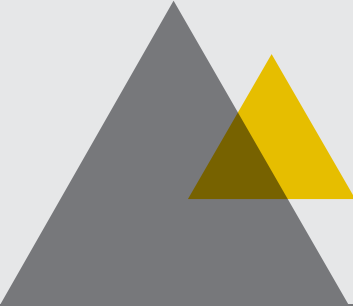


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ANNUAL  
REPORT

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# AR Annual Report 2018

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## Letter from the **Chairman**

As I do every year, I would like to welcome you to this Annual Report, which provides an overview of what was a truly challenging year for Prosegur. The company faced some complex dynamics, in a year buffeted by sharp currency devaluation in Latin America and Argentina being declared a hyper-inflationary economy.

Looking beyond the business impact had by these externalities, I am extremely proud to present in this report a set of results that demonstrates solid growth in local currency terms. This is unquestionably a direct consequence of outstanding management by our teams in each market.

Furthermore, we have made further progress in our inorganic development strategy, helping us to expand the company's exposure to major markets, including the United States in the Security business, Turkey in the Alarms business, and the Philippines and Central America in the Cash business.

As a result, Prosegur's international footprint now encompasses 25 markets, making us one of the Spanish businesses with the largest international reach. Operating in new markets always poses a challenge for any organisation. In our case, it is a truly enriching experience. And one that has allowed us to mature as a group, as well as enhance our value proposal in the private security market.



This year, three factors are worth highlighting due to their particular significance for the company. The first of these factors is our customers. For all of us at Prosegur, the trust of our customers is what propels us to improve each and every day, achieving the goals that we have set for ourselves and drive further progress to remain at the cutting edge of our industry.

The second important aspect is our people. We have a genuine vocation to develop the talent at the company. We are implementing a number of plans for several groups within the organisation, based on the conviction that Prosegur represents an outstanding platform on which to build a fulfilling professional career.

The third is propelling our transformation plans. We take a holistic approach to this process, the scope of which encompasses the entire group. We do this with a conviction that we stand at an exciting time in history. Prosegur has enormous opportunities before it. We are tackling these with acuity, seeking to shape proposals that create value for our business and consequently for our customers, employees and shareholders.

Via a number of initiatives in which the company is currently engaged, technology will no longer simply represent an instrument. Instead it will stand as an intrinsic component of our operations. Furthermore, we cannot overlook the fact that the stakeholders with which we engage are currently implementing similar processes. The-

refore, for a company such as Prosegur, which intends to remain an industry leader, making progress in this area is imperative.

Much of the focus within this transformation process is placed on people. We are working to provide our personnel with the tools and methodologies required for a successful transition. We have launched a major training programme to prepare our teams, such as in the use of agile methodologies.

We have also developed a shared innovation ecosystem for the group as a whole, as well as opening the company to partnership with talent from outside of the organisation. This is unquestionably an exciting process, and one that we are



**As a result of our transformation process, technology will go from representing an instrument to standing as an intrinsic component of our operations**





addressing as a group. Nonetheless, the business units are also driving their own progress and identifying specific development vectors.

For Prosegur Security, the year was shaped by efforts to drive the Integra initiative. This represents a unique means of understanding our customers' security, with consultancy work being of real significance. As a result, we develop specific security plans tailored to each situation. Over the course of the year we implemented emblematic projects in markets as diverse as Singapore, Spain and Brazil.

Furthermore, our acquisition of the cybersecurity company Cipher saw us drive progress in our integrated security solutions proposal, thus safeguarding both the physical and digital assets of organisations.

However, we do not want to stop here. We are already developing predictive systems that har-

ness big data and artificial intelligence. The intention is to use data systems to enhance our response capacity and even predict events that might have a bearing on the security of our customers.

As for Prosegur Alarms, the unit has continued to grow at far faster rates than the industry, comfortably exceeding half a million connections. We are focusing development on more profitable growth and generating greater value from our portfolio. To this end, we are generating predictive behaviour models to help identify those clients that create the greatest value. Within this field, we are launching initiatives such as client scoring and predictive churn models.

We have also doubled the number of users of our Prosegur Smart application, which has been furnished with additional features. Other aspects worth pointing out include the launch of pilot programmes for connected homes in the mar-

kets of Spain, Portugal and Uruguay. The aim of said initiative is to establish ourselves as the security ecosystem hub for homes and businesses, taking an integrated approach that encompasses aspects as diverse as cybersecurity and fire protection.

Prosegur Cash has made further progress in its strategy of agility, consolidation and transformation. The company continues to play a leading role in international industry consolidation, investing approximately EUR 100 million in inorganic growth during 2018. Other standout aspects from the year include the growth in new products. This has seen Prosegur Cash make money more efficient and more available. Ultimately, this helps to provide users with a choice of how to pay for their purchases.

Finally, as I do every year, allow me to outline some of the standout initiatives run by the Prosegur Foundation during 2018. In line with the

“ In 2018, the number of Prosegur Volunteers expanded by more than 60 percent to 2,871 ”

company strategy, we have worked on shaping a new focus for our educational projects. Our aim is to provide emerging generations with the tools they will need to thrive in a constantly changing world.

One of the more exciting projects run in 2018 saw us sow the seeds of innovation at 10 schools involved in the Picicitos Colorados programme. With the support of 85 mentors and Fundación Créate, over 500 students developed original ideas to address problems that they face on a day-to-day basis. The project culminated with four students from the Alfred Nobel school in Uruguay presenting their idea at the children's edition of

the South Summit event, the largest innovation and entrepreneurship event in southern Europe.

This year I would like to express my sincere gratitude to the 2,871 Prosegur Volunteers who partnered on some of the 266 events that we organised. This is a very significant number, representing 60 percent growth compared to the previous year, thus demonstrating the Prosegur's team genuine engagement with the Foundation's programmes.

As you can see, the company is currently engaged in numerous initiatives. All of them are exciting and to some degree challenging. However,

the energy of the teams that are driving the initiatives mean that I look to this group's future with great optimism. I'm sure that after reading this report you will share this view.

For yet another year, thank you very much for your confidence.

**Helena Revoredo**  
Chairman



## Message from the CEO

For yet another year, this Annual Report gives us the opportunity to review the milestones that we have achieved as a group and set out the main lines of action in each business.

In our last report we focused primarily on the Prosegur Cash listing on Spanish stock markets and the importance of this for the group as a whole. Said operation received an extraordinarily warm welcome from the market and now stands as a major generator of value for the entire group.

With the listing complete, in 2018 we began the process of updating our strategy. Said process is based on a medium-term view and strict coherence with the fundamentals that have established Prosegur as one of the global leaders in the private security industry.

### **A strategy to drive our development**

Thus, we have configured three areas of priority action: digitalisation, innovation and growth.

The concept of digitalisation is a response to the imperative of evolving our working approaches and methodologies. Prosegur is a company that has secured prodigious growth. A significant proportion of this growth has been inorganic, with more than thirty acquisitions in the last decade alone. Incorporating such a vast diversity of companies has generated some complexity in our systems. However, current technology offers innumerable opportunities to streamline such processes. Which is why we have launched an ambitious transformation project, seeking to furnish the group with the agility, scalability and operating excellence it needs to forge a successful near future.

At Prosegur we are deploying the platforms and tools needed to drive considerable simplification of our internal management. To this end, we have begun modernising our technological architecture and revised our processes. The aim is to be more efficient and more competitive. We want to ensure that we are fully capable of adopting new technologies and fully understanding our customers and their requirements.

Customers are likewise central to innovation. We at Prosegur understand that innovating first and foremost means listening to clients. And subsequently working to generate security solutions that deliver on their expectations and address their needs.

As part of our innovation process, we have developed a common methodology for the company as a whole, shaped around three different focal points. The first seeks to improve our existing portfolio of products and services. The second aims to identify trends and capitalise on emerging opportunities by harnessing our existing capabilities. And lastly, we intend to launch more disruptive initiatives, sharing our resources and incorporating the opportunities offered by open innovation.

The third core component of our vision for the company is growth in operations. Prosegur's busi-

ness activities are conducive to generating economies of scale. Therefore, shaping efficient growth will ensure an unrivalled position and help us to remain a global leader of the security industry.

Our development strategy is entirely coherent with the group's history. We thus continue to drive solid organic growth, bolstered by value-generating acquisitions. The ten operations completed during the year focused on strengthening our position in existing markets, as well as opening the company to new regions. In 2018 alone we expanded our international presence to eight new markets, seeing our footprint extend to 25 countries.

### **A year shaped by sharp currency devaluation**

I would now like to review the main indicators for the year. Total group revenues stood at EUR 3.939 billion, a figure that was down 8.2 percent compared to 2017. However, I would point out the excellent performance secured by our operations, which in local currency terms posted growth of 8 percent.

As for profitability figures, EBITDA stood at EUR 456 million compared to EUR 522 million in 2017. EBIT amounted to EUR 301 million, while in 2017 the same was EUR 392 million. The EBIT margin for the full year stood at 7.7 percent, down from 9.1

percent reported in 2017. Finally, the company secured net profit of EUR 180 million. This figure was 18.3 percent less than in 2017, chiefly as a result of adverse exchange rates.

I would particularly draw attention to the company's efforts to counteract the negative currency impact, which is chiefly evident in cash generation. Operating cash flow in 2018 stood at EUR 343 million, improving nearly 4 percent compared to 2017. This means an EBITDA-to-cash conversion ratio of over 75 percent, indicating the success of financial discipline policies, as well as our working capital management models.

The group's net financial debt expanded by EUR 173 million in 2018, reaching EUR 425 million. Nonetheless, our debt level remains low, with a ratio of net financial debt to EBITDA of 0.9x, which remains short of our internal limit of 2.5.

Another standout factor in the year was the average cost of debt declining by nearly 60 basis points, shifting from 2.23 percent to 1.65 percent. Said debt optimisation has allowed us to drive down our finance costs by more than 50 percent.

Overall, Prosegur boasts an optimal financial position, laying the foundations from which to drive



our digital transformation, innovation projects and growth strategy.

### **Sustained robust growth for our operations in local currency terms**

Looking at how our three business units performed, Prosegur Security generated revenues of EUR 1.946 billion, representing a dip of 8.0 percent compared to 2017. However, as was the case for the group as a whole, revenues in local currency terms reflected growth. The unit also reported EBIT of EUR 54 million, down from EUR 66 million in 2017, while the EBIT margin stood at 2.8 percent.

Looking beyond the financial indicators, one highlight was the company's entrance into the United States, the largest private security market in the world. Prosegur has made several acquisitions in physical security, technology and cybersecurity, helping to focus growth in the market via the development of integrated security solutions.

Also highly significant was turnover growth in transformation products and integrated security solutions, which now account for 23 percent of the unit's total revenues. As a result, our Integra initiative has consolidated its standing in the

market, with particularly strong take-up among major clients.

Meanwhile, Prosegur Cash reported turnover of EUR 1.732 billion in 2018, down 10.0 percent compared to 2017. However, in local currency terms the unit posted growth of 12 percent. The EBIT margin shrank from 18.7 percent to 15.5 percent. The main drivers behind narrowing margins were the exchange rate effect, the application of hyperinflation accounting standards and the merger costs resulting from acquisitions.

Prosegur Cash invested close to EUR 100 million in its inorganic growth strategy. It is also worth pointing to the good trend recorded by new product sales, which sustained good sales growth momentum, accounting for 11.8 percent of turnover in 2018.

Prosegur Alarms recorded sales of EUR 262 million in 2018, up 4.4 percent on the previous year. The unit sustained faster growth than the industry average, reaching a total of 547,000 connections. This figure represents net total growth of 10 percent compared to 2017.

Other standout aspects in the year include greater use of our Prosegur Smart application, which is now harnessed by 15 percent of the total customer

base. We have also launched a series of programmes aimed at improving our customer retention rate, driving portfolio classification and introducing process improvements.

### **Talent as the fulcrum of change**

In this climate of change and constant development, Prosegur intends to attract, develop and retain the best qualified professionals. We therefore strive to furnish them with the knowledge and tools that they need to leverage their skills, as well as providing them with opportunities to grow within the company.

We are consequently enhancing our Prosegur Corporate University platform, adding more self-training content in topics associated with digitalisation. At the same time, we are conducting transformational leadership and digital knowledge assessments, helping to identify leaders at the company who are capable of driving the progress that we are targeting. In short, we seek to train professionals and furnish them with decision-making capabilities, within a framework of fully transparent relations with employees.

These are very important concepts to us, and ones we hope to convey to the rest of the industry



as far as possible. We at Prosegur work actively to improve industry standards across all markets within our footprint. Said commitment is evident in aspects such as creating quality employment, worker health and safety, regulatory compliance, respect for human rights and good governance. We will likewise continue to promote policies and procedures that address environmental and social matters.

Our operations have always been grounded on the firm values that identify us as a company and shape our conduct. I firmly believe that Prosegur's activities have a positive impact on society. This is

largely thanks to the figure of the security guard. These are professionals who each and every day demonstrate an unyielding commitment to the well-being and protection of individuals. And whose hard work contributes to security for our society as a whole.

Prosegur can and must drive change. However, I am certain that our principles will remain steadfast. We will continue to honour our commitment to customers, employees and shareholders alike. And we will continue to ensure that Prosegur represents an attractive project for all of the company's stakeholders.

For yet another year, I would like to thank you for your trust and reiterate the entire Prosegur team's commitment to making this company a true leader in the security industry.

**Christian Gut**

Chief Executive Officer

# 1. Prosegur and its business model

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## 1.1. About Prosegur

Prosegur is a world leader in the private security sector. Since it was founded in 1976 the company has driven a strategy based on three key pillars: **innovation**, a first-rate **team**, and, in particular, a fully **customer-centric** organisation. As well as driving organic development, the company has pursued inorganic growth, seeing it establish a position of leadership both by geography and by business line.

Prosegur currently operates via at least one of its business lines (Prosegur Security, Prosegur Alarms and Prosegur Cash) in 25 countries across five continents. The group posted revenue of 3,939 million euros in 2018, has a team of more than 167,000 employees and is the only Spanish security firm listed on the Madrid and Barcelona stock exchanges.

The Prosegur business model is grounded on **responsible and sustainable operations**, as well as constant **adaptation to the emerging dynamics and demands of its business environment**.

Prosegur offers strong added-value services to a diverse range of customers. The company provides integrated security solutions for companies, specialist cash management services and alarms systems for homes and businesses. All make significant use of technology, thus taking an innovative approach to security.

“

**The group has been a leader in security for more than 40 years, driven by value propositions that address the challenges facing society.**

”



## Business lines



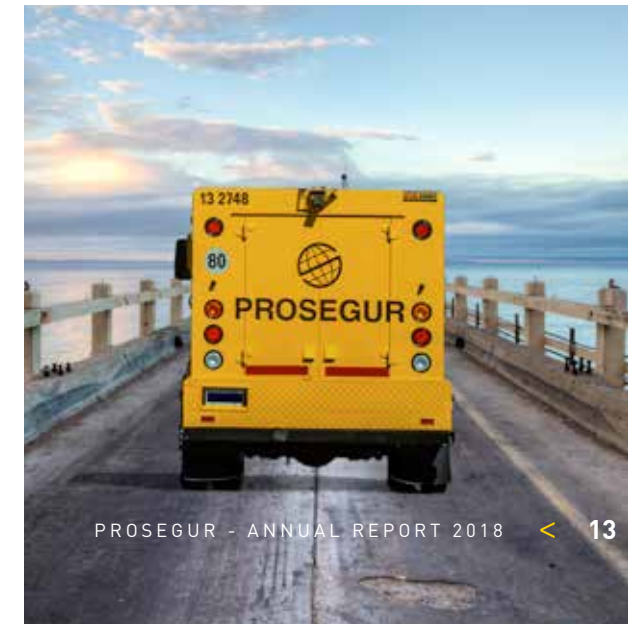
**Prosegur Security** provides comprehensive security services, based on an optimal combination of manned guarding and the latest technological and analytical capabilities. This chiefly includes manned guarding, mobility services, electronic security systems, comprehensive systems maintenance, fire protection, cybersecurity, global risk analysis, consultancy and control centre activities.



**Prosegur Cash** provides services ranging from basic valuables logistics and cash management, right the way through to added-value outsourced services. The business is chiefly aimed at financial institutions, retail establishments, government agencies, central banks, mints, jewellers and other business operations around the world.



**Prosegur Alarms** offers a wide range of services to enhance the security of households and businesses. This includes the installation and maintenance of home alarms, as well as alarm monitoring by the alarm reception centre (ARC) and alarm response.





### 1.1.1. Business environment

The creation of safe spaces in which societies can develop is an essential basis in the strategy of any modern government. Therefore, security will always be a priority and will imply a high volume of investment. However, resources, both public and private, are not unlimited. As such, efficient management must be imposed which, among other things, requires close public-private collaboration.

In this context, Prosegur believes that it has a proposal of value to offer the market. The company's work is based on solid foundations that it wants to take advantage of to continue creating a history that is at least as successful as the journey it has been on for over forty years.

However, the company cannot ignore the fact that the world is becoming more and more complex. A reality that has an undeniable impact on security issues. New environments open the door to numerous opportunities, but they also expose new risks and new threats.

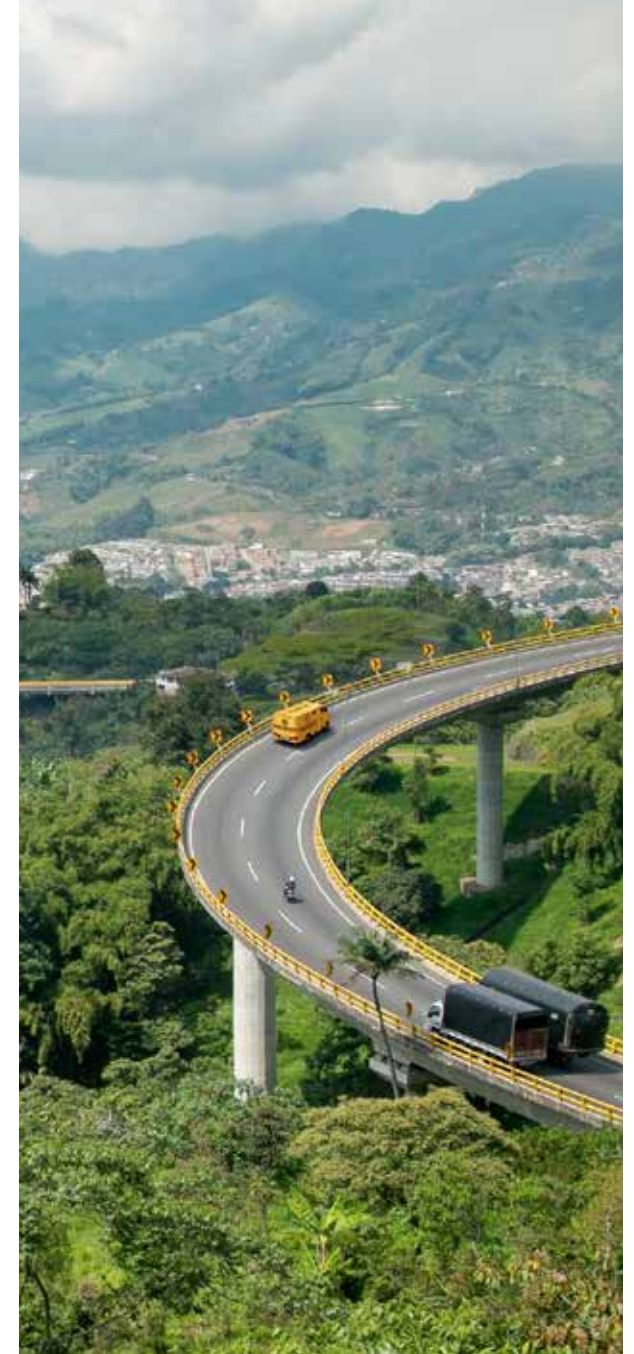
Like any other company, Prosegur faces a paradigm shift on how to generate value and how it should relate to its customers. In the current framework, and always based on concept of

broad collaboration, the company is convinced that security intelligence is becoming more and more important.

Furthermore, in order to operate in line with this new blueprint, Prosegur must be agile and adapt to circumstances, which could change at any time. It must also have the necessary intelligence to operate with a certain level of comfort in these changing scenarios, with new players who can accommodate new social behaviours.

Prosegur wants to be an open company, constantly exploring, and with enough creativity to always have a new vision of its sector. All without losing sight of ethics in everything it does. Global security faces intense dynamics of transformation, and one of the paths that the company is starting to travel is that of predictive security. To respond to these issues, it is moving forwards in generating services in which different technologies are interrelated, a mix of Big Data, the Internet of things and artificial intelligence.

An exciting scenario that pushes Prosegur towards a different way of operating in the security business.



## 1.1.2. Mission, Vision and Values

Prosegur operates functional **management models for each business**. This structure allows the group to provide to the business units brand value, shareholding stability and specialised and effective support, while the businesses retain their autonomy and flexibility to operate and grow in those markets that are best suited to the characteristics of each. Said strategy has seen the company secure faster growth, generate greater profitability, simplify processes and drive specialisation and efficiency.

The model ensures that the value of each business can be appraised independently, while allowing Prosegur to lay the foundations for successful future development. All of which is anchored by a clear vision and mission, underpinned by a set of values that reflects the company's identity.



### MISSION

TO GENERATE VALUE FOR OUR CUSTOMERS, SHAREHOLDERS AND SOCIETY IN GENERAL BY OFFERING COMPREHENSIVE, SPECIALISED SECURITY SOLUTIONS, HARNESSING THE MOST ADVANCED TECHNOLOGY AND THE TALENT OF OUR FINEST PROFESSIONALS.



### VISION

TO BE A GLOBAL BENCHMARK IN THE SECURITY SECTOR, RESPECTED AND ADMIRABLE AS A LEADER, AND FOCUSED ON THE GOAL OF BUILDING A MORE SECURE WORLD.



### VALUES

PROACTIVITY  
LEADERSHIP  
TEAM WORK  
TRANSPARENCY  
EXCELLENCE  
VALUE GENERATION  
CUSTOMER FOCUS  
BRAND

### 1.1.3. Governance structure

Based on the provisions and recommendations of the Unified Good Governance Code for listed companies, ratified by the National Securities Market Commission (CNMV), and best practices and national recommendations in the field of good governance, Prosegur remains steadfastly **committed to success and strives to consolidate a responsible, profitable and sustainable business.** Corporate governance at the organisation is founded on five core pillars, which serve as a framework and benchmark for the company's growth.

The Prosegur corporate governance system is underpinned by a range of policies that help to articulate the same and guarantee due control. These include corporate bylaws, as well as the policies of Annual General Meetings and the Board of Directors. The company's commitment to good governance is further supported by other associated internal procedures that provide a benchmark framework:

- › Code of Ethics and Conduct
- › Internal Regulations on Conduct in Securities Markets
- › Framework Relationship Agreement between Prosegur Cash and Prosegur Compañía de Seguridad
- › Director Selection and Remuneration Policy
- › Corporate Responsibility Policy
- › Internal Audit Policy
- › Risk Control Policy

### Prosegur's Good Governance pillars





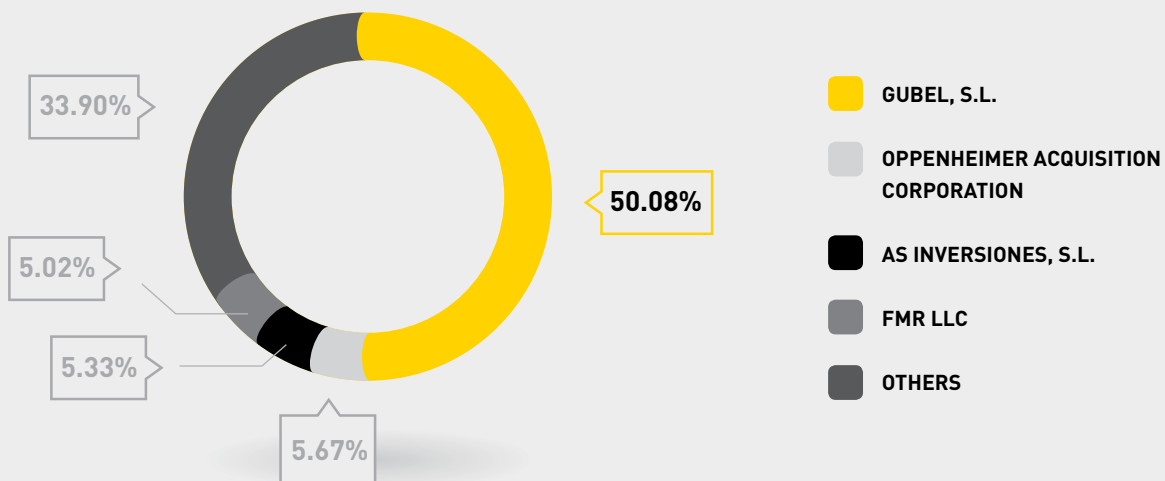


## Ownership structure

The share capital of Prosegur Compañía de Seguridad, S.A. is 37,027,478.40 euros, represented by 617,124,640 shares of 0.06 euros nominal value each, all of a single class and the same series. All shares are fully subscribed and paid out, and listed

on the stock exchanges of Madrid and Barcelona. Each share gives the right to one vote, while there are no legal nor statutory restrictions on voting rights. Likewise, there are no legal restrictions on the acquisition or transfer of share capital.

## Significant Shareholders of Prosegur\*

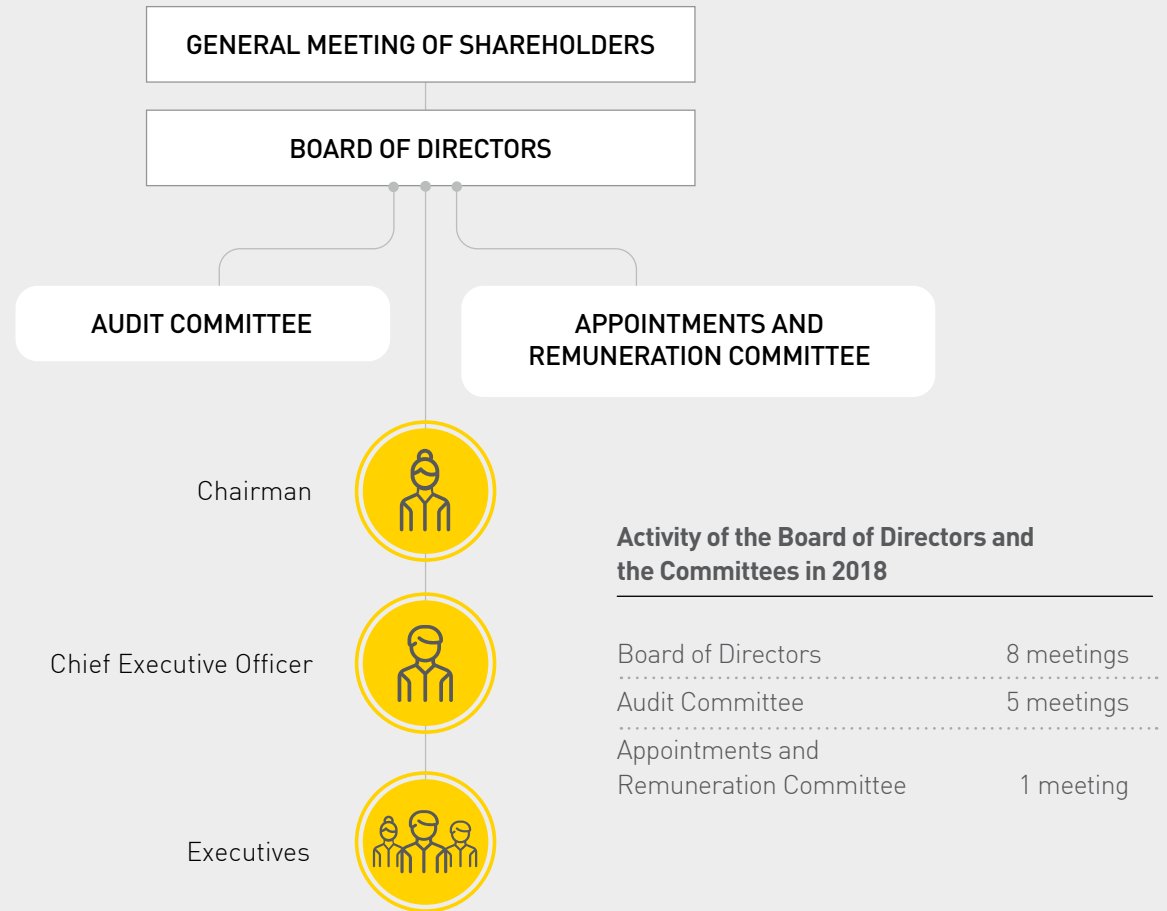


*(\*)31 December 2018.*

## Prosegur Governance System

The Annual General Meeting is the main body representing Prosegur share capital, exercising the functions set out in legislation and company bylaws. In 2018, the Annual General Meeting was held on 29 May in Madrid, Spain, and discussed matters concerning the ratification of the company's financial statements, approval of remuneration policies for directors and the re-election of the accounts auditor.

The Board of Directors is the most senior body of representation, administration, direction, management and control at the company. It has the power to represent the company and establish directives in terms of strategy, supervision and shareholder relations. The composition and functioning of the Board are governed by the policies of the Board of Directors, which can be found on the corporate website.



### BOARD OF DIRECTORS DIVERSITY

The Prosegur Selection Policy for Board Members states that member selection must favour Board diversity in terms of knowledge, experience, origin, nationality and gender. Said Policy also states that efforts shall be made to ensure that, in future, female directors account for thirty percent of the overall number. At present, the Board is 25 percent comprised of women.

## Composition of the Board of Directors

As of 31 December 2018, the Prosegur Board of Directors is comprised of eight members: one director and seven non-executive directors, of which three are independent, two are proprietary, and two are external. The responsibilities of the Executive Chairwoman and Chief Executive Officer are distinct and complementary. Thus, Prosegur complies with the requirements of the foremost international corporate governance standards, which recommend the separation of roles. For further information, see the Prosegur Annual Corporate Governance Report.



**Ms. Helena Irene Revoredo Delvecchio**

Chairman of the Board of Directors (Proprietary Director appointed by Gubel, S.L.)



