



Social Responsibility and Sustainability Report 2019





Javier Monzón
Chairman of PRISA

Dear Friends:

PRISA has moved in a positive direction over the course of fiscal year 2018, in terms of both economic-financial and operational parameters as well as with regard to the strategic reorientation and refocusing of our businesses, as our Chief Executive Officer explains below.

The year has also seen improvements to our corporate governance, and here, first of all, I would like to pay tribute to the person who served as our Chairman over the past year, Manuel Polanco. Our Board of Directors and its committees have been extremely active over the year, and we have been diligent in adopting their decisions. We believe the results have been positive, as you too will see in the wide-ranging information made public by the Company on this matter.

We still have some way to go and we will forge ahead with the same determination as before. Our goal is to achieve the very best governance standards. We don't do this merely to formally comply with regulatory frameworks or recommendations of best practice – though laudable in itself – but because of our conviction that we can thereby ensure that the Board best fulfills its central mission: to enable PRISA to pursue an ambitious business project, one that has great future potential and is that sustainable over time; and one that can attract, motivate and retain the talent necessary to make this a reality.

«Our goal is to achieve the very best governance standards... that will enable PRISA to pursue an ambitious business project, one that has great future potential and is that sustainable over time.»

PRISA has enormous potential to generate value for its shareholders, for its professionals and for all those we serve with our activity: educational communities, students and their families, readers and listeners, promoters and protagonists of cultural and social change and, more broadly speaking, the general public and the societies where we operate.

The current processes of technological change and digital transformation and new, emerging economic models and social relations all directly affect our activities, and we need to anticipate any such changes and to evolve accordingly. We are aware that we must do so in a highly complex environment – one not only of great challenges but also of great opportunities. We do not merely seek to adapt to these processes; we aim to be among the leading companies that define and configure them. This will allow us to make firm, future-proof commitments and will enable us to quickly and thoroughly adopt all necessary changes.

A financially sound company, one that's profitable, that's capable of growing continuously and scaling up its business models is the prerequisite if we are to realize that ambition. This is our primary commitment – and one which we will continue prioritize above all.

Kind regards,

Javier Monzón
Chairman of the Board of Directors



Manuel Mirat
CEO

Dear Friends

2018 was a pivotal year for PRISA. Over the period of just one year, the Group has completed the process that aimed to significantly reduce its debt, has managed to stabilize its capital structure and has been able to focus on the priorities of its businesses. PRISA now has a net debt of 929 million euros and can boast businesses that performed positively last year, businesses that are now generating EBITDA in excess of 250 million euros. These are figures that allow us to face the future from a reasonably stable base.

The aforementioned achievements have much to do with the restructuring we undertook at the beginning of the year. This saw the creation of a new management team with extensive experience, a team that has focused on profitable growth, on the improvement of efficiencies across the Group as a whole, on deleveraging, on the generation of cash flow and, as a consequence of all this, on the creation of value for the shareholder.

Once again this year, I'd like to express our aim to renew PRISA's ongoing commitment to the United Nations Global Compact. PRISA has formed part of the Executive Committee of the Compact's Spanish Network since 2016, from where we can better promote the Ten Principles of the Global Compact in the areas of human rights, labor, environment and anti-corruption

Now that the Group is on a firm financial footing, now that the company has set its sights on a new direction, now that we have implemented efficiency measures, PRISA is ready to grow. How? By starting from the position of undisputed leadership enjoyed by its key assets and brands and by taking advantage of the favorable outlook for each of its businesses in order to maximize value.

Digital growth and development in Latin America are, without a doubt, the key levers to developing the full potential of the Group's assets and to reinforcing and further developing what is already a major transversal global project focused on education, entertainment and general-interest, sports and business news.

Our presence in 24 countries, the lead enjoyed by our brands, the influence of our media and the quality of our human capital provide us with the competitive advantage necessary to continue growing, to increase profitability and to generate value – all while taking advantage of the opportunities that arise from the world around us and from digital development.

