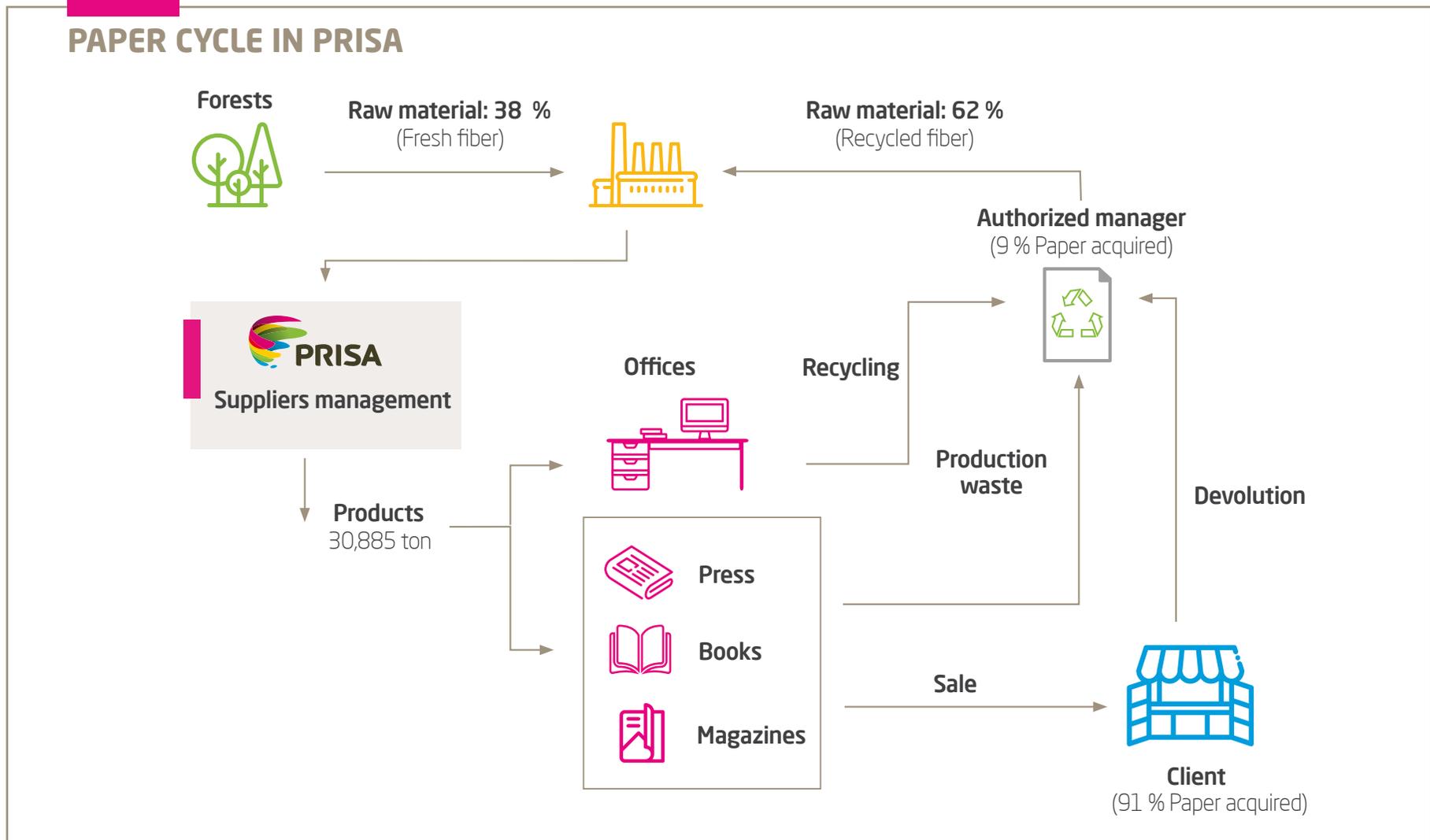
paper, thus guaranteeing that controls are being carried out at the various stages of the production process.

Santillana, for instance, requires all its suppliers in the US to be certified by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). What's more, its principal logistics supplier (Pilot) is certified by the EPA (Environment Protection Agency (EPA), within the SmartWay Transport program.

PRISA ensures responsible management at all stages of the lifecycle of paper. In Spain and Portugal, the management of paper is centralized and, as shown in the chart illustrating the paper lifecycle, 62 % of paper comes from recycled raw material, obtained from recycling operations carried out by authorized companies, and offering a rate of return of 9 % of the raw material.

Consumption

Material	Consumption (ton)	% recycled or recovered	Renewable
	2017	2017	
Paper	75,601.55	32.04 %	Yes
Paperboard	247.03	100.00 %	Yes
Inks	629.01	0.00 %	No
Aluminum Plates	160.65	100.00 %	Yes
Adhesives	33.00	0.00 %	No
Plastic	10.00	100.00 %	Yes



According to information provided by different suppliers, carbon intensity as measured in tons of CO₂ equivalent per ton of paper consumed in Spain is 481.54.

All this is taking place in an industry marked by the digitization of content and platforms, allowing us to progressively reduce our paper consumption. Initiatives in this area are being carried out in Argentina, Colombia, Peru, Guatemala, Honduras, El Salvador and Portugal. Likewise, in Mexico, the consumption of paper has been centralized, leading to a decrease in consumption.

1.2 Water consumption

Water consumption at PRISA for the year 2017 was of 236.905 m³, principally via the consumption of water supplied by municipal mains networks.

1.3 Energy consumption

Total energy consumption for the Group in 2017 was 381,001 GJ. Energy consumption at PRISA is associated chiefly with the use of fuels and electricity.

Energy Consumption

¹Source of conversion factor: DEFRA (Department for Environment, Food & Rural Affairs - GOV.UK).

² The methodology used to obtain the data is based on invoices issued by suppliers.

³ Calculations are based on PRISA turnover for 2015, excluding interests in Televisa in Mexico and Grupo La Nación in Costa Rica.

2. EMISSIONS CONTROL

PRISA measures and monitors emissions arising from all its activities. In this regard, and in order to expand the scope of the measurement of such emissions, Corporate Procurement gathers information on employee travel, this being a significant source of emissions, given the activities of PRISA .

Information on emissions for the financial year 2017 is submitted taking into account the scope of emissions as defined by the GHG Protocol standard.

A range of initiatives has been undertaken such as the replacement of lighting by more efficient technology in a number of different countries, resulting in energy savings over the previous year of 1,377 GJ, which, translated into CO₂e, represents a savings of 126,187 tons.

Emission intensity for the year 2017 is 58.84 ton CO₂ equivalent per million euros billed.

Details relating to Scope 3 emissions, obtained from data on employee travel and paper consumption are as follows.

3. WASTE MANAGEMENT

Of all PRISA operations, printing is the activity that generates most waste, with plates, inks and varnishes, and paper and cardboard, being the most significant sources, as can be seen in the following table.

There has been a decrease in the generation of waste with respect to the previous year.

Energy consumption		Consumption GJ ¹⁻²	Energy intensity (GJ/M€) ³
		2017	2017
Electricity Consumption		246,255	210.35
Fossil Fuels	Natural Gas	15,106	12,903
	Diesel	119,640	102,195

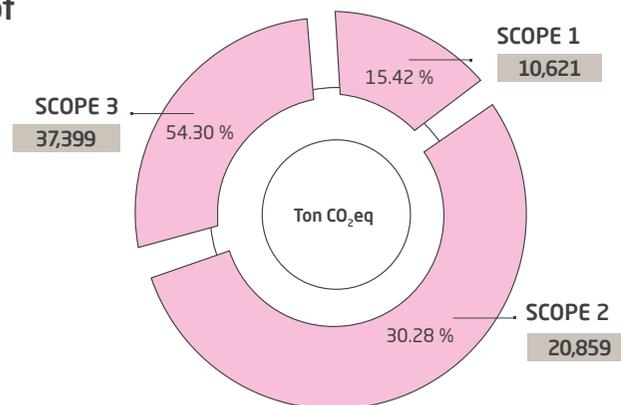
Emissions of CO₂

Business Travel		Distance traveled in km	Energy consumption GEI (TCO _{2eq})
Plane	Short haul	11.608,672.46	3,104.62
	Medium haul	6.649,509.51	1,070.77
	Long haul	54.834,442.00	10,827.06
Train		4.774,709.00	223.36
Car		31.967,749.27	5,718.07
Gasolina			

Product	Tons of paper <small>*Spain only</small>	Energy consumption GEI (TCO _{2eq})
Papel	34,171	16,454.70

Tons of CO_{2eq} and percent of emissions by Scope

¹ Scope 1: emissions from fuel consumption. For the calculation of these emissions, DEFRA conversion factors have been applied.
² Scope 2: emissions from electricity consumption. For the calculation of these emissions, DEFRA conversion factors have been applied.
³ Scope 3: emissions from transport-related activities of employees. For the calculation of transport and travel related emissions, DEFRA conversion factors have been applied.