**Mr. Isidro Fernández Barreiro**

Director (Non-executive Vice-Chairman and Other External Director)



**Mr. Christian Gut Revoredo**

Chief Executive Officer (Executive Director)



**Ms. Chantal Gut Revoredo**

Director (Proprietary Director appointed by Gubel, S.L.)



**Mr. Fernando D'Ornellas Silva**

Director (Independent Director)



**Mr. Eugenio Ruiz-Gálvez Priego**

Director (Other External Director)



**Mr. Fernando Vives Ruiz**

Director (Independent Director)









**Mr. Ángel Durández Adeva**



Director (Independent Director)

Audit Committee

Appointments and Remuneration Committee

Name	Category	Position on the board	Appointments and Remuneration Committee	Audit Committee	Profile
<b>MS. HELENA IRENE REVOREDO DELVECCHIO</b>	Proprietary	Chair			Bachelor in Business Administration and Management from Universidad Católica de Buenos Aires, and PADE (Senior Management Programme) at IESE Business School. Chairperson of Fundación Prosegur since 1997. Chairperson of Euroforum since 2004. Board Member at Mediaset España Comunicación since 2009. Board Member at Endesa since 2014. She is Member of the Board of Trustees for the Queen Sophia Higher School of Music and the Príncipe de Asturias Foundation and also collaborates with the Royal Association of Friends of the Reina Sofia National Art Gallery, the Amigos Museo del Prado Foundation and the Teatro Real (Royal Theatre) in Madrid, where she was appointed Chairwoman of the International Board in 2015. She has been awarded the Juan Lladó award, the most prestigious award granted in Spain for cultural patronage and research, as well as the Gold Medal from the Senior Management Forum, the Ramón Borredá Trophy, and the Montblanc Arts Patronage Award.
<b>MR. ISIDRO FERNÁNDEZ BARREIRO</b>	Other External	Vice-Chair			Degree in industrial engineering and MBA from IESE. Executive Vice-President of Uralita, S.A. Executive Vice-President of Banco Urquijo since 1994. Executive Vice-President of Corporación Financiera Alba, S.A. from 2006 to 2013 and Director from 1994. Vice-President of Balboa Participaciones, S.A. from 2011 to 2013. Director of ACS from 2003 to 2008.
<b>MR. CHRISTIAN GUT REVOREDO</b>	Executive	Chief Executive Officer			Economics and Business graduate from CUNEF and MBA from the INSEAD Business School (Fontainebleau, France). Director of Prosegur Cash, S.A. since 2016. Member of the Board of Trustees of Fundación Prosegur. Director of Euroforum since 2006. He became a full member of Prosegur's Executive Management in 2004, with the position of General Manager Spain. He worked in the Mergers & Acquisitions Department of Rothschild Bank from 1998 to 2001.

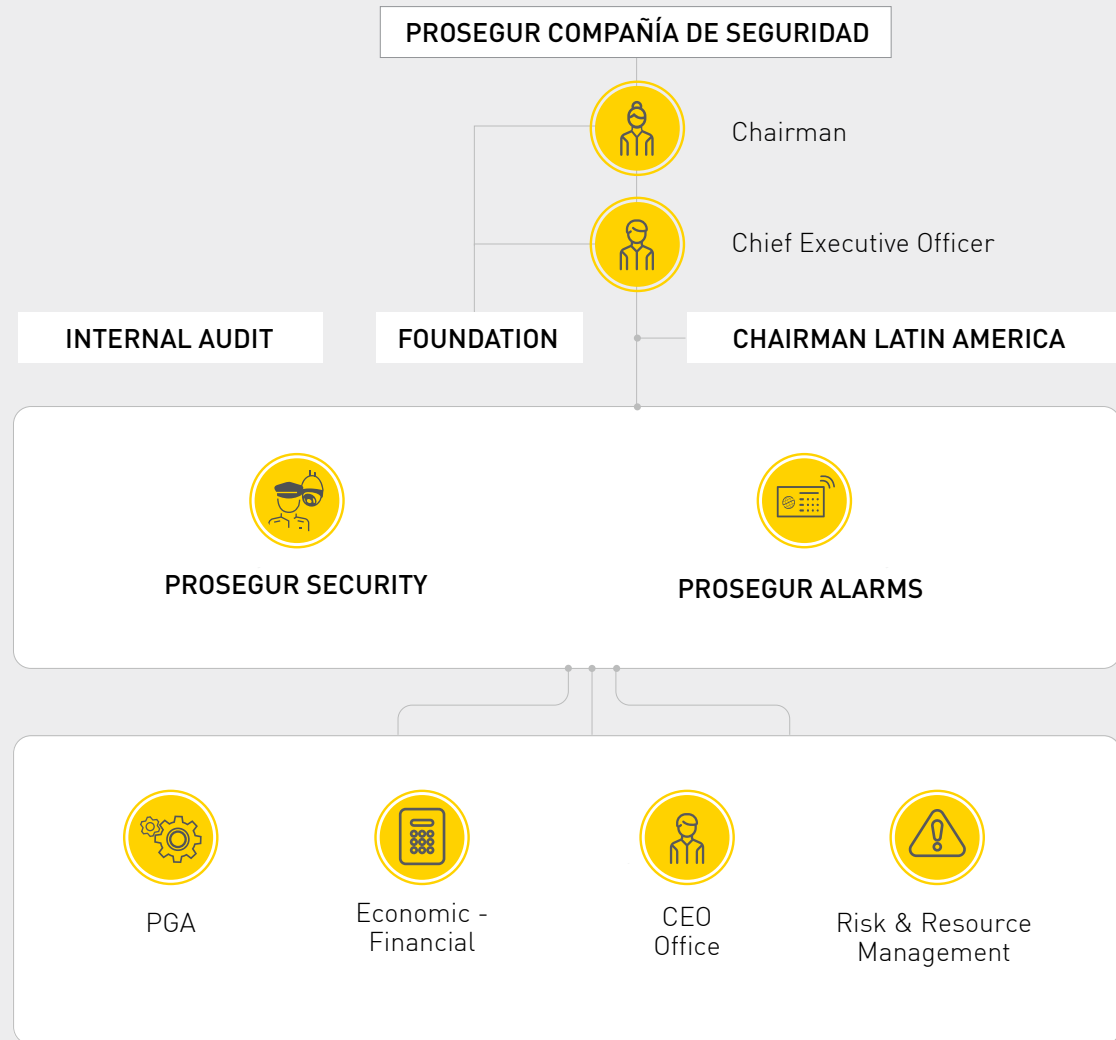
Name	Category	Position on the board	Appointments and Remuneration Committee	Audit Committee	Profile
<b>MS. CHANTAL GUT REVOREDO</b>	Proprietary	Director			Economics and Business graduate from Universidad Complutense (Colegio Universitario de Estudios Financieros CUNEF) and holds an MBA from IESE Business School. Director of Euroforum since 2001. Director of Prosegur Cash, S.A. since 2017. Member of the Board of Trustees of Fundación Prosegur. Head of Business Development at Gubel, S.L. Member of the International Advisory Council of the Hispanic Society (New York).
<b>MR. FERNANDO D'ORNELLAS SILVA</b>	Independent	Director			Bachelor in Law and Economics from ICADE E3 and an MBA from IESE Business School. Director of Meliá Hotels International since 2012. Managing Director of Grupo Bergé between 2007 and 2012. Director of Endesa S.A. between 2007 and 2009.
<b>MR. EUGENIO RUIZ-GÁLVEZ PRIEGO</b>	Other External	Director			Civil engineering degree from ETS in Madrid and MBA from the Stanford University Graduate School of Business. Board Member at Ebro Foods (formerly Azucarera Ebro, S.L.) from 2000 to 2016, and CEO until 2009. CEO of the Uralita, S.A. from 1993 to 1997 and Deputy Chairman from 1997 to 2000. Board Member at Corporación Financiera Alba, S.A. from 2010 to 2015.
<b>MR. FERNANDO VIVES RUIZ</b>	Independent	Director			Doctor of Law, Comillas Pontical University (ICADE). Degree in Economics and Business Science, Comillas Pontical University (ICADE). Executive Chairman of the J&A Garrigues, S.L.P. law firm. Professor of Business Law, Comillas Pontical University (ICADE). Member of the Consultative Committee of the National Securities Market Commission.

Name	Category	Position on the board	Appointments and Remuneration Committee	Audit Committee	Profile
<b>MR. ÁNGEL DURÁNDEZ ADEVA</b>	Independent	Director			Bachelor in Economics, Professor of Commercial Law, Chartered Accountant and a founding member of Registro de Economistas Auditores. Joined Arthur Andersen in 1965, where he was a partner from 1976 to 2000. Until March 2004, ran Fundación Euroamérica and was a founding trustee. He is currently a Board Member at Repsol, S.A., Quantica Producciones, S.L. and Ideas4all, S.L., Chairman of Arcadia Capital, S.L., Member of Fundación Independiente and Vice-President of Fundación Euroamérica.



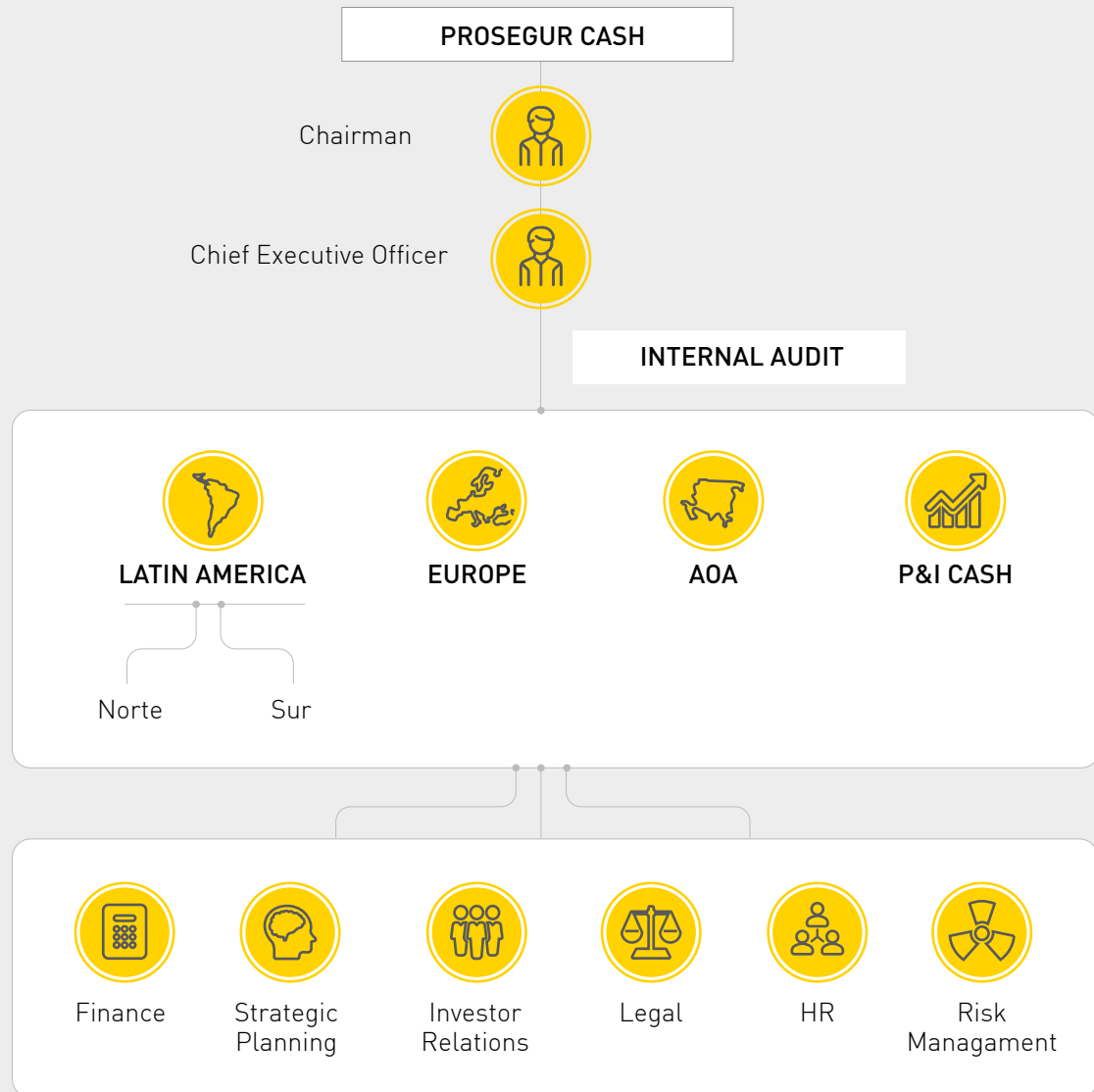
## Organisational structure

The organisational structure of Prosegur is designed to improve business processes and offer added value to our customers. Its flexibility is conducive to constant adaptation to an ever-changing environment and Prosegur's development as a business group. It also allows the organisation to grow and grants significant autonomy to business units, permitting each to adapt to the specific circumstances of its business environment. Business represents a mainstay for the organisation, with the same embodied in the General Business Management Divisions. Corporate functions are supervised by Global Support Divisions, covering the following areas: Finance, Prosegur Asset Management, the CEO's Office, and Risk and Resource Management.





Below is the organisation chart of Prosegur Cash, a subsidiary of Prosegur Compañía de Seguridad, which holds, directly and indirectly, a 72.5 percent ownership share:



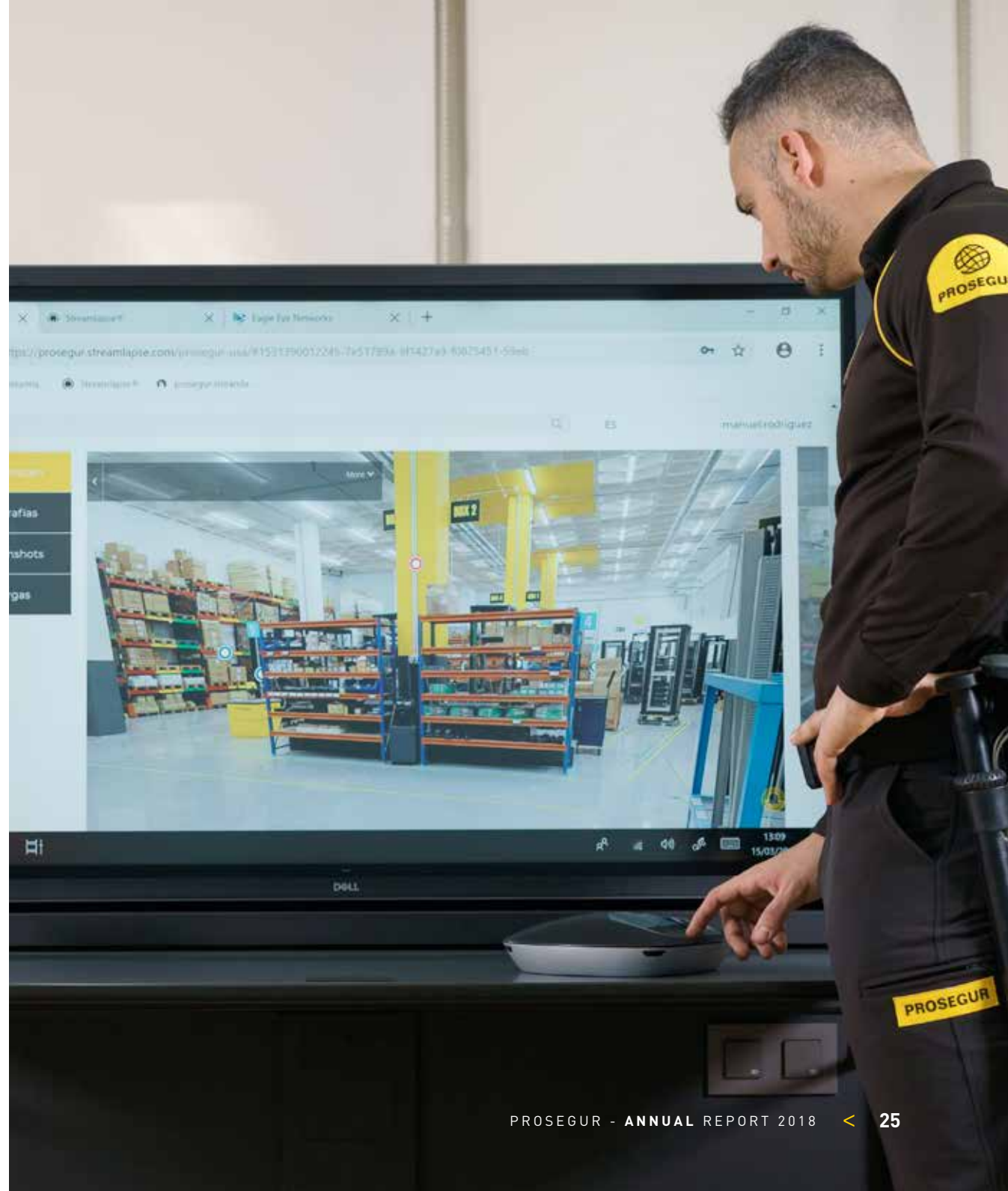


## 1.2. Strategic action framework

Prosegur fosters innovation and internal process optimisation. To this end, the company is engaged in far-reaching digital transformation, which includes driving the use of new technologies in all business lines and promoting global multiservice centres. These initiatives help to demonstrate the distinguishing quality of the services offered by Prosegur and reflect the company's commitment to innovation and service excellence.

The 2018-2020 Strategic Plan was introduced in 2018, aiming to further consolidate the company's industry leadership via three key pillars: Digitalisation, Innovation and Growth.

These three strategic mainstays help to frame all of the companies actions, ensuring the continuation of projects associated with business growth, operating efficiency, and the search for new solutions.



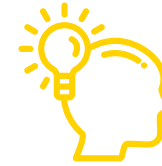
## 1.2.1. Strategy

The Prosegur strategy is framed within the pillars of the 2018-2020 Strategic Plan: Digitalise, Innovate and Grow. The aim of the plan is to respond to new customer requirements, establish the company as a reliable strategic partner, and to generate greater value via process efficiency and the deployment of increasingly technological solutions.



### DIGITALISE

- > Deploy those platforms and tools that are necessary to simplify management and **improve customer experience.**
- > Support operating excellence and **improve process technology.**



### INNOVATE

- > **Listen to customers** to develop new value propositions that meet their needs.
- > Introduce **new products** that improve customer satisfaction, transform the business, report greater margins and reflect our clear commitment to innovation.
- > **Reduce** the weight of indirect **cost.**
- > Attract, develop and **retain the most qualified professionals.**



### GROW

- > Maintain a in the organic levels of profitable **growth.**
- > At Prosegur Security, **to drive integrated sales** of manned guarding and technology products.
- > At Prosegur Alarms, **to drive business value** by increasing the number of connections.
- > At Prosegur Cash, to continue growing at the same pace as recent years, **leading market consolidation and stimulating the sale of new products.**

## Progress in 2018

Last year Prosegur successfully launched its Strategic Plan based on the established targets, securing improvement in all business lines, as follows:



### DIGITALISE

- > **At Prosegur Security**, development of new platforms and systems for employees and customers, anticipating their needs and working in a more digital environment.
- > **At Prosegur Alarms**, progress in the integration of our Smart application, featuring the industry's most advanced interfaces.
- > **At Prosegur Cash**, automation of customer interfaces.
- > **In Information Technology**, progress in the standardisation of technology infrastructure, enabling the harmonisation of systems and the reduction of operational errors.
- > **In Human Resources**, developing the screening of candidates using data analytics.



### INNOVATE

- > **At Prosegur Security**, development of the Prosegur on Demand application, which customers can use to request security services on an hourly basis via mobile devices, with the service deployed within a maximum of three hours from the moment the service request is made. Furthermore, the cybersecurity business was buoyed via the acquisition of Cipher and integrated sales.
- > **At Prosegur Alarms**, progress was made in developing a comprehensive home security solution.



### GROW

- > **At Prosegur Cash**, there were efforts to drive sales of Smart Cash solutions and added-value outsourced services.
- > **At Prosegur Security**, the group moved into new markets and drove integrated sales of technology products.
- > **At Prosegur Alarms**, there was sustained double-digit growth, as well as efforts to ensure customer profitability.
- > **At Prosegur Cash**, further progress in the acquisitions strategy, building positions in new countries and consolidating existing markets.

## 1.2.2. Transformation Plan

For some time now, the rapid development of several technological trends has had a tangible and far-reaching impact on economic sectors, business models and even ways of working. Some of these technologies, for instance the Internet of Things, Artificial Intelligence, Big Data, Blockchain and the proliferation of smart devices, generate potential to implement new tasks more effectively or faster.

This new scenario has had a bearing on Prosegur's business, via the demands of customers, employees and other stakeholders, seeking to harness the benefits of new technology in terms of how they interact with the organisation and the value they receive. Such processes include real-time commissioning and monitoring of services from any device, viewing job offers via specific channels, and a 100 percent digital hiring process in an optimal timeframe. True to its spirit of adaptation, Prosegur has duly responded to the rapidly changing environment and market demands for modernisation, by launching a Transformation Plan that touches all business lines, as well as transversal divisions.

## Areas of action of the Prosegur Transformation Plan

### Optimisation of the current business's resources

- > **Speeding up and simplifying processes** and reducing implementation times, via groups specifically dedicated to improving customer processes (Opportunity to Cash), employee processes (Employee Experience) and supplier processes (Procure to Pay)
- > **Simplifying the technological footprint**, rendering critical systems for each business more robust, modern and mutually integrated.
- > **Improving data governance** by reviewing processes and systems.
- > **Securing the same quality levels** in all markets.

### Promotion of innovation as a cornerstone of the future business

- > **Developing new opportunities and experimenting with new innovation models**, utilising and optimising all existing internal and external capabilities.
- > Ensuring that all **components of each business remain suited to the market innovation demands**, while capitalising on opportunities and synergies.

### Boosting the capabilities and consolidation of a common culture

- > Supporting all partners in the transformation process by harnessing **new working and collaboration tools**, such as "agile" or "design thinking".
- > Fostering an **internal culture by designing communication plans** for all employees, helping them to visualise new global and local targets.



### Robotising Human Resources processes

Prosegur became the first company in Spain to support **automated employee on-boarding, via robotisation and without human interaction.** Employee **incorporation times have also been reduced from 48 hours to 24.** Measures associated with sustainability include **the adoption of digital signatures, with the company eliminating all paper usage,** leading to significant savings on material resources.

## Important milestones in transformation in 2018

### Optimisation of billing processes



Prosegur has driven improvements in the Opportunity to Cash and Procure to Pay processes across all businesses, seeking to significantly cut average customer payment times once the service has been provided, making for more efficient warehouse management and curbing merchandise obsolescence.

### Automation of management and operational processes



There are now 135 robotised processes in the company, with an efficiency saving of 120,000 hours a year. An example of this is Prosegur Cash in Brazil has automated the guideline management process of one of the country's major banks from end to end. This process involves the consolidation of the information on cash bags between the Prosegur systems and the bank, improving the average time of the operation and the subsequent customer satisfaction.



### New real-time fleet management platform

Costs have been reduced by over 50 percent, with real-time monitoring of more than 2,600 armoured vehicles in Brazil, Colombia, Spain, Mexico and Portugal, through a connection with the Internet of Things (IoT). Savings of around USD 3 million in five years with the new fleet management platform.



### Integrated and Centralised People and Management Unit

In Brazil, Prosegur has cut payroll calculation times by setting up an "Integrated and Centralised People and Management Unit", located in Belo Horizonte. It likewise improved the payroll system, cutting settlement times for a single payment from more than sixteen hours to just one hour.





Digital transformation represents a strategic catalyst for Prosegur's business, seeking to optimise operations via more efficient resource management, while having a direct impact

on employees, customers, suppliers and communities in general. Meanwhile, in response to security challenges in digital environments, Prosegur is currently developing new cybersecurity services, seeking differentiation and service quality within the sector. Innovation has been a central and constant aspect of this process, aiming to provide adequate solutions. Likewise, Prosegur has continued efforts in terms of technological innovation, research and development across all other business areas, thanks to its new Digital Transformation Plan.



## 2. Responsible **management**

2.1.	Management Model 3P	32
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## 2.1. Management **Model 3P**

The Prosegur group management system is known as the 3P System. Said system is the source of all policies, procedures and processes, establishing internal rules and a shared language for services and processes across the entire organisation. The system supports standardisation and service provision with a focus on delivering the required quality levels, while efficiently managing resources and continually improving processes. The standards are designed so that certain elements are applied globally, irrespective of the location of the activity, but including certain characteristics that are particular to each region.

“

**As one of the world leaders in private security, Prosegur knows that while performing its activities it must focus on those matters of a social, environmental or financial nature that are relevant and influence decision-making for its stakeholders.**

”

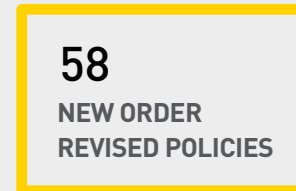


## Some of the new 3P policies in 2018

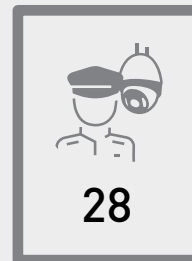
- > **Information Security:** Destruction and reuse of storage media.
- > **Quality and processes:** 3P general policy on managing risks and opportunities in Security, Alarms and Cash processes.
- > **Legal:** General policy on data protection, management protocols, and notification of security breaches, as well as supplier selection and assessment.
- > **Human Resources:** Model for logging accidents in the PROCDE tool.
- > **TI & Automation:** 3P general policy on Prosegur and Prosegur Cash IT operating and governance model.

## 3P Sistem in 2018

### 3P POLICIES



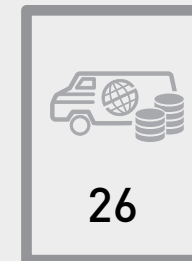
### 3P PROCESSES



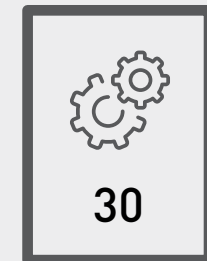
PROSEGUR  
SECURITY



PROSEGUR  
ALARMS



PROSEGUR  
CASH



SUPPORT

KPI's Indicators

During this year, the 3P Management Model has obtained the following certifications

- > **ISO 9001** Quality Management System Certification.
- > **ISO 14001** Environmental Management System.
- > **ISO 22301** Business Continuity System.
- > **ISO 27001** Information Security System.
- > **ISO 28001** Security Management System for the Supply Chain.
- > **EN 16082** Airport Security.
- > **OHSAS 18001** – Occupational Health and Safety Management System.
- > **Aproser.**
- > **APSAD** Fire Protection Safety System.
- > **MASE** Occupational Health and Safety and Environmental Management System.
- > **NCh2728:2015** Certification based on the Chilean Quality Standard.
- > **NORSOK S-006** Certification based on the Chilean Quality Standard.
- > **NP 4413:2012** – Extinguisher Maintenance Service.

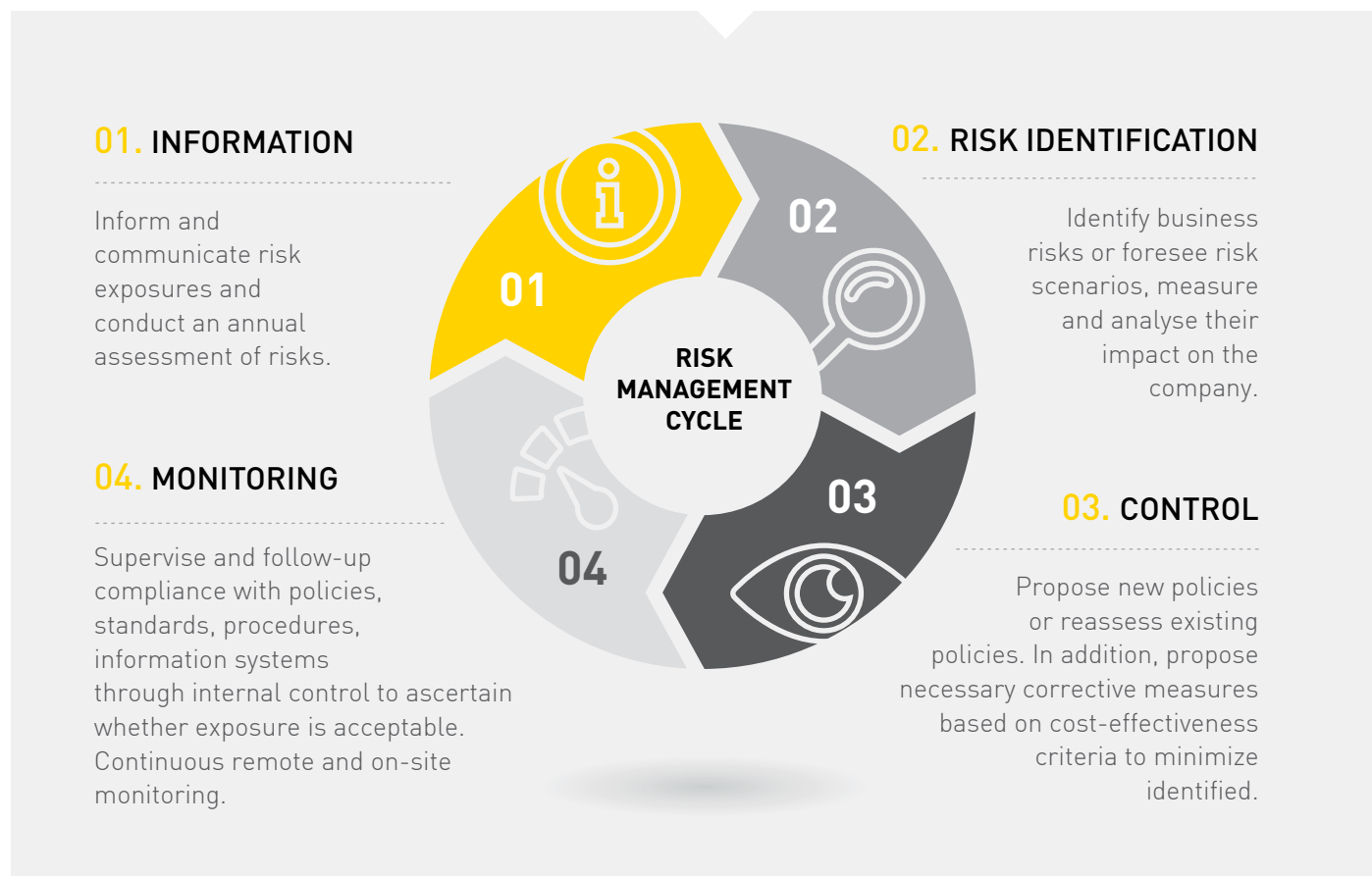


## 2.2. Risk management

The Prosegur Risk Management System allows the company to implement proactive risk management, identifying the most critical aspects, evaluating the same and supervising their management via key risk indicators. The system is also based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard, supported by other standards such as Basel III in the financial sector and ISO 31000. Furthermore, it operates comprehensively and continuously, consolidating management by area, business unit, activity, subsidiary, geographical area and support area at the corporate level.