In short, the commitment to growth shared by all our businesses (as shown by the recent purchase of 25% of Santillana) coupled with our commitment to ambition and the utmost rigor in management will ensure greater profitability that, together with a more efficient capital structure, will allow us to create ever greater value.

«Now that the Group is on a firm financial footing, now that the company has set its sights on a new direction, now that the Group has implemented efficiency measures, PRISA is now ready to grow.»

Kind regards,
Manuel Mirat
CEO



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1 PRISA, a global group

PRISA, A GLOBAL GROUP

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

«PRISA is one of the Spanish-speaking world's largest media groups and is at the forefront of communications and education companies.»

Present in 24 countries, PRISA reaches millions of people through its global brands *El País*, LOS40, Santillana, W Radio and As. As market leader in press, TV, both spoken-word and music radio, and education, it is one of the Spanish-speaking world's largest media groups thanks to its high-quality

content and its eagerness to embrace the digital economy through the connectivity and innovation of its products and services. Its presence in Brazil and Portugal, and among the growing Hispanic community in the US, opens up a global market of 700 million people.

With 152 million unique browsers* worldwide, PRISA is at the forefront of communications and media companies, and has a solid strategy of content creation and distribution, offering products and services adapted to users' changing consumer habits through a wide range of formats, channels and platforms.

PRESENT IN
24 COUNTRIES

A GLOBAL MARKET
OF **700**
MILLION PEOPLE

152 MILLION
UNIQUE BROWSERS

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- France
- Guatemala
- Honduras
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Portugal
- Puerto Rico
- Spain
- Uruguay
- USA
- Venezuela