Waste control

Waste type	Tons 2017	Treatment		
Hazardous waste	Inks and varnishes	19,841	Recycling	
	WEEE	3.73	Authorized agent	
	Plate developer	25.87	Authorized agent	
	Construction and demolition waste	56.46	Authorized agent	
	Municipal Solid Waste	503.74	Authorized agent	
	Wood	44.60	Recycling/ Authorized agent	
	Other	37.31	Recycling/ Authorized agent	
	Non-hazardous waste	Paper and paperboard	5,554.76	Recycling
		WEEE	0.14	Recycling
		Plastics	53.79	Recycling/ Authorized agent
Municipal Solid Waste		4.92	Recycling	
Glass		2.52	Recycling	
Wood		41.48	Recycling	
Plates		282.64	ND	
Cleaning water		21.00	ND	
GRCs		4.26	ND	

NOTE: Does not include toner, computers and equipment managed in Brazil, nor lighting and plastics managed in Peru.

SOCIAL, CULTURAL AND ENVIRONMENTAL ACTION

Since the very outset, PRISA has worked with a firm commitment to promoting cooperation and global solidarity in order to build together a better world. This commitment is fully in line with the new Sustainable Development Goals (SDGs). We constantly strive to establish strategic alliances and build bridges that allow us to meet the 17 SDG objectives by leveraging the very best of our organization. In 2017, we continued to work closely with the United Nations agencies UNESCO and FAO, and we signed a new agreement with UNICEF to improve how we cover the important work they carry out on behalf of the world's children. These partnerships underscore our firm commitment to promoting news on sustainable development, education and quality journalism. We believe that the world is best understood by sharing knowledge, by promoting debate and by drawing on the expertise of specialists.

PRISA collaborates actively with the Food and Agriculture Organization of the United Nations (FAO) for our coverage and dissemination of news on sustainable development, hunger, food and poverty. We do so from the FAO headquarters in Rome,

where we have a Planeta Futuro reporter, who contributes regularly to this *El País* section dedicated to sustainable development. *El País* thus has direct access to the agency's publications, allowing it to offer comprehensive news coverage on such crucial issues as poverty and climate change, as well as global health and education as engines for development. We foster awareness on all these issues in Spanish and thereby foster greater awareness in Latin America, the region to have made the greatest progress in the fight against hunger over the past ten years. As well as ongoing coverage of these vital issues, in 2017 we organized an International Forum on Human Rights in Madrid in collaboration with the FAO and the Global Compact of the United Nations to mark International Human Rights Day.

We also work with the United Nations Educational, Scientific, Cultural and Communication (UNESCO) to promote common values such as freedom of expression, press freedom, the safety of journalists – who safeguard plural and democratic societies – and education, including teacher training. PRISA is UNESCO's chief media partner, and in the field

FIDH
FORO
INTERNACIONAL
DE DERECHOS
HUMANOS

de lo global a lo local



Fernando García Casas, Secretary of State for International Cooperation, closes the International Human Rights Forum.



of education, our agreement focuses primarily on promoting the expansion and improvement of education in Latin America through teacher training, as well as the proper use of educational resources, the use of technologies and the improvement of educational assessment and management. In 2017 we designed and promoted an awareness campaign called “No respect, no game”. an initiative aimed at combating violence and discrimination in sport, involving major football clubs and the provision of training workshops in Spanish schools.

Since the very outset, PRISA has championed freedom of expression, conscience, human rights and sustainable development as an inseparable part of the whole Group, and we do so not merely through content, but also via a wide range of social, cultural and environmental initiatives and projects and by actively participating in key social platforms and organizations that share our commitment to these same values.

Testament to this commitment, PRISA is an active member of the Global Compact of the United



Nations through its Spanish network. The Group is firmly committed to the Ten Principles that this global organization promotes in the areas of human rights, the fight against corruption, labor rights and environmental protection. We are part of its Executive Committee, we actively support all its initiatives and we develop specific projects together to promote debate and disseminate the Sustainable Development Goals (SDGs) of Agenda 2030. In 2017 we have renewed our commitment, as we do every year.

PRISA is part of the group of companies constituting the Fundación SERES, a Foundation that promotes corporate engagement and commitment to improve society through socially responsible actions that are aligned with company strategy and the policy of creating value for all. As part of this collaboration, PRISA sits on its advisory committee, the communications committee and is a member of the jury for the Awards for Corporate Innovation and Social Commitment. The Group has also participated in the development of the series of forums, the CEO Talks, which address CSR and the creation of shared value by the leadership of the company, and look at social innovation.

In the field of education and culture, PRISA and the Fundación Santillana have signed a range of agreements with cultural, educational and scientific institutions both in Spain and in Latin America, including the Organization of Ibero-American States, the Inter-American Development Bank, the Royal Spanish Academy, the Instituto Cervantes, the Miguel de Cervantes Virtual Library Foundation,

the Royal Theatre Foundation, the National Museum Centro de Arte Reina Sofía, MACBA, Casa de América, the Fundación Carolina, the Brazilian Hispanic Cultural Foundation, Fundación Empresa y Crecimiento (Business and Growth Foundation), the European Institute of Design (IED) and the Princess of Asturias Foundation. Between 2016 and the end of 2018, the Group is sponsoring the 200th anniversary of the Royal Theater, an event of widespread public interest. In 2017, we supported the launch of the Botín Center in Santander as part of our commitment to culture and education, by offering advertising support to publicize its initial activities.

In terms of university education, PRISA cooperates with a range of Spanish and Latin American universities, including the Universidad Autónoma de Madrid, of which we are patrons and with whom the Group runs the UAM-El País School of Journalism; the Masters in Governance and Human Rights; and the Jesús de Polanco Chair in Ibero-American Studies; the Universidad Internacional Menéndez Pelayo, the Technological Institute of Monterrey (TEC) and the Mario Vargas Llosa Chair. The headquarters of the Fundación Santillana in the Americas (Colombia, Brazil, Argentina and Peru) develop similar initiatives in education and culture, in collaboration with a wide range of institutions and the ministries of education and culture of the respective countries. We are also members of the Fundación Conocimiento y Desarrollo (Knowledge and Development Foundation), which promotes excellence in universities through reports and rankings. PRISA's media have long championed campaigns

as promoted by bodies and NGOs whom we can support thanks to our position as opinion leaders with the capacity to raise awareness through our content. For decades we have collaborated with the FAD (Foundation Against Drug Addiction), of which we are founding sponsors and where we work actively on its Media Committee to promote its activity. We have also worked with the WWF since 2008 on its campaign Earth Hour, the world's biggest initiative to mobilize the population against climate change. And we partner with many other NGOs such as Intermón Oxfam, UNICEF, Ayuda en Acción, Red Cross, Manos Unidas, Médicos sin Fronteras, Save the Children and the UNHCR. Support is offered through habitual reporting and specific sponsorship or promotion deals, placing our media at the service of the global community as part of our commitment to raising awareness and mobilizing society. In 2017, PRISA joined the Emergency Committee, which brings together different NGOs to act in a coordinated and effective fashion on the ground in the event of humanitarian emergencies. When deemed necessary, the Group's media will work together to raise funds to help meet any humanitarian requirements.

In the field of innovation, research and development, PRISA is a founding patron and active collaborator of the Fundación Pro CNIC, whose main objective is to raise awareness about the vital work in research and prevention of cardiovascular disease, the leading cause of death in Spain, being carried out by CNIC, the National Center for Cardiovascular Research, led by Valentin Fuster.

In the field of innovation, research and development, the Group works with the Fundación COTEC for Technological Innovation. And we collaborate with the Fundación Reina Sofia on its awareness campaigns in the fight against Alzheimer's.

PRISA NOTICIAS

PRISA Noticias has a clear global vocation and seeks to promote and champion the defense of human rights, education, equality and the environment. As part of the Executive Committee of the Spanish Global Compact Network, it is firmly committed to expanding content offered in these areas by the range of news titles overseen by this business unit. Once again this year, there have been a wide range of initiatives to foster and promote these values.

El País has made it its editorial duty to inform readers of all social initiatives that are undertaken, not only internally but also globally. The section Planeta Futuro makes an enormous contribution to informing readers on environmental issues and equality, and is committed to raising awareness on



the Sustainable Development Goals of the Global Compact. Meanwhile, *El País* received the King of Spain Prize for Journalism in the category of Digital Journalism for its report 40 años del 20-N: La transformación de un país (40 years after November 20: The transformation of a country). This featured more than 50 previously unpublished texts and photos, plus videos, which explored four crucial decades for the construction and transformation of Spain on its path to freedom, progress and modernity.

PRISA Noticias once again lent its support to the World Wildlife Foundation (WWF) in promoting the climate-change awareness campaign Earth Hour. *El País*, *Cinco Días*, and *AS* all gave widespread coverage to the largest global movement in defense of the environment.

To mark World Cancer Day, *El País* threw its weight behind the fight against this disease. Over the course of a week, readers were encouraged to buy a solidarity bracelet alongside their copy of the newspaper, with the proceeds going to the Spanish Association Against Cancer (AECC).