Depending on the risk type and relevance, Prosegur management and direct supervisors establish specific procedures to ensure anticipation, with early detection and prevention measures in order to prevent risks from materialising, as well as developing mitigation strategies. The Board of Directors, the most senior body responsible for risk control and management policy, supervises internal information and control systems. The results of risk management and control are periodically reviewed and analysed by the **Corporate Risk Committee**.

### Risk management cycle



Thus, the Prosegur Risk Policy includes the core principles that are central to risk management and control:

- › Identification, assessment and prioritisation of critical risks.
- › Risk assessment in accordance with procedures based on key indicators, to support risk control and appraisal.
- › Regular monitoring of assessment results and the efficacy of the applied measures.
- › Review and analysis of results by the Risk Committee.
- › System supervision by the Audit Committee.



RISK FACTORS	RISK	MITIGATION STRATEGY
REGULATIONS on private security, workplace and social security regulations, tax regulations, regulations on arms control, regulations on capital markets and antimoney laundering regulations	Greater intervention by governments and regulators	<ul style="list-style-type: none"> <li>› Business diversification in differentiated markets</li> </ul>
	Risk of non-compliance with applicable laws	<ul style="list-style-type: none"> <li>› Corporate Compliance Programme</li> <li>› Independent processes of due diligence</li> </ul>
BUSINESS RISKS: Decrease in the demand; prolonged reduction of cash use, highly competitive markets, aggressive pricing policies, relatively low entry barriers	Circumstantial reduction in the demand for security services	<ul style="list-style-type: none"> <li>› Business diversification in differentiated markets</li> </ul>
	Operations in highly competitive markets	<ul style="list-style-type: none"> <li>› Development of new value added products and services that differentiate Prosegur from the competition</li> </ul>
	Not reaching forecasted results in alarms	<ul style="list-style-type: none"> <li>› Increase Prosegur's brand recognition</li> </ul>
	Inadequate management of indirect costs	<ul style="list-style-type: none"> <li>› Operational efficiency measures</li> </ul>
REPUTATIONS: Real or perceived incidents that affect its ability to operate in an ethical, responsible and safe fashion	Negative publicity about Prosegur	<ul style="list-style-type: none"> <li>› Detect potential irregularities through the Whistleblowing Channel</li> <li>› Prevent non-compliance by means of the Corporate Compliance Programme</li> <li>› Independent due diligence processes</li> </ul>

RISK FACTORS	RISK	MITIGATION STRATEGY
<p>OPERATIONAL AND TECHNOLOGIACAL RISKS: Interruption or failure of communications, unauthorized access to information systems, security breaches, data loss, operative errors, incidents involving assets or lost cash.</p>	<p>Loss or theft of proprietary information or confidential information of customers</p>	<ul style="list-style-type: none"> <li>&gt; Global logical security policies</li> </ul>
	<p>Failures or incidents in IT infrastructure</p>	<ul style="list-style-type: none"> <li>&gt; Monitoring the processes of controlling and monitoring traceability of the transport, handling and storage of cash operations</li> </ul>
	<p>Incidents involving assets under custody or lost cash</p>	<ul style="list-style-type: none"> <li>&gt; Independent assistance in claims or differences arising in the cash management activity</li> <li>&gt; Identification of best practices</li> <li>&gt; Drawing up policies on physical security and procedures that minimize potential losses</li> <li>&gt; Implementation of business continuity policies and recovery plans</li> <li>&gt; High quality and reliable insurance coverage</li> </ul>
<p>FINANCIAL RISKS: Interest rate risk, exchange rate risk, counterparty and fiscal risks.</p>	<p>Cash generation or cash management</p>	<ul style="list-style-type: none"> <li>&gt; Dynamic analysis of interest rate risk exposure</li> <li>&gt; Simulation of several scenarios depending on refinancing, renewal of present positions, alternative financing and coverage</li> <li>&gt; Calculation of the effect of a certain change in the interest rate on the result</li> <li>&gt; Natural hedging policy</li> <li>&gt; Customer risk assessment</li> <li>&gt; Monitor, on a monthly basis, the credit status of customers and application of valuation adjustments</li> <li>&gt; Perform transactions with entities with defined credit ratings. Signing of financial transactions framework agreements (CMOF or ISDA)</li> <li>&gt; Define counterparty risk limits</li> <li>&gt; Regular publication of updated credit limits and levels</li> </ul>



### 2.2.1. Operating risk management

Prosegur works hard to manage and control operational and regulatory compliance risks, as these may potentially have a bearing on its commitments with stakeholders, especially clients and employees. Prosegur adopts an approach to risk management that encompasses all areas of activity at the company, via strict controls based on three priority action areas: Infrastructure, processes and people.


The company has set up a Global Risk Management Division to secure optimal risk management

efficiency. Thanks to its exceptional structure and organisation, this division affords the company a competitive edge over its peers when it comes to risk management.

The Division has all the instruments it needs to efficiently manage risks associated with operational security. It also provides the required tools to maintain and uphold the standards and procedures defined by the company, while ensuring compliance with applicable law and national regulations.


With central offices in Madrid (Spain), the Division is comprised of three departments, which are represented both regionally and nationally: Security, Intervention and Insurance. The integration of these three departments into a single Division ensures optimal operational efficiency at the lowest possible cost, thanks to in-house specialists sharing common procedures.

 **The Security department** oversees risks and legal regulations in the field of security and acts as the organisation's second line of defence, taking an active role in the development and implementation of security business operations. The department has employees distributed across four global support areas: Intelligence, Information Security, Security of Bases and Facilities, and International Tactical Training Team.

 **The Insurance department** identifies and controls operating risks and establishes the fundamentals for assurance and management, minimising any impact on financial statements. The department sets up insurance programmes, signing policies at the corporate and local levels with leading insurance companies to provide coverage for an extensive range of risks: employee risks, direct and indirect risks arising from Prosegur's activity and risks affecting

items of property, plant and equipment. In 2018 the Insurance department added coverage for cybernetic risks, extended the geographic coverage for credit insurance to Chile and Colombia, while also extending professional civil liability coverage to the entire organisation.


### Global Risk Management Division

 **Security department**


SUPPORT AREA

- > Security at operational sites and facilities
- > International Tactical Training Team
- > Intelligence
- > Information Security

Countries

 **Intervention department**

- > Europe and Asia Pacific
- > Latin America
- > Brazil

 **Insurance department**

- > Operational Structure

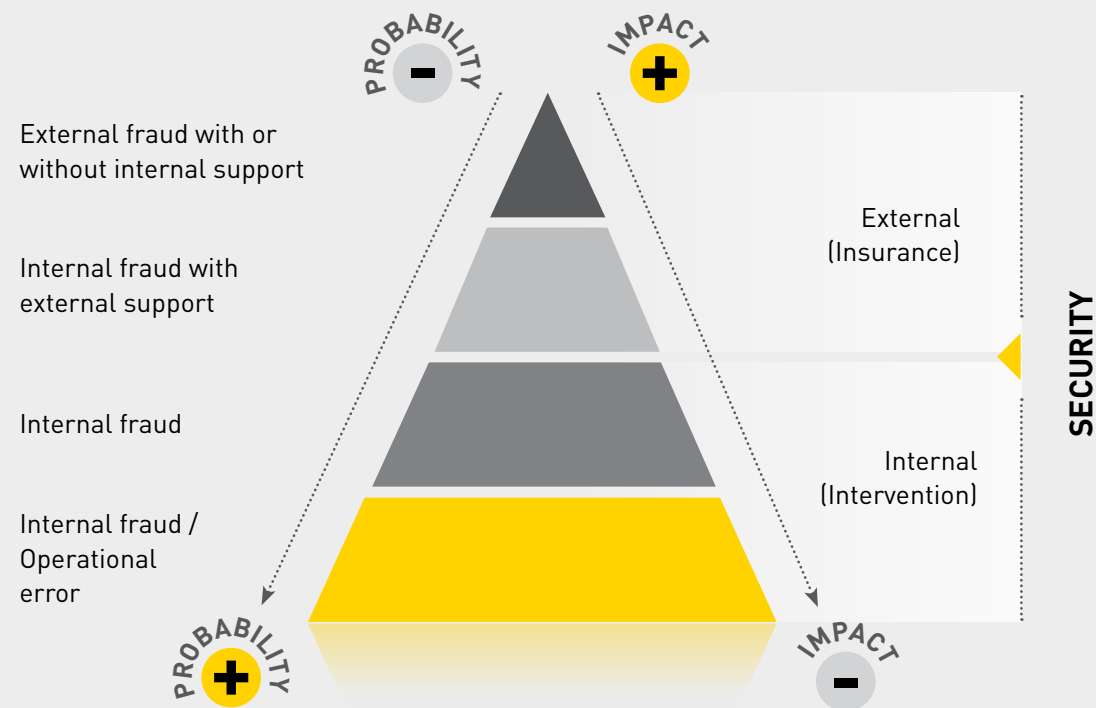
Countries





### Risk Approach

Security model based on risk management and strict control of infrastructures, processes and people.





## Milestones in 2018

### Security

Efforts were made during 2018 to enhance protection at operational sites, strengthen Remote Control Centres and modernise tracking equipment for armoured units.

### Intervention

During 2018 the Intervention department conducted 325 operational reviews and 334 vault audits in the Prosegur Cash business; 73 operational reviews in the Prosegur Security business; end-to-end business reviews for Prosegur Alarms in 8 countries; and 11 transversal audits for support processes across all businesses.

A risk management and control model was implemented during the period for the Prosegur Alarms business, encompassing Spain, Portugal and Latin America. The model draws significantly on support from data analytics tools, helping to provide comprehensive continuous monitoring

and more efficient use of resources. In turn, a risk model was established in the Prosegur Security business for services that are susceptible to major impacts when a negative event occurs, seeking to identify risk exposure situations that might require improved operational implementation or a review of service provision conditions.

During 2018 the Loss Control Unit launched a new application intended to provide daily control over vault closures. The deployment began in Brazil and is set to be rolled out to the remaining countries in 2019. This application features improved functionalities and capabilities compared to its predecessor.

### Insurance

In 2018 the Insurance department added coverage for cybernetic risks, extended the geographic coverage for credit insurance to Chile and Colombia, while also extending professional civil liability coverage to the entire organisation.



## 2.3. Ethics and compliance

Ethical conduct and compliance with all market regulations within Prosegur's footprint are critical to the group's business strategy. Thus, aspects such as frequent exposure of employees to risk situations, the duty to protect customers and society, and management of large sums of money and personal goods all require responsible oversight and the highest standards of integrity.

Which is why Prosegur has a Corporate Compliance Programme in place, which establishes control measures designed to prevent and duly manage risks associated with breaches of regulations in each market where it operates. This programme addresses all the related legal matters and, in particular, those regarding money laundering, competition law, crime prevention and compliance with securities market regulations.



### Corporate Compliance Programme



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Prevention of money laundering



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Data protection



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Defence of competition



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Prevention of crime



Responsibility for supervising the programme lies with the Compliance Committee, made up of management representatives from the Legal, Finance, Human Resources, Risk Management, Internal Audit and Compliance divisions, which acts independently and report to the Audit Committee. To ensure that the responsibilities entrusted to the Committee are effectively implemented, a compliance officer has been designated in each market within the group’s footprint, who assures observance of applicable ethical principles and local regulations.

During 2018 Prosegur implemented a series of measures as part of the Corporate Compliance Programme, which necessarily included improvements in the fields of data protection due to the introduction of the new General Data Protection Regulation (GDPR), a European directive aimed at safeguarding the data of individuals via a focus on personal data processing and free circulation of such data. The group adapted to said directive as follows.

### Adaptation to General Data Protection Regulation (GDPR)

During 2018, Prosegur Cash implemented a series of measures as part of the Corporate Compliance Programme, which necessarily included improvements in the fields of data protection due to the introduction of the new General Data Protection Regulation (GDPR), a European directive aimed at safeguarding the data of individuals via a focus on personal data processing and free circulation of such data. The group adapted to this directive as follows:



Data protection went from being the exclusive responsibility of technical teams to be the responsibility of all individuals at the organisation. New aspects introduced by the recent legislation include the following:

### LEGAL MEASURES



- › Update of data protection clauses provided to the third parties
- › Legal ground for processing data
- › Implementation of mechanisms for obtaining the consent data subjects to the processing or disclosure of their data
- › Elaboration of contracts adapted to the European Regulation
- › Privacy impact assessment

### ORGANISATIONAL MEASURES



- › Designation of a Data Protection Officer responsible for monitoring compliance with the law
- › Creation of data breaches notification procedure adapted to GDPR
- › Updating data subject access request procedures, including the right to data portability

### TECHNOLOGICAL MASURES

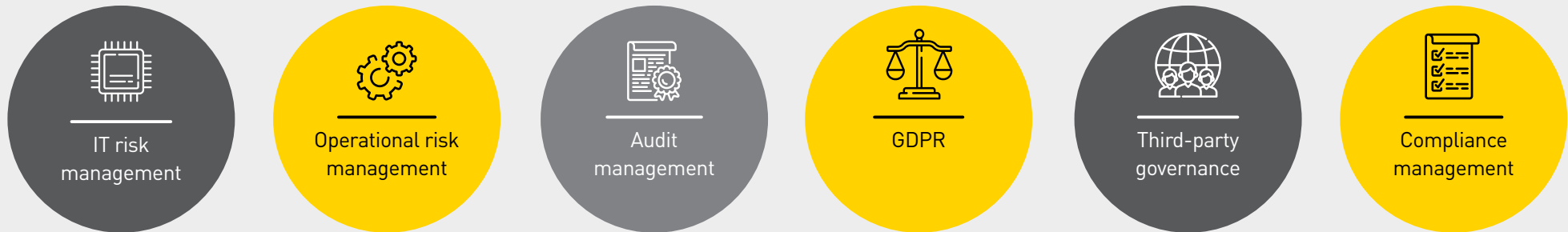


- › Security procedures
- › Logical security
- › Physical security
- › Cryptography
- › Development and maintenance of information systems
- › Operation of systems
- › Anonymization
- › Pseudonymization

Legal and organisational measures have been introduced by Prosegur to comply with the new regulatory requirements, as well as 394 technological measures. Among the first of these, the creation of the Data Protection Committee particularly stands out. This committee contains representatives from the businesses and corporate areas, acting as Functional Data Processing Controllers under the supervision of the Data Protection Officer (DPO).

Its actions are guided by the GDPR Governance Model for which the Board of Directors has maximum responsibility and that is divided into three lines of defence: those comprised by the Data Protection Committee, the Privacy and Data Protection Supervisors and Officers Committee, and finally, the third line of defence, that represented by Internal Audit.

## Risk approach



## End-to-End Data Protection Management Model

One new development in 2018 that reaches beyond the demands of the GDPR is a Strategic Plan for Information Security. This involved deployment of an Information Security Governance Model based on three lines of defence. A series of indicators and

metrics were also established to provide Prosegur with information on the security status of information across all of its businesses. This ensures that best practices can be incorporated in step with the company's strategic development:





## Code of Ethics and Conduct

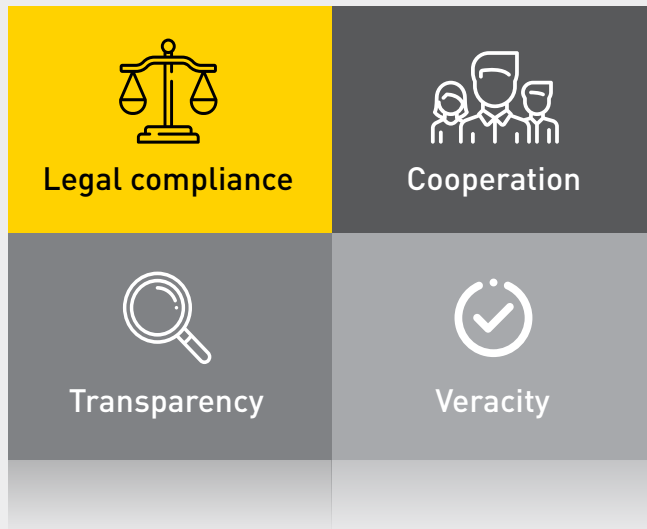
Prosegur has in place a Code of Ethics and Conduct, which was approved by the Board of Directors on 26 April 2017. The Code sets out guidelines for the standards of conduct and sound practice for all Prosegur professionals as they go about their duties, as well as in their relations with third parties. The Code is binding and mandatory for all company governing bodies, executives and employees. Furthermore, it regulates all conduct and relations between said groups and with external groups.

Disciplinary measures have been established for those breaching the provisions of the code, following an investigation conducted by a team of impartial experts headed up by the Compliance area, which will propose the appropriate corrective measures.

The Code of Ethics and Conduct can be found at the corporate website and is provided to each employee when joining the company. In 2018 a total of 5,193 employees underwent training in the Code of Ethics and Conduct.

Seeking to partner with other international companies to support ethics and integrity, Prosegur is a signatory and proponent of the “Code of Conduct and Ethics” of the International Security Ligue and recognises the “Code of Conduct and Ethics for the private security sector” from the Confederation of European Security Services (CoESS).

## Pillars of the Code of Ethics and Conduct







## Whistleblowing Channel

Prosegur has a Whistleblower Channel available to enable any person, regardless of whether they form part of the group or not, to report any conduct that may contravene the Code of Ethics and Conduct, as well any potential human rights violations, illicit behaviour, and any financial and accounting irregularities. This channel can be accessed by going to the corporate website and completing the form available there.

The Internal Audit Division confidentially reviews all the submitted reports and forwards them, as appropriate, depending on their type and severity, to the division responsible for their due response, investigation and resolution. Based on conclusions drawn from the investigations, appropriate measures will be adopted at Audit Committee meetings when company intervention is required.

During 2018 a total of 18 violations of the Code of Ethics and Conduct were reported via the channel.

17 PARTNERSHIPS  
FOR THE GOALS



Seeking to promote sector development, improve quality standards and drive more advanced public policies to support sustainable development,

Prosegur engages in industry dialogue via memberships of associations and organisations. The main international organisations to which the company is adhered include the International Security Ligue, the Confederation of European Security Services (CoESS), the European Security Transport Association (ESTA), the Asian Cash Management Association (ACMA), the ATM Industry Association (ATMIA), the Aviation Security Services Association – International (ASSA-I) and United Nations Global Compact. Likewise, at the local level Prosegur is adhered to leading industry organisations in countries within its footprint.

### 2.3.1. Due diligence with regard to human rights

Prosegur diligently complies with its duty to foster respect for human rights as an inalienable aspect of its activities. The company channels resources and effort into enshrining respect for the rights listed in the Universal Declaration of Human Rights (UDHR), adopted by the UN General Assembly, within its practices and procedures, as well as the recommendations of the United Nations Global Compact, of which it is a signatory since 2002.

This commitment goes beyond compliance with the laws and regulations of the territories in which Prosegur operates, and, in particular, offers a stronger protection framework in countries where the state's ability to safeguard human rights is limited. For several years now, the company has been working with a view to adopting the principle of due diligence to define the internal control

elements necessary to optimise the management of this matter and, with it, to be able to state that everything possible is done to encourage good practice and to prevent, detect and eradicate irregularities in the area of human rights.

Likewise, within the framework of the Prosegur management system, formal policies and procedures have been established to prevent and mitigate potential human rights violations. This system forms part of the organisation's global risk management, for which reason the critical risks are identified, and the management of them is assessed and supervised through a set of key indicators in each market. Depending on the type of risk and its relevance, appropriate procedures are established to prevent, detect, avoid, mitigate, offset or share the effects of its possible materialisation.



**Risk management and control system**

**Whistleblowing channel**

**Human Rights due diligence processes**

**Training**

**Other Human Rights policies and procedures:**

- > Corporate Responsibility Policy
- > Prosegur Cash Code of Ethics and Conduct
- > Occupational Health & Safety Policy
- > 3P HR Decalogue
- > 3P Security and Associated Policies Decalogue
- > 3P General Procedure for Reporting

## Prevention and control measures

### POLICY FRAMEWORK:



Various policies and procedures combine to serve as the first barrier of prevention and control in human rights matters: Code of Ethics and Conduct, Corporate Responsibility Policy, Discrimination and Harassment Complaints Procedure, Whistleblowing Channel Procedure, Health and Safety Policy, among others.

### WHISTLEBLOWING CHANNEL:



Through this method, the company enables employees and third parties to report any human rights violations that may arise, in a confidential and anonymous manner. During 2018 Prosegur received no reports of any human rights violations via its Whistleblowing Channel.

### SUPERVISION:



The supervision of human rights matters is based around a solid structure. The Audit Committee of the Board of Directors is responsible for reviewing any related matter through periodic reports.

### SPECIFIC TRAINING:



Human rights are integrated into the various training courses carried out from the areas of Human Resources and Compliance. In addition, mandatory training plans for operating staff include sessions on critical issues such as the use of force, gender violence, cultural diversity and human rights in the company.







Seeking to maintain an efficient focus on human rights management, in 2018 Prosegur introduced a due diligence process, additional to those already in place, with the following aims:

<p><b>Goal I:</b></p>	<p><b>Identifying and prioritising</b> risks related to human rights.</p>
<p><b>Goal II:</b></p>	<p><b>Review of</b> policies and procedures for human rights management, with a corporate and local focus.</p>
<p><b>Goal III:</b></p>	<p><b>Identifying opportunities to improve</b> both prevention and mitigation.</p>

The project, which was implemented by a prestigious third party, adhered to leading international directives and documents in the field. Additionally, an analysis was made by a specialist independent consultancy of the human rights impact on the company activity, defining the degree of connection with each matter, its possible internal and external causes and the potential effect. Throughout this process, improvement opportunities were identified that were associated with the management of risk prevention and/or control mechanisms found in the implementation process.

## 2.4. Environmental management

Prosegur is conscious of how its activities impact the environment. The company therefore establishes policies with environmental management commitments and objectives in all businesses and countries within its footprint, seeking to minimise any impact and guarantee compliance with applicable environmental legislation in each region.

The company has a **3P Global Environmental Management Policy**. Each business division fosters compliance with the requisites established under standard ISO 14001. This represents a differentiating factor within the industry, with Prosegur being the first Spanish security firm to obtain said certification, both for the Security and Cash businesses. Prosegur is certified in Argentina, Colombia, Spain, Peru and Portugal.

As well as the environmental strategy and associated risks, Prosegur evaluates, measures and curtails the environmental impact linked to its activities in each country, while ensuring consistency with operational profitability. Likewise, it raises awareness among employees in terms of caring for the environment, by transmitting good practices to foster sustainable development. Furthermore, the company ensures that efforts in this field are driven by all employees, by including

environmental awareness modules in its online and in-person training range.

Additionally, in line with efficiency policies adopted in other areas, Prosegur makes responsible use of materials and seeks to reduce all waste generation, nurturing a culture of environmental responsibility at the company and a commitment to minimising the environmental footprint of its activities.

### Impacts currently measured



Prosegur's commitment to combating climate change is made manifest in efforts to quantify and control consumption and, therefore, carbon dioxide emissions. It is continuously driving energy efficiency at delegations and bases, performing contracted power analysis to adjust the same to real power usage at facilities, as well as overhauling lighting equipment to cut power use and associated costs.

As for waste management and consumption control, Prosegur implements control measures on consumption and waste generation in all countries where it operates. Subsequent waste management is always performed by an authorised waste management operator, pursuant to prevailing legislation in each country. As for use of natural resources, Prosegur implements monthly controls over usage levels for a range of materials, as well as measures to reduce the same, which include awareness raising campaigns among employees.

<b>CO<sub>2</sub> Emissions (Tons) 2018</b>				
	<b>Prosegur Security</b>	<b>Prosegur Alarms</b>	<b>Prosegur Cash</b>	<b>Total</b>
<b>Direct</b>	34,340	14,668	95,182	144,190
<b>Indirect</b>	2,786	721	12,556	16,063

<b>Consumables 2018</b>				
	<b>Prosegur Security</b>	<b>Prosegur Alarms</b>	<b>Prosegur Cash</b>	<b>Total</b>
<b>Water</b>	51,261 m <sup>3</sup>	16,763 m <sup>3</sup>	328,937 m <sup>3</sup>	396,961 m <sup>3</sup>
<b>Paper</b>	137 tons	29 tons	426 tons	592 tons

<b>Waste generation (Tons) 2018</b>				
	<b>Prosegur Security</b>	<b>Prosegur Alarms</b>	<b>Prosegur Cash</b>	<b>Total</b>
<b>Hazardous</b>	27	16	149	192
<b>Non- Hazardous</b>	161	49	1,325	1,535



### 3. Business performance and results in 2018

- 3.1. Key figures for the year 55
- 3.2. Economic and financial results in 2018 57



## 3.1. Key figures for the year

Prosegur is a business group that provides services in all of its business lines in Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, El Salvador, Spain, United States, Philippines, France, Guatemala, Honduras, India, Mexico, Nicaragua, Paraguay, Peru, Portugal, Singapore, South Africa, Turkey and Uruguay. It thus provides comprehensive services to customers via an ever expanding geographic presence, with a twin focus: global scale and local specifics. The company continued its inorganic growth strategy via 10 operations completed in 2018. The group moved into new markets including: the United States, in security; Turkey, in Alarms; the Philippines and Central America in Cash.

MORE THAN  
**167 thousand**  
EMPLOYEES



More than 1,000 employees  
with disabilities



**+EUR 15MM**

INVESTED IN  
START UPS AND  
INNOVATION

**EUR 3,939MM**

TOTAL  
SALES



8.0% growth in  
local currency  
terms



**25**  
COUNTRIES

8 new countries  
added to the  
operations perimeter

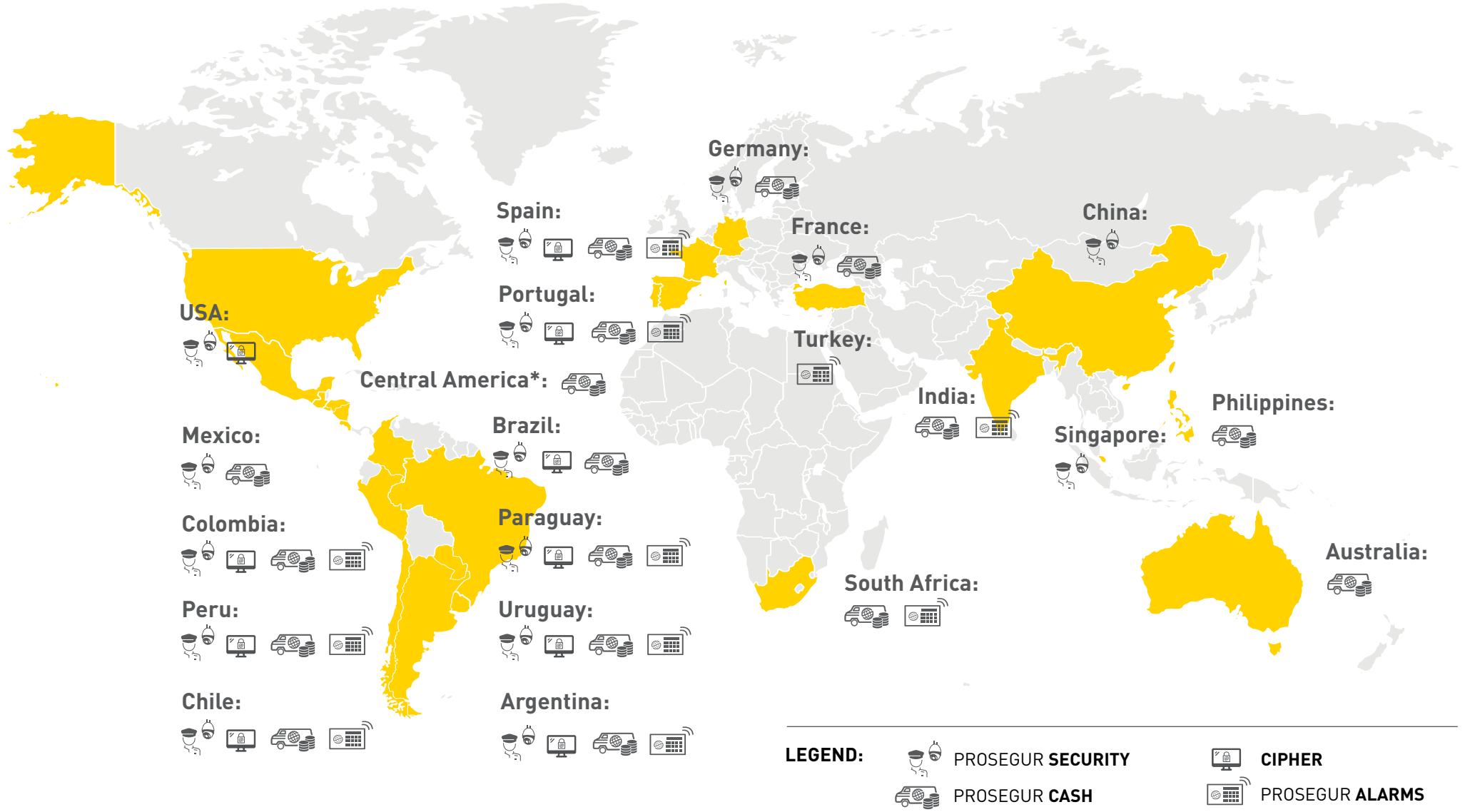
PROSEGUR  
FOUNDATION

**+43 thousand**  
BENEFICIARIES

**10**

M&A  
OPERATIONS  
COMPLETED

## International presence in 2018



\*Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.



