



Responsible purchases and our commitment to the environment

- Suppliers Policy
- Responsible use of paper
- Environmental impact management

Responsible purchases and our commitment to the environment

Providing guarantees to our stakeholders with respect to our duties and obligations as a business is an important part of our responsibility as an organization.

Presentation of the Mochila Ligera Campaign, a Santillana publishing initiative aimed at reducing the weight of schoolbags



We believe that our relationship with our suppliers is a key factor in acting as a socially responsibly company. That is why we are actively committed to managing our resources in a way that will minimize the impact of our operations on the environment. We expect the same commitment from all our suppliers and collaborators.

Our Guide to Relations with Suppliers outlines the relationship between PRISA and our partners. The Guide is informed by the principles of objectivity, transparency, non-exclusivity and equal opportunities, and evaluates not only economic factors and product and service quality, but also the suppliers' degree of compliance with their national legislation as well as their commitment to tax, labor, human rights and environmental obligations.

Suppliers policy

Our purchasing and suppliers policy is aimed at ensuring that PRISA remains a socially responsible company in the eyes of society and our stakeholders. To meet our CSR goals, the department of Corporate Purchases pays special attention to three areas in the management of its operations:

- Selection and management of suppliers – these are seen as crucial stakeholders in the company's day-to-day operations.
- Paper management. Paper is the most important raw material used by most of the business units and its sustainable use must be part of any environmental policy.
- To determine new areas where we can improve identification, measurement and management of the company's environmental impact.

Supplier Relations Guide

There are four criteria in the process of adjudicating and authorizing potential suppliers:

- Quality of the product/service offered.
- How the service matches our requirements.
- Cost and ability to deliver on issues related to CSR.
- Confirmation that CSR criteria have been met.

PRISA's relations with suppliers are governed by the following principals:

- The principles of objectivity, transparency, non-exclusivity and equal opportunities.
- All suppliers involved in any adjudication process will receive complete and detailed information about the goods and/or services to be supplied.
- The information supplied will be identical for all suppliers, ensuring that no single supplier enjoys any initial advantage, thus fostering legitimate competition.

- Potential suppliers will not be invited to participate in the adjudication process.
- All those who apply to become suppliers have a right to request an evaluation of their particular adjudication process.
- All applications will receive a reply accompanied by comments on their acceptance or rejection. A negative reply is in no way an obstacle to submitting future applications, once the reasons behind the rejection have been addressed.
- The results of the adjudication process, including a summary of the criteria employed, will be communicated to the supplier in writing.
- Initiatives for constant improvement are in place, which boost quality to the benefit of both parties. The supplier is welcome to make any suggestions as is felt necessary to improve relations between the Group and suppliers.

PRISA's Supplier Relations Guide also promotes compliance with national legislation within the countries where the suppliers operate and their compliance with obligations in fields such as tax, labor, human rights and the environment. Applicants must be in full compliance with Conventions 138 and 182 of the International Labor Organization (ILO) governing child labor. Non-compliance with these conventions will nullify any contracts between the parties.

Terms, conditions and obligations are clearly detailed in all documents in the process and are made clear at each and every stage of the negotiating process. Potential suppliers are also asked to fill in a questionnaire confirming their commitment. To partner with PRISA it is necessary to pass the adjudication process and form part of the authorized supplier list.

For the past four years, the department of Corporate Purchases has been managing and updating a data base of the Group's chief suppliers, evaluating them on key CSR criteria, including paper management, recycling and reuse of fungibles and CO2 emissions.

AUTHORIZED SUPPLIERS			
	Total	Spain	Foreigners
Previous years	2,347	2,294	53
2009 (new)	227	212	15
2010 (new)	245	228	17
TOTAL	2,819	2,734	85

There are currently 2,819 authorized suppliers, 245 more than in 2009. 2,734 are Spanish and 85 are from abroad.

PRISA favors suppliers who meet CSR criteria and who have SA 8000, ISO 9001 certification etc. Indeed, 76% of our suppliers have a quality certification.

Supplier Evaluation

In 2010, as in 2009, PRISA carried out a study of our wide number of suppliers. In 2010, the number surveyed was 146, as compared to 170 in 2009. This drop was due to a process of consolidation of suppliers, which reduces a number of them to one unique service.

The results were similar to those of 2009. There was a notable integration of CSR indicators into the management of supplies, up two percentage points (80.82%). Figures in other areas remained steady: environment (74.89%), an established formal channel for dealing with

customer concerns and complaints (80.14%), legislative framework (96.72%) and the establishment of standards and guidelines on good corporate governance (83.56%).