El País organized several journalism workshops, throughout 2017, at hospitals in the Madrid region, and at schools and foundations in Mexico. In addition to promoting the reading of news among young people, these workshops also injected some welcome fun into their day-to-day lives. There was a positive response from participating organizations such as Madrid's Doce de Octubre Hospital, the Ramon y Cajal Hospital and La Paz Hospital, as well

as the Guadalajara International Book Fair. Another journalism workshop was held on the premises of *El País* for persons with autism, in collaboration with the organization Plena Inclusión (Full Inclusion).

Throughout 2017, *Cinco Días* maintained its commitment to publishing content on the greatest challenges in the area of corporate social responsibility: philanthropy, gender discrimination, the fight against poverty, human rights, protection of culture and science, respect for diversity, and environmental protection, among others.

Cinco Días also published, every month, the supplements *Entorno*, on the environment from a business perspective, and *Ciencia y Salud* (Science and Health), which supports the efforts of the scientific and medical community towards building a better world. As in previous years, there was also a special supplement on CSR.

The newspaper also continued to publish its weekly section on Good Governance; the *Perspectivas* (Outlook) section, a daily look at social and environmental issues; and *Fortuna*, which has a particular focus on women in business and the professional world.

EL PAÍS WITH YOUR FUTURE

El País, in collaboration with the Santillana Foundation, held for the third consecutive year *El País con tu futuro* (*El País with your Future*) at Madrid's Kinopolis cinema complex. This is motivational career-guidance event at which experts from a wide range of fields help young people choose their academic and professional path.

The challenge facing the hundreds of young people attending this latest edition was how to choose



The *El País con tu Futuro* third edition.

a profession that does not yet exist. The rapid evolution of technology constantly creates new occupations - meaning that today's adolescents are being asked to step into uncharted territory.

The young attendees were able to avail of more than 70 short talks given by leading professionals – face-to-face meetings where they shared their experiences with the students. There were also numerous training workshops to enhance effective communication skills, leadership, teamwork, creative thinking and many other highly useful skills for personal development.

THE UAM-EL PAÍS SCHOOL OF JOURNALISM

Founded in 1986, the UAM-El País School of Journalism belongs to a non-profit foundation made up of the Universidad Autónoma de Madrid (UAM) and the newspaper *El País*.

The School's main initiative is the Masters in Journalism, which has by now trained 1,200 quality journalists, who've gone on to work at 100 news media worldwide. 10 % of alumni are from Latin America, chiefly Mexico.

This post-graduate degree is awarded by the Universidad Autónoma de Madrid, which is specialized in quality Spanish-language journalism training. The course lasts 22 months – 9 of which are practical training at the School in newsrooms under the supervision of renowned journalists. Students subsequently receive a full year of remuner-

ated work experience at PRISA media outlets.

For the past few years, the School has also opened its doors to the general public at weekends to offer workshops on journalism. Many of those who benefit are working journalists who wish to avail of ongoing training.

The School of Journalism is a laboratory where we try out new ways of telling the news using all the latest technological advances. But perhaps more important than new tools, is the main mission of the School: to teach the values of quality journalism and awaken a passion for the craft. In short, the same spirit with which the School was first conceived 32 years ago.

The School of Journalism has been a pioneer in new digital narratives, and the master's degree is at the forefront in the use of new digital tools. Students are currently exploring the journalistic uses of social media and are experimenting with video in 360 degrees. But, above all, the School's overarching mission is the transmission of the values of quality journalism, while never losing sight of the spirit with which it was born: to be a school of journalistic content.

EL PAÍS DE LOS ESTUDIANTES

«El País de los Estudiantes» is a widely acclaimed, pioneering, school newspaper project aimed at teachers and students alike, with a focus on those students in the 1st and 2nd years of ESO, Bachillerato, and Vocational Training. With both recreational and educational value, it promotes multi-

disciplinary learning, teamwork and the personal development of each student.

Taking full advantage of the benefits of new technologies for teaching and learning, the program asks students to design their own newspaper, both in print and in digital formats. This learning tool helps students to develop a range of skills, such as critical thinking, writing, analysis and structure, and creativity, all in a natural way.

This year's 16th edition enjoyed the participation of more than 3,000 teams, 3,170 teachers and 1,644 schools. There were three new awards: Best Video Blog, the Endesa 'Te Inspira' Technology and Innovation Award, and the Endesa Best Cultural Criticism Award.



16 years of journalism in the classroom.

PRISA RADIO

PRISA Radio sees CSR policy as being at the very core of its business operations – focussed chiefly on news and entertainment – and is all too aware of the impact of said policy on the process of social transformation. PRISA Radio endeavors to be a responsible and sustainable company, and to be seen as such, and our reputation and how we are seen by society are key when it comes to planning our activities, whether these be our own initiatives or those we undertake in partnership with third parties.

Among PRISA Radio's initiatives in **Spain** over the past year, special mention should be made of Cadena SER's style book, *En Antena. Libro de estilo del periodismo oral*. This is a pioneering initiative that seeks to be the most complete and definitive reference guide for radio professionals..

Cadena SER presented its high-profile outreach and awareness campaign Sin Respeto No Hay Juego (No Respect, No Game) to combat discrimination and racism in football, and which takes its cue the UNESCO report *Colour? What colour?*. This initiative saw station journalists and football personalities give educational talks to over 3,000 children at schools and football clubs.

The year wouldn't be complete without the LOS40 Music Awards gala, the most important such prizes in the Spanish music world. Ed Sheeran, Luis Fonsi and U2 were the big winners of the night, which featured performances by Alejandro Sanz,



Taking a stand together against discrimination and racism in football.

Malú, Pablo Alboran and Vanessa Martin, among others. Part of the proceeds from the sale of tickets was donated to the Fundación adEla, an association dedicated to improving the quality of life of those affected by the motor neuron disease amyotrophic lateral sclerosis (ALS).

Meanwhile, part of the proceeds from the Cadena DIAL Awards Gala went to Aspronte, an association that helps people with intellectual disabilities in Tenerife. Finally, part of the proceeds from the Radiolé Awards was donated to Asaenes, an association that supports relatives of people with severe mental disability in Seville.

PRISA Radio's commitment to solidarity and social responsibility extends to all its broadcasters in Latin America. Prisa Radio **Chile**, through Radioactiva and Radio ADN, participated actively in the annual Telethon, a charity marathon event to help children with physical disabilities.

Our stations in **Colombia** ran a range of projects and activities such as a fundraising campaign for the Intensive Care Unit and Pediatric Cardiology Recovery Clinic in Bogota.

Meanwhile Prisa Radio **Mexico**, through the La Ke Buena con Causa initiative, held "La Fiesta de la Radio", a massive event which donated the pro-

ceeds from the sale of 85,000 tickets to help those affected by the earthquakes in Mexico. W Radio also helped those affected by the earthquake through the 'My Favorite Things 2017' campaign. And together with Banorte, the station donated one million pesos to the VIFAC institution, that supports pregnant women at risk of social disadvantage or exclusion.

The LOS40 Guadalajara campaign, 'No texting' to raise awareness about the risk of driving and texting at the same time won the social responsibility award given by the media agency HAVAS.

LOS40 in **Costa Rica** joined the Red Plato Lleno (Full Plate Network) initiative that coordinates the collection and distribution of surplus food among

canteens and social care homes. In addition to collaborating to raise awareness on food waste, a number of station presenters participated by lending their image to the campaign. The stations Bésame and Qteja supported the prevention of breast cancer by giving extensive coverage to the issue. In addition, they provided listeners with free early detection checkups.

PRISA Radio in **Panama** also joined the global campaign to fight breast and prostate cancer, through special reports on their stations Radio Panama, W Radio and LOS40. On World No Tobacco Day there was a campaign to raise awareness about the harmful effects of smoking, which the stations spread on air, online and through events in the Panama Metro. Radio Panama also supported

fundraising through a Radiothon for FANLYC, a foundation helping children with leukemia.

Once again in 2017, Radio Continental in **Argentina** participated as a *media sponsor* on the campaign "Argentina Vision 2020/40", run by the NGO Bisblick, which grants scholarships to young people with high potential and low income, and which every year holds an event where politicians and business leaders discuss the future of Argentina.



Ed Sheeran picks up his Los40 Music Award from Paula Echevarría, Cristina Boscá and Dani Moreno.

SANTILLANA

Since its creation six decades ago, Santillana has been providing educational content and quality services that facilitate and improve learning outcomes in Spain and Latin America. In a world where social changes demand ever new commitments from companies, Santillana has become an active part of schools, families, and society at large.

The company acts responsibly by encouraging ongoing reflection and debate on education, and is particularly committed to fostering reading as a tool for social improvement. Indeed, reading is seen as key to enhancing the imagination and creativity of children and young people, as we rise to the challenge of building fairer, freer and more equitable societies

In 2017, Santillana promoted a wide range of initiatives aimed at promoting reading as a tool for social improvement. Once again, the company actively participated in the government program Bolivia Lee (Bolivia Reads) with new donations of books to the Bolivian Ministry of Education. The aim of the initiative is the creation of libraries and literacy centers in rural and peri-urban areas of the country. Having now run for six seasons, the “Bolivia Lee” campaign has to date received more than 50,000 books from Santillana.