## 3.2. **Economic** and financial results in 2018

Prosegur posted net profit of EUR 180 million in 2018. This figure represented a decline of 18.3 percent compared to 2017. Profit attributable to shareholders stood at EUR 132 million in the period, which is 23.2 percent less than in 2017. Including operations under the corporate restructuring plan in 2017, net profit alone

showed a decline of 9.2 percent, while consolidated net profit was down 12.0 percent.

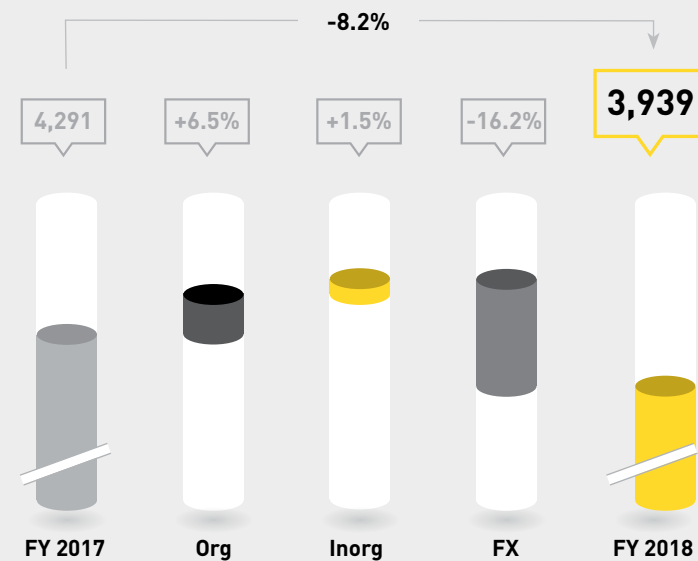
2018 was shaped by sharp currency devaluation in Latin America, as well as the application of IAS 21 and 29 after Argentina was declared a hyper-inflationary economy.

Despite these factors, Prosegur reported solid 8.0 percent growth in local currency terms, which partly offset the difficulties posed by Latin American currencies. Thus, Prosegur reported revenues of EUR 3,939 million in 2018, representing a decline of 8.2 percent compared to 2017.



### Consolidated sales

(in millions of euros)



As for profitability parameters, the full-year EBIT margin stood at 7.7 percent, down from 9.1 percent in 2017. EBIT stood at EUR 301 million, while in 2017 it amounted to EUR 392 million. Meanwhile, EBITDA was EUR 456 million compared to EUR 522 million in 2017.

Amid a severely adverse macroeconomic climate, the company's cash generation reflects managerial efforts to counteract the negative

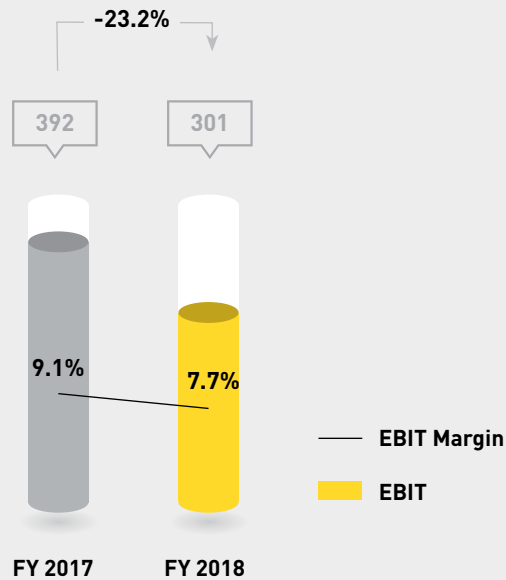
impact had by currencies. Operating cash flow in 2018 stood at EUR 343 million, improving nearly 4 percent compared to 2017. This means an EBITDA-to-cash conversion ratio of over 75 percent, indicating the success of financial discipline policies, as well as working capital management models.

Finally, group net financial debt expanded EUR 173 million compared to year-end 2017. Said

amount therefore stands at EUR 425 million, ensuring that debt held at a low ratio of 0.9 times net financial debt-to-EBITDA. Prosegur has also driven down the average cost of debt by close to 60 basis points, shifting from 2.23 percent to 1.65. Said debt optimisation has allowed the group to cut finance costs by more than 50 percent.

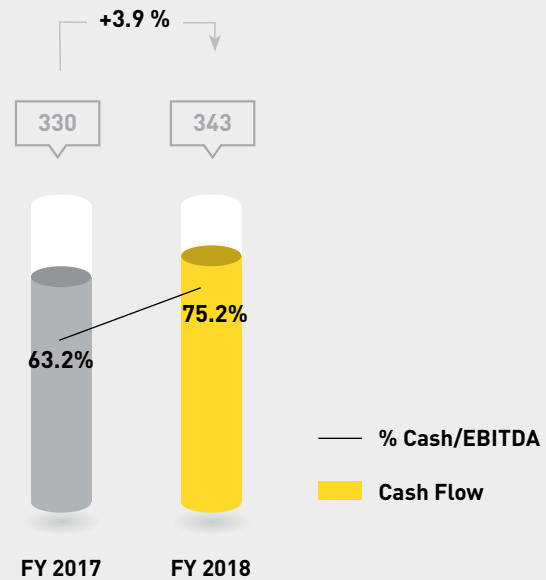
### EBIT

(In millions of euros)



### Cash generation

(In millions of euros)



## Key results for the period



### Sustained Growth

**EUR 3,939 MM**  
TOTAL SALES

**+8%**

- > Total sales 3.939 billion euros
- > 8 percent growth in local currency
- > Inorganic growth in all three businesses



### Macro Impact

- > Results in euros affected by the devaluation of the main currencies
- > Argentina IAS 21&29



### Excellent CashFlow

**75%  
ETBIDA**

- > Operational Cash Flow exceeds that generated in 2017 and reaches a EBITDA to cash conversion ratio of over 75 percent



### Security

- > Strong growth in Spain
- > Brazil: recovery slowed down by election effects
- > Launch of operations in USA



### Alarms

- > Focus on customer quality and reducing the Churn Rate
- > Growth above market trends
- > Launch of operations in Turkey



### Cash

- > Strong business resistance to adverse FX
- > High growths in organic terms
- > High penetration of New Products





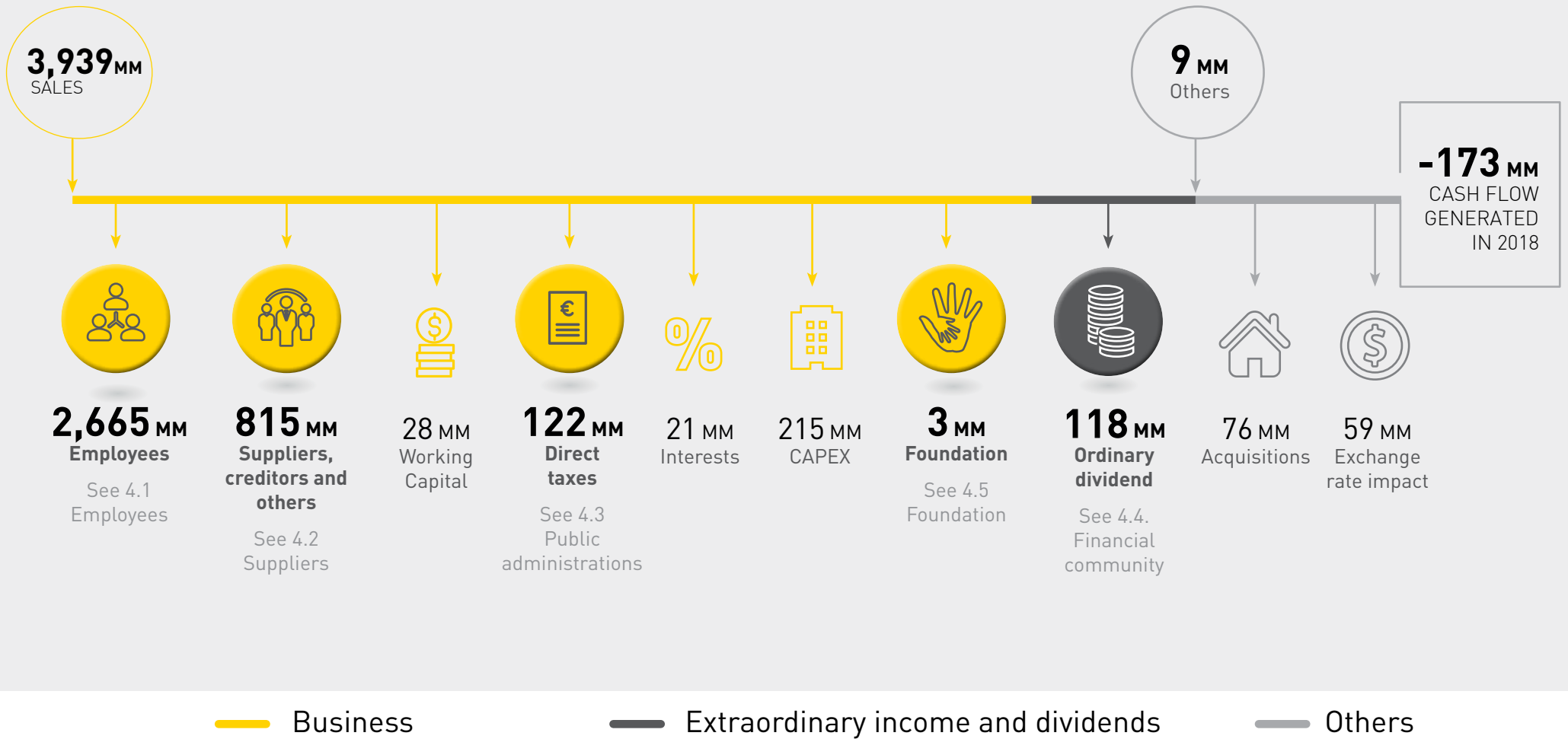
## 4. Creation of stakeholder value

4.1.	Employees	62
4.2.	Suppliers	72
4.3.	Public authorities	75
4.4.	Financial community	77
4.5.	Prosegur Foundation	81





## Social Cash Flow: The value of a group



## 4.1. Employees

### Commitment to talent

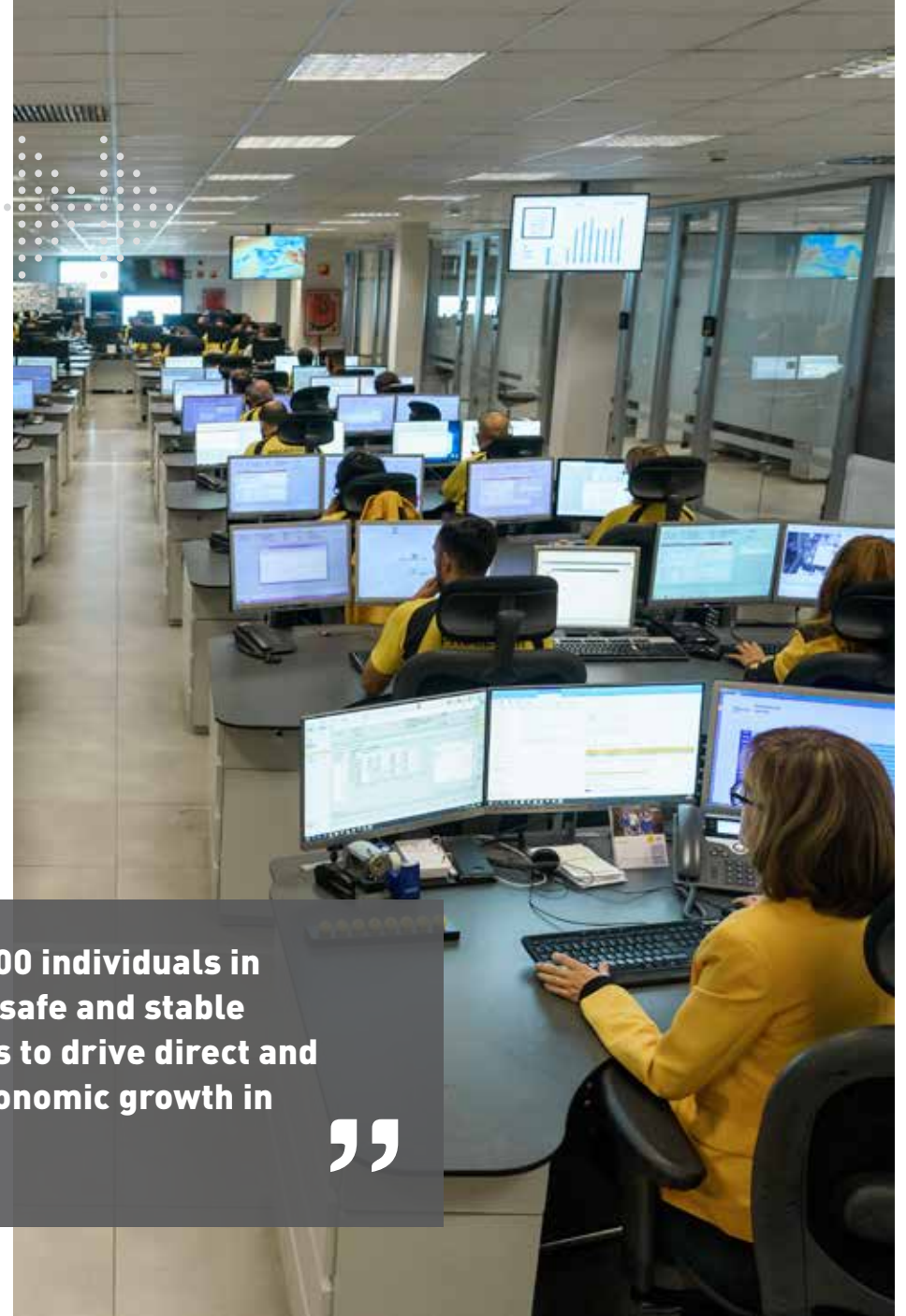
Prosegur steadfastly believes that proper oversight of talent and individual employee success is a key requirement to creating value and securing the organisation's overall objectives.

During 2018 Prosegur launched a new Talent Plan to help drive a culture of two-way communications, meritocracy and talent development. The plan is structured to include multiple factors that assist each employee's comprehensive development and enhance their experience at the organisation.

“

**Prosegur employs more than 167,000 individuals in 25 countries, to whom it provides a safe and stable work environment. It likewise helps to drive direct and indirect job creation, supporting economic growth in multiple regions.**

”



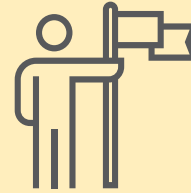
# 1 Employer Branding



# 2 Recruitment & Onboarding



# 3 Leadership, Performance & Talent



# 4 Prosegur Corporate University



# 5 Cultural transformation programme



# 6 Compensation & Benefits



# 7 Employee experience



## Talent management in Prosegur – success factors

 <p>Recruitment</p>	<p>Efficient policies and processes to achieve an ideal combination of technical and professional competences and personal values that represent the company (honesty, responsibility, emotional balance and psychological maturity).</p>
 <p>Training</p>	<p>Firm commitment to the training of employees in different key areas for the performance of their duties and their personal and professional growth, through innovative tools.</p>
 <p>Development</p>	<p>Initiatives that reward excellence and good performance of the duties of the different job profiles in the company and that continuously monitor the evolution of each employee.</p>
 <p>Dialogue</p>	<p>Platforms and internal communication channels that facilitate cascade-style communication and homogenization of information at branch office level and the cascading of objectives, strategic plans, messages, etc. in a clear and efficient manner.</p>



The Talent Plan was activated in 2018 and made progress in several areas:



**Agile methodologies:** A series of methodologies have been transferred, adapted to Prosegur's needs over a range of projects, with the aim of driving cultural transformation through new ways of working.



**Leadership model:** Initiatives were run with teams at the global level and in each individual country, based on workshops on the Leadership Model (skills and conduct) that the company is set to use as of 2019 for performance assessment, individual talent plans, as well as adopting the foremost training and development methods.



**Oracle Implementation:** Use of technology tools (Oracle) to develop new talent processes (performance assessment, development, etc.).



**Prosegur Corporate University and digital training:** Implementation of a new digital platform to boost the Prosegur Corporate University and its training catalogue.



8 DECENT WORK AND ECONOMIC GROWTH



Prosegur supports compliance with Goal 8 by making contributions to the economies within its footprint, and by establishing a working environment that respects and promotes employee development. As a result, a large part of the company revenue is distributed as wages, salaries and employee benefits. This distribution has a direct impact on GDP and employment in the various countries. Another field of action and contribution is the protection of labour rights and the promotion of a safe work environment, within the framework of several occupational health and safety programmes. The company's objective is to achieve "zero accidents", by strictly complying with the labour risks prevention policies, training programmes, technological tools and monitoring mechanisms. In addition, Prosegur guarantees labour inclusion and decent work for all groups through the Labour Inclusion Plan for Persons with Intellectual Disabilities or the Talent Plan.



## Labour relations

Prosegur manages labour relations on a local basis, factoring in the specifics of each market and, above all, the legislation of each country. In accordance with the Universal Declaration of Human Rights (UDHR) and applicable law in the countries within its footprint, the company respects the right to freedom of association and collective bargaining of its employees, while also promoting dialogue with the same.

Our willingness to dialogue with unions is constant and essential. The company holds regular meetings with all the legitimate representatives of the workers, listening to them, sharing information and seeking common goals. Pursuant to the provisions of EU Directive 2009/38/CE and Act 10/1997, in 2014 Prosegur set up a European Works Council, a body that promotes cross-border co-operation between the company and employee repre-

sentatives, while holding constructive dialogue within the European sphere. Of particular note here, is that the European Works Council met on 21, 22 and 23 November 2018 at Prosegur's central headquarters in Madrid, Spain. Said meetings discussed aspects such as absenteeism, general group information, investments made and anticipated, as well as other topics of interest.

As per 31 December 2018, more than 16 percent of the workforce belong to unions, while affiliation to collective bargaining agreements stands at 71 percent of all employees. It is worth noting that these figures are higher than the average for the main companies in the sector. Said agreements include measures to drive occupational health and safety standards, as well as improve working conditions, information, and much more.

Trade union representation	Total
Number of employees who are members of trade unions	27,219
Percentage of employees who are members of trade unions	16%

Collective bargaining agreements	Total
Number of employees covered by a collective bargaining agreement	119,855
Percentage of employees covered by a collective bargaining agreement	71%

“ **71** percent of employees covered by a collective agreement ”

## Equality Plan

The percentage of female employees continues to grow thanks to efforts made in recent years, with the proportion reaching 16.3 percent of all employees.

As an essential means of ensuring equality between men and women, Prosegur has an Equality Plan. Under the same, Prosegur commits to eradicating any direct or indirect discrimination on the basis of gender and, in particular, any discrimination associated with maternity, paternity, assumption of family obligations and marital status. The scope of the Equality Plan is limited to Spain, based on compliance with Organic Law 3/2007. The main measures of the same are as follows:

- › Workforce information and awareness-raising concerning measures to ensure work-life balance.
- › The inclusion in all job vacancies of the gender equality commitment.
- › Inclusion of the Equality Plan in the organisation's Intranet.
- › Contribution from the Equality Plan and the Harassment Protocol to Works Councils/staff delegates.
- › Inclusion of a copy of the Equality Plan and the Harassment Protocol, as well as prohibited conduct in the labour environment, for every 100 employees in service.



## Accessible training for everyone

Continuous training of the Prosegur team is one of the pillars around which the group's distinctive range of services is built, while also supporting the empowerment and personal and professional development of employees. Altogether, 2.3 million hours of training were provided in 2018, which is an average of close to 16 training hours per employee. The training includes topics such as: Code of Ethics and Conduct, Information Security, Prevention of Occupational Risks, etc.

Via its online platform, the Prosegur Corporate University, Prosegur offers a virtual space where professionals can share knowledge, understand the company's values, develop their talents and drive specialisation based on a shared culture. This online platform, which was set up in 2006 and optimised in 2018 with the introduction of Cornerstone (an e-learning platform that incorporates collaborative tools and learning metrics), Prosegur offers a distinct and heterogeneous catalogue of courses as part of its employee professional development plans, which

may vary across the regions to adapt to the needs and requirements of each country and business.

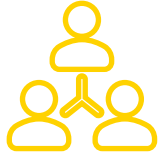
In 2018 the Prosegur Corporate University ran activities in fourteen countries. This year, new training content and functions have been included that allow the University to be an interconnected community that fosters the exchange of knowledge and values characteristic of the company. During said year more than 39,000 employees accessed to the campus, benefiting from around 249,000 study hours.



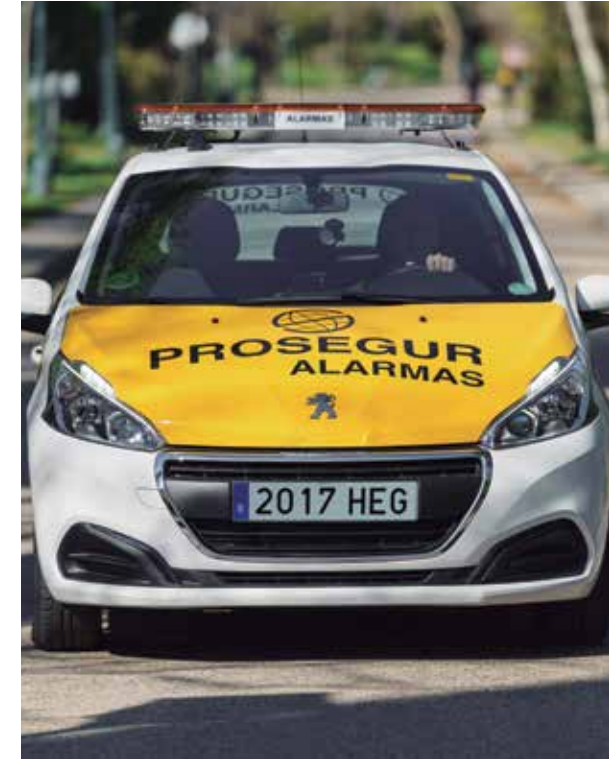
Prosegur's commitment to education has been evident and expanded over time, seeking to empower employees and bolster their skills and opportunities. Through initiatives such as the Prosegur Corporate University, which offers a wide range of training in various areas, the company contributes to the continuous development of its human capital.



## Promotion of internal communication



Internal communication remains a core pillar for the organisation. It is now more relevant than ever, given the ongoing transformation and business environment adaptation at the group. During 2018 Prosegur shaped its dialogue with internal groups around key messages, associated with developing a cohesive internal culture, as well as regarding strategic matters such as new digital trends. The Digital Friday concept was introduced, with talks given by experts in innovation, digitalisation and leadership, helping to promote employee participation and commitment, while also driving a culture of change.



## Workplace Health and Safety



Prosegur works in compliance with industry standards regarding occupational risk prevention. It invests in specific training related to “risks for each activity and job position, emergency measures and inspections” as well as in the analysis of accidents that have occurred in order to adopt measures to mitigate risks. The company strives to ensure that employees work in suitable environments and have the necessary resources to safely do their jobs.

## “Zero accidents” objective



This goal remains a key focus for Prosegur operations, with particular work and effort directed at health and safety prevention, management and monitoring systems. The accident rate in 2018 stood at 2.57 in the Security business, 3.58 in the Alarms business and 3.61 in the Cash business (number of accidents/number of total hours worked per 200,000). Prosegur understands that awareness raising and training in safety matters is essential to prevent and mitigate occupational risks associated with the duties of employees.





### Training

In order to promote individual responsibility amongst workers and foster growth in the culture of work safety throughout the organisation.



**469,115 hours of occupational Health & Safety training.**

During 2018 Prosegur further drove development of its PROCDE tool, which provides notifications of any accidents anywhere in the world across all levels (global, regional and national), ensuring greater control and that effective measures are put in place. Thus, the country's local Health and Safety team provides information on the location of any incident,

### Tracking

Using tools that facilitate exhaustive control of the accident rate, its causes and the events surrounding it. This in turn allows us to apply a cycle of improvements to source conditions and the handling of potential accidents. Furthermore, Prosegur has Health & Safety Committees for regular consulting there on.



**New Global Protocol on the reporting of serious and fatal accidents.**

as well as the date, time and severity assessment (minor, serious or very serious), accident type (attack, traffic, etc.) and a brief description. This entry in the tool will keep the status "open" until the final notification of the closure of the investigation is issued. This procedure allows the company to have first-hand information and accompany employees

### Technological innovation

R+D development in Health & Safety have continued in 2018, with the optimisation of control tools and with special plans for the communication and dissemination of best practices.



**Progress in "zero accidents" company's objective, despite the intrinsic difficulty of the business in which Prosegur operates.**

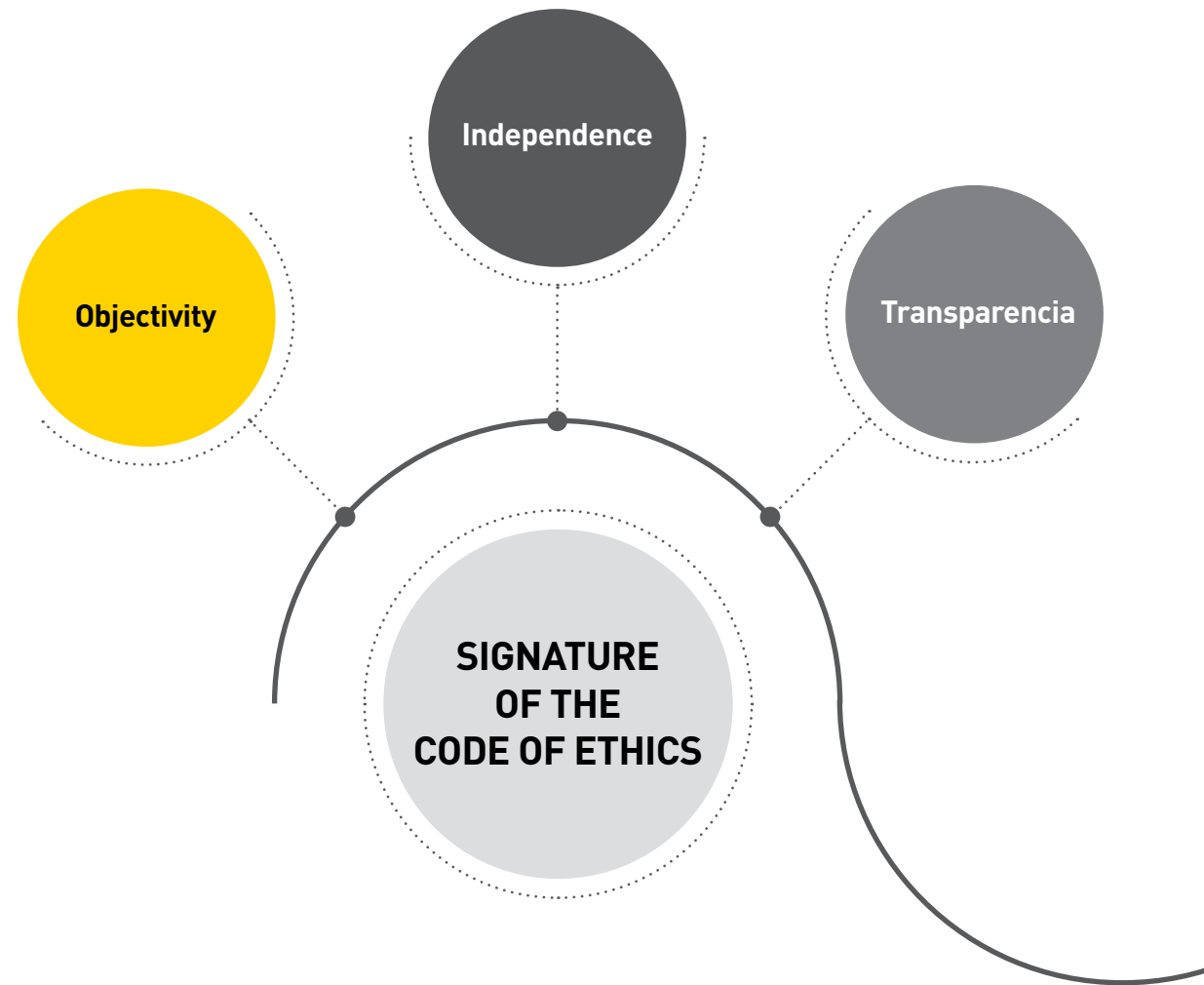
and family members after an incident. Following an investigation and based on the cause analysis information, Prosegur identifies any aspects that can be improved and ensures that corrective measures are implemented, thus driving excellence in the handling of health and safety matters, which represents a priority for the organisation.

## 4.2. Suppliers

Prosegur has a shared Resource Management Division for the various business divisions, which is entrusted with overseeing relations with suppliers and the required procurement. In 2018 the Resource Management Division made further progress in its Strategic Plan, driven by the four areas comprising the same: **Procurement and Supply Chain, Fleet, Real Estate and Services Management.** Progress in the last year focused on seeking management excellence, improved services for customers, transparency and control, and cost efficiency.

Furthermore, in 2018 the Division worked on specific saving plans for southern Latin American countries (Argentina, Chile, Paraguay and Uruguay), and furthered implementation of its saving plan in Brazil, which began in 2017, with the aim of delimiting, controlling and driving down expenditure, thus helping to improve management results.

Supplier management at Prosegur is run in accordance with the Code of Ethics and Conduct, which states that vendor selection must be independent, objective and transparent, with these criteria conciliated with the company's interest in obtaining the best business conditions. In this regard, all suppliers are required to consent to, adhere to and comply with the Code from the moment a contract is signed with Prosegur, in all operations, both corporate and local.