A key tool in this area is the Electronic Purchases Platform, which manages all aspects of the process, including potential supplier registration, application, the certification and authorization of all our suppliers worldwide as well as ongoing follow-up and periodic assessment according to those criteria previously outlined.

Activity

SUPPLIER EVALUATION		
	2010	2009
Management system is certified or is being implemented plus voluntary codes	58%	48.34%
Formal procedures to respond to customer concerns	83%	80.14%
Legislative Framework	96%	96.72%
Adequate environmental safeguards	78%	74.89%
Guidelines on corporate governance	86%	83.56%
Incorporation of Social Responsibility indicators in management code	78%	80.82%

Responsible use of paper

Grupo PRISA has always carefully managed all stages of the production and recycling process of paper. The Group works with paper manufacturers who guarantee their adherence to environmental standards and the recycling, either directly or indirectly, of waste and residuals. All business units using paper have committed themselves over the course of 2010 to reducing their use, whether by modifying formats or opting for lower weights of paper, while still guaranteeing the quality of the finished product.

PRISA's suppliers must comply with certain environmental requirements in the manufacture of paper. The paper industry's high level of environmental awareness provides a further guarantee that suppliers are generally not merely complying to environmental legislation but that they are wholeheartedly committed to issues in this area.

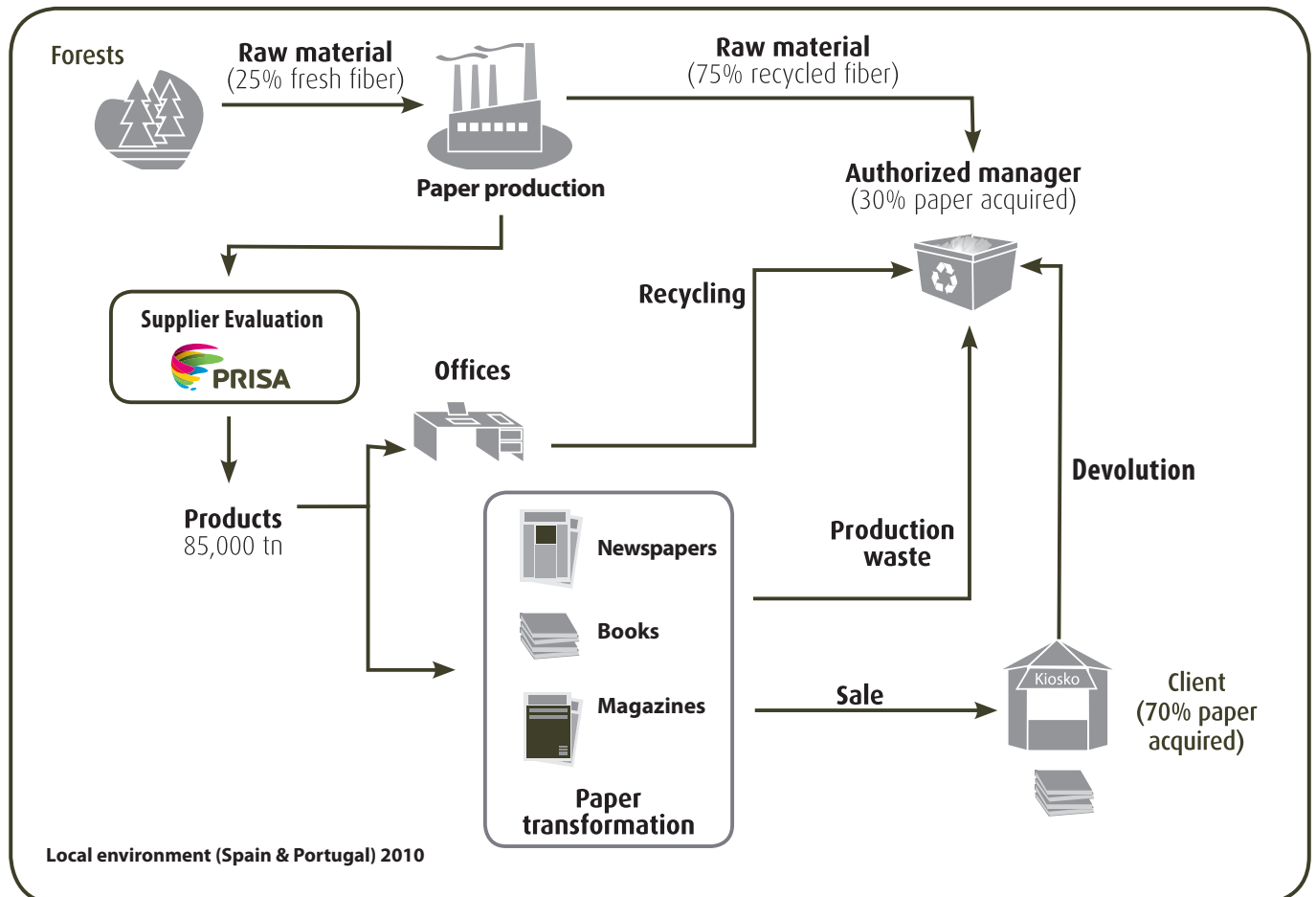
Almost all PRISA suppliers possess the capacity to produce PEFC and FSC accredited paper, thus guaranteeing that controls are being carried out at the various stages of the production process –from forest to printer– although this does involve higher costs.