In Mexico, Santillana, through its imprint Loquelo, has donated 2,000 books to the startup AllWithBooks to create a library in Campeche and encourage reading. Meanwhile, Santillana Argentina

has donated books and developed special school materials for sick children undergoing prolonged hospital stays.

Fostering knowledge and reflection on the learning process is another of Santillana’s objectives. During 2017, Santillana supported a range of training initiatives aimed at management teams, teachers and families in order to address the challenges of education today.

Santillana Spain held the second edition of the awards *Educatividad*, aimed exclusively at the community of teachers using Santillana material. These awards, once again, paid tribute to ideas that promote educational innovation and research

in the classroom with new techniques and teaching methods.

Santillana in partnership with the Atresmedia and Samsung Foundations, organized the 5th edition of the event ¡Grandes Profes! (Great Teachers!), which brought together 1,700 education professionals. This edition featured prominent professionals from academia, and leading figures from the worlds of film and art, who shared their knowledge with teachers in an effort to motivate them in their daily lives and recognize their work in the classroom.

Publishing house Moderna collaborated on a number of public seminars that fostered debate on key



5th edition of the event “Grandes Profes!”

issues in Brazilian education, such as the National Textbook Program, (PNLD 2019), the Ministry of Education's Technology tender, and the launch of the Yearbook of the National Education Plan Observatory (OPNE). In association with the movement Todos Pela Educação and with the participation of educational specialists, Editora Moderna collaborated in the discussion groups in area of basic education, with the aim of rising to the challenges facing education today, and in order to develop new initiatives through surveys and strengthening strategic partnerships within the sector.

In Puerto Rico, in cooperation with Learn Aid, Santillana helped schools cope with the economic challenges facing the country at a time of recession. The company offered a workshop for schools principals on the tools and strategies available for managing their institutions.

Once again, Santillana reinforced its commitment to safeguarding the environment. In Brazil the project of recycling material continued apace. Every week, our project partner Cooperativa Central Tietê collected approximately 100 kg paper, disposable plastic cups, cardboard, aluminum and metal for recycling, representing around 4,800 kg of recyclable material donated in 2017.

In Spain, the environmental campaign Yo cuido el agua (I take care of the water) encouraged awareness among early-learner schools throughout the country and among their families and teachers of the importance of conserving water. Young children were shown the importance of conserving

this scarce natural resource with a kit which contained tips and a "water drop" bag designed to collect water.

Santillana also showed solidarity with the victims of the earthquakes that hit Mexico. The Campaign Dupliquemos Soluciones (Let's double the Solutions) for which Santillana partnered with the Carlos Slim Foundation, raised funds to rebuild schools damaged by earthquakes.

With the slogan "Si solos hacemos algo, "Juntos hacemos más", (If I can do something alone, Together we can do more," Santillana Peru helped those affected by landslides caused by floods. In collaboration with Caritas, Santillana collaborators were able to help about 4,000 families in the areas affected by the rains in several Peruvian cities.

THE SANTILLANA FOUNDATION

The Fundación Santillana, or Santillana Foundation, was created in 1979 to promote educational and cultural projects, to foster closer ties and cooperation between Spain and America, and hold forums for the exchange of ideas in the field of education. With its wide and varied program of activities, the Foundation has consistently set the standard for initiatives in the fields of education, culture, journalism and governance by creating spaces for reflection and dialogue, thus enabling the organization to consolidate its institutional presence.

The established and solid nature of Grupo Prisa's communications and publishing media in Spain, Portugal, Brazil and Spanish-speaking countries in the Americas, reinforces the presence of the Foundation across a broadly diverse linguistic, geographical and social region. In Latin America, the Foundation's activities are focused on fostering debate on education, as well as supporting initiatives that encourage reading and literacy.

EDUCATION

The Santillana Foundation has updated its strategy in order to strengthen its presence in Latin American education and enhance its lead by developing an overall project for the entire region that also meets the needs of each specific country.

The activity of the Santillana Foundation seeks to support, promote and expand the improvement of education through seminars, conferences, forums for discussion and the exchange of information. We are committed to the promotion, publication and dissemination of studies, evaluations and research; and all those activities that support governmental and non-governmental entities, including the identification and dissemination of successful experiences and best practices.

Twelfth Annual Latin American Forum on Education

“Educational change and innovation: the key issues.”

Buenos Aires, Argentina

This conference, held at the Cultural Center of Science in Buenos Aires, was attended by approximately 1,000 teachers and school administrators from around the country and followed by a further 5,000 people *via streaming*. The event looked at the needs, limits and expectations of the education system, with a focus on high schools and the processes of educational innovation and change.

This forum, now in its 12th year, seeks to foster debate on the current situation of the education system, and related policy and challenges. Each year an important issue on the national and regional agenda is selected and a basic document is discussed in the sessions.

Alcalá de Henares hosts the Fourth Ibero-American Festival of Children’s Literature.

Madrid, España

Following the success of editions in Bogotá, Valladolid and Buenos Aires, the festival held in Alcalá de Henares was attended by writers, academics, librarians, authorities from the Ministry of Education, Culture and Sport and the City of Alcalá de Henares, specialists and *booktubers*, who came together to reflect on the rewards of reading. This festival is organized by the Santillana Foundation and the Biblioteca Virtual Miguel de Cervantes.

Talks, workshops, panel discussions and a range of sessions focused on the importance of reading for education and life, and looked at the digital realm, which is increasingly becoming a key ally for those who seek to foster the joys of reading.

Symposium on the Education Model 2017.

“Enabling curriculum reform: leadership, school management and governance”

Mexico City, Mexico

In collaboration with the Ministry of Public Education of Mexico and the Organization of American States

(OEI), this symposium focused on curriculum reform, leadership, school management and governance, all key aspects of the educational model recently presented by the Ministry and which will allow further progress in properly implementing the educational model during the 2018-2019 school year



Ibero-American Festival of Children's Literature.

Seminar

“Novo Ensino Médio – desafios da implementação” São Paulo, Brasil

Debate on the prospects and challenges for state education networks in the implementation of the new guidelines for Secondary Education in Brazil.

The event was attended by Ivan Claudio Pereira Siqueira, vice president of the Chamber of Basic Education of the National Education Council (CNE) and Julio Gregorio, Secretary of Education of the Federal District, who represented the National Council of Secretaries of Education (CONSED), an organization that brings together the secretaries of education from all over the country. Other participants included high school coordinators from the state networks of Bahia, Goiás, Santa Catarina and São Paulo, and students from the São Paulo network who contributed to the debate.

1. Renewal of the agreement signed in 2015 with Telefónica Foundation under the “Leadership and educational knowledge” program that seeks to promote the development of digital skills that foster social inclusion.
2. Signing of a Cooperation Protocol with the Ministry of Education and Culture of the Principality of Asturias and the University of Oviedo to promote research, the exchange of experiences and the development of innovative educational initiatives.
3. Agreement with the Ministry of Education, Culture and Sport and the Directorate General of Cultural Industries and Books, as part of the celebration of the Latin American Festival of Children’s

Literature, in order to further the 1.1.1 Plan to Promote Reading 2017-2020 which calls for “support for book fairs, exhibitions and literary events.”

4. Agreement of understanding and cooperation on information, knowledge and educational research with the University of Business Development and Pedagogy (UNIVDEP) of Mexico.

CULTURE

MASTERS IN GOVERNANCE AND HUMAN RIGHTS

The graduation ceremony was held for the sixth year of the masters program. Ignacio Polanco, president of the Santillana Foundation presided over the event. Other attendees included: Juan Luis Cebrián, Executive Chairman of PRISA; the rector of the UAM, José María Sanz; and the director of the masters program, Antonio Rovira, Professor of Constitutional Law.

The commencement address at this year’s ceremony was given by Laura Thompson, Deputy Director General of the International Organization for Migration (IOM). Sharing her thoughts on immigration, she described it as “one of the 21st century’s most important issues on both national and international agendas.” The Rector of the UAM closed the event warning of “risks to the enjoyment of human rights”.

CULTURAL JOURNALISM CONGRESS CULTURAL DIPLOMACY

The third edition of this congress was held at the newly opened Centro Botin in Santander and was

devoted to a field of knowledge and action that in recent years has become of increasing interest: cultural diplomacy. Cultural diplomacy is practiced by official institutions and organizations from civil society and is now effectively part and parcel of international relations. The image and cultural heritage that each country exports through the channels of cultural diplomacy have enabled the promotion and consolidation of fruitful collaboration programs.

This professional conference was attended by a total of 56 journalists from Spain’s leading newspapers, as well as institutional representatives, experts and analysts who have studied and practiced the dynamics of cultural diplomacy.

FORMENTOR LITERARY CONVERSATIONS BOHEMIANS, WIZARDS AND VAGABONDS

Guests at the tenth edition of the Formentor Literary Conversations addressed texts on bohemians, wizards and vagabonds.