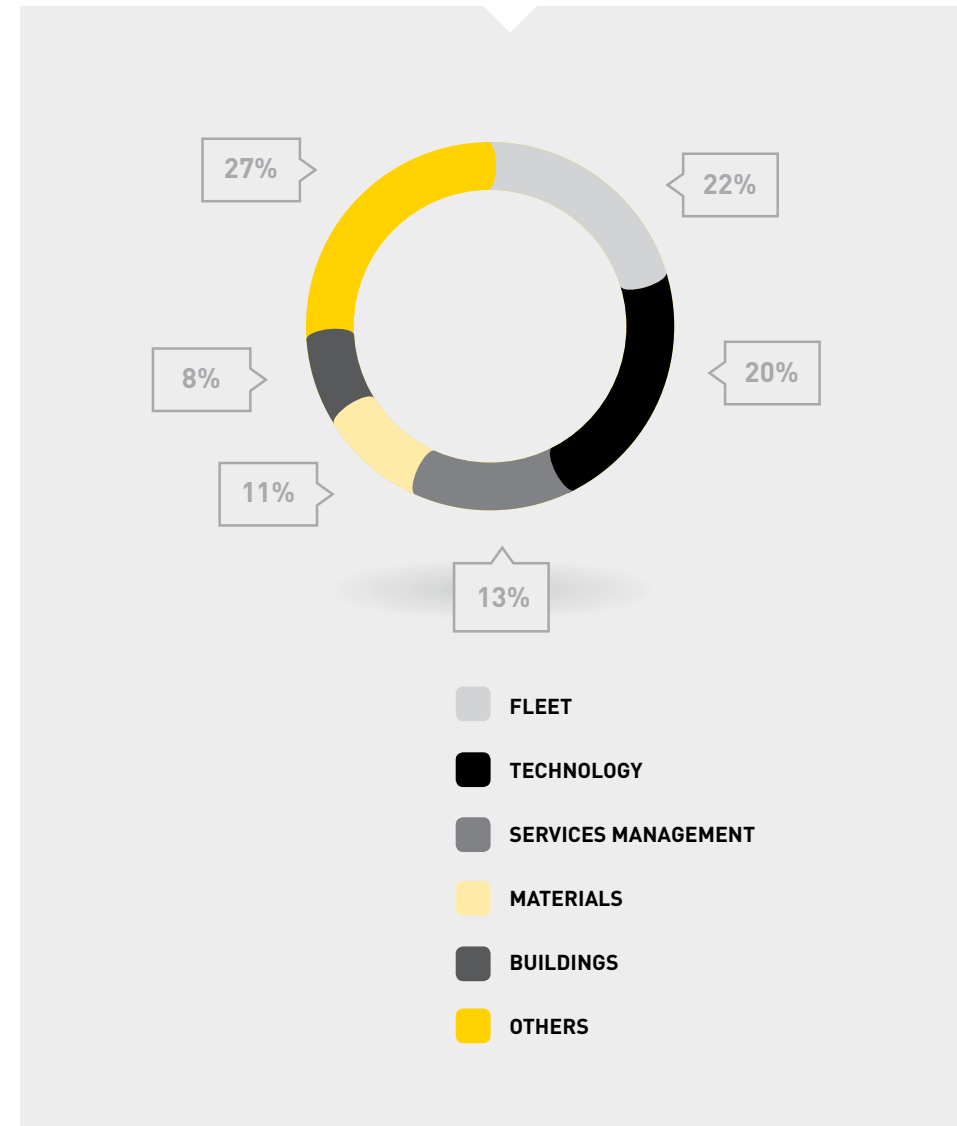


Prosegur currently holds relations with suppliers around the world, including the following:

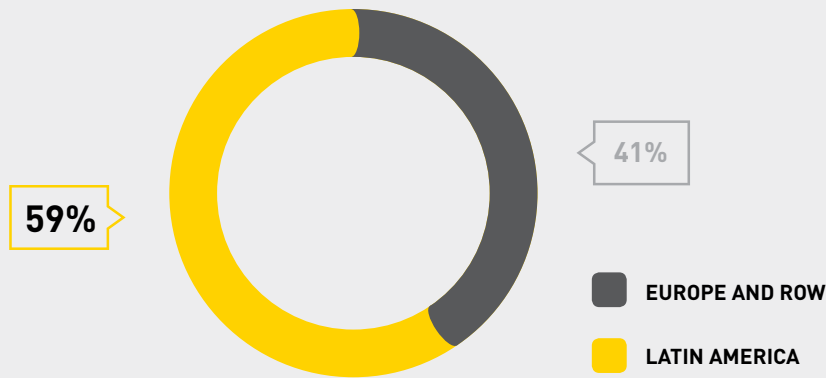
Prosegur Suppliers	
<b>TECHNOLOGY</b>	Technological material and services subcontracting.
<b>FLEET</b>	Fuel, armoured vehicles for cash in transit.
<b>SERVICES MANAGEMENT</b>	Supplies, cleaning, building maintenance, travel, telephony and other
<b>TELECOMMUNICATIONS &amp; IT</b>	Devices, software, hardware and technical assistance.
<b>BUILDINGS</b>	Construction, rental and furniture.
<b>MATERIALS</b>	For the Prosegur Alarms business.
<b>EQUIPMENT AND UNIFORMS</b>	For operation staff.
<b>OPERATIONAL AND MAINTENANCE MATERIALS, MACHINERY</b>	For the Prosegur Cash business.
<b>OTHER SERVICES</b>	External advisors, marketing and training.

The total expenditure managed by the Resource Management Division in 2018 stood at EUR 750 million, distributed across the various procurement types and Prosegur's two regional areas (Latin America and Europe and Asia-Pacific).

### Procurement by type in 2018



## Procurement by region in 2018



“  
**The total expenditure managed by the Resource Management Division in 2018 amounts to 750 million euros**  
 ”

### STANDOUT PROJECTS IN 2018

Standing out among the more than 1,000 specific projects implemented during 2018, led by the Procurement and Supply Chain area, is the launch of Technology, Alarms and IT Procurement and negotiation hubs, as well as deployment of the Electronic Negotiations Tool and digital signatures, with the latter initially being launched in Spain and subsequently been transferred to the remaining markets.

#### Fleet management

Seeking to curb fleet costs, protect the environment and drive progress towards a new mobility concept, the company has launched an internal Carsharing initiative. The initiative comes as part of the company's vehicle mobility transformation project. The aim is to optimise employee operations, facilitate their movement during the course of the working day, and adapt fleet availability based on the needs of each service. Under the system, these vehicles are permitted to drive in zones restricted to zero emissions vehicles, such as those being established under antipollution protocols in the cities of Madrid and Barcelona.

A pilot initiative was conducted in 2018 for the Security and Alarms businesses in the cities of Madrid, Barcelona and Buenos Aires.

## 4.3. Public authorities

Prosegur has established itself as an industry leader present in 25 countries across five continents. The group’s fiscal strategy adheres to the directives of the Organisation for Economic Co-operation and Development (OECD), thus complying with the various recommendations set out in the “Base Erosion and Profit Shifting” BEPS document on efforts to combat tax evasion or erosion, and the practice of shifting profits to re-

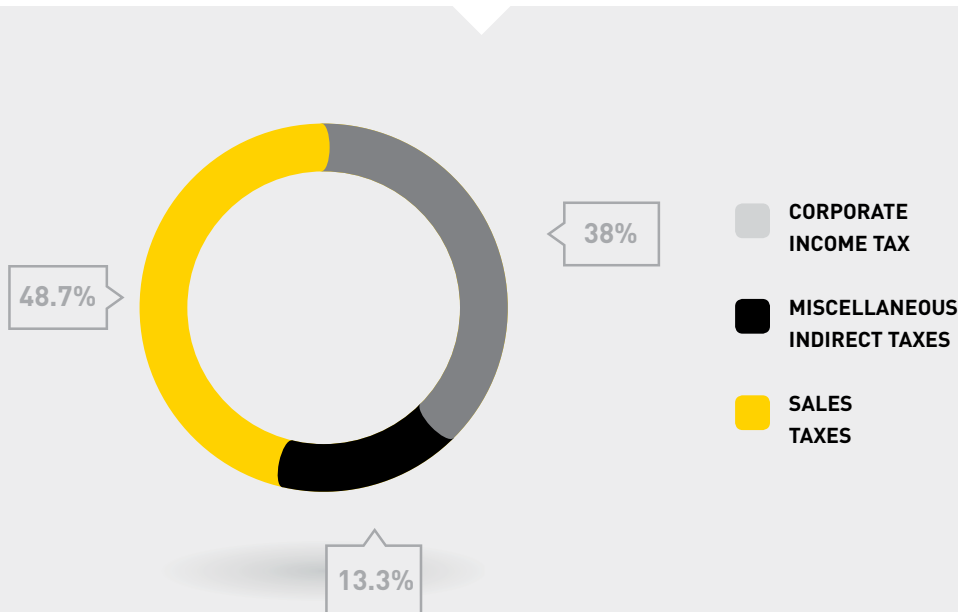
gions with low or nil taxation. Prosegur’s tax rate in 2018 was 35.7 percent, higher than the average for its main competitors.

The breakdown of Prosegur’s tax burden is based on its total tax contribution, which takes into account the taxes paid by the company, value added tax, taxes on employment, and other tax items with the exception of social security payments.

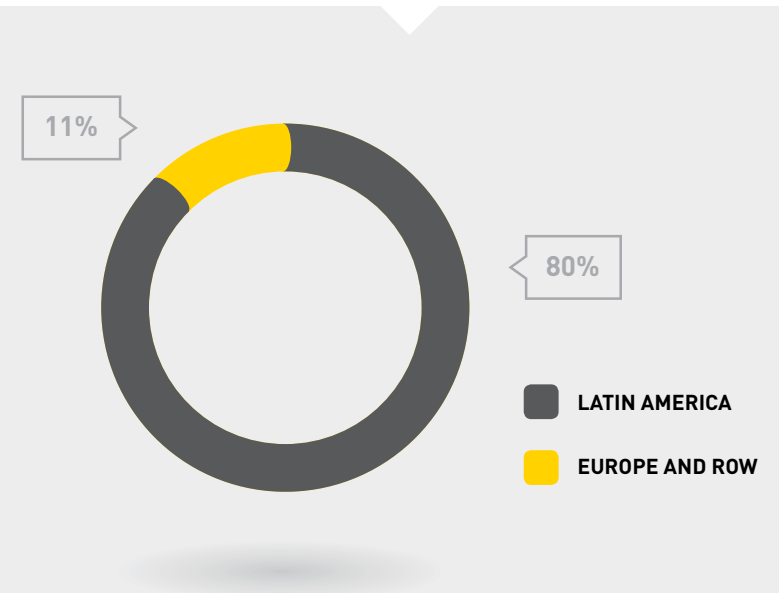
These contributions significantly drive up the total tax contribution made by Prosegur.

In 2018 the type of taxes paid by the company were divided into corporate taxes, sundry indirect taxes and sales taxes. Likewise, Prosegur’s compliance with fiscal obligations extended to tax duties in all markets where it operates, complying with regulations in each country.

**Detail of own taxes in 2018**



**Taxes by region**





Finally, the total tax contribution made in 2018 amounted to EUR 1,042 million.

REGION	2018 (In million of euros)			
	Own taxes	Third-party taxes	VAT	Total
Latin America	234	197	176	606
Europe and ROW	29	117	289	435
<b>TOTAL</b>	263	314	464	1,042

“  
**EUR 1,042MM**  
 tax contribution made  
 in 2018  
 ”



## 4.4. Financial **community**

### Share performance

The year 2018 was shaped by sharp devaluation from the main currencies in the Latin American region: the Brazilian real and, above all, the Argentinian peso.

The good results secured in 2017 extended into the first quarter of the year, driving up the share price from EUR 6.64 at the start of the year to a record high of EUR 6.92 per share, with the Prosegur Cash share also converging with its record peak level at EUR 3 per share.

However, Latin American currencies began to have an impact on the company share price as of the second quarter. Beginning in May the share started to lose value due to uncertainty stirred by elections in Brazil and Argentina's inability to service debt on the markets.

The impact became evident in the second half of the year, when the share price began a

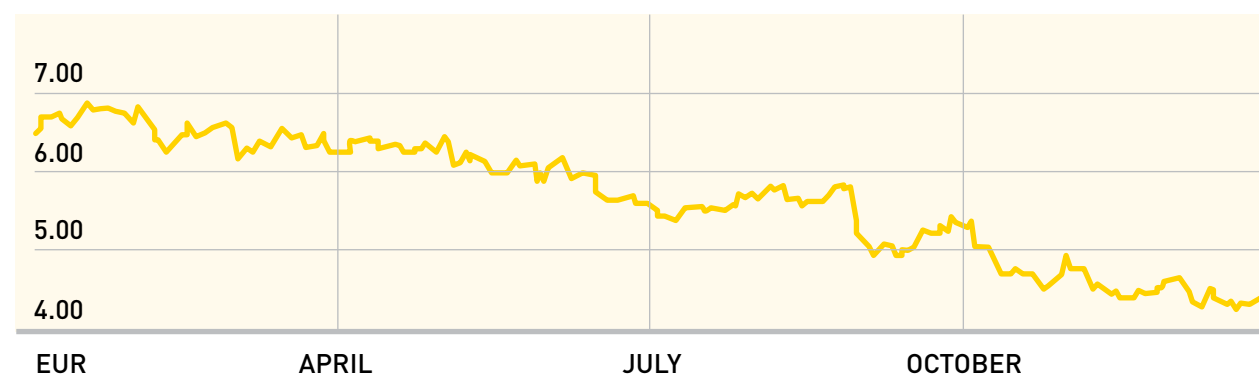
sustained downward trend. Several macroeconomic factors, such as depreciation of the US dollar, weaker prospects for harvest revenue, Argentina's sizeable deficit, and other collateral aspects, depreciated the value of the Argentinian peso by nearly 50 percent. There was also a sharp jump in inflation and interest rates in the country, leading the EMSA and IPTF regulatory bodies to declare Argentina a hyper-inflationary economy, rendering applicable IAS 21 and

29 when reporting consolidated group financial statements.

Market reacts to this flow of news and adverse perspectives and, as a result, the share reached its lowest level for the year in late 2018 at EUR 4.21, and ended the year at EUR 4.42. However, towards the end of the year, following the Brazilian elections and IMF intervention in Argentina, a sustained improvement in the Prosegur share price became evident.

**Prosegur (MSE)** Open: 6.64 | High: 6.92 | Low: 4.21 | Close: 4.42

02/01/2018 - 31/12/2018



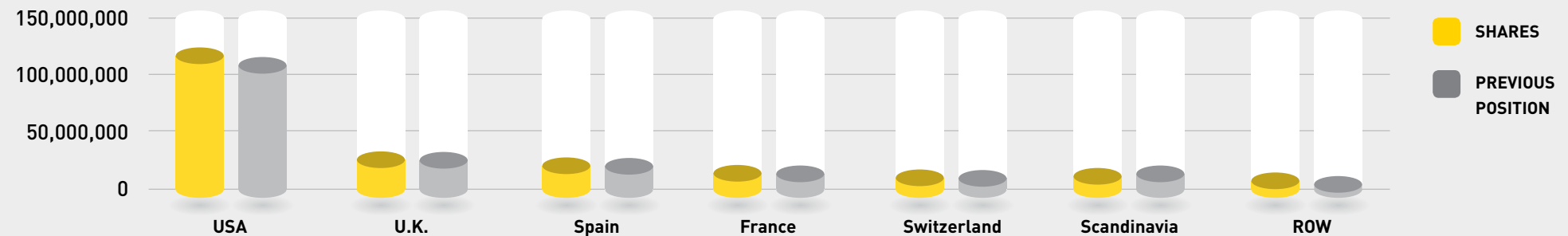
## Main shareholders

The shareholding structure of Prosegur reflects its solidity and stability. As per 31 December 2018, 66.43 percent of the company's share capital was held by significant shareholders. The remaining 33.57 percent was floating capital.

The sizeable presence of shareholders on the Board of Directors enables management bodies to define strategies and make decisions in line with the interests of all shareholders. This solid and stable relevant shareholder base, made up largely

of significant shareholders and institutional investors, provides Prosegur with the ideal conditions to develop its mission and achieve its objectives.

### Geographical distribution of floating capital



<sup>(\*)</sup>31 December 2018.

Given its growth potential and long-term trajectory, Prosegur has always been well received by international investors. A significant proportion of Prosegur floating capital is held in the United States. During 2018 there was a marked increment in shareholdings in the United States, reaching 18.44 percent of share capital. There was also an increase in the proportion of French capital holding Prosegur shares, and likewise Swiss investors.

In contrast, capital sourced from the United Kingdom declined slightly compared to 2017, accounting for 3.69 percent of Prosegur shareholders.

Scandinavian investors also opted to move out of their investments in the company during 2018, with the percentage dipping to 1.37 percent.

There was also a significant sharp increase in Prosegur shareholdings in the Asia Pacific and Latin America regions, which at year-end 2018 accounted for 1.2 percent of the company's floating capital, meaning growth of more than 25 percent compared to previous years.

## Investor relations

Prosegur focuses its efforts on creating value for shareholders. All actions from the company are shaped by the goal of enhancing results and transparency, as well as ensuring rigour and credibility. The Prosegur shareholder and investor relations policy aims to provide direct, personal and stable communication over time. The company has close relations with its shareholders, private and institutional investors, and with the leading stock analysts, to whom it provides detailed information on a continuous basis.

In order to deliver on this transparency commitment, Prosegur uses multiple communication channels such as a quarterly webcast to report results and the Investor Newsletter, in addition to other information bulletins with specific content of interest to the investment community.



**288**

IN PERSON MEETINGS WITH INVESTORS



**82**

TELEPHONE CONFERENCES



**60**

MEETINGS WITH ANALYSTS



**15**

ROADSHOWS WITH INVESTORS



**11**

SECTORIAL CONFERENCES



**6**

VISITS TO OPERATIONAL CENTRES



**8**

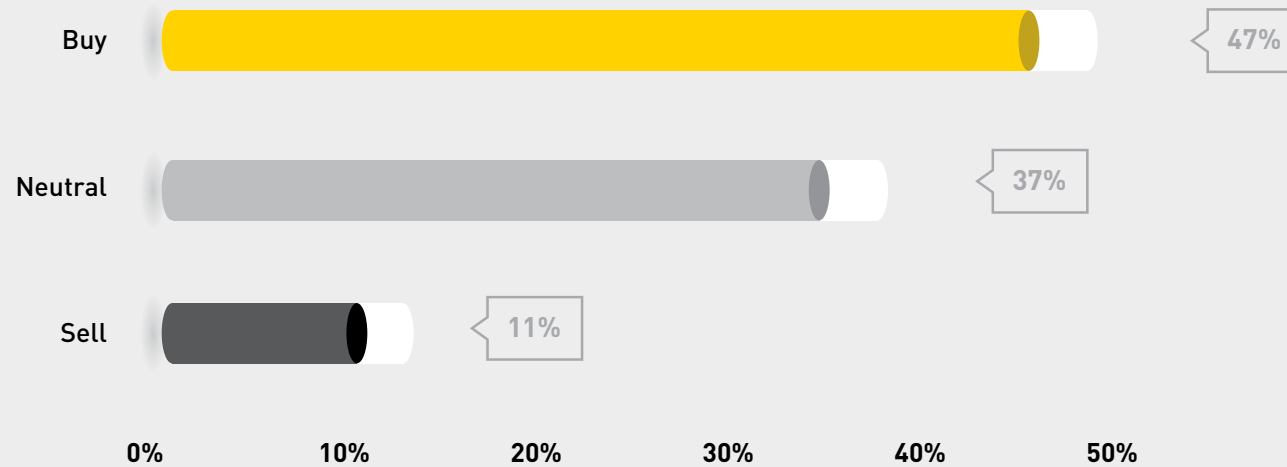
ESG MEETINGS

## Analysts coverage and recommendations

Prosegur share is covered by a total of 19 national and international analysts who, in general, maintain a positive outlook of the company, although a bit more conservative than in 2017 due to the negative impact of the currencies. In this regard, nine analysts

recommend buy, eight analysts offered a neutral recommendation (compared to six in 2017) and just two report a negative assessment and a sell recommendation. Furthermore, then analysts continue to allocate Prosegur a target price of over six euros.

### Analyst recommendations





## 4.5. Prosegur Foundation: the company's social footprint

The Prosegur Foundation plays a particularly central role in Prosegur's commitment to driving the progress of the regions in which it operates: an entity which seeks to generate development opportunities for people and which in 2018 had 43,240 direct beneficiaries in 10 countries. This is an increase of 8 percent on 2017 and has been possible thanks to greater involvement of the company's professionals, the replication of best practices and harnessing synergies in its projects.

With its three main focal points of education, labour inclusion for people with intellectual disabilities, and corporate volunteering, the activities of the Prosegur Foundation aim to generate shared value for the company and society, while making a contribution towards the following United Nations Sustainable Development Goals (SDGs):



Particularly via the Piecitos Colorados development cooperation project run at schools in disadvantaged areas of Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay; and also the Talent Scholarship project, which recognises the academic excellence and hard work of employees and their children via educational grants in 3 continents. It also supports environmental education via new technologies with its Clean Planet programme.



Initiatives are run to help people with intellectual disabilities gain a foothold in the labour market. Among these are the Inclusion Plan implemented at the company's offices (Argentina, Brazil, Chile, Colombia, Spain and Peru) and Document Digitisation Centres, featuring training from experts in these areas, and currently ongoing in Brazil and Spain. The initiative is based on the Supported Employment methodology, backed by advice of experts on such matters, like Fundación Prodis, Fundación Aprocor, Best Buddies, Fundación Discar, Fundación COANIL, Centro Ann Sullivan del Perú and APAE Brasil, etc.



The Foundation promotes the creation of efficient alliances with other service sector companies to obtain synergies that provide a positive social impact. The collaboration with Fundación Créate, Nutrición Sin Fronteras, Fundación Empieza por Educar, Lego Robotix, UWC España and Fundación Amigos del Museo del Prado, within the field of education, or the aforementioned labour force inclusion partners fits into this area.

As well as these programmes, transversal Corporate Volunteering initiatives associated with Prosegur Foundation's various areas of action also help to achieve a more lasting impact. Work in the areas of education and labour inclusion which is sustained over time and carried out by corporate volunteers on the ground, and which contributes to the achievement of SDG1 (End of poverty) and SDG10 (Reduced Inequalities).

### 4.5.1. Impact in 2018

#### QUANTITATIVE

	2018	2017
No. of projects	34	31
No. of beneficiaries	43,240	39,964
Budget (in millions of euros)	3	2.8

#### PIECITOS COLORADOS



- > 46 schools and **5,540 students** have participated in the Piecitos Colorados programme
- > **503 students and 30 teachers** from six different countries have been trained in entrepreneurship skills

#### EDUCATION



- > **1,366 Prosegur Foundation Talent Scholarships** delivered in 9 countries
- > **1,880 participating students** in 'Planeta Limpio' environmental awareness workshops
- > **179 students** from Chile, Spain and Portugal have participated in our summer experience programme

#### VOLUNTEERING



- > **266 volunteering days** developed in eight countries
- > **2.2,871 Prosegur professionals** committed as volunteers

## 4.5.2. Value drivers

The Prosegur Foundation not only has a quantitative impact. Its work also helps to drive qualitative improvements in a number of areas, which are equally important for a non-profit entity with a social vocation. In this regard, in 2018, the Foundation established a series of “drivers” which enable the visualisation of the Foundation’s contribution in terms of value generation for the various different stakeholders. These are the variables analysed under this approach.



- › **Pride in Belonging:** Prosegur’s professionals get involved in the Foundation’s projects, strengthening their commitment to the company and fulfilling their desire to do something charitable. In 2018, satisfaction surveys were carried out with employees volunteering in Colombia and Spain to analyse the impact generated, with responses relating to strengthening of skills and abilities, team work, empathy, [proactivity and pride in belonging, all figuring strongly.



- › **Reputation and Brand:** The work of Prosegur Foundation was recognised in Argentina in 2018 with the following awards: The Transparency and Institutional Award (highlighting the management model based on excellence and best practices) from Federación de Fundaciones; CSR Distinction Award for the “Creativity as a driver for change” project in partnership with the Friends of the Prado Museum Foundation; Social Impact Award for best sustainability practices from Verallia Argentina, also for the art outreach project with the Prado Museum in Mendoza.



- › **Creation of alliances:** The creation of strategic alliances with other service sector companies is vital to the working of the Prosegur Foundation’s model; enabling it in that way to achieve greater impact, to unlock synergies and manage resources more efficiently. All these are factors which affect the conception and development of the most innovative initiatives. Among the new alliances created in 2018, the collaboration with the Asociación Conciencia de Argentina (experts in managing educational programmes in disadvantaged areas) for the monitoring and mentoring of scholarship students in the Piecitos Colorados programme and the work with the Peruvian Institute of Sport (a public body which is part of the Ministry of Education) to systemise the sporting experience of schools in the country’s rural areas.

### 4.5.3. Milestones of the year

#### Towards digital transformation

In line with the digital transformation currently ongoing at Prosegur, in 2018 the Foundation conducted an exercise to reflect on the challenges and opportunities that the fourth industrial revolution is creating in the third sector. An internal analysis process to establish an action strategy that enables the challenges of the digital environment to be addressed in the various phases of its activity:

- 1. Reflection on the new profile of the beneficiaries and identification of their needs**, to adapt and transform the programmes with more innovative approaches.
- 2. Analysis of work flows** to improve the internal processes in terms of efficiency (standardisation and scalability).
- 3. Implementation of tools** that enable more reliable data management and an analysis of this data for decision-making (specific database for Foundation projects).

- 4. Adapting communication to the digital environment** –mixed media, online channels and new formats - to be more agile, achieve greater interactivity with users and obtain feedback from the various stakeholders.

These lines of action - enshrined in the 2018-2020 Strategic Framework - represent a cultural shift in terms of the work performed by Prosegur Foundation and will form the central pillars of its strategy over the coming years.



## Education 4.0

Seeking to adapt to generational change and address the main premise of its transformation process, during 2018 Prosegur Foundation reshaped its training initiatives to converge them with the Education 4.0 concept. A new way of teaching and learning, where in addition to technology, other factors take on special importance such as: personalisation, development of entrepreneurial talent and learning 21st-century skills (like creativity innovation, teamwork, critical thinking and emotional intelligence).

**Spain.** Escuelab summer camps for children aged between 8 and 14 have been updated to include STEM (Science, Technology, Engineering and Maths) content, helping children to actively develop their learning in said subjects, while stimulating their curiosity and capacity for reflection. In addition, the first Summer Entrepreneurship Experience initiative was run for pre-university students, in partnership with the EDEM Business School in Valencia. Through this summer programme, company employees' children will be able to discover



the world of business start-ups and develop skills to help them become professionals in the future.

A new module was added to the Talent Scholarships programme, focused on globalisation and language learning. From 2018, students have the opportunity

to have an international educational experience whilst practising a federated sport. Thanks to the collaboration with the Talent and Sport organisation, students and their families will be assisted to complete all the necessary paperwork to obtain a student grant at a university in the United States.



**Latin America.** As part of efforts to ensure quality education (SDG4), the Prosegur Foundation runs the Picitos Colorados development cooperation project: an initiative that aims to improve the education and quality of life of children from disadvantaged backgrounds in Ibero-America, with school acting as a driver of change.

Involving 46 schools and benefiting more than 5,500 children in 7 countries, during 2018 the project focused on providing tools to give students and teachers access to 21st century skills, thereby helping to narrow the education gap. Of these, the start-up training initiative “Despierta, Crea y Transforma el Medioambiente” (“Wake up, Create and Transform the Environment”), in collaboration with Fundación Créate, particularly stands out. Through its active methodology, students are able to develop

projects from ideas based on an exploration of the environment surrounding them. The learning process - experiential and collaborative - transcends the traditional classroom model, as pupils must go through all the stages of construction of the project: from developing their idea, producing a prototype, analysing resources, creating a brand strategy, right through to presenting their solution in public.

This entrepreneurship initiative involved 503 students and 30 teachers from Argentina, Chile, Colombia, Paraguay, Peru and Uruguay, who built 87 creative solutions to the environmental problems in their communities, which were presented at Innovation Fairs held at their schools. In these events, corporate volunteers acted as team mentors and Prosegur customers as judges.



#### PIECITOS COMES TO THE SOUTH SUMMIT

The “Wake up, Create and Transform the Environment” project culminated in four pupils from the “Alfred Nobel” school in rural Uruguay travelling to Spain to take part in the South Summit startup event: the best known innovation and entrepreneurship platform in southern Europe, which connects start-ups with investors. Registered in the “Kids” division, the children from the Picitos project made an elevator pitch to present their “Bajavolumen” (“Lower the volume”) project to reduce noise pollution in cities through a collaboration app.

## A year of charity

The number of Prosegur employees taking part in the Volunteering activities that the company carries out in eight different countries, increased 60 percent on 2017. A total of 2,871 employees were actively involved in the 266 charity days held in Spain and Ibero-America, linked to education in disadvantaged communities, the labour inclusion of people with intellectual disabilities or the transfer of knowledge, both professional and life experience.

This increase was driven by decentralisation and the innovative approach taken by the initiatives, and will certainly have generated stronger pride of belonging among the staff who showed their charitable spirit in joining the “Valor del Amarillo” (Value of Yellow) movement:



- > **Volunteering for inclusion:** The volunteering days where employees and their families participate and form teams with people with disabilities, aims to increase awareness of diversity and drive the social integration of this group. New activities were added to the traditional sporting ones in 2018, and new geographic areas, both in Spain and Ibero-America were also included. Standing out among this year’s original inclusive initiatives were the geocaching games run in Zaragoza and Barcelona, a cultural scavenger hunt in Bogota, and cooking competitions held in Bilbao, Valladolid, Buenos Aires and Belo Horizonte (Brazil).

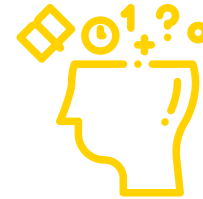


### INCLUSIVE CAMINO DE SANTIAGO

In partnership with Fundación Deporte y Desafío, in 2018 the Prosegur Foundation organised the first inclusive Camino de Santiago expedition, in which employees from several branch offices in Spain walked 100 km of the famous pilgrimage route with disabled people. A pilgrimage divided into five stages, which was marked by a spirit of friendship and the overcoming of obstacles, and which thanks to teamwork of those involved ensured the achievement of a key objective: encourage a more inclusive society for people with different abilities. It was a unique experience for the volunteers, who learnt “a lesson about strength, life and overcoming obstacles”.