Pressprint

Pressprint is the printers behind the Group's print media in Spain. Its operations require the use of paper, ink and aluminum plates. Pressprint uses technological innovation to constantly optimize and responsibly manage their use.

To reduce its environmental impact in 2010, Pressprint installed plates with less aggressive chemicals; has reduced the consumption of these chemicals by the cleaning of processors; and has undertaken a new

Paper life Cycle in The PRISA Group



project of digital printing for newspapers. Our printers have succeeded in printing high-quality daily papers on high-speed digital printers. With this method, Pressprint avoids the high costs and large waste typically generated in the print process. Newspapers can also be thus printed at different facilities, avoiding the high energy consumption and CO2 emissions caused by transportation of large volumes of material from one central point.

Other recycled waste includes plastic containers, oils, toners, and scrap iron, copper and other materials generated in the decommissioning of obsolete machinery. Obsolete computers and other IT devices that may pose a risk to the environment are regularly removed by certified and authorized waste-management companies.

Consumption

Ink 2010:
Pressprint Madrid: 313,373 kg
Pressprint Barcelona: 118,735 kg
Solvent 2010:
Pressprint Madrid: 45,371 kg
Pressprint Barcelona: 27,509 kg

Waste management

Pressprint has authorized managers who are responsible for removing contaminated residues from ink, such as solvents. Aluminum is gathered in containers which are then collected by an authorized agent. In 2010, 72,880 kg of aluminum thus produced were melted down for the development of new products.

Pressprint recycles residual paper as well as returned newspapers and magazine supplements. Waste and residue generated during the printing process are classified by potential use and are removed by recycling companies. Returned newspapers and magazine supplements are recycled by companies located nearby the distributors' collection depots. We ensure that recycling companies possess the appropriate certification in waste management and disposal.

Environmental impact management

PRISA's strategy illustrates its commitment to safeguarding the environment wherever its operations allow. In 2010, all the Group's companies carried out campaigns aimed at raising awareness regarding the rationalization of consumption (air conditioning, lighting, etc). We have continued to implement measures laid out by the Ministry of Industry for public buildings that establish the parameters for a comfortable room temperature. Other measures have included encouraging staff to turn off computers if they are away for more than 30 minutes. Color printing at our offices has been

cut sharply and printing on two sides has been encouraged.

Currently, there are a number of projects up and running to evaluate energy efficiency. This year, the department of corporate purchases has also begun surveying company suppliers regarding CO₂ emissions generated by travel and accommodation in Spain and Portugal. In 2010 there was a saving of 4,348,581 kg of CO₂, while in 2009 the saving was even greater: 5,286,722 kg of CO₂.

CO₂ emissions

From of transport	Unit of measure	Conversion factor kg CO ₂ / unit of measure	2010			Equivalent CO ₂ in kg	2009			Equivalent CO ₂ in kg
			Spain	Portugal	Total		Spain	Portugal	Total	
Hotel	RN	28	18,109	Pdte,	18,109	507,052	17,213	2,661	19,874	556,472
Air	Miles	0,18	16,886,051	2,099,680	18,985,731	3,417,432	14,486,697	967,990	15,454,687	4,481,859
Train	Km	0,1	2,949,729		2,949,729	294,973	5,303,554		5,303,554	185,624
Car rental	Km	0,141	915,779		915,779	129,125	466,214		466,214	65,736
Total			20,769,668	2,099,680	22,869,348	4,348,581	20,273,678	970,651	21,244,329	5,289,692

NOTES: Sources for conversion factors: <http://www.nef.org.uk/greencompany/co2calculator.htm> (air) http://www.responsabilidad.net/002_calcemision.html (train) and data from AVIS for car rental

The Canal + Arms to Save the Planet Campaign, winner at the International Festival of Social Advertising: Publifestival 2010



Recycling

All office printers removed to a Madrid recycling plant, where they are recycled according to current norms and made available to suppliers for re-use. The company responsible for the operation is a Special Employment Center, meaning that PRISA thus fulfills a double objective: helping the environment and aiding workers with disabilities.