Over the years, the prestigious Formentor Literary Conversations have become a key date in the Spanish literary calendar. Since 2008, more than two hundred writers, editors and critics have come together in the gardens of Mallorca’s Hotel Formentor to engage in a conversation that covers the vast repository that is world literature.

Booklovers and writers discuss their favorite books and share their interpretations of the great literary, poetic and philosophical texts. This year’s Formentor Prize for Literature, was awarded to writer Alberto Manguel.

AWARDS

PROMOTION AND DISSEMINATION OF CULTURE AND THE ARTS

From the very outset, PRISA has worked actively to promote the arts, culture and journalism by honoring excellence with some of the world's most prestigious prizes and awards. In the field of journalism, PRISA holds both the Ondas Awards and the Ortega y Gasset Awards for Journalism, both of which pay tribute to the best professionals and productions in radio, television, online, in music and in advertising. In the area of innovation, PRISA is behind the *Cinco Días* Awards for Business Innovation and the Digital Talent Awards, which pay tribute to a range of initiatives in the worlds of business, universities and corporate social responsibility. Finally, the AS Sports Awards honor the sporting achievements of some of the biggest names in Spanish sports.

THE ONDAS AWARDS

Seville's Conference and Exhibition Centre hosted the gala ceremony of the 64th Ondas Awards, which every year honor the most outstanding national and international audiovisual productions, from the worlds of radio, television, music and advertising. This edition of awards had a record number of applications submitted – 400 from 15 countries – and the gala brought together 3,000 attendees.

The night's big winners included, in the category of best media coverage, the news services of all radio stations in Catalonia for their coverage of the terror attacks in Barcelona. The music awards went to Jarabe de Palo, Alejandro Sanz and the Sónar Festival, while Àngels Barceló received the award for best spoken-word radio presenter.



Alejandro Sanz wins the Ondas Music Award 2017

ORTEGA Y GASSET JOURNALISM AWARDS

The Ortega y Gasset Awards for Journalism were created in 1984 by the newspaper *El País*, and have become one of the world's most prestigious honors for Spanish-language journalism. The prizes pay tribute to the quality of written, graphic or audiovisual work published in Spanish and have grown and evolved in tandem with society: the initial category for print journalism has been joined by best multimedia work, best story or investigation, best photograph and lifetime career.

In 2017, the winning entry in the category of Best Report or Investigative Journalism went to the series of reports published by *El Periódico de Catalunya* on cases of child sexual abuse at schools in Barcelona. The award for Best Multimedia Coverage went to *Vacaciones en aguas de nadie* (Holidays in no man's waters), by Univision Noticias, an investigation into the multibillion-dollar cruise industry. In the category of Photojournalism, the prize went to Yander Alberto Zamora for his photograph of Air Force One flying over houses in Havana in March 2016, published by Reuters.

The Lifetime Achievement award was won by journalist and writer Alma Guillermoprieto, whom the jury praised for making Mexican journalism truly international in scope

DIGITAL TALENT AWARDS

El País held the first ever Digital Talent Awards, which are aimed at promoting digital transformation in all sectors and at giving a voice to talented entrepreneurs. In this first edition, the winner was the NGO Itwillbe's PPA app that helps homeless children. This application pioneers the use of palm vein recognition to identify small children in India and tracks their location.



Ortega y Gasset Journalism Awards 2017.

CINCO DÍAS AWARDS FOR BUSINESS INNOVATION

The *Cinco Días Awards* for Business Innovation, now in their tenth edition, have become a key event in the business calendar. The success of the awards can be measured in the number of submissions, as well as in the prominent attendees at the awards gala, drawn from government, the public and the private sector.

The award for the Most Innovative Business Initiative in the field of Corporate Social Responsibility went to *Via Celere* for its project *Espacio Fácil* (Easy Space), designed to help people with intellectual disabilities. This a center for research, evaluation, design and adaptation of buildings and aims to transform them into understandable and accessible spaces that may be easily navigated by anyone.

Libelium won the prize for the Most Innovative Business Initiative in the field of New Technologies for creating an open, horizontal and interoperable platform based on wireless sensors and aimed at the Internet of Things. It allows for compatibility between integrators in systems, as well as among software companies and Cloud servers.

The award for the Most Innovative Business Initiative in Association with a University was given to *BeOnChip*, a *spin-off* of the University of Zaragoza, for the development of new tools in the field of cell culture and which represents a significant advance in the process of *vitro* / *in vivo* experimentation.

Finally, the company *Inditex* was honored with the prize for Most Outstanding Track Record for its constant technological innovation in key areas of its sector – such as production and logistics – which has enabled it to consolidate its position as world leader in the field of fashion and achieve exceptional growth.



10th Anniversary of the Cinco Días Awards for Business Innovation.

AS SPORTS AWARDS

Sports daily *As* hosted the 11th edition of its awards, coinciding with the 50th anniversary of the newspaper. The awards ceremony was attended by Their Majesties the King and Queen of Spain. This year's AS Sports Awards went to Rafael Nadal, swimmer Mireia Belmonte and British athlete Sebastian Coe.

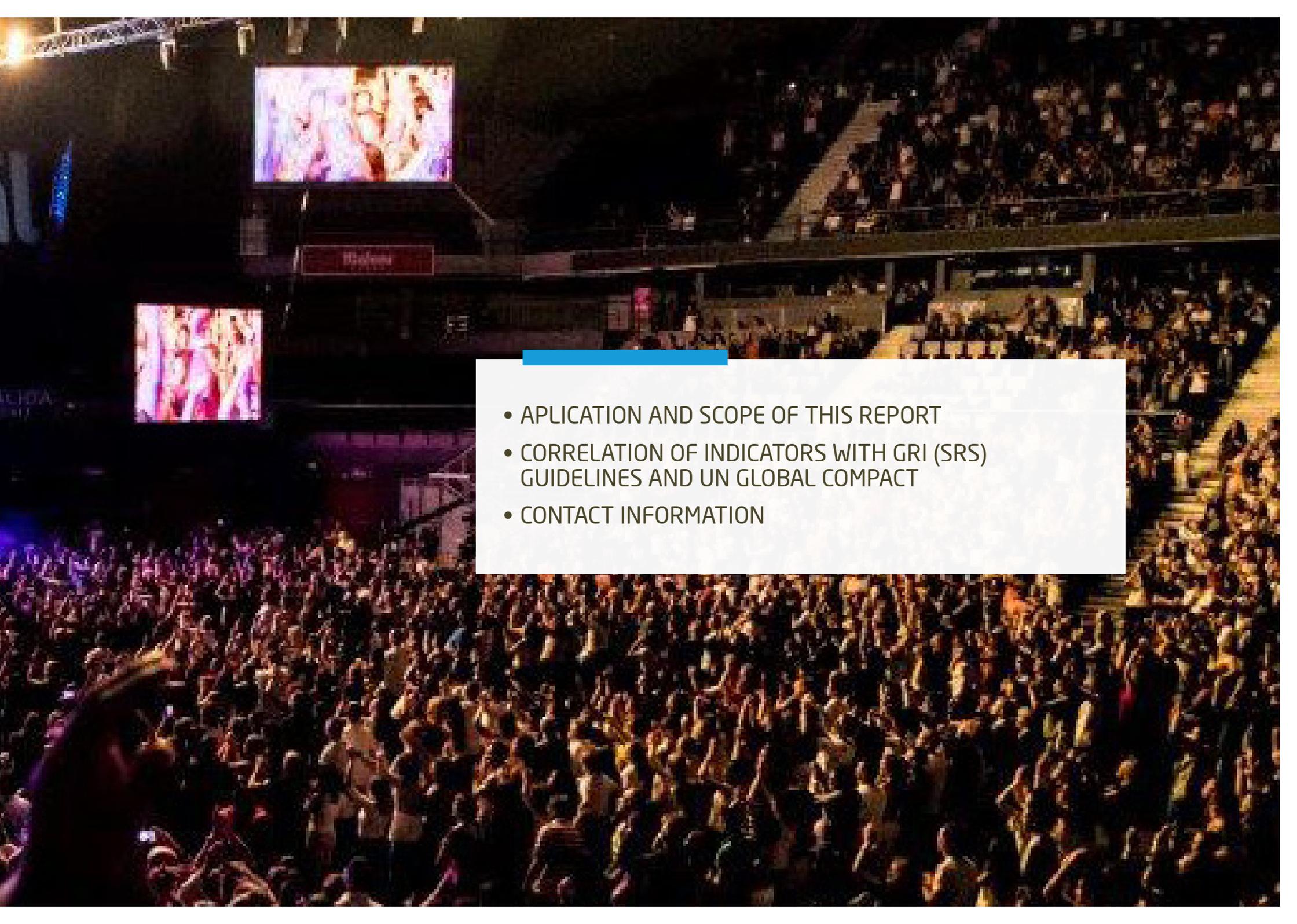
Marking the occasion of its 50th anniversary, the paper also paid tribute to sporting greats from each of the five decades witnessed by the sports newspaper.

Finally, Alejandro Davidovich, who won junior Wimbledon in 2017 and made it to the Roland Garros semi finals, won the prize for best newcomer.