- › As a result of the close ties between the workforce in Latin America and the schools taking part in the Piecitos Colorados project, a team of **Charity Ambassadors** was set up in Argentina: an initiative developed by the Security business line, in which a total of 90 operational employees have already participated as volunteers. Once these employees have undertaken their charitable activities at the school, they then take on the responsibility of publicising the Foundation's work in their various branch offices.

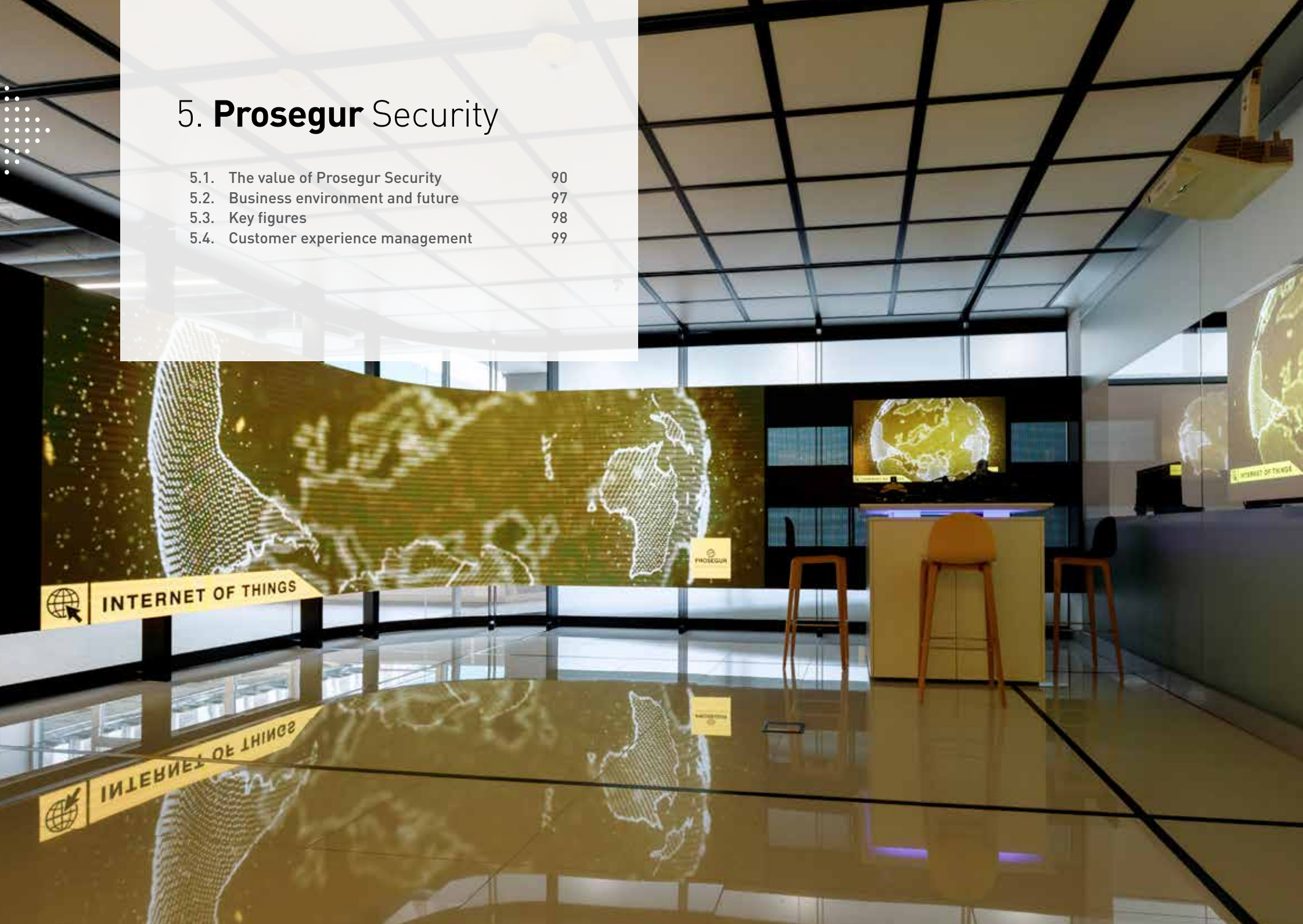


- › **Volunteering to drive the transfer of knowledge.** Thanks to the talents of Prosegur staff, training days have been held to take security know-how to those who most need it. Workshops have also been held on accident prevention and safe environments in Brazil; road health and safety activities in Colombia and the "Prosegur Week" in Peru, to demonstrate the work of the company's various businesses in the schools in the Piecitos Colorados project. In addition, in Argentina and Spain, professionals from various different areas, helped introduce measures aimed at improving careers advice and the motivation of young students from disadvantaged backgrounds. The goal: to share personal and work experiences to help young people in their future development.



## 5. Prosegur Security

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## 5.1. The value of Prosegur Security

Prosegur Security, the Prosegur business line encompassing manned guarding, technology and cybersecurity, provides to its customers integrated security solutions with strong added value, with a design grounded on deep knowledge of each activity sector, and placing the emphasis on the real needs of each project. These solutions are designed based on an initial risk and vulnerabilities analysis, providing a better gauge of the existing level of security and helping to identify improvement opportunities.

Prosegur Security projects are based on planning that ranges from the design stage through to implementation, and subsequently covers the entire lifecycle. Each solution is based on the combination of highly qualified human resources with state-of-the-art proprietary technology, ensuring

the efficacy of the resources employed, improved security levels and process standardisation.

Integrated security solutions are adapted to the realities of each activity sector, while being incorporated within the customer value chain and helping to drive improved service quality. The result is a security product with strong added value and that is optimised for the customer's requirements. Prosegur Security, thanks to its expertise and proven experience in security, represents a guarantee of excellence, efficiency and efficacy. The company places the customer at the heart of its strategy, providing them with support through all stages of the process: analysis, study, consultancy, planning, implementation, management, coordination and supervision of processes and procedures.





The customer-centric Prosegur Security project targets are as follows:



- > Identifying the real requirements of the sector and the specific customer.
- > Empathising with the customer's needs and objectives, seeking to build a relationship of trust and manage their expectations.
- > Seeking operating excellence with a solution grounded on their requirements, while guaranteeing efficiency and quality.
- > Integrating the solution within the customer's value chain.
- > Executing efficient implementation, with maintenance and monitoring to ensure a lasting solution that is updated over time.
- > The integral solution is presented in a single offer and executed in a single contract, provided that prevailing legislation in the country so permits, meaning optimal procedural management for the customer.

During 2018 the Prosegur Security business registered a positive performance in the markets of Spain and Portugal. Singapore also stood out, with exponential improvements to business figures. While elections

in Brazil curbed the margins recovery in said market. Internationally, the most significant event of the last quarter was the company's entrance into the United States, the largest private security market in the world.

Prosegur has made several acquisitions in physical security, technology and cybersecurity, helping to focus Prosegur Security's growth in this market via the development of integrated security solutions.

## Prosegur Integra

Prosegur Security's range of solutions is based on the Prosegur Integra concept. The company thus adds value to the services that it provides, ensuring greater security levels and allowing customers to adapt security services to their specific needs.

**Prosegur Integra** has enjoyed strong take-up in mature markets. During 2018 an expansion plan into emerging markets was launched, driven by a sales force training plan and efforts to strengthen technological security system deployment, maintenance and monitoring capabilities in those countries where the same was deemed necessary.



## Principal goal of Prosegur Integra

To be one of the chief drivers of change to transform the existing business model



### FOR THE CLIENT

- › Improving service quality
- › Maintaining or reducing existing budgets
- › Avoiding budget growth through investments in technology
- › Gauging service effectiveness
- › Generating digital management data
- › Optimising the value of investment in security



### FOR PROSEGUR

- › Competitive differentiation
- › Improved business margins
- › Consolidating long-term contractual relations
- › Competing and avoiding customer loss based on pricing
- › Demonstrating global operating quality
- › Generating real and tangible value for the value chain
- › Implementing differential transformation products

## Main Prosegur Security services



### Security consulting

#### Audits and Emergency Management

- > Security Audits and Assessments
- > Emergency and Assessments Management (PRL)

#### Projects

- > Equity Security
- > Information Security
- > Business Continuity and Critical Infrastructure



### Internacional security

Prosegur provides and **International Security and Analysis Service**. Prosegur analyses **the risks inherent in specific projects overseas**, conducts security diagnostics and produces geopolitical and security reports on third countries while monitoring identified risks overtime.



### Auxiliary services

Prosegur provides an effective response to the specific needs of its clients by way of multi-sector solutions and **resources, such as receptionists, hostesses, shop and warehouse auxiliaries, inventory controllers, fire safety and emergency auxiliaries, airport staff, etc.**



### Manned guarding

- > On-site manned guarding
- > Continual manned guarding
- > Cargo tracking and custody
- > Mobil manned guarding
- > Assets and personel location and tracking (Indoors, iTrack))



### Cibersecurity

Prosegur has developed a service line centred on managing cybersecurity, including **prevention, detection, analysis and continuous response to cybersecurity risks.**



### Close protection

Prosegur's **expert close protection officers** are fully qualified, trained and prepared to ensure the security of the protected person in his/her environment



### Drones

Drone Services in a pioneering security service that supplements other services, which Prosegur presents in three modes: **Indoor Drones, Outdoor Drones and Countemeasueres.**



### COMPREHENSIVE SECURITY: SUCCESS CASE STUDY: ONE-NORTH

Prosegur Security and Jurong Town Corporation (JTC) reached an agreement in late 2018 to provide a comprehensive security solution at the One-North business Park, a research and innovation hub in Singapore. The contract had an initial term of five years, extendable by a further five years, during which Prosegur Security has provided and will continue to implement a Prosegur Integra solution at 24 of the facility's buildings. The medium-term objective is to deploy 82 guards in the first

year, with these being reduced to 60 in the second year once the control centre designed by the company is set up.

Prosegur Security will establish a mobile guarding force, which will be active in various timeframes, with a proposal from Drone Services to perform this task currently under study. The company has established a fund of one million Singapore dollars to be invested in the JTC Security Laboratory, the products of which will be tested at One-North, to subsequently be deployed at other properties.

### Cybersecurity

One differentiating factor for Prosegur Security is its standing as a provider of comprehensive security services, including protection against all kinds of risks, both physical and cybernetic. The company's long track record in physical protection at all levels enables it to provide a full-feature security offering. This is particularly beneficial at a time when the

two domains – digital and physical – are converging. Thus, in response to the increasing number and sophistication of cyberattacks, with potential to inflict serious losses on companies, Prosegur has developed a service line focusing on cybersecurity management, including prevention, detection, analysis and continual response to cybernetic risks.



## ACQUISITION OF CIPHER

Towards the end of 2018 Prosegur reached a deal to acquire a majority stake in Cipher, a leading cybersecurity firm operating in North America, Latin America and Europe. This acquisition has been central to driving Prosegur Security's expansion into new regions, as well as consolidating operations in existing markets, with a particular focus on the United States, the world's largest cybersecurity market.

Founded in 2000, Cipher offers a comprehensive range of managed security and security consultancy services. Said range is

based on the experience garnered by an industry-leading security intelligence laboratory, called Cipher Intelligence. The company has also developed a range of consultancy services, which will be integrated with Prosegur's existing skill sets to create a global intelligence division with more extensive and robust capabilities. Cipher has been acknowledged by various consultancy firms as one of the global leaders in managed security services, driven by its two 24/7 operational Security Operations Centres (SOCs).

The company has its own specialist IT security team. As of 2019 this will operate under the Cipher brand, standing ready to respond to any kind of attack. Likewise, it has six SOCs (Security Operations Centres) located in Brazil, Colombia, Spain, United States, Paraguay and Portugal. It is officially certified as a Computer Emergency Response Team (CERT), while also holding ISO 27001 standard certification. These standards guarantee that the cybersecurity team is ready to respond to any threat to businesses in digital environments. As a CERT-certified company, Prosegur can immediately and

efficiently respond to cyberattacks in an organised manner. The team likewise holds leading industry certifications: CISM (Certified Information Security Manager), CRISC (Certified in Risk and Information Systems Control), CISC (Certified Information Systems Control), CISA (Certified Information Systems Auditor), CEH (Certified Ethical Hacker), and more. Prosegur also joined the Forum of Incident Response and Security Teams (FIRST), a leading international network for incident response teams. As a member of FIRST, Prosegur is committed to providing the finest cybersecurity services.

## 5.2. Business environment and future

Security has been a primary necessity of individuals and organisations throughout history. The assets requiring protection have evolved unstoppably, as have the risks and diversity of environments in which society operates, giving rise to new security needs. Furthermore, all organisations seek optimisation and cost streamlining in order to maximise profits and improve competitiveness, without eroding service quality.

Thus, new models are increasingly necessary, incorporating all the opportune factors to achieve a fresh and revolutionary means of providing security. Prosegur is a keen watcher of new security threats worldwide, including those associated with international terrorism and natural disasters. The company is committed to generating prevention systems that help to anticipate such events and provide an optimal response.

### Factors driving changes to the traditional manned guarding model

- > New technological developments
- > New attack models
- > The primary cost saving and investment efficiency objectives of each company
- > The need to create a combined vision of technology and individuals on a unitary basis

In this global scenario, Prosegur Security has identified a series of general objectives, focused on extracting optimal value from new technologies in order to address more exacting customer demands.

### New challenges and needs

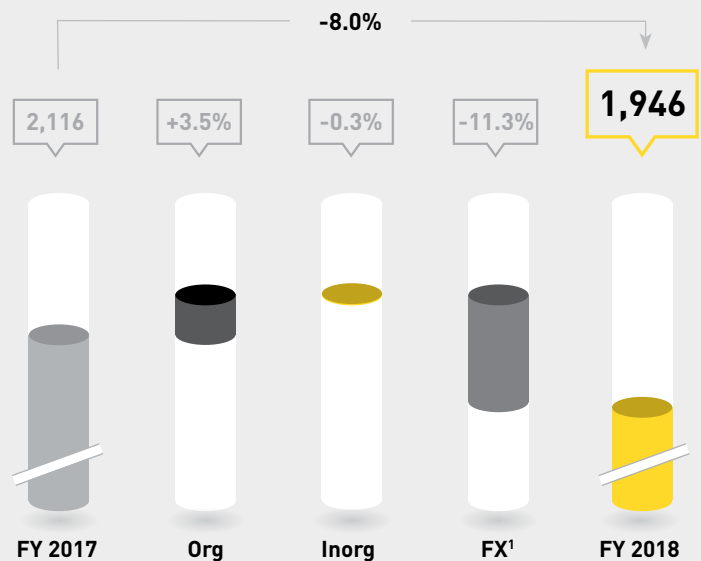
- > The constant need to evolve and adapt business according to technological progress
- > The digital transformation of businesses
- > Comprehensive Security against any type of attack (physical or virtual)
- > Cost containment



## 5.3. Key figures

Prosegur Security posted revenues of EUR 1,946 million, 8.0 percent down on 2017, although in local currency terms there was an uptick of 3.2 percent. Likewise, growing sales of integrated security solutions made a positive contribution during the period, representing 23 percent of total revenues. In terms of profitability, the unit reported EBIT of EUR 54 million, down from EUR 66 million in 2017, while the EBIT margin stood at 2.8 percent.

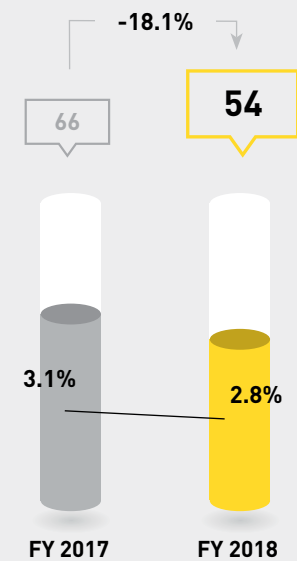
### Sales (In millions of euros)



Optimisation of the customer portfolio caused isolated impairment to organic growth.

<sup>1</sup> Includes FX impact and IAS 21 and 29.

### EBIT<sup>2</sup> & Margin (In millions of euros)



Profitability was affected by the Brazilian economic slowdown and Latin American FX.

<sup>2</sup> Profitability for Security excluding overhead costs.

— EBIT Margin

■ EBIT



## 5.4. **Customer** experience management

Prosegur Security strives at all times to deliver on the expectations of each of its customers and provide personalised care, based chiefly on transparency and a comprehensive 360° model covering all customer requirements.

These values are conveyed by all employees, particularly those in direct contact with customers (sales team, installation technicians, customer care staff and guards).

In recent years a B2B platform has been deployed to monitor the company's main customers, which account for around 40 percent of total turnover for the business unit. The aim is to ensure that all requirements are duly addressed, while providing the required levels of traceability.

Likewise, Prosegur Security has driven the development of the CEM Customer Experience platform, launched in 2016, the aim of which is to identify means of further improving service quality.

The top level contact points on the Prosegur Security customer journey include the sales experience, service provision experience and overall experience, each with specific associated indicators

During 2018 Prosegur was selected to provide security services at major events, including the 2018 Copa CONMEBOL Libertadores final held in Madrid, Spain, and the G20 summit in Buenos Aires, Argentina.



## 6. Prosegur Alarms

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## 6.1. The value of **Prosegur Alarms**

Prosegur Alarms provides alarms for homes and businesses. The unit offers high quality services to households and businesses, adapting to the security requirements of each customer. The value

proposition in this business is highly customised, thus generating outstanding service quality. Said quality stands as a determining factor behind the consumer's purchase decision.

Furthermore, Prosegur Alarms holds a distinctive market position relative to competitors, as part of a specialised security group.

### Some of the key services provided by Prosegur Alarms include:



#### **PROSEGUR SMART**

Prosegur Smart a **mobile application** designed to support full interaction between customers and their security system. Customers can use the service to remotely control their alarms, viewing real-time images from their home and having access to information on alarm activity, connections, disconnections, etc.



#### **ACUDA**

The **immediate alarm response service**, known as Acuda, sends a security guard to any location where an alarm has been triggered. The guard will be supported by the Alarm Reception Centre, which coordinates the entire intervention together with police and security forces. Acuda services are monitored and provide very short response times.



#### **HAWKEYE**

This represents an **intelligent security service offering maximum protection at buildings 24 hours a day**, every day of the year. The system guard engages in real-time and permanent interaction with users as they enter or leave their homes, and notifies the police of any incident, thus providing security and peace of mind to the community.

## 6.2. Business environment and future

During 2018 Prosegur Alarms posted organic growth of 18.9 percent, representing faster than average expansion in the industry, despite the slowdown in Argentina. Furthermore, in the final period of the year the company launched operations in Turkey, while also making acquisitions in Paraguay and South Africa.

The goal of Prosegur Alarms going forward is to generate value based on growth and customer loyalty. The business unit builds operations growth around the finest talent, process improvement, productivity and enhanced service quality, with particular emphasis on its Smart application.

Additionally, in markets that represent a good business opportunity based on geographic and demographic factors, the unit will evaluate potential development plans, provided that it can guarantee absolute quality in all services that it offers.

Prosegur Alarms implements a differentiation strategy grounded on the customer experience, driven by quality and service personalisation. The company's goal is to spearhead digitalisation to enhance efficiency and thus extend the customer lifecycle. Thus, Prosegur Alarms remains focused on profitable growth around five key pillars:

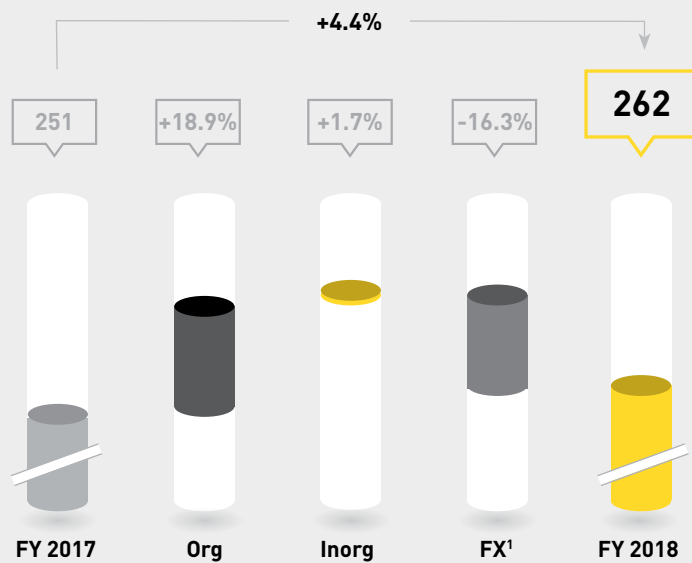


## 6.3. Key figures

Prosegur Alarms recorded sales of EUR 262 million in 2018, up 4.4 percent on the previous year. The unit secured 547,000 connections, representing net total growth of 10 percent compared to 2017.

Furthermore, it doubled the penetration of its Smart platform, which is now used by 15 percent of the entire customer base. Finally, the unit launched a series of initiatives aimed at improving its customer retention rate, portfolio classification and driving process improvement, the impact of which is already being felt in results.

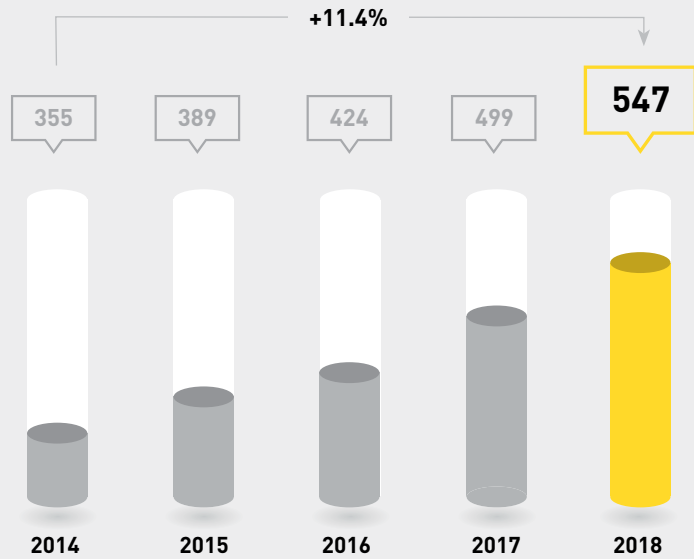
### Sales (In millions of euros)



Constant organic growth in sales of around 20 percent

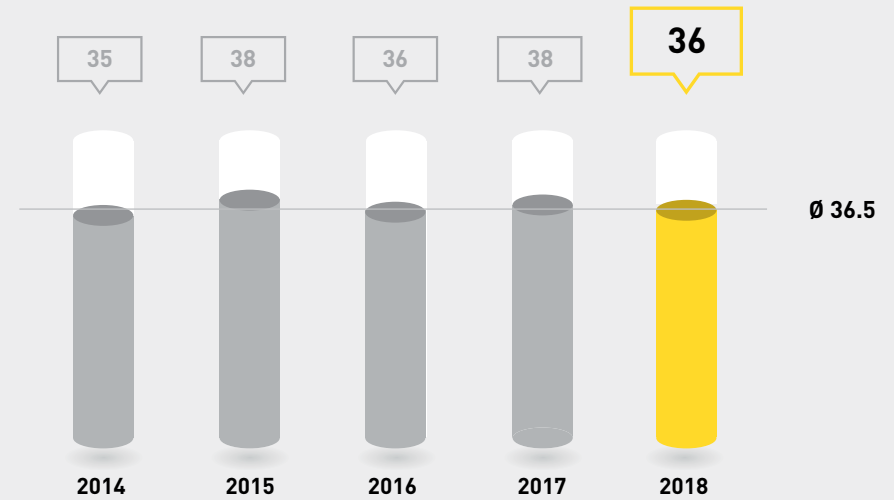


**BTC**  
Thousands of connections



Increase in net connections of 10 percent compared to the same period 2017.

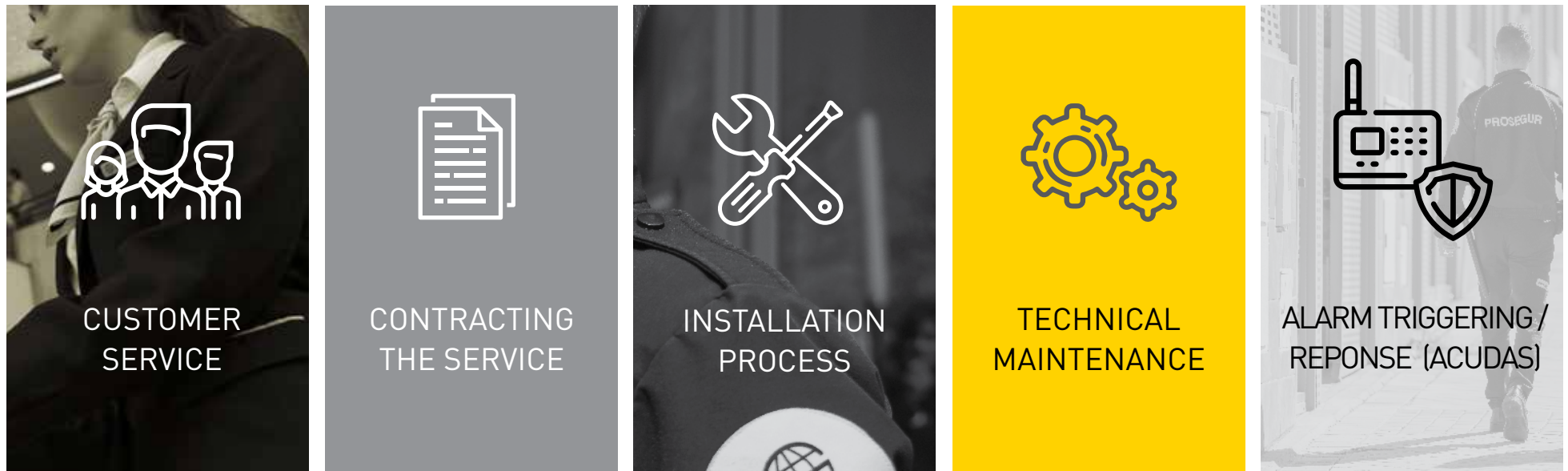
**ARPU (Average Revenue per User)**  
Average income per user in euros



The recurrent monthly fee remains in line with long-term trends, despite an adverse macroeconomic climate in Latin America.

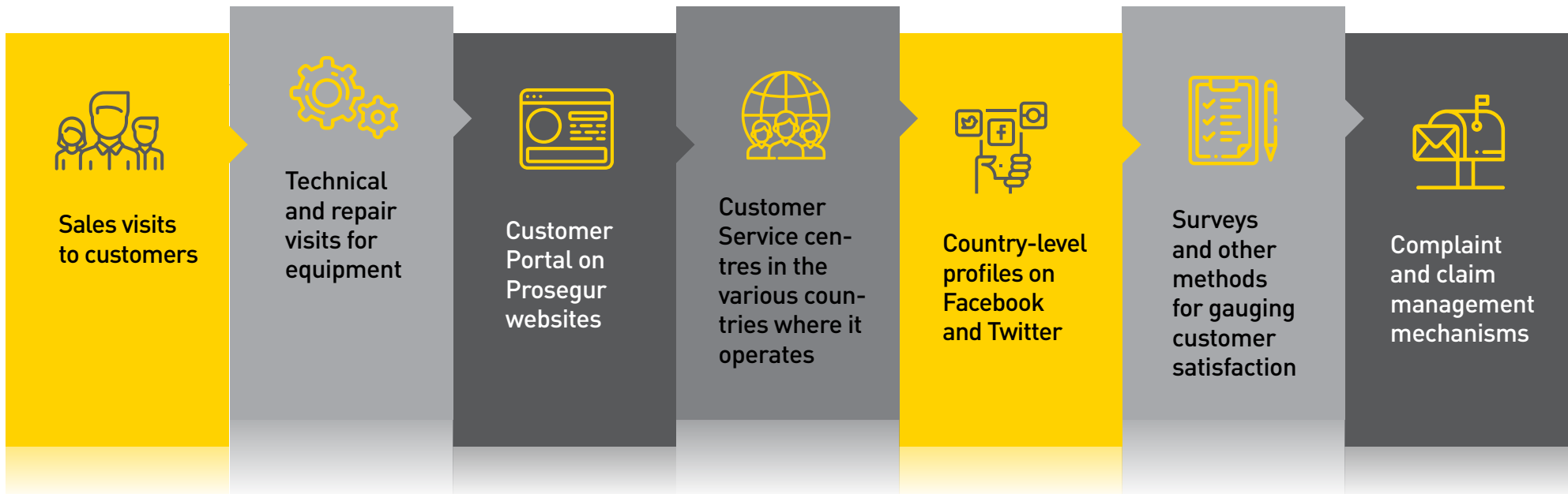
## 6.4. **Customer** experience management

The main objective of Prosegur Alarms is to provide customers with a quality security system based on customisation and reliability. With this in mind, efforts in the business line have been focused on offering to customers the services and processes that they need, with a view to ensuring their full satisfaction at all times. Furthermore, Prosegur Alarms reviews its products and services as part of a continuous improvement process, to enhance the same with new functionalities pursuant to evolving customer requirements. In order to subject services to rigorous quality assessments and drive constant improvement, the company deployed its Right Now tool. This gauges customer satisfaction with services at five different points of contact:





Additionally, Prosegur Alarms services feature multiple resources to ensure two-way communication with customers and address their particular needs. The company has the following active communication channels available



## Progress in 2018

- › **New version of the app and customer portal (Smart):** During 2018 Prosegur further improved its alarm control and management tools, launching a new version of the app and customer portal (Smart). These tools now feature a more attractive design, are more user-friendly and include new functionalities, which can be used by customers to very easily control their alarms from any location.
- › **Genesys Tool:** The Genesys tool has been deployed at the call centre, helping to shorten waiting times and improve customer service, as well as automating processes and streamlining administrative tasks.
- › **Review of the onboarding process:** The entire customer onboarding process has been re-

viewed, ensuring that customers are provided with all the information they require from the very moment they contract their alarm: how it works, automatic access to control and management tools via Smart, user manuals, and more.

- › **Message unification:** The messages sent to customers during alarm events have been unified and improved, with the aim of providing clear and complete information, as well as eliminating any unnecessary action.
- › **Training:** Initiatives have been run to train teams in the appropriate methods for enhancing customer satisfaction, conveying the importance of obtaining information via satisfaction assessment surveys. Last year the NPS response rate doubled.