* Source: Adobe Omniture + Netscope, yearly average January - December 2018



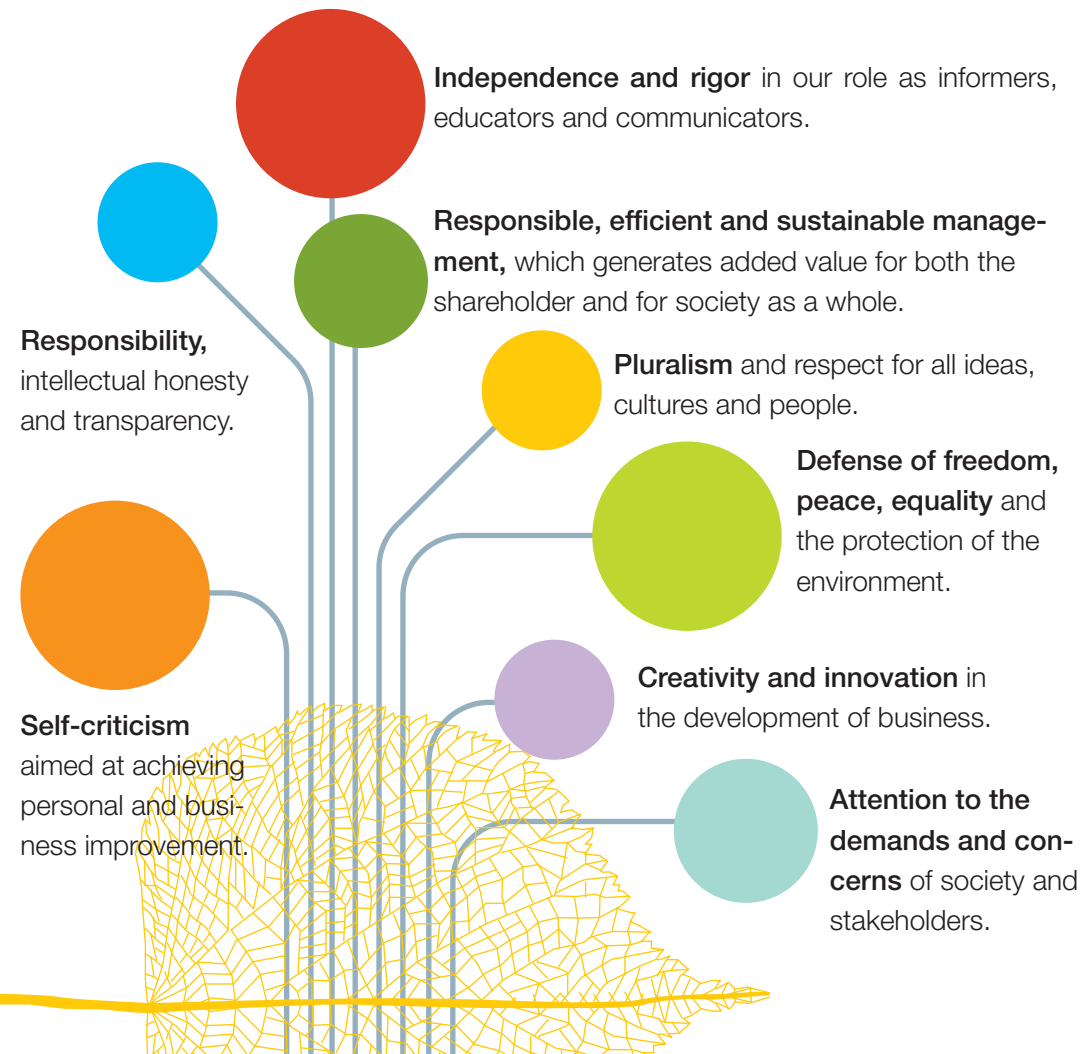
MISSION, VISION AND VALUES

A commitment to society is at the very core of PRISA. From the very beginning, the founders and promoters of *El País* have been committed to Spanish society and to defending and expanding democratic liberties. All too aware of this responsibility, this commitment remains as strong and vital as ever and is shared by all the Group's companies in both Spain and Ibero-America. It is a vision shared by all our professionals and is evident in the work and in the day-to-day operations of all those who work for PRISA.

These values have been embraced by all the brands as they strive to be both socially responsible and world leaders in the fields of education, news and entertainment in the Spanish and Portuguese-speaking markets. We are thus responsive to the needs and expectations of a free, responsible, respectful and sustainable society.

We aspire to be the world's gold standard in culture and education in Spanish and Portuguese. And the rapid changes taking place in the media and content sector have spurred PRISA's transformation into becoming a "new company", focused not only on the production and distribution of quality content, but also on learning more about each of our stakeholder groups and using new technologies.