As celebrates its 50th anniversary with the King and Queen of Spain.16





- APPLICATION AND SCOPE OF THIS REPORT
- CORRELATION OF INDICATORS WITH GRI (SRS) GUIDELINES AND UN GLOBAL COMPACT
- CONTACT INFORMATION

5. APPENDIX

APPLICATION AND SCOPE OF THIS REPORT

This Social Responsibility and Sustainability Report 2018 provides a faithful and transparent overview of the degree of development of the actions and commitments of Grupo PRISA in economic, social and environmental areas over the course of 2017, and builds on those reports of the past ten years. The data presented here provide a broad summary of all the activities and operations of the Group in all the countries where it is present, with any exceptions being detailed in the accompanying GRI Indicator tables. Further, the data provided are either an aggregate of all the information at a Group level or broken down by company, depending on the nature of said information – with the goal of making it more accessible to the reader. In most cases, the report shows the evolution of results over the course of previous years as this allows for a comparative analysis.

This Social Responsibility and Sustainability Report 2018 contains information on the Group's business units: PRISA Noticias, PRISA Radio, PRISA Audiovisual and Santillana in all those markets where they operate.

Just as in previous years, in producing this Report, we have taken into account the guiding Principles of the Global Compact, and we have followed the recommendations of the Guide for the Creation of Sustainability Reports from the Global Reporting Initiative TM, for the presentation and drafting of this report.

In previous years, the report was made in accordance with the guidelines established in the GRI G.4. This year, for the first time, we have taken into account the new **GRI Sustainability Reporting Standards at a Comprehensive level**.

As required by the GRI guidelines, PRISA conducted a materiality analysis at the end of 2016. The study identified all those environmental, social and economic aspects that are significant for both stakeholders and for the organization, based on their impact on the value chain.

GUIDING PRINCIPLES BEHIND THE SUSTAINABILITY REPORT

This Social Responsibility and Sustainability Report 2018 provides reliable and balanced information on PRISA's endeavors to meet the challenges raised by social responsibility.

In keeping with the guidelines as set out by the Global Reporting InitiativeTM, the contents of this report reflect the following principles:

MATERIALITY

The information should cover aspects that reflect the Group's significant social, environmental and economic impacts, or those that would substantively influence the assessments and decisions of stakeholders.

STAKEHOLDER INCLUSIVENESS

Stakeholders are entities or individuals that can reasonably be expected to identify or be linked with PRISA's activities. The company should endeavor to satisfy the demands and concerns of these groups through the improvement and maintenance of the quality of its products and activities. The reasonable expectations and interests of stakeholders are a basic point of reference for many of the decisions taken when drafting this report. (For further information, see Chapter 4, Sustainability at PRISA: Dialogue and communication with our stakeholders).

SUSTAINABILITY CONTEXT

The report should present the organization's performance in the wider context of sustainability, and reflect how it contributes via its actions to matters of an environmental, social and economic nature.

COMPLETENESS

The Report's coverage of the material topics and Indicators and the definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts over the course of 2017.

BALANCE

The Report should reflect both positive and negative aspects of organizational performance in order to provide an informed assessment of overall performance.

COMPARABILITY

The information is presented in such a way so that the stakeholders can analyze the evolution of organizational performance, and can do so with respect to other organizations.

ACCURACY

The report should present information on management approach, and on economic, environmental, and social indicators in a way that is sufficiently accurate and detailed so that stakeholders may assess organizational performance.

TIMELINESS

This report provides continuity to those presented in previous years.

CLARITY

The report should present information in a way that is sufficiently understandable by the organization's range of stakeholders so that these may access information and adequately comprehend it.

RELIABILITY

For this Sustainability Report, the organization has gathered, analyzed and disclosed information and processes used in the preparation of the report in a way that they can be subject to examination and that establishes the quality and materiality of the information.



SIGNIFICANT CHANGES DURING THE PERIOD COVERED BY THE REPORT AFFECTING THE SIZE, STRUCTURE AND OWNERSHIP OF THE ORGANIZATION

- In 2017 PRISA announced the sale of its Portuguese subsidiary Media Capital, set to take place 2018.
- The main changes to the Board of Directors of PRISA in 2017 were:
 - **Succession of the Executive Chairman:** Last October the Board of Directors initiated the succession of the Executive Chairman, Juan Luis Cebrián Echarri. After considering several alternative candidates, the Board of Directors, at the meeting held in December 2017, accepted Juan Luis Cebrián Echarri's resignation as a director and Executive Chairman and appointed Manuel Polanco Moreno – at that time an executive and Deputy Chairman – as non-executive Chairman of PRISA with effect from January 1, 2018.
 - **Succession of the CEO:** In June 2017 Manuel Mirat Santiago was appointed CEO, replacing José Luis Sainz Díaz in the post, with

effect from September 4, 2017. From January 1, 2018 and after the replacement of the Chairman, Manuel Mirat has held this post in his capacity as chief executive of PRISA.

- **Reorganization of the Board of Directors:** Throughout the year 2017, the composition of the Board of Directors has undergone reorganization, with the departure of 9 directors and the entry of 6 new directors, including the succession of the CEO, all of which has also led to a reconfiguration in the composition of all committees of the Board. The succession of the Chairman took effect from January 1, 2018.

In February 2018, the Board of Directors appointed the independent director Javier Monzón de Cáceres, as non-executive Deputy Chairman of the Board.

This reorganization is linked to changes in the Chairmanship of the Company and to capital operations carried out in recent months.



CORRELATION OF INDICATORS WITH GRI (SRS) GUIDELINES AND UN GLOBAL COMPACT

GENERAL DISCLOSURES GRI Standards		
GRI STANDARD NUMBER	CATEGORY	
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	14, 18-33
102-2	Activities, brands, products, and services	PRISA does not market any prohibited or litigated products.
102-3	Location of headquarters	132
102-4	Location of operations	14
102-5	Ownership and legal form	55, Annual Accounts (pág. 1), and ACGR (pág. 2).
102-6	Markets served	14, 18-43
102-7	Scale of the organization	14, 34-43
102-8	Information on employees and other workers	80, 83-84
102-9	Supply chain	92-95
102-10	Significant changes to the organization and its supply chain	92-95
PARTICIPATION AND EXTERNAL INITIATIVES		
102-11	Precautionary Principle or approach	15-16, 44-55
102-12	External initiatives	53-54, 61, 100-115
102-13	Membership of associations	53-54, 100-115
STRATEGY AND ANALYSIS		
102-14	Statement from senior decision-maker	We include letters from Manuel Polanco, Chairman of PRISA, and Manuel Mirat, CEO, at the beginning of this Report (pág. 2-3).
102-15	Key impacts, risks, and opportunities	49, 74-75
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	15-16, 49-51
102-17	Mechanisms for advice and concerns about ethics	15-16, 49-52 In 2017, 16 complaints were received (18 in 2016), of which: • 18 have been addressed during the year (2 of these had been received in 2016 but were analysed in 2017). • 18 have been resolved in the year. • 9 complaints were not relevant or no action was deemed necessary.

GOVERNANCE		
102-18	Governance structure	44-49 All committees of the Board of the Company have responsibility for decision-making on some or all economic, environmental and / or social areas: the Executive Committee, the Audit Committee, the Corporate Governance Committee, and the Appointments and Remuneration Committee.
102-19	Delegating authority	46-47
102-20	Executive-level responsibility for economic, environmental, and social topics	All committees of the Board of the Company have responsibility for decision-making on some or all economic, environmental and / or social areas: the Executive Committee, the Audit Committee, the Corporate Governance Committee, and the Appointments and Remuneration Committee.
102-21	Consulting stakeholders on economic, environmental, and social topics	44-52 The Group's different media provide institutional channels to receive suggestions, criticisms and complaints, and organize visits to their facilities in order to engage different social groups and remain attentive to the concerns of the different stakeholders and to enrich society as a whole. In addition, stakeholders can send their inquiries, suggestions and complaints to the corporate center, through the Department of Communications, the Office of Investor Relations and the Shareholder Services Office. PRISA has a "policy of communication with shareholders, institutional investors and proxy advisors", which regulates the general principles and general information and communication channels for relations between the Company and these groups. PRISA is also a member of the Spanish issuers' association, Emisores Españoles, a body representing listed companies. Its main objectives include the promotion of communication between companies and their shareholders, and dialogue and cooperation with the Administration, and in particular, with the National Securities Market Commission (CNMV).
102-22	Composition of the highest governance body and its committees	44-47
102-23	Chair of the highest governance body	44-47
102-24	Nominating and selecting the highest governance body	44-47
102-25	Conflicts of interest	47
Role of highest governance body in setting purpose, values, and strategy		
102-26	Role of highest governance body in setting purpose, values, and strategy	44-51 Annual Corporate Governance Report Board of Directors Regulations
Evaluating the highest governance body's performance		
102-27	Collective knowledge of highest governance body	Strictly speaking, in 2017 there was no specific training in economic, social and environmental issues for Board members. The Board of Directors carries out an annual evaluation of the functioning of the Board and its Committees to identify areas for improvement.
102-28	Evaluating the highest governance body's performance	47
Highest governance body's role in risk management		
102-29	Identifying and managing economic, environmental, and social impacts	49 Annual Corporate Governance Report Board of Directors Regulations
102-30	Effectiveness of risk management processes	49 Annual Corporate Governance Report Board of Directors Regulations
102-31	Review of economic, environmental, and social topics	49 Annual Corporate Governance Report Board of Directors Regulations
Highest governance body's role in sustainability reporting		
102-32	Highest governance body's role in sustainability reporting	44-47
Highest governance body's role in evaluating economic, environmental, and social performance		
102-33	Communicating critical concerns	44-49, 52, 55-57, 62-64, 70-72 When there is knowledge of the existence of a matter of critical interest, the person in charge of the matter shall inform the Chief Executive Officer shall who submit it to the consideration of the Executive Committee or the Board of Directors. Depending on the severity and / or urgency of the critical issue in question, the Company has the ability and flexibility to call and hold meetings of the Board of Directors, ad hoc, and with the immediacy and provision of information as deemed necessary.