## 7. About **this report**





## Scope of the Annual Report

The information included in the Annual Report 2018 refers to all the activities carried out by Prosegur Compañía de Seguridad, S.A. and its subsidiaries from 1 January 2018 to 31 December 2018.

The report covers the financial and non-financial performance of the company, as a company specialising in private security services, with a geographic scope that includes the following countries: Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, El Salvador, Spain, United States, the Philippines, France, Guatemala, Honduras, India, Mexico, Nicaragua, Paraguay, Peru, Portugal, Singapore, South Africa, Turkey and Uruguay.

## Benchmark standards

The Annual Report 2018 was drawn up following the principles established in the Guidelines for the preparation of sustainability reports of the Global Reporting Initiative (GRI), version GRI Standard, and therefore covering all the indicators related to the material aspects of the company that were defined in the materiality analysis.

The information contained in this report has also been drawn up in accordance with the following principles:

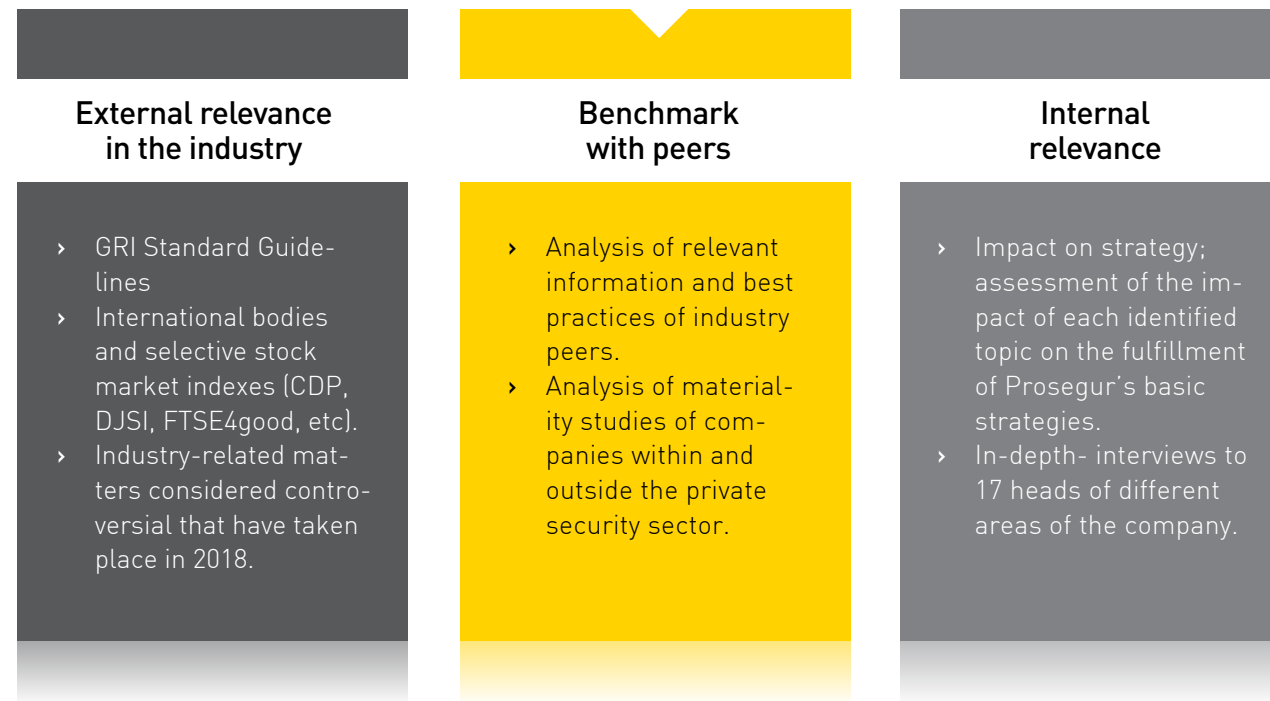
- › Principles to determine the content of the report: stakeholder inclusiveness, sustainability context and completeness.
- › Principles to ensure the quality of the report: balance, comparability, accuracy, periodicity, clarity and reliability.

Prosegur has also used the IIRC Framework (International Integrated Reporting Council) as a reference for drawing up integrated Annual Reports.

## Materiality analysis

Prosegur's materiality analysis derives from the revision and updating of the materiality matrix and the adaptation of the topics to the context and development of the sector and its environment. In this way, the purpose of the company is to identify the most relevant topics for external and internal stakeholders, show their progress and determine the actions that must be taken to continue generating value.

Prosegur has updated materiality taking into account the following aspects:





As a result of this assessment, a list was drawn up with the 18 most relevant topics for Prosegur

## Relevant issues



1. Diversity and equity
2. Ethics and corruption
3. Human Rights
4. Employee health and safety
5. Relationship with customers (trust, quality)
6. Good Governance
7. Risk Management
8. Economic performance
9. Reputation and Brand
10. Reputation and Brand
11. Dialogue with stakeholders
12. Talent management
13. New technologies and digital transformation
14. Environmental management
15. Information security and data management
16. Supply chain management
17. Relationships with the community
18. Labour relations

## 8. ANNEXES





## Annex I - Performance indicators

### Governing Bodies

KPI's	Results
Percentage of women in the Board of Directors	Board comprising 25 percent women
Percentage of independent directors	The Board comprises 37.5 percent independent directors
Percentage of independent directors in the Audit Committee	66.6 percent of members of the Audit Committee are independent directors

### Ethics and compliance

KPI's	Results
No. of complaints for breaches of the Code of Ethics	18
No. of complaints for fraud	12

*The scope of these KPIs covers a 100 percent of the Prosegur group 's workforce.*



## Environmental matters

KPI's	2017	2018	Scope (percentage of sales)
Direct CO2 emissions	Security: 27,796 T Cash: 43,368 T Alarms: 8,473 T	Security: 34,340 T Cash: 95,182 T Alarms: 14,668 T	99% 92% 100%
Indirect CO2 emissions	Security: 2,456 T Cash: 11,908 T Alarms: 714 T	Security: 2,786 T Cash: 12,556 T Alarms: 721 T	99% 92% 100%
MWh electricity consumption	Security: 4,816 MWh Cash: 23,350 MWh Alarms: 1,401 MWh	Security: 12,312 MWh Cash: 53,788 MWh Alarms: 2,815 MWh	99% 92% 100%
Non-hazardous waste managed	Security: 146 T Cash: 506 T Alarms: 83 T	Security: 161 T Cash: 1,325 T Alarms: 49 T	59% 92% 87%
Hazardous waste managed	Security: 62 T Cash: 155 T Alarms: 55 T	Security: 27 T Cash: 149 T Alarms: 16 T	61% 67% 80%
Fuel (millions of liters)	Security: 10.29 Cash: 16.06 Alarms: 3.13	Security: 13.00 Cash: 36.04 Alarms: 5.55	99% 92% 100%
Paper consumption	Security: 62 T Cash: 248 T Alarms: 36 T	Security: 173 T Cash: 426 T Alarms: 29 T	97% 92% 94%
Number of uniforms distributed	Security: 494,805 Cash: 378,632 Alarms: 227,131	Security: 1,438,541 Cash: 235,513 Alarms: 29,005	90% 92% 94%
Water consumption (m <sup>3</sup> )	Security: 58,614,17 Cash: 235,835,21 Alarms: 35,865,30	Security: 51,261 Cash: 328,937 Alarms: 16,763	90% 92% 100%

## Employees

### Social and labor issues

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru
<b>Total summary of employees</b>			<b>31,423</b>	<b>4,193</b>	<b>7,421</b>	<b>5,383</b>	<b>18,193</b>	<b>40,869</b>	<b>10,637</b>	<b>6,875</b>	<b>2,053</b>	<b>2,453</b>	<b>12,453</b>
Gender	Men	113%	24,487	3,459	5,976	4,599	16,320	34,728	8,738	5,638	1,800	2,175	10,884
	Women		6,936	734	1,445	784	1,873	6,141	1,899	1,237	253	278	1,569
Age	Less than 30 years old	108%	4,271	328	987	731	3,039	6,246	2,978	1,660	779	259	3,932
	Between 30 an 50 years old		18,456	2,058	5,175	3,249	11,821	28,555	6,437	3,138	1,227	1,329	7,136
	More than 50 years old		8,696	1,807	1,259	1,403	3,333	6,068	1,222	2,077	47	865	1,385
Professional category	Directors and managers <sup>(2)</sup>	108%	234	18	21	24	132	231	64	29	22	15	47
	Supervisors and coordinators		406	84	58	191	645	911	108	146	124	88	867
	Analysts and administratives		1,721	122	598	167	1,329	2,194	429	445	82	384	802
	Blue collar		29,062	3,969	6,744	5,001	16,087	37,533	10,036	6,255	1,825	1,966	10,737
<b>Number of employees by contract types</b>													
Gender	Men	107%	24,487	3,459	5,976	4,599	16,320	34,728	8,738	5,638	1,800	2,175	10,884
	Indefinite		18,783	2,930	4,062	4,394	16,294	34,642	5,934	4,828	1,794	2,175	3,350
	Temporary		5,704	529	1,914	205	26	86	2,804	810	6		7,534
	Women		6,936	734	1,445	784	1,873	6,141	1,899	1,237	253	278	1,569
	Indefinite		4,671	616	805	735	1,873	6,039	1,201	1,028	249	278	695
	Temporary		2,265	118	640	49	102	698	209	6			874
Age	Less than 30 years old	107%	4,271	328	987	731	3,039	6,246	2,978	1,660	779	259	3,932
	Indefinite/a		1,512	144	119	646	3,032	6,058	1,986	1,136	769	259	460
	Temporary		2,759	184	868	85	7	188	992	524	10		3,472
	Between 30 an 50 years old		18,456	2,058	5,175	3,249	11,821	28,555	6,437	3,138	1,227	1,329	7,136
	Indefinite/a		14,184	1,716	3,642	3,125	11,803	28,555	6,044	2,749	1,225	1,329	2,797
	Temporary		4,272	342	1,533	124	18		393	389	2		4,339
Professional category	More than 50 years old	107%	8,696	1,807	1,259	1,403	3,333	6,068	1,222	2,077	47	865	1,385
	Indefinite/a		7,759	1,686	1,106	1,358	3,333	6,068	1,081	1,970	47	865	788
	Temporary		937	121	153	45		141	107				597
	Directors and managers <sup>(2)</sup>		597	18	21	24	132	231	64	29	22	15	47
	Indefinite		228	17	21	24	132	231	64	29	22	15	38
	Temporary		6	1									
Professional category	Supervisors and coordinators	107%	406	84	58	191	645	911	108	146	124	88	867
	Indefinite		393	84	56	190	645	911	108	132	124	88	498
	Temporary		13		2	1				14			369
	Analysts and administratives		1,721	122	598	167	1,329	2,194	429	445	82	384	802
	Indefinite		1,650	118	300	155	1,329	2,006	350	378	82	384	390
	Temporary		71	4	298	12		188	79	67			412
Professional category	Blue collar	107%	29,062	3,969	6,744	5,001	16,087	37,533	10,036	6,255	1,825	1,966	10,737
	Indefinite		20,750	3,327	4,490	4,760	16,082	37,533	9,387	5,317	1,813	1,966	3,119
	Temporary		8,312	642	2,254	241	25		649	938	12		7,618

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management.



## Social and labor issues

		Scope	Mexico	C. America	Australia	Singapur	China	India	Philippines	USA	Turkey	South Africa	TOTAL
Total summary of employees			3,503	2,010	1,002	1,926	746	8,823	1,106	92	54	6,772	167,987
Gender	Men	113%	2,691	1,644	677	1,620	720	8,704	681	55	41	4,926	140,563
	Women		812	366	325	306	26	119	425	37	13	1,846	27,424
Age	Less than 30 years old	108%	934	675	136	253	263	3,248	828	56	29		31,632
	Between 30 an 50 years old		2,014	1,173	458	616	283	4,806	269	32	25		98,257
	More than 50 years old		555	162	408	1,057	200	769	9	4			31,326
Professional category	Directors and managers <sup>(2)</sup>	108%	33	20	8	8	1	74	8	9	2		1,000
	Supervisors and coordinators		113	64	72	20	23	443	111	21	9		4,504
	Analysts and administratives		185	114	156	65	25	227	2	9	43		9,099
	Blue collar		3,172	1,812	766	1,833	697	8,079	985	53			146,612
<b>Number of employees by contract types</b>													
Gender	Men	107%	2,691	1,644	677	1,620	720	8,704		55	41		134,956
	Indefinite		2,626	1,644	677	1,620		8,704		55	41		114,553
	Temporary		65				720						20,403
	Women	107%	812	366	325	306	26	119		37	13		25,153
	Indefinite		789	366	325	306		119		37	13		20,145
	Temporary		23				26						5,010
Age	Less than 30 years old	107%	934	675	136	253	263	3,248		56	29		30,804
	Indefinite/a		916	675	136	253		3,248		56	29		21,434
	Temporary		18				263						9,370
	Between 30 an 50 years old		2,014	1,173	458	616	283	4,806		32	25		97,988
	Indefinite/a	1,955	1,173	458	616		4,806		32	25		86,234	
	Temporary	59				283						11,754	
	More than 50 years old	555	162	408	1,057	200	769		4			31,317	
	Indefinite/a	544	162	408	1,057		769		4			29,005	
Professional category	Temporary		11				200						2,312
	Directors and managers <sup>(2)</sup>	107%	33	20	8	8	1	74		9	2		992
	Indefinite		30	20	8	8	1	74		9	2		973
	Temporary		3										19
	Supervisors and coordinators	107%	113	64	72	20	23	443		21	9		4,393
	Indefinite		105	64	72	20		443		21	9		3,963
	Temporary		8				23						430
	Analysts and administratives		185	114	156	65	25	227		9	43		9,097
	Indefinite	174	114	156	65		227		9	43		7,930	
	Temporary	11				25							1,167
	Blue collar	107%	3,172	1,812	766	1,833	697	8,079		53			145,627
	Indefinite		3,106	1,812	766	1,833		8,079		53			124,173
Temporary	66					697						21,454	

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

## Social and labor issues

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru
<b>Number of employees by contract types</b>													
Gender	Men		24,487	3,459	5,976	4,599	16,320	34,728	8,738	5,638	1,800	2,175	10,884
	Full time	107%	19,989	2,994	5,350	4,185	16,225	33,025	8,738	5,627	1,803	2,170	10,876
	Part time		4,498	465	626	414	95	1,703		11		5	8
	Women		6,936	734	1,445	784	1,873	6,141	1,899	1,237	253	278	1,569
	Indefinite	107%	5,003	478	1,279	682	1,851	5,791	1,899	1,210	250	278	1,549
Temporary		1,933	256	166	102	22	350		27				20
Age	Less than 30 years old		4,271	328	987	731	3,039	6,246	2,978	1,660	779	259	3,932
	Indefinite		2,076	218	798	633	2,989	5,572	2,978	1,645	779	254	3,911
	Temporary		2,195	110	189	98	50	674		15		5	21
	Between 30 an 50 years old		18,456	2,058	5,175	3,249	11,821	28,555	6,437	3,138	1,227	1,329	7,136
	Indefinite	107%	15,582	1,771	4,702	2,957	11,763	27,279	6,437	3,125	1,219	1,329	7,129
	Temporary		2,874	287	473	292	58	1,276		13			7
	More than 50 years old		8,696	1,807	1,259	1,403	3,333	6,068	1,222	2,077	47	865	1,385
Indefinite		7,334	1,484	1,129	1,277	3,324	5,965	1,222	2,077	47	865	1,385	
Temporary		1,362	323	130	126	9	103						
Professional category	Directors and managers <sup>(2)</sup>		234	18	21	24	132	231	64	29	22	15	47
	Indefinite		226	17	21	24	132	231	64	29	22	15	47
	Temporary		8	1									
	Supervisors and coordinators		406	84	58	191	645	911	108	146	124	88	867
	Indefinite		383	80	58	189	645	911	108	146	124	88	867
	Temporary	107%	23	4		2							
	Analysts and administratives		1,721	122	598	167	1,329	2,194	429	445	82	384	802
	Indefinite		1,674	103	598	158	1,327	1,981	429	445	82	379	801
	Temporary		47	19		9	2	213				5	1
	Blue collar		29,062	3,969	6,744	5,001	16,087	37,533	10,036	6,255	1,825	1,966	10,737
Indefinite		22,533	3,272	5,952	4,496	15,972	35,693	10,036	6,224	1,825	1,966	10,710	
Temporary		6,529	697	792	505	115	1,840		31			27	
<b>Number of employees by types of working day</b>													
Gender	Men		792	201	593	981	1,196	6,802	70	1,300	180	62	1,073
	Women		275	49	230	125	132	1,253	23	167	34	13	179
Age	Less than 30 years old		192	57	230	201	468	1,448	35	729	71	17	587
	Between 30 an 50 years old		657	124	497	696	747	5,479	53	594	138	36	610
	More than 50 years old	107%	218	69	96	209	113	1,128	5	144	5	22	55
Professional category	Directors and managers <sup>(2)</sup>		11	1	2		3	20	2	6	1		3
	Supervisors and coordinators		11	3	6	17	22	198	2	6	11	12	67
	Analysts and administratives		216	10	177	9	285	456	15	52	11	11	69
	Blue collar		829	236	638	1,080	1,018	7,381	74	1,403	191	52	1,113

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

Social and labor issues												
	Scope	Mexico	C. America	Australia	Singapur	China	India	Philippines	USA	Turkey	South Africa	TOTAL
<b>Number of employees by contract types</b>												
Gender	Men		2,691	1,644	677	1,620	720	8,704	55	41		134,956
	Full time	107%	2,691	1,632	348	1,033	720	8,704	55	41		126,206
	Part time			12	329	587						8,753
	Women		812	366	325	306	26	6,119	37	13		25,153
	Indefinite	107%	812	341	117	227	26	5,119	36	13		21,961
	Temporary			25	208	102			1			3,189
Age	Less than 30 years old		934	675	136	253	263	3,248	56	29		30,804
	Indefinite		934	651	33	209	263	3,248	55	29		27,275
	Temporary			110	103	110			1			3,529
	Between 30 an 50 years old		2,014	1,173	458	616	283	4,806	32	25		97,988
	Indefinite	107%	2,014	1,160	236	426	283	4,806	32	25		92,275
	Temporary			13	222	190	58	1,276				5,705
	More than 50 years old		555	162	408	1,057	200	769	4			28,620
	Indefinite		555	162	196	625	200	769	4			2,697
Temporary				212	432						992	
Professional category	Directors and managers <sup>(2)</sup>		33	20	8	8	1	74	9	2		983
	Indefinite		33	20	8	8	1	74	9	2		9
	Temporary											
	Supervisors and coordinators		113	64	72	20	23	443	21		9	4,393
	Indefinite		113	64	62	20	23	443	21		9	4,354
	Temporary	107%			10							39
	Analysts and administratives		185	114	156	65	25	227	9	43		9,097
	Indefinite		185	114	89	65	25	227	8	43		8,733
	Temporary				67				1			364
	Blue collar		3,172	1,812	766	1,833	697	8,079	53			145,627
Indefinite		3,172	1,775	264	1,167	697	8,079	53			133,886	
Temporary			37	502	666						11,741	
<b>Number of employees by types of working day</b>												
Gender	Men		962	45	164	6	1,729	4	10			16,170
	Women		344	3	77		33	9	1			2,947
Age	Less than 30 years old		540	21	46	2	891	12	7			5,554
	Between 30 an 50 years old		667	24	121	3	775		4			11,225
	More than 50 years old	107%	99	3	74	1	96	1				2,338
Professional category	Directors and managers <sup>(2)</sup>		4		2	2	10					67
	Supervisors and coordinators		4	2	27		83	1	1			473
	Analysts and administratives		12		56		69	2	10			1,460
	Blue collar		1,286	46	156	4	1,600	10				17,117

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

## Social and labor issues

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	
<b>Number of new hirings</b>														
Gender	Men		6,405	478	1,560	3,891	2,180	5,077	4,458	2,700	451	174	4,681	
	Women		2,744	117	563	891	410	1,263	1,225	508	109	16	624	
Age	Less than 30 years old		3,582	185	894	1,487	1,247	2,223	2,740	1,605	338	48	2,660	
	Between 30 an 50 years old		4,434	306	1,104	2,452	1,256	3,827	2,717	1,340	215	120	2,420	
	More than 50 years old	107%	1,133	104	125	843	87	290	226	263	7	22	225	
Professional category	Directors and managers <sup>(2)</sup>		28	1		3	8	18	16	7	1	1	4	
	Supervisors and coordinators		46	2	5	12	27	79	27	24	24	8	242	
	Analysts and administratives		1,074	19	415	81	490	510	346	234	39	14	327	
	Blue collar		8,001	573	1,703	4,686	2,065	510	5,294	2,943	496	167	4,732	
<b>Detail of employees by Professional category</b>														
Professional category	Directors and managers <sup>(2)</sup>		234	18	21	24	132	231	64	29	22	15	47	
	Men		205	12	18	23	114	208	46	22	15	12	38	
	Women		29	6	3	1	18	23	18	7	5	3	9	
	Supervisors and coordinators		406	84	58	191	645	911	108	146	124	88	867	
	Men		273	72	44	158	536	761	60	110	105	70	745	
	Women	106%	273	12	14	33	109	150	48	36	19	18	122	
	Analysts and administratives		1,721	122	598	167	1,329	2,194	429	445	82	384	802	
	Men		1,116	64	409	91	890	1,011	141	250	43	256	464	
	Women		605	58	189	76	439	1,183	288	195	39	128	338	
	Blue collar		29,062	3,969	6,744	5,001	16,087	37,533	10,036	6,255	1,825	1,966	10,737	
	Men		22,895	3,311	5,505	4,327	14,780	32,748	8,491	5,256	1,635	1,828	9,637	
	Women		6,167	658		674	1,307	4,785	1,555	5,256	190	138	1,100	
	Professional category	Directors and managers <sup>(2)</sup>		234	18	21	24	132	231	64	29	22	15	47
		Less than 30 years old		4					1	1				37
Between 30 an 50 years old			162	9	15	13	70	163	45	22	16	8	10	
More than 50 years old			68	9	6	11	62	67	18	7	6	7	297	
Supervisors and coordinators			406	84	58	191	645	911	108	146	124	88	867	
Less than 30 years old			14	5	1	5	12	61	7	4	29	3	49	
Between 30 an 50 years old			295	41	47	129	480	720	89	108	85	65	590	
More than 50 years old		106%	97	38	10	57	153	130	12	34	10	20	228	
Analysts and administratives			1,721	122	598	167	1,329	2,194	429	445	82	384	802	
Less than 30 years old			225	10	88	24	181	765	204	105	48	53	262	
Between 30 an 50 years old			1,207	65	428	113	965	1,258	204	281	34	233	479	
More than 50 years old			289	47	82	30	183	171	21	59		98	479	
Blue collar			29,062	3,969	6,744	5,001	16,087	37,533	10,036	6,255	1,825	1,966	10,737	
Less than 30 years old			4,327	313	898	702	2,846	5,419	2,766	1,551	702	204	3,621	
Between 30 an 50 years old		16,006	1,943	4,685	2,994	10,306	26,414	6,099	2,727	1,092	1,035	6,030		
More than 50 years old		8,729	1,713	1,161	1,305	2,935	5,700	1,171	1,977	31	727	1,086		

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

Social and labor issues												
	Scope	Mexico	C. America	Australia	Singapur	China	India	Philippines	USA	Turkey	South Africa	TOTAL
<b>Number of new hirings</b>												
Gender	Men	2.600	128	199	1.033	503	3.323		7	41		39.889
	Women	839	28	77	203	18	48		4	13		9.700
Age	Less than 30 years old	1.436	88	73	222	243	1.933		5	29		21.038
	Between 30 an 50 years old	1.717	66	144	466	240	1.306		5	25		24.160
	More than 50 years old	286	2	59	548	38	132		1			4.391
Professional category	Directors and managers <sup>(2)</sup>	25	3	1			8		2	2		128
	Supervisors and coordinators	25	5	32		3	71		3	9		644
	Analysts and administratives	72	4	24	15	18	80			43		3.805
	Blue collar	3.317	144	219	1.221	500	3.212		6			45.012
<b>Detail of employees by Professional category</b>												
Professional category	Directors and managers <sup>(2)</sup>	33		8	8	1	74		6	2		969
	Men	30		5	7	1	72		9	1		838
	Women	3		3	1		2			1		132
	Supervisors and coordinators	113		72	20	23	443		20	9		4.328
	Men	85		48	15	22	428		15	8		3.555
	Women	28		24	5	1	15		6	1		774
	Analysts and administratives	185		156	65	25	227		9	43		8.983
	Men	95		60	42	8	177		3	32		5.152
	Women	90		96	23	17	50		6	11		3.831
	Blue collar	3.172		766	1.833	697	8.079		53			143.825
	Men	2.481		534	1.556	689	8.027		28			123.728
	Women	691		232	277	8	52		25			20.097
Professional category	Directors and managers <sup>(2)</sup>	33		8	8	1	74		9	2		972
	Less than 30 years old						2					8
	Between 30 an 50 years old	29		3	3		63		7	2		667
	More than 50 years old	4		5	5	1	9		2			297
	Supervisors and coordinators	113		72	20	23	443		21	9		4.329
	Less than 30 years old	12		2	3	4	157		4			372
	Between 30 an 50 years old	90		54	8	14	275		16	9		3.115
	More than 50 years old	11		16	9	5	11		1			842
	Analysts and administratives	185		156	65	25	227		9	43		8.983
	Less than 30 years old	72		35	17	8	133		6	29		2.265
	Between 30 an 50 years old	101		66	32	16	87		2	14		5.585
	More than 50 years old	12		55	16	1	7		1			1.133
Blue collar	3.172		766	1.833	697	8.079		53			143.815	
Less than 30 years old	850		113	233	251	2.956		46			27.798	
Between 30 an 50 years old	1.794		321	573	253	4.381		7			86.660	
More than 50 years old	528		332	1.027	193	742					29.357	

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..