BASIC FOUNDATIONAL PRINCIPLES

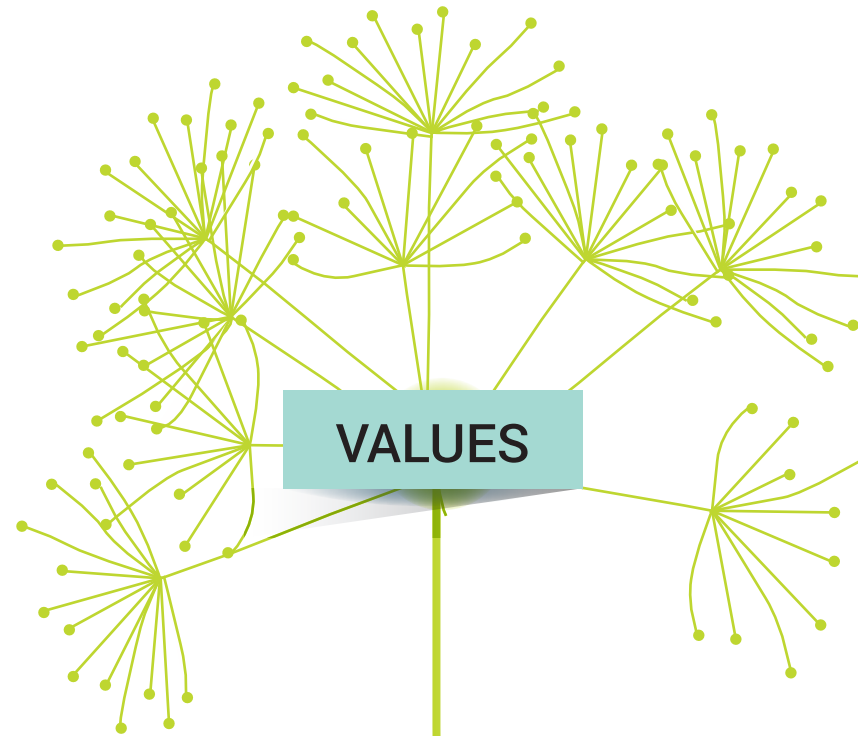


MISSION

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

VISION

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



VALUES

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

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

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

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

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

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

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



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

Santillana offers inspirational student-centered education and is keenly aware of the key role played by teachers in improving learning outcomes.

Santillana provides quality service and constant support to schools, involves families, and is committed to innovation and creativity as the pillars of learning.

94 MILLIONS
books

32 MILLIONS
students

EDUCATION



PRISA Noticias's news brands are clear leaders in their segments, and all share a clear global vocation. The company provides the best and most varied offer in Spanish of general-interest news content, as well as business and sports news, all available in multiple narratives and formats.

126 MILLIONS
unique browsers

GENERAL INTEREST NEWS



SPECIALIZED



MAGAZINES



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

It is structured around two areas of business: spoken-word radio and music radio, with a management model committed to offering high quality content, to revitalizing radio formats and to technological innovation through its on-demand audio platform.

40 MILLIONS
unique browsers

22 MILLIONS
Listeners

SPOKEN-WORD



MUSIC



PODCAST



Media Capital, via its station TVI, is Portugal's leading commercial TV broadcaster, and also ranks Number 1 for online television channels.

It sets the gold standard for the production and distribution of news content and soaps and dramas in Portuguese, and boasts a strong presence in Brazil and Portuguese-speaking countries in Africa.

COMMERCIAL TV

24-hour audience
23,8%

Primetime Audience
26,7%



CONTENT PRODUCTION



DIGITAL



YEAR IN REVIEW

JANUARY

■ EL PAÍS and Santillana team up with BBVA to launch the platform **Aprendemos juntos** (Let's learn together), a project to improve society and people's lives through education, and to foster the conversation on education with inspiring stories and new teaching methodologies aimed at the whole community.

■ Santillana is honored with the Jesús Maestro Award, given by the Inter-American Confederation of Catholic Education (CIEC) in recognition of its fifty years of commitment to education and Catholic schools in Latin America.

■ With the slogan "Transformando a educação com você", Moderna launches an institutional campaign to celebrate its 50th birthday. While true to the imprint's roots, the campaign also highlights a company that is open to the new, and that is increasingly sustainable, diverse and ready for the future.