102-34	Nature and total number of critical concerns	44-49, 52, 55-57, 62-64, 70-72 When there is knowledge of the existence of a matter of critical interest, the person in charge of the matter shall inform the Chief Executive Officer shall who submit it to the consideration of the Executive Committee or the Board of Directors. Depending on the severity and / or urgency of the critical issue in question, the Company has the ability and flexibility to call and hold meetings of the Board of Directors, ad hoc, and with the immediacy and provision of information as deemed necessary.
102-35	Remuneration policies	The remuneration policy of the Board and its committees, and the criteria relating to performance and its relationship, whenever appropriate, to economic, environmental and social aspects of the Company and, generally, the processes for determining the remuneration of the highest governing body, are detailed in the Annual Report on Remuneration of directors and the Remuneration Policy.
102-36	Process for determining remuneration	The company has a Remuneration Policy.
102-37	Stakeholders' involvement in remuneration	Both the Annual Report on Remuneration of directors and the Remuneration Policy are approved by the General Shareholders' Meeting.
102-38	Annual total compensation ratio	This indicator is not covered in this Sustainability Report. Nevertheless, PRISA publishes the remuneration of its Directors in the Annual Report on Remuneration.
102-39	Percentage increase in annual total compensation ratio	This indicator is not covered in this Sustainability Report. Nevertheless, PRISA publishes the remuneration of its Directors in the Annual Report on Remuneration.
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	62-64, 70-73
102-41	Collective bargaining agreements	81
102-42	Identifying and selecting stakeholders	70-73, 119
102-43	Approach to stakeholder engagement	70-73, 119 PRISA and its business units regularly conduct satisfaction surveys among users and listeners.
102-44	Key topics and concerns raised	62-64, 70-74 PRISA and its business units regularly conduct satisfaction surveys among users and listeners.
MATERIAL TOPICS AND THEIR BOUNDARIES		
102-45	Entities included in the consolidated financial statements	118-119
102-46	Defining report content and topic Boundaries	118-120
102-47	List of material topics	72-73, 118-120
102-48	Restatements of information	72-73, 118-120
102-49	Changes in reporting	120
REPORT PROFILE		
102-50	Reporting period	118
102-51	Date of most recent report	118
102-52	Reporting cycle	118-120
102-53	Contact point for questions regarding the report	131
GRI Index		
102-54	Claims of reporting in accordance with the GRI Standards	118-120
102-55	GRI content index	118-120
Verification		
102-56	External assurance	118-120
Grievance mechanisms		
103-1	Explanation of the material topic and its Boundary	No material
103-2	The management approach and its components	No material PRISA promotes respect and equal opportunities for its workers through article 5 of its Code of Ethics and Conduct. It also rejects any physical, sexual or psychological harassment, abuse of authority, defamation or any other form of aggression and hostility. To this end, PRISA has implemented a complaints channel, accessible on its website and on the employees' intranet, as well as a post office box managed by the PRISA Compliance Unit. These two channels have been designed to receive and process all communications in a confidential and anonymous fashion, according to established procedure. The compliance unit works continuously to resolve any issues and, when deemed appropriate, in the application of disciplinary measures according to the procedures for absences and penalties provided for in the collective agreement or in the applicable labor legislation.

TOPIC SPECIFIC DISCLOSURES GRI Standards					
IDENTIFIED MATERIAL ASPECTS	MATERIAL ASPECTS BOUNDARY	INDICATOR	DESCRIPTION	PAGE / OMISSION	SCOPE
ECONOMIC ASPECT					
Economic Performance					
Creation of sustainable value for our stakeholders	Mixed	201-1*	Direct economic value generated and distributed	Answer in table page 125.	Group
		201-2	Financial implications and other risks and opportunities due to climate change	96-99	Group
		201-3	Defined benefit plan obligations and other retirement plans	88	Group
		201-4	Financial assistance received from government	PRISA offers free training to employees in Spain.	Group
		M1	Financing and other significant support received from non-governmental sources	Annual Accounts (pág. 24-25), (41-60).	Group
Market Presence					
Responsible management of our professionals	Internal	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	82	Group
		202-2	Proportion of senior management hired from the local community	82-83	Group
Direct Economic Impacts					
Contribution to the cultural development and progress of society	External	203-1	Infrastructure investments and services supported	100-115	Group
		203-2	Significant indirect economic impacts	100-115	Group
Procurement Practices					
Contribution to the cultural development and progress of society	External	204-1	Proportion of spending on local suppliers	92-95	Group
Public policy					
Regulatory Compliance	Mixed	205-1	Operations assessed for risks related to corruption	44, 49-51 With regard to the Group's Crime Prevention Model in Spain, an analysis is carried out for the risk of bribery and corruption associated with different activities and operations of the Group's different businesses in Spain, identifying any potential risks.	Group
		205-2	Communication and training about anti-corruption policies and procedures	44, 49-51 PRISA's Code of Ethics sets out a series of principles and guidelines in this area and has been the subject of a variety of communications among all employees throughout the year 2017. In addition, PRISA has an Anti-Corruption Policy, which is applicable to all companies in the Group and has been communicated to all employees. In addition, as part of the welcome pack, this policy is posted on the corporate intranet (Procedures Portal) in a folder that is accessible to all Group employees. The Group also has a Gifts Policy. In addition, PRISA's Compliance Unit has issued guidelines on money laundering, which apply to all companies in the Group, and which aims to strengthen measures to prevent and avoid money laundering, by all Group companies, of the proceeds of criminal or illegal activities.	Group
		205-3	Confirmed incidents of corruption and actions taken	There were 6 incidents in the Latin American subsidiaries of SANTILLA-NA. The result was two dismissals, a non-renewal, and two voluntary resignations.	Group

Regulatory Compliance					
Regulatory Compliance	Mixed	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were three legal actions in 2017. Two of these took place in Colombia and are currently pending. The third took place in Spain, for price fixing and unfair competition and currently there is an appeal filed by Santillana that has not yet been heard.	Group

* GRI 201-1 PRISA Indicator

(a) Includes the net amount of the turnover plus Other income.

(b) Includes the Expenses and Charges of External Services of the Profit and Loss Account.

(c) Includes exclusively the expense for Tax on Benefits and the taxes recorded in the year.

MILLIONS OF EUROS	2017	2016
ECONOMIC VALUE GENERATED	1,112.55	1,233.64
Operating revenues ^(a)	1,170.71	1,184.48
Financial revenue	5.53	25.55
Results using the equity method of accounting for investments, and other investments	4.82	4.16
Profit after tax from discontinued operations	-68.50	19.45
ECONOMIC VALUE DISTRIBUTED	1,123.32	1,231.85
Operating Costs ^(b)	601.99	632.92
Employee wages and benefits	361.33	345.06
Financial costs	81.02	103.94
Corporation tax ^(c)	51.98	78.09
Dividends	27.01	28.19
ECONOMIC VALUE RETAINED (ECONOMIC VALUE GENERATED LESS ECONOMIC VALUE DISTRIBUTED)	-10.77	257.19

ENVIRONMENTAL ASPECTS					
Materials					
Responsible management of environmental resources	Mixed	301-1	Materials used by weight or volume	96-98	Group
		301-2	Recycled input materials used	96-98	Group
		301-3	Reclaimed products and their packaging materials	During 2017, no initiatives have been identified in this regard.	Group
Energy					
Responsible management of environmental resources	Mixed	302-1	Energy consumption within the organization	98	Group
		302-2	Energy consumption outside of the organization	No material	N.A.
		302-3	Energy intensity	98	Group
		302-4	Reduction of energy consumption	98	Group
		302-5	Reductions in energy requirements of products and services	No material	N.A.
Water					
Responsible management of environmental resources	Mixed	303-1	Water withdrawal by source	98	Group
		303-2	Water sources significantly affected by withdrawal of water	No material	N.A.
		303-3	Water recycled and reused	No material	N.A.
Biodiversity					
No material	Mixed	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No material	N.A.
		304-2	Significant impacts of activities, products, and services on biodiversity	No material	N.A.
		304-3	Habitats protected or restored	No material	N.A.
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No material	N.A.
Emissions					
No material	Mixed	305-1	Direct (Scope 1) GHG emissions	98-99	Group
		305-2	Energy indirect (Scope 2) GHG emissions	98-99	Group
		305-3	Other indirect (Scope 3) GHG emissions	98-99	Group
		305-4	GHG emissions intensity	98-99	Group
		305-5	Reduction of GHG emissions	98-99	Group (2)
		305-6	Emissions of ozone-depleting substances (ODS)	No material	N.A.
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	No material	N.A.