## Social and labor issues

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru
<b>Number of employees with disabilities</b>													
	Number of people with disabilities	92%	306	314	34	194	2	174	33	4			7
	Percentage of people with disabilities		1%	7%	0%	4%	0%	0%	0%	0%	0%		
<b>Number of immigrant employees</b>													
	Number of immigrants on the workforce	98%	1,289	382	140	981	158	19	16	32	25		26
	Percentage of immigrants on the workforce		4%	9%	2%	18%	1%	0%	0%	0%	0%	1%	
	Management hired from the local community	105%	234	18	20	24	131	221	60	29	6	15	44
	Percentage of management hired from local community		100%	100%	95%	100%	99%	96%	94%	100%	27%	100%	
<b>Average compensation (in euros)</b>													
Gender	Men		22,749	28,602	9,705	21,905	12,308	7,343	4,526	11,071	5,403	14,333	7,130
	Women		18,730	22,672	9,635	21,898	13,952	6,467	5,149	10,105	5,411	16,770	7,274
Age	Less than 30 years old		16,382	17,375	8,599	18,690	9,781	5,413	3,809	6,811	4,313	11,901	6,007
	Between 30 an 50 years old		21,843	28,650	5,876	22,133	12,763	7,641	4,949	11,675	5,768	15,378	7,548
	More than 50 years old	106%	23,983	28,667	10,047	23,047	14,174	8,265	4,995	12,599	13,999	14,321	8,324
Professional category	Directors and managers <sup>(2)</sup>		115,320	128,541	61,664	111,758	84,534	52,978	55,423	96,878	53,579	76,502	67,053
	Supervisors and coordinators		49,158	62,975	24,719	46,580	25,344	15,945	16,929	25,756	8,749	23,843	12,349
	Analysts and administratives		22,659	30,971	11,697	29,247	16,165	9,077	8,457	14,928	6,639	18,322	9,429
	Blue collar		20,667	26,306	9,231	20,285	11,062	5,657	3,943	9,939	4,558	12,257	6,298
<b>Trade Union Representation</b>													
	Number of employees affiliated to a trade union organization	100%	5,185	1,250	1,128		2,697	7,176	355	3,879		915	958
	Percentage of employees affiliated to a trade union organization		17%	30%	15%		15%	18%	3%	56%		37%	8%
<b>Collective agreements</b>													
	Number of employees covered by a collective agreement	105%	31,423	3,569	6,926	5,383	15,857	40,869	1,069	5,931	2,053	2,441	958
	Percentage of employees covered by a collective agreement		100%	85%	93%	100%	87%	100%	10%	86%	100%	100%	8%

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

## Social and labor issues

		Scope	Mexico	Central America	Australia	Singapore	China	India	Philippines	USA	Turkey	South Africa	TOTAL
<b>Number of employees with disabilities</b>													
	Number of people with disabilities	92%											1,068
	Percentage of people with disabilities												
<b>Number of immigrant employees</b>													
	Number of immigrants on the workforce	98%	10	5		453							3,536
	Percentage of immigrants on the workforce		0%	0%		24%							
	Management hired from the local community	105%	7	ND	8	7		43		9			876
	Percentage of management hired from local community		21%	ND	100%	88%		58%		100%			
<b>Average compensation (in euros)</b>													
Gender	Men		3,314	ND	85,000	17,443	287,233	1,871		64,531	53,926		13,446
	Women		2,878	ND	65,000	17,314	14,243	3,887		25,071	53,933		12,501
Age	Less than 30 years old		2,592	ND	65,000	16,903	79,054	1,505		25,398	33,533		8,365
	Between 30 an 50 years old		3,459	ND	70,000	17,838	140,065	2,046		84,184	77,869		12,119
	More than 50 years old	106%	3,367	ND	85,000		82,364	2,286		139,158			16,442
Professional category	Directors and managers <sup>(2)</sup>		40,884	ND	98,806	122,761		16,184		175,319	191,268		75,389
	Supervisors and coordinators		10,016	ND	61,933	43,603	9,000	3,728		68,715	70,298		21,927
	Analysts and administratives		6,837	ND	45,692	29,701	28,196	4,596		40,135	35,125		14,885
	Blue collar		2,351	ND	36,939		264,280	1,599		23,510			11,639
<b>Trade Union Representation</b>													
	Number of employees affiliated to a trade union organization	100%	2,761	ND		315		600					27,219
	Percentage of employees affiliated to a trade union organization		79%	ND		16%		7%					
<b>Collective agreements</b>													
	Number of employees covered by a collective agreement	105%	2,761	ND		315		300					119,855
	Percentage of employees covered by a collective agreement		79%	ND		16%		3%					

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru
<b>Social and labor issues</b>													
<b>Total number of training hours <sup>(1)</sup></b>													
Gender	Men	106%	403,894	53,537	37,995	59,468	293,774	48,191	198,591	110,519	30,426	13,616	27,866
	Women		93,977	13,257	10,039	9,202	50,721	17,952	37,351	10,730	2,978	1,698	3,954
Professional category	Directors and managers <sup>(2)</sup>	106%	987	1,231	25	42	1,435	4,449	437	878	388	223	282
	Supervisors and coordinators		8,830	314	128	1,410	8,305	8,611	3,784	3,068	1,914	831	1,479
	Analysts and administratives		31,440	326	4,985	1,653	12,485	19,292	16,576	9,039	1,355	1,802	1,975
	Blue collar		456,613	64,923	42,896	65,565	321,887	33,792	215,146	108,264	29,748	12,458	28,114
<b>Total number of hours of training imparted on human rights <sup>(1)</sup></b>													
Gender	Men	58%	2,220		1,233		41,705		5,686		2,012		891
	Women		355		302		4,631		1,270		980		22
Professional category	Directors and managers <sup>(2)</sup>	58%			13				2		1		
	Supervisors and coordinators				35				11		111		
	Analysts and administratives				370		11		208		142		
	Blue collar			2,575		1,118		46,325		6,735		2,737	
<b>Investment in training</b>													
	Investment made in employee training (millions of euros)	105%	5,610	1,640	0,260	2,550	0,548	2,423	0,101	0,298	0,063	0,081	0,451
<b>Number of employees receiving regular evaluations of performance and professional development</b>													
Gender	Men	52%	1,939	87	214	4,599					1,259		9,284
	Women		885		132	784					104		1,022
<b>Percentage of employees who receive regular evaluations of performance and professional development</b>													
Gender	Men	52%	8%	3%	4%	100%					70%		85%
	Women		13%		9%	100%					41%		65%
<b>Number of employees who received a maternity or paternity leave</b>													
Gender	Men	106%	1,164	53	238	150	1,117	1,004	225	87	95	59	368
	Women		333	29	70	44	5,445	320	77	97	9	8	92
<b>Number of employees who returned to work after their termination due to maternity or paternity ended</b>													
Gender	Men	100%	539	49	186	147	1,117	1,004	225	87	95	58	368
	Women		151	32	52	24	5,445	320	77	97	9	8	92
<b>Number of employees who returned to work after the end of their maternity or paternity leave and who continued working for 12 months after returning to work</b>													
Gender	Men	94%	539	47	154	147	1,117	896			95	45	368
	Women		151	32	8	24	5,445	243			7	7	92

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

## Social and labor issues

		Scope	Mexico	Central America	Australia	Singapore	China	India	Phillipines	USA	Turkey	South Africa	TOTAL
<b>Total number of training hours <sup>(1)</sup></b>													
Gender	Men	106%	21,157	ND	3,500	22,168	12,784	479,664		85			1,817,235
	Women		6,681	ND	1,000	2,575	64	7,296		75			269,550
Professional category	Directors and managers <sup>(2)</sup>	106%	903	ND	125	268		4,032					15,705
	Supervisors and coordinators		1,142	ND	400	589		24,144					64,948
	Analysts and administratives		1,400	ND	500	224		14,112					117,163
	Blue collar		24,393	ND	3,475	23,662	12,848	444,672		160			1,888,616
<b>Total number of hours of training imparted on human rights <sup>(1)</sup></b>													
Gender	Men	58%	3,105	ND	100								56,952
	Women		981	ND	150								8,691
Professional category	Directors and managers <sup>(2)</sup>	58%	115	ND	50								182
	Supervisors and coordinators		212	ND	55								424
	Analysts and administratives		266	ND	25								1,023
	Blue collar		3,492	ND	125								64,020
<b>Investment in training</b>													
	Investment made in employee training (millions of euros)	105%	0,030	ND	0,300	0,280		0,111					15
<b>Number of employees receiving regular evaluations of performance and professional development</b>													
Gender	Men	52%	228	ND	677	1,033		663		34			20,017
	Women		51	ND	325	227		66		30			3,626
<b>Percentage of employees who receive regular evaluations of performance and professional development</b>													
Gender	Men	52%	8%	ND	100%	64%		8%		62%			15%
	Women		6%	ND	100%	74%		55%		81%			14%
<b>Number of employees who received a maternity or paternity leave</b>													
Gender	Men	106%	90	ND	15	20	3						4,688
	Women		31	ND	45	5	1	1		1			6,608
<b>Number of employees who returned to work after their termination due to maternity or paternity ended</b>													
Gender	Men	100%	88	ND	5	20	3						3,991
	Women		30	ND	15	5	1						6,358
<b>Number of employees who returned to work after the end of their maternity or paternity leave and who continued working for 12 months after returning to work</b>													
Gender	Men	94%	51	ND	10	17							3,486
	Women		21	ND	30	5		3		1			6,069

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<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

## Social and labor issues

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru
<b>Turnover</b>													
Gender	Men		3,353	415	1,474	1,308	2,239	8,155	4,300	2,825	337	480	4,365
	Women		1,249	104	522	244	295	1,571	1,430	522	64	34	610
Age	Less than 30 years old		1,625	105	563	363	824	1,957	2,423	1,543	162	133	2,215
	Between 30 an 50 years old		2,308	231	1,233	883	1,411	6,501	3,022	1,389	228	252	2,502
	More than 50 years old	107%	669	183	201	306	299	1,268	285	415	11	129	258
Professional category	Directors and managers <sup>(2)</sup>		20	2	3	5	7	27	18	8	2	1	5
	Supervisors and coordinators		25	8	6	30	39	228	112	22	18	18	225
	Analysts and administratives		676	21	386	32	472	577	46	202	24	46	251
	Blue collar		3,881	488	1,591	1,485	2,016	8,894	5,431	3,115	357	449	4,494
<b>Number of days worked by all Prosegur employees</b>													
Gender	Men	106%	9,388,847	885,491	1,577,664	1,275,260	3,965,760	7,825,070	31,616,040	1,942,665	638,000	618,967	3,651,060
	Women		2,674,593	186,694	381,480	201,756	455,139	1,397,308	6,885,740	396,175	93,000	77,891	508,295
<b>Number of total days lost due to absence</b>													
Gender	Men	100%	336,170	62,514	59,893	68,711	278,198	52,983	44,611	41,600	9,861	55,763	302,726
	Women		145,028	12,489	31,725	15,575	39,571	234,698	22,509	19,440	3,033	9,429	42,984
<b>Absenteeism rate (AR)</b>													
Gender	Men	100%	4%	7,1%	4%	5%	7%	1%	0,14%	2%	2%	9%	8%
	Women		5%	6,7%	8%	8%	9%	17%	0,33%	5%	3%	12%	8%
<b>Average compensation by professional category and gender</b>													
Average compensation by professional category and gender in Euro	Directors and managers <sup>(2)</sup>		115,320	128,541	61,664	111,758	84,534	52,978	55,423	96,878	53,579	76,502	67,053
	Men		118,663	147,415	63,487	113,172	86,362	52,002	54,807	101,073	57,857	78,723	69,437
	Women		91,690	90,791	50,730	79,227	72,952	61,800	56,998	83,696	40,744	67,618	56,987
	Supervisors and coordinators		49,158	62,975	24,719	46,580	25,344	15,945	16,929	25,756	8,749	23,843	12,349
	Men		51,491	64,527	25,710	47,124	25,481	15,464	18,113	26,850	8,742	23,202	12,157
	Women		44,371	53,664	21,607	43,976	24,670	18,384	15,449	22,412	8,790	26,336	13,522
	Analysts and administratives	98%	22,659	30,971	11,697	29,247	16,165	9,077	8,457	14,928	6,639	18,322	9,429
	Men		22,987	35,050	11,869	30,677	16,790	8,248	9,444	16,021	6,583	17,756	9,853
	Women		22,054	26,471	11,326	27,535	14,899	9,785	7,974	13,528	6,700	19,453	8,847
	Blue collar		20,667	26,306	9,231	20,285	11,062	5,657	3,943	9,939	4,558	12,257	6,298
	Men		21,503	27,336	9,249	20,315	10,987	5,385	4,006	10,191	4,636	12,554	6,367
	Women		17,564	21,126	9,154	20,096	11,916	7,512	3,602	8,612	3,879	8,311	5,691

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management.



Social and labor issues														
		Scope	Mexico	Central America	Australia	Singapore	China	India	Philippines	USA	Turkey	South Africa	TOTAL	
<b>Rotación</b>														
Gender	Men		1,552	134	164	1,130	493	3,778		4	10		36,516	
	Women		490	36	77	225	14	39		9	1		7,536	
Age	Less than 30 years old		776	78	46	223	242	1,886		12	7		15,183	
	Between 30 an 50 years old		939	85	121	484	218	1,717		1	4		23,529	
	More than 50 years old	107%	327	7	74	648	47	214					5,341	
Professional category	Directors and managers <sup>(2)</sup>		10	1	2	1		19					131	
	Supervisors and coordinators		28	5	27	1	3	136		1	1		933	
	Analysts and administratives		44	3	56	15	12	88		2	10		2,963	
	Blue collar		1,960	161	156	1,338	492	3,574		10			39,892	
<b>Number of days worked by all Prosegur employees</b>														
Gender	Men	106%	816,195	ND	133,144	379,472	296,016	2,541,547		2,946	250		67,554,394	
	Women		253,810	ND	62,492	85,036	5,040	34,455		1,388	250		13,700,542	
<b>Number of total days lost due to absence</b>														
Gender	Men	100%	44,388	ND	2,914	9,157	2,300			39			1,371,827	
	Women		15,977	ND	1,006	1,445	75			29			595,013	
<b>Absenteeism rate (AR)</b>														
Gender	Men	100%	5%	ND	2%	2%	1%			1%			2,0%	
	Women		6%	ND	2%	2%	1%			2%			4,3%	
<b>Average compensation by professional category and gender</b>														
Average compensation by professional category and gender in Euro	Directors and managers <sup>(2)</sup>	98%	40,884	ND	98,806					175,319	191,268		366,587	
	Men		42,568	ND	99,200					175,319	215,852		391,171	
	Women		24,049	ND	98,150						166,683		166,683	
	Supervisors and coordinators		10,016	ND	61,933					68,715	70,298		139,013	
	Men		10,375	ND	62,150					76,899	75,294		152,194	
	Women		8,928	ND	61,500					48,256	30,324		78,581	
	Analysts and administratives		6,837	ND	45,692					40,135	35,125		75,260	
	Men		7,715	ND	46,000					40,816	35,600		76,415	
	Women		5,911	ND	45,500					39,795	33,744		73,539	
	Blue collar		2,351	ND	36,939					23,510				23,510
	Men		2,411	ND	37,000					29,410				29,410
	Women		2,138	ND	36,800					16,901				16,901

The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method. In the cases in which the percentage is higher than 100%, it is because the new acquisitions and equity investments have reported information in this regard.

<sup>(1)</sup> The training data correspond to the face-to-face modality imparted to the company's employees. Face-to-face training represents 92.4% of the total training hours.

<sup>(2)</sup> The professional category of "Directors and Managers" includes Senior Management..

**Social and labor issues**

KPI's	2017	2018	Scope
Percentage of executives from the local community	68.8%	87.6%	105% <sup>(1)</sup>

<sup>1)</sup> The percentage is greater than 100% since the new acquisitions and the equity method have reported information regarding executives from the local community.



## Occupational Health &amp; Safety

KPI's	2017	2018	Scope (% of employees)	KPI's	2017	2018	Scope (% of employees)
Safety and health training for employees (hours)	Security: 107,897.65 Men: 96,171.20 Women: 11,726.45	Security: 379,193.67 Men: 312,085.56 Women: 67,108.11	95%	Occupational disease rate (ODR)	Security: 0.01 Men: 0.01 Women: 0.05	Security: 2.07 Men: 2.03 Women: 2.39	92%
	Alarms: 6,602.00 Men: 5,648.00 Women: 954.00	Alarms: 40,042.55 Men: 32,286.46 Women: 7,756.09			Alarms: 0.02 Men: 0.00 Women: 0.07	Alarms: 0.01 Men: 0.00 Women: 0.05	
	Cash: 45,407.05 Men: 33,874.06 Women: 11,532.99	Cash: 49,878.89 Men: 42,161.70 Women: 7,717.19			Cash: 0.12 Men: 0.09 Women: 0.24	Cash: 1.14 Men: 1.24 Women: 0.768	
No. of fatal accidents (in absolute value)	Security: 4 Men: 4 Women: 0	Security: 2 Men: 2 Women: 0	92%	Number of occupational accidents	Security: 2.475 Men: 2.113 Women: 362	Security: 2.362 Men: 1.978 Women: 384	95%
	Alarms: 0 Men: 0 Women: 0	Alarms: 0 Men: 0 Women: 0			Alarms: 228 Men: 199 Women: 29	Alarms: 246 Men: 214 Women: 32	
	Cash: 3 Men: 3 Women: 0	Cash: 14 Men: 14 Women: 0			Cash: 1.389 Men: 1.195 Women: 194	Cash: 1.326 Men: 1.146 Women: 180	
Accident rate (IR)	Security: 2.35 Men: 2.32 Women: 2.51	Security: 2.57 Men: 2.43 Women: 3.62	95%				
	Alarms: 4.01 Men: 4.71 Women: 1.99	Alarms: 3.58 Men: 4.36 Women: 1.63					
	Cash: 3.30 Men: 3.64 Women: 2.11	Cash: 3.61 Men: 3.97 Women: 2.29					
Index of severity (IDR)	Security: 58.28 Men: 58.65 Women: 55.94	Security: 86.42 Men: 86.74 Women: 84.00	95%				
	Alarms: 105.05 Men: 131.78 Women: 27.52	Alarms: 90.43 Men: 114.13 Women: 31.21					
	Cash: 71.28 Men: 77.69 Women: 48.34	Cash: 186.89 Men: 227.19 Women: 38.64					

### Experience client management

KPI's	2017	2018	Scope
Number of complaints received from clients/ Number of complaints solved	Security: 907/893	Security: 1,502/1,473	94%
	Cash: 12,858/11,079	Cash: 22,783/19,375	56%
	Alarms: 65,173/43,341	Alarms: 65,116/55,682	100%

*The scope of these KPIs excludes the new M&A geographies acquired in 2018 and the countries that consolidate by the equity method.*





## Annex II - Industry associations

Prosegur is a member of industry associations and organizations in order to promote the development of the sector, the improvement of quality standards and to promote the most advanced public policies. The main European and international organizations of which it is a member are:

- > **International Security Ligue**  
Association of private security companies. Non-governmental consulting body of the United Nations (UN) and the European Union.
- > **Confederation of European Security Services (CoESS)**  
Confederación europea de compañías de seguridad privada.
- > **European Security Transport Association (ESTA)**  
European association of companies providing services of transport of valuables, cash handling and management.
- > **Asian Cash Management Association (ACMA)**  
Association of companies providing cash in transit services in Asia, Africa and Oceania.
- > **Aviation Security Services Association – International (ASSA-I)**  
Asociación de compañías de seguridad aeroportuaria.
- > **ATM Industry Association (ATMIA)**  
International association of the ATM industry.





At the national level, Prosegur participates in the main organizations of the sector of all the countries in which it is present:

Germany	<ul style="list-style-type: none"> <li>› National Association of the Cash In Transit Industry (BDGW)</li> <li>› German Vending Federation (BDV)</li> </ul>
Argentina	<ul style="list-style-type: none"> <li>› Cámara Argentina de Empresas de Seguridad e Investigación (CAESI)</li> <li>› Cámara de Empresas Argentinas Transportadoras de Caudales (CETCA)</li> <li>› Federación Argentina de Empresas de Autotransporte de Cargas (FADEEAC)</li> <li>› Cámara de Empresas de Autotransporte de Cargas (CEAC)</li> <li>› Cámara de Centros de Capacitación de Seguridad Privada</li> <li>› Cámara de Empresas de Seguridad de Buenos Aires (CAESBA)</li> </ul>
Australia	<ul style="list-style-type: none"> <li>› Australian Security Industry Association (ASIAL)</li> </ul>
Brazil	<ul style="list-style-type: none"> <li>› Brazilian Transport of Valuables Association (ABTV)</li> <li>› National Federation of Surveillance, Security and CIT Companies (FENAVIST)</li> </ul>
Chile	<ul style="list-style-type: none"> <li>› Associations of Private Security and CIT Companies (ASEVA)</li> <li>› Asociación Chilena de Empresas de Alarmas (ACHEA)</li> <li>› Asociación Nacional de Profesionales de Seguridad (ANASEP)</li> <li>› Asociación Nacional de Empresas de Seguridad de Chile (EMPRORSE)</li> </ul>
China	<ul style="list-style-type: none"> <li>› Shanghai Security Association</li> </ul>
Colombia	<ul style="list-style-type: none"> <li>› Colombian Federation of Surveillance and Private Security Companies (FEDESEGURIDAD)</li> <li>› Comité de empresas de vigilancia y de seguridad privada de la Federación Nacional de Comerciantes (FENALCO)</li> </ul>
Spain	<ul style="list-style-type: none"> <li>› Professional Association of Private Security Companies of Spain (APROSER)</li> <li>› Asociación Española de Empresas de Seguridad (AES)</li> </ul>



France	<ul style="list-style-type: none"><li>› Unión de Empresas de Seguridad Privada (USP)</li><li>› Federación de Empresas de Seguridad Fiduciaria (FEDESFI)</li><li>› Agrupación de Inteligencia Logística de Europa Sur (PILES)</li></ul>
India	<ul style="list-style-type: none"><li>› Association of Cash Management of India (CLAI)</li></ul>
Mexico	<ul style="list-style-type: none"><li>› Asociación Mexicana de Empresas de Seguridad Privada (AMESP)</li></ul>
Paraguay	<ul style="list-style-type: none"><li>› Paraguayan Chamber of Transport of Valuables and Security Companies (CAPATRAVALSEP)</li><li>› Cámara Paraguaya de Empresas Profesionales de Seguridad</li></ul>
Peru	<ul style="list-style-type: none"><li>› National Security Society of Peru (SNS)</li></ul>
Portugal	<ul style="list-style-type: none"><li>› Association of Private Security Companies (AES)</li><li>› Asociación Portuguesa de Seguridad Electrónica y de Protección contra Incendios (APSEI)</li></ul>
Singapur	<ul style="list-style-type: none"><li>› Asociación de Seguridad de Singapur (SAS)</li><li>› Asociación de Agencias de Seguridad Certificadas (ACSA)</li></ul>
Uruguay	<ul style="list-style-type: none"><li>› Uruguayan Chamber of Cash in Transit (CUETRACA)</li><li>› Cámara de Instaladores Profesionales de Sistemas Electrónicos de Seguridad (CIPSES)</li><li>› Cámara Uruguaya de Empresas de Seguridad (CUES)</li></ul>

## Annex III. Compliance with the United Nations Global Compact

Human rights		Page
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	2.3. Ethics and compliance (Due diligence with regard to human rights) pp. 49-51
Principle 2	Businesses should make sure they are not complicit in Human Rights abuses	2.3. Ethics and compliance (Due diligence with regard to human rights) pp. 49-51
Labour practices		Page
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.1. Employees (Labour relations) p. 67
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	4.1. Employees (Labour relations) p. 67. 4.2. Suppliers pp. 72-74
Principle 5	Businesses should uphold the effective abolition of child labour	4.1. Employees (Labour relations) pp.67 4.2. Suppliers pp. 72-74
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	4.1. Employees (Labour relations) p. 68.



<b>Environmental</b>		<b>Page</b>
Principle 7	Businesses should support a precautionary approach to environmental challenges	2.4. Environmental management pp. 52-53
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	2.4. Environmental management pp. 52-53
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	2.4. Environmental management pp. 52-53
<b>Anti-corruption</b>		<b>Page</b>
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	2.3. Ethics and compliance pp. 42-48

## Annex IV. Content Index GRI Standards

### General basic contents

#### Organizational profile

Indicators	Page / Information
102-1 Name of the organization	Prosegur Compañía de Seguridad S.A.
102-2 Activities, brands, products, and services	1. Prosegur and its business model 5.1 The value of Prosegur Security 6.1 The value of Prosegur Alarms
102-3 Location of headquarters	Calle Pajaritos, 24, Madrid, Spain
102-4 Location of operations	1. Prosegur and its business model
102-5 Ownership and legal form	Prosegur Compañía de Seguridad SA 1.1.3 Governance structure
102-6 Markets served	1. Prosegur and its business model
102-7 Scale of the organization	3.1 Key figures for the year
102-8 Information on employees and other workers	4.1 Employees
102-9 Supply chain	4.2 Suppliers
102-10 Significant changes to the organization and its supply chain	4.2 Suppliers
102-11 Precautionary Principle or approach	2.2 Risk management
102-12 External initiatives	2.3 Ethics and compliance Annex II Industry associations Annex III Compliance with the United Nations Global Compact
102-13 Membership of associations	Annex II Industry associations



### Strategy and analysis

102-14	Statement from senior decision-maker	Letter from the Chairman Message from the CEO
102-15	Key impacts, risks, and opportunities	1.2 Strategic action framework 2.2 Risk management 5.2 Business environment and future of Prosegur Security 6.2 Business environment and future of Prosegur Alarms

### Ethics and integrity

#### GRI 103: Management Approach - Material topic: Ethics and integrity

103-1	Explanation of the material topic and its Boundary	1.1.2 Mission, vision and values 2.3 Ethics and compliance
103-2	The management approach and its components	1.1.2 Mission, vision and values 2.3 Ethics and compliance
103-3	Evaluation of the management approach	1.1.2 Mission, vision and values 2.3 Ethics and compliance
102-16	Values, principles, standards, and norms of behavior	1.1.2 Mission, vision and values 2.3 Ethics and compliance
102-17	Mechanisms for advice and concerns about ethics	1.1.2 Mission, vision and values 2.3 Ethics and compliance

Governance		
103-1	Explanation of the material topic and its Boundary	2.2 Risk management
103-2	The management approach and its components	2.2 Risk management
103-3	Evaluation of the management approach	2.2 Risk management
102-18	Governance structure	1.1.3 Governance structure
102-19	Delegating authority	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	2.3 Ethics and compliance 7. About this report
102-22	Composition of the highest governance body and its committees	1.1.3 Governance structure
102-23	Chair of the highest governance body	1.1.3 Governance structure Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-24	Nominating and selecting the highest governance body	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-25	Conflicts of interest	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-27	Collective knowledge of highest governance body	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-28	Evaluating the highest governance body's performance	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-29	Identifying and managing economic, environmental, and social impacts	2.3 Ethics and compliance 2.2 Risk management Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>



102-30	Effectiveness of risk management processes	2.3 Ethics and compliance 2.2 Risk management Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-31	Review of economic, environmental, and social topics	2.3 Ethics and compliance 2.2 Risk management Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-32	Highest governance body's role in sustainability reporting	The Annual Report is reviewed and approved by the Board of Directors
102-33	Communicating critical concerns	1.1.3 Governance structure Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-34	Nature and total number of critical concerns	1.1.3 Governance structure Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-35	Remuneration policies	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-36	Process for determining remuneration	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-37	Stakeholders' involvement in remuneration	In 2018, no questions regarding this issue have been received in any of the communication channels available to the company
102-38	Annual total compensation ratio	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a> Directors' remuneration report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>
102-39	Percentage increase in annual total compensation ratio	Annual Corporate Governance Report Available at <a href="http://www.prosegur.com">www.prosegur.com</a> Directors' remuneration report Available at <a href="http://www.prosegur.com">www.prosegur.com</a>

**Stakeholder engagement**

102-40	List of stakeholder groups	4. Creation of stakeholder value
102-41	Collective bargaining agreements	4.1 Employees
102-42	Identifying and selecting stakeholders	4. Creation of stakeholder value 7. About this report
102-43	Approach to stakeholder engagement	4. Creation of stakeholder value 7. About this report
102-44	Key topics and concerns raised	4. Creation of stakeholder value 7. About this report

**REPORTING PRACTICE**

102-45	Entities included in the consolidated financial statements	Consolidated Annual Accounts Report 2018 7. About this report
102-46	Defining report content and topic Boundaries	7. About this report
102-47	List of material topics	7. About this report
102-48	Restatements of information	The information published in none of the previous reports has been restated
102-49	Changes in reporting	Annex I Performance indicators
102-50	Reporting period	2018
102-51	Date of most recent report	2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	7. About this report
102-54	Claims of reporting in accordance with the GRI Standards	7. About this report
102-55	GRI content index	8. Annexes
102-56	External assurance	The 2018 Annual Report is not verified externally. The Non-Financial Information Statement (NFIS), contained in the Company's Directors' Report 2018, has been verified by KPMG. Available at <a href="http://www.prosegur.com">www.prosegur.com</a>

## Specific content

<b>Economic</b>		
Economic performance		
Indicadores		Capítulo / Información
201-1	Direct economic value generated and distributed	3.1 Key figures for the year 3.2 Economic and financial results in 2018 5.3 Key Figures of Prosegur Security 6.3 Key Figures of Prosegur Alarms
201-2	Financial implications and other risks and opportunities due to climate change	2.2 Risk management
201-3	Defined benefit plan obligations and other retirement plans	N/A. There is no benefit plan for employees
Market presence		
202-2	Proportion of senior management hired from the local community	Annex I - Performance indicators (Employees)
204-1	Proportion of spending on local suppliers	4. Creation of stakeholder value
<b>Environmental</b>		
Materials		
301-1	Materials used by weight or volume	Annex I - Performance indicators (Environmental management)
301-2	Recycled input materials used	Annex I - Performance indicators (Environmental management)
Energy		
302-1	Energy consumption within the organization	2.4 Environmental management Annex I - Performance indicators (Environmental management)
303-4	Reduction of energy consumption	2.4 Environmental management Annex I - Performance indicators (Environmental management)



Water		
303-1	Water withdrawal by source	2.4 Environmental management Annex I - Performance indicators (Environmental management)
303-3	Water recycled and reused	2.4 Environmental management Annex I - Performance indicators (Environmental management)
Emissions		
305-1	Direct (Scope 1) GHG emissions	2.4 Environmental management Annex I - Performance indicators (Environmental management)
305-2	Energy indirect (Scope 2) GHG emissions	2.4 Environmental management Annex I - Performance indicators (Environmental management)
305-5	Reduction of GHG emissions	2.4 Environmental management Annex I - Performance indicators (Environmental management)
Effluents and waste		
306-2	Waste by type and disposal method	2.4 Environmental management Annex I - Performance indicators (Environmental management)

## Social

### Labour practices and decent work

#### Employment

401-1	New employee hires and employee turnover	Annex I - Performance indicators (Employees)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The company does not offer different social benefits between temporary or part-time employees and full-time employees
401-3	Parental leave	Annex I - Performance indicators (Employees)

Labor/management relations		
402-1	Minimum notice periods regarding operational changes	4.1 Employees Annex I - Performance indicators (Employees)
Health and safety at work - GRI 103: Management Approach - Material topic: Occupational Health and Safety		
103-1	Explanation of the material topic and its boundary	4.1 Employees Annex I - Performance indicators (Employees)
103-2	The management approach and its components	4.1 Employees Annex I - Performance indicators (Employees)
103-3	Evaluation of the management approach	4.1 Employees Annex I - Performance indicators (Employees)
403-1	Workers representation in formal joint management-worker health and safety committees	4.1 Employees Annex I - Performance indicators (Employees)
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.1 Employees Annex I - Performance indicators (Employees)
403-3	Workers with high incidence or high risk of diseases related to their occupation	4.1 Employees Annex I - Performance indicators (Employees)
403-4	Health and safety topics covered in formal agreements with trade unions	The information is collected in the collective agreements of the different countries of operation
Training and education		
404-1	Average hours of training per year per employee	4.1 Employees Annex I - Performance indicators (Employees)
404-2	Programs for upgrading employee skills and transition assistance programs	4.1 Employees
404-3	Percentage of employees receiving regular performance and career development reviews	Annex I - Performance indicators (Employees)
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	1.1.3. Governance structure Annex I - Performance indicators (Employees)
Equal remuneration for women and men		
405-2	Ratio of basic salary and remuneration of women to men	Annex I - Performance indicators (Employees)

Human rights		
GRI 103: Management Approach - Material topic: Human rights		
103-1	Explanation of the material topic and its boundary	2.3.1 Due diligence with regard to Human Rights
103-2	The management approach and its components	2.3.1 Due diligence with regard to Human Rights
103-3	Evaluation of the management approach	2.3.1 Due diligence with regard to Human Rights
Human rights assessment		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2.3.1 Due diligence with regard to Human Rights
412-2	Employee training on human rights policies or procedures	2.3.1 Due diligence with regard to Human Rights 4.1 Employees Annex I - Performance indicators (Employees)
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	2.3.1 Due diligence with regard to Human Rights
Freedom of association and collective bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1 Employees 2.3.1 Due diligence with regard to Human Rights
Security practices		
410-1	Security personnel trained in human rights policies or procedures	4.1 Employees 2.3.1 Due diligence with regard to Human Rights Annex I - Performance indicators (Employees)

Society		
GRI 103: Management Approach - Material topic: Ethics and anticorruption		
103-1	Explanation of the material topic and its Boundary	2.2.1 Operational risk management 2.3 Ethics and compliance
103-2	The management approach and its components	2.2.1 Operational risk management 2.3 Ethics and compliance
103-3	Evaluation of the management approach	2.2.1 Operational risk management 2.3 Ethics and compliance
205-1	Operations assessed for risks related to corruption	2.3 Ethics and compliance
205-2	Communication and training about anti-corruption policies and procedures	2.3 Ethics and compliance
205-3	Confirmed incidents of corruption and actions taken	2.3 Ethics and compliance
Anti-competitive behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Ethics and compliance
Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	2.3 Ethics and compliance
Product responsibility		
Consumer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories	2.1. Management Model 3P
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no incidents in this regard