In 2010, at our Gran Vía 32 head office, we recycled 484 IT consumer goods (LASERCART), 105 tons of newspaper (CARPA), 390 kg of batteries (Madrid area's regional authority environment department) and 840 fluorescent lamps (AMBILAMP).

PRISA Noticias' consumption

PRISA NOTICIAS' CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	12,349,992	11,863,041
GAS kw/h	5,671,939	5,364,627
WATER m³	7,020	11,973
PAPER Tons	35,671	30,665

In 2010, PRISA Noticias has focused on optimizing on outdoor lighting, installing light sensors and leading to a 10% saving in electricity, and on controlling liquid effluent from sanitation systems.

PRISA RADIO'S CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	1,369	1,172
DIESEL kw/h	30	25
GAS kw/h	N/A	N/A
WATER m³	56965	569290
PAPER Tons	23	27

Regarding paper, *Cinco Días* and *El País* are reducing consumption among employees by encouraging the scanning of documents, file sharing on intranet and using projectors at presentations rather than printing dossiers.



Magazines published by Progresa print a banner saying *Please recycle this magazine* alongside the bar code.

As well as reducing consumption of energy, water and raw materials, and ensuring the correct management of waste, smoke and noise, PRISA Radio has substituted its air conditioning systems with RVR systems, has eliminated sound-proofing materials that may contain potentially polluting fibers and has recycled all IT and fungible machinery and components. It has replaced these with energy efficient machines and we now use low contamination batteries.

Santillana's consumption

SANTILLANA CONSUMPTION (SPAIN), DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h ⁽¹⁾	2,471,481	2,692,717
DIESEL kw/h	N/A	N/A
GAS kw/h	26600	22500
WATER m³	8770	6690
PAPER Tons ⁽²⁾	9200	1400

1. Estimated figure
2. This figure represents the volume of paper used in printing books. We do not use recycled paper. All paper used is chlorine free and is ISO or ESMAS certified. Almost all paper has PEFC certification and around 30% has FSC certification.

Santillana constantly strives to promote recycling and reduce energy consumption by means of awareness drives among employees. In 2010, by changing the Friday work

Recycling activity	2009	2010	Difference 2010-09
Disposal of IT consumer goods (units)	430 cartridges	484 cartridges	+12.5%
Disposal and recycling of paper	137Tn	105Tn	-23.4%
Disposal of batteries	360Kg	390Kg	+8.3%
Disposal of fluorescent lamps	260 units	840 units	+223.1%

Corporate Centre's consumption graphic

Consumption of raw materials	2009	2010	Savings (2010-2009)
Gran Via's consumption of water	10,486 m ³	9,268 m ³	-11.6%
Gran Via's consumption of energy	4,622,069 KW/h	4,136,179 KW/h	-10.5%
Gran Via's consumption of diesel	32,000L	24,000L	-25.0%

day and bringing forward close of business to 3pm we saved two hours more in energy use as compared to 2009.

PRISA TV's consumption

PRISA TV'S CONSUMPTION. DIRECT CONSUMPTION BY PRIMARY SOURCE		
	2010	2009
ELECTRICITY kw/h	15,969,041	15,629,069
DIESEL kw/h	2,000	1,500
GAS kw/h	6,740,463	6,121,023
WATER m3	43,749	43,622
PAPER Tons	360	320

PRISA TV's chief measures included reducing energy use, recycling waste, auditing print and copying machines, the optimization of paper use and the partial substitution of HCFC (R22) gas with the non-pollutant gases R422 and R417. These measures remain in place in 2011. As a savings measure, PRISA TV has also replaced 100w incandescent bulbs with low-energy lamps. This has led to savings of 150,000 kw/hour and 62.63 tons less of CO2.

PRISA TV has also launched the Corporate Digital Stationery Project to reduce color printing and has substituted analog machines with digital ones, leading to an energy saving of 60%.

PRISA Digital's consumption

Among PRISA Digital's environment-friendly measures are those aimed at ensuring that all lights, computers and heating/air conditioning systems remain turned off as much as possible, leading to energy savings of 19% compared to 2009. Paper recycling has led to 21% savings as compared to 2009.

PRISA Digital has also installed energy efficient computers and is currently evaluating the process of changing over to Cloud hosting and other online solutions such as home working as we embrace green computing.



PRISA actively covered the Climate Summit in Copenhagen

For the third year running, PRISA supported *Earth Hour*
2010 Campaign against Climate Change



Muchas gracias