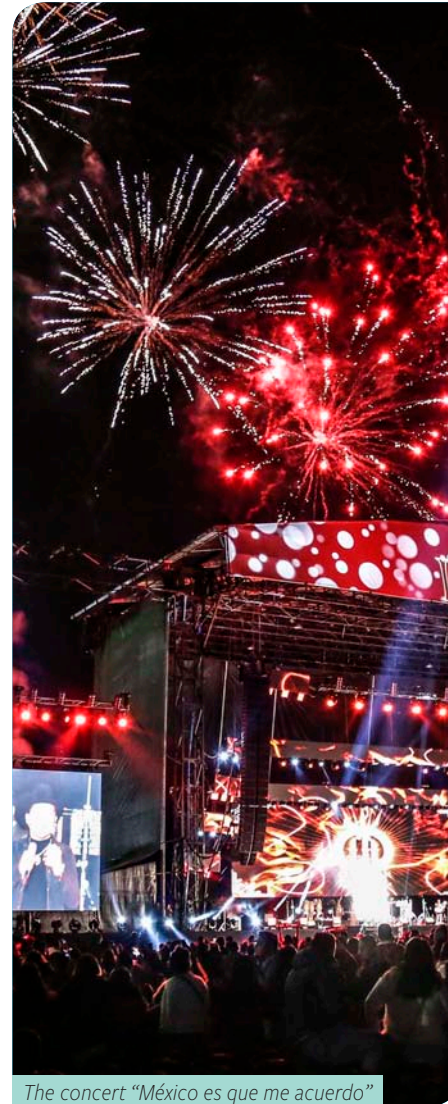


King of Spain Journalism Awards

■ Caracol Radio launches the project **Lloverán libros en la Guajira** (It will rain books in La Guajira), aimed at providing access to books among indigenous people in the department of La Guajira.

■ ADN Radio celebrates the first anniversary of its program **Agenda de género** (Gender agenda), a crucial radio show on women's issues.

■ **MasterChef** garners record-breaking audiences for the final on TVI, which enjoyed a 30% audience share.



The concert "México es que me acuerdo"

FEBRUARY

■ EL PAÍS wins the prize for **most outstanding media in Ibero-America** at the King of Spain International Journalism Awards, given by the EFE agency and the Spanish Agency for International Development Cooperation (AECID).

■ EL PAÍS, AS and LOS40 Principales organize the concert **México. Es que me acuerdo** to help those affected by the earthquakes.

■ The CD of Plural's soap opera **A Herdeira** becomes the best-selling album in Portugal in 2018.

■ **Secret Story 7** starts on TVI with a milestone achievement: the first app with artificial intelligence. It clocks up more than a million fans on Facebook even before its debut.



Ke Buena concert in Mexico City

MARCH

■ The ***E-vocación*** portal celebrates its tenth anniversary by paying tribute to the dedication of its teachers with the campaign ***10 años, 10 propósitos***, which takes a fun look at real-life day-to-day work in the classroom.

■ ***EL PAÍS LAB*** is born, an innovation incubator aimed at finding ways to tell stories in the digital native world.

■ The sports paper AS launches Showroom, a new lifestyle section specializing in entertainment deals, and aimed at increasing digital revenues through content intended for the sale of products.

■ The music radio network Ke Buena celebrates its first big event of the year at the Azteca stadium in Mexico City to the delight of 100,000 spectators.

■ WRadio hosts the forum ***Reconstrucción*** (Reconstruction) on the 2017 earthquake that shook Mexico City. The LOS40 network also joins this initiative over the course of the year.

■ Radio Comercial celebrates 39 years on air with sold-out concerts across the country and the broadcaster maintains its lead as the most-listened-to radio station in country.

■ ***Ouro Verde*** wins the Prémio Autores for best TV soap drama.



XXII Cadena Dial Awards

APRIL

■ Norma celebrates the twentieth birthday of ***Zona Libre***, a key collection for Latin American young people's literature, a segment it caters to with an innovative catalog.

■ The Supreme Court of Chile presents the ***Pan-Hispanic Dictionary of Legal Spanish*** – edited by the Royal Spanish Academy (RAE) – to coincide with the celebration of the seminar on legal language entitled ***Justice within Everyone's Reach***.

■ AS presents its Arabic-language edition, ***As Arabia***, in Madrid, aimed at bringing the best of international sport to millions of readers in the Middle East and North Africa.

■ EL PAÍS and FAO present the book collection ***El estado del planeta*** (The State of the Planet), which explores and raises awareness of the challenges facing humanity and how we might address them.

■ M80 launches eleven themed digital radio stations in Portugal.

■ Media Capital Group enters the Tech 40 index EuroNext, one of three Portuguese companies to do so.