Effluents and Waste					
Responsible management of environmental resources	Mixed	306-1	Water discharge by quality and destination	No material	N.A.
		306-2	Waste by type and disposal method	98-99	Group
		306-3	Significant spills	No material	N.A.
		306-4	Transport of hazardous waste	No material	N.A.
		306-5	Water bodies affected by water discharges and/or runoff	No material	N.A.
Regulatory Compliance					
Responsible management of our professionals	Mixed	307-1	Non-compliance with environmental laws and regulations	There have been no fines or significant penalties for non-compliance with environmental regulations	Group
Supplier Environmental Assessment					
Responsible management of our professionals	Mixed	308-1	New suppliers that were screened using environmental criteria	92-94	Group
		308-2	Negative environmental impacts in the supply chain and actions taken	93	Group
SOCIAL ASPECTS					
LABOR PRACTICE AND DECENT WORK					
Employment					
Responsible management of our professionals	Internal	401-1	New employee hires and employee turnover	80	Group
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88	Group
		401-3	Parental leave	88	Group (1)
Labor/Management Relations					
Responsible management of our professionals	Internal	402-1	Minimum notice periods regarding operational changes	83	Group
Occupational Health and Safety					
Responsible management of our professionals	Mixed	403-1	Workers representation in formal joint management-worker health and safety committees	87	Group
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	87	Group (1)
		403-3	Workers with high incidence or high risk of diseases related to their occupation	No material	N.A.
		403-4	Health and safety topics covered in formal agreements with trade unions	No material	N.A.
Training and Education					
Talent management	Internal	404-1	Average hours of training per year per employee	84-85	Group
		404-2	Programs for upgrading employee skills and transition assistance programs	84-85	Group
		404-3	Percentage of employees receiving regular performance and career development reviews	85	Group
Diversity and Equal Opportunity					
Equal opportunities	Internal	405-1	Diversity of governance bodies and employees	80-81, 85-86	Group
Equal pay for men and women					
Equal opportunities	Internal	405-2	Ratio of basic salary and remuneration of women to men	The base salary is determined in the different collective agreements applied in Group companies and there is no difference between men and women.	Group

HUMAN RIGHTS						
Non-discrimination						
Equal opportunities	Mixed	406-1	Incidents of discrimination and corrective actions taken	86		Group
Freedom of Association and Collective Bargaining						
Respect for Human Rights	Mixed	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	94-95		Group
Child Labor						
Respect for Human Rights	Mixed	408-1	Operations and suppliers at significant risk for incidents of child labor	No material		N/A
Forced or Compulsory Labor						
Respect for Human Rights	Mixed	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No material		N/A
Security Practices						
Respect for Human Rights	Mixed	410-1	Security personnel trained in human rights policies or procedures	In those countries where security personnel it is outsourced to third parties. PRISA is making progress towards reporting this information in coming years.		Group (3)
Rights of Indigenous Peoples						
No material	Mixed	411-1	Incidents of violations involving rights of indigenous peoples	No material		N.A.
Assessment						
No material	Mixed	412-1	Operations that have been subject to human rights reviews or impact assessments	No material		N.A.
Investment						
Ethical management	Mixed	412-2	Employee training on human rights policies or procedures	Given the nature of Prisa's business activities, training in Human Rights is not considered a priority, although the Group does make available to all its employees the Code of Conduct which sets out basic principles in this area.		N.A.
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No material		Group
SOCIETY						
Local communities						
Contribution to the cultural development and progress of society	Mixed	413-1	Operations with local community engagement, impact assessments, and development programs	100-115		Group
		413-2	Operations with significant actual and potential negative impacts on local communities	No material		N.A.
Supplier Social Assessment						
Contribution to the cultural development and progress of society	Mixed	414-1	New suppliers that were screened using social criteria	No material		Group
		414-2	Negative social impacts in the supply chain and actions taken	No material		Group
Unfair competition						
Regulatory Compliance	Mixed	415-1	Political contributions	Relations with authorities and Public Administrations are included in the Group's Code of Ethics. During 2017 PRISA has not made any political contributions, whether monetary or in kind.		Group

PRODUCT RESPONSIBILITY					
Customer Health and Safety					
No material		416-1	Assessment of the health and safety impacts of product and service categories	No material	N.A.
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No material	N.A.
Marketing and Labeling of products and services					
Honest and rigorous communication	Mixed	417-1	Requirements for product and service information and labeling	76-78	Group
		417-2	Incidents of non-compliance concerning product and service information and labeling	49-52	Group
Customer Privacy					
Regulatory Compliance	Mixed	417-3	Incidents of non-compliance concerning marketing communications	Annual Accounts (pág. 97-100)	Group
Customer Privacy					
Regulatory Compliance	Mixed	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Accounts (pág. 97-100)	Group
Regulatory Compliance					
Regulatory Compliance	Mixed	419-1	Non-compliance with laws and regulations in the social and economic area	Annual Accounts (pág. 97-100) A dispute involving Editorial Santillana, S.A.S. has been submitted to the Arbitration and Conciliation Center of the Chamber of Commerce of Bogota.	Group
Content creation					
Honest and rigorous communication	Mixed	M2	Non-compliance with laws and regulations in the social and economic area	76-78	Group
		M3	Actions taken to improve adherence to content creation values, and results obtained	76-78	Group
Content dissemination					
Honest and rigorous communication	Mixed	M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained	76-78, 89-91	Group
		M5	Number and nature of responses (feedback/complaints) related to content dissemination, including protection of vulnerable audiences and informed decision making and accessibility, and processes for addressing these responses	49-52	Group
Audience Interaction					
Digital transformation	Mixed	M6	Methods to interact with audiences and results	34-43, 70-71	Group
Media Literacy					
Honest and rigorous communication	Mixed	M7	Actions taken to empower audiences through media literacy skills development and results obtained.	103-115	Group

CCAA: Annual Consolidated Accounts for 2017
ACGR: Annual corporate Governance Report for 2017
IG: Management Report 2017

MPD: Crime Prevention Model

(1) Does not include data for all Radio

(2) Does not include data for Latin America or PBS América

(3) Only has its own personnel in Portugal

CORRELATION OF INDICATORS WITH THE PRINCIPLES OF THE GLOBAL COMPACT

<p>PRINCIPLES</p> 		<p>PAGES</p>	
<p>1. Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>HUMAN RIGHTS</p>	<p>GRI 412-3, GRI 410-1, GRI 411-1, GRI 412-1, GRI 413-1, GRI 413-2</p>	<p>15-17, 44-52 60-67, 70-78 100-115</p>	<p>1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17</p>
<p>2. Businesses should make sure that they are not complicit in human rights abuses.</p> <p>HUMAN RIGHTS</p>	<p>GRI 412-3, GRI 414-1, GRI 414-2</p>	<p>15-17, 44-52 70-78</p>	<p>1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17</p>
<p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>LABOUR</p>	<p>GRI 102-41, GRI 407-1, GRI 402-1</p>	<p>70-78, 79-88 92-96</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>4. Businesses should eliminate of all forms of forced and compulsory labour.</p> <p>LABOUR</p>	<p>GRI 409-1</p>	<p>70-78, 79-88 92-96</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>5. Businesses should promote the effective abolition of child labour.</p> <p>LABOUR</p>	<p>GRI 408-1</p>	<p>15-17, 44-52, 60-67 70-78, 100-115</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>

<p>6. Businesses should promote the elimination of discrimination in respect of employment and occupation.</p> <p>LABOUR</p>	<p>GRI 102-8, GRI 202-1, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, GRI 414-1, GRI 406-1</p>	<p>60-63, 70-78, 79-88</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>7. Businesses should support a precautionary approach to environmental challenges.</p> <p>ENVIRONMENT</p>	<p>GRI 301-2, GRI 301-1, GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-6, GRI 305-7</p>	<p>61,73, 92-99</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>8. Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>ENVIRONMENT</p>	<p>GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5, GRI 303-1, GRI 303-2, GRI 303-3, GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 301-3, GRI 307-1, GRI 308-1, GRI 308-2, GRI 103-2</p>	<p>73, 92-99, 100-109</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>9. Businesses should encourage the development and diffusion of environmentally friendly technologies.</p> <p>ENVIRONMENT</p>	<p>GRI 302-4, GRI 302-5, GRI 305-5</p>	<p>73, 92-99, 100-109</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p> <p>ANTI-CORRUPTION</p>	<p>GRI 102-16, GRI 102-17, GRI 205-1, GRI 205-2, GRI 205-3, GRI 415-1</p>	<p>49-52, 73</p>	<p>3, 10, 16, 17</p>



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