MAY

■ The European Parliament and the Leading Newspaper Alliance (LENA), with the collaboration of EL PAÍS, organize the forum ***Fake News: combating fake news in Europe***.

■ EL PAÍS creates the position of gender correspondent with the goal of planning and improving current coverage on issues related to equality and women. The journalist Pilar Álvarez is entrusted with covering these topics in a transversal way and across all the sections of the newspaper.

■ EL PAÍS celebrates the 35th edition of the Ortega y Gasset Awards for Journalism.

■ TVI and TVI24 are media partners for the Estoril Tennis Open.



XXXV Ortega y Gasset Awards

JUNE

■ Santillana Peru brings together about 900 teachers during the **VIII Santillana International Congress: transforming schools for the future**, to respond to the challenges facing education in a landscape of social and technological change and to explore with participants the importance of their role as leaders in the transformation of education.

■ Soledad Gallego-Díaz is appointed new editor-in-chief of EL PAÍS. Guillermo Rodríguez is appointed chief editor of El Huffpost and Álex Grijelmo is named director of the UAM-EL PAÍS School of Journalism.

■ El Huffpost launches **Código Flich**, a late-night show anchored by Marta Flich, with special guests, in-depth interviews and a section in which the guests respond to the public's questions.

■ The spoken-word radio stations in Mexico, Colombia and Argentina launch their special coverage of the **World Cup in Russia**.

■ Caracol Radio and W Radio offer special coverage of the presidential elections.

■ Radio Continental celebrates the **Argentina Forum 2020/40**, an annual event that looks at the place of the country's economy and agriculture in the world.

■ Radio Comercial launches a cycling campaign in Portugal to help the Associação Salvador, which works with people with motor impairment and disability.

■ TVI wins 16 of the 24 Television Trophies 2018, in the categories of *soaps and drama, news, entertainment and sports*.



Premiere of Código Flich

JULY

■ Santillana, Cadena SER and the newspapers EL PAÍS and *Cinco Días* organize a **summer school at the Complutense University of Madrid to mark the 40th anniversary of the Spanish Constitution**. The school explored how information has evolved and how this relates to basic rights such as the right to education.

■ Gala Awards Ceremony for the **Cinco Días Awards for Business Innovation 2018**, coinciding with the 40th anniversary of the business and finance newspaper. This year's winners were the companies Women'secret, Mendelian and New Food Development.

■ The Spanish Association of Scientists honors Materia with an award for its role in the dissemination of science. Materia is the EL PAÍS science, environment, health and technology section.

■ W Radio airs a special program for the presidential elections.

■ The Ke Buena network launches its scholarship program for disadvantaged elementary, middle and high school students.

■ Radio Comercial is the official radio partner of the **NOS Alive festival** in Portugal.



Cinco Días Awards

AUGUST

■ In Ecuador, Santillana Compartir holds the fifth edition of the **Innovative Methodological Strategies** congress, in collaboration with the UISEK, with the aim of motivating teachers and educational institutions with workshops that use technological tools in the classrooms.

■ During the *National Schools Forum in Colombia*, 250 school directors discussed education for a changing world, a context in which ongoing training is seen as key for leaders working to improve education.

■ **Pesadelo na Cozinha** premieres its second season on TVI with a 32.1% share.



Pesadelo na Cozinha

SEPTEMBER

■ EL PAÍS and Cadena SER inaugurate a series of debates to mark the 40th anniversary of the Constitution by bringing together Felipe González and José María Aznar.

■ In 2018, LOS40 improves its music schedules to build a solid and continuous musical strategy. Programs with high spoken-word content are reduced.

■ Cadena SER revamps its nighttime programming with a view to exploring the full potential of this time slot and providing quality programs, led by Mara Torres and her show **El Faro**, and the program **De buenas a primeras**.

■ The PNLD 2019 digital marketing campaign entitled **Moderna – PNLD, escuelas que llevan más lejos** (Moderna - PNLD, schools that go further), and aimed at teachers and learning coordinators, stands out for innovation and results.

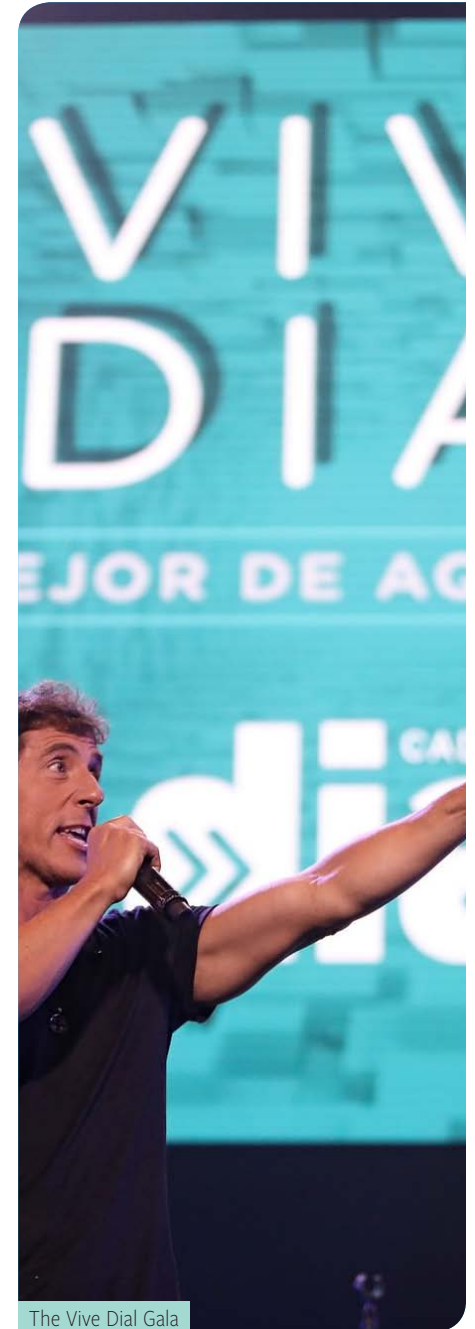
■ The **Vive Dial** concert, one of the biggest events on the Spanish music scene, promotes the initiative “La igualdad necesita ritmo” (Equality needs rhythm)

■ Lima hosts the **Richmond Convention 2018** to take a fresh look at the state of ELT. More than 300 coordinators and teachers from Peru learned firsthand about Richmond's innovations and its partnership with Michigan Language Assessment. It will be the first and only publishing house to be authorized as an exam center in Peru.

■ TVI organizes the semifinal of the International Emmy Awards in Lisbon.



Mara Torres on SER's El faro



The Vive Dial Gala

OCTOBER

■ EL PAÍS, together with twenty other media organizations, joins The Trust Project to reinforce public confidence in the media through greater transparency and public accountability.

■ EL PAÍS Retina organizes the **Retina LTD forum**, which brings together leaders of digitalization of large companies to explore the challenges they face.

■ Santillana is to use Amazon's technology to support learning with Alexa, which will be able to help elementary students thanks to the skill **Pequeños genios** (Little Geniuses).

■ Bejob and the Pontificia Universidad Javeriana launch the distance learning project **Javeriana virtual** in Colombia, which trains in new technologies and digital skills.

■ With the slogan "Juntos vivimos la educación" (Together we live education), Santillana sponsors the **XXXI National Convention of Catholic Education** in Ica, Peru, organized by the Consortium of Catholic Educational Centers, with the aim of fostering greater commitment among educational centers to generating change.

■ Cadena SER redoubled its commitment to Catalonia with SER Catalunya, which broadcasts two simultaneous programs in prime time: **Hoy por hoy** (in Spanish), and **Aquí, amb Josep Cuní** (in Catalan), for a total of nine hours of programming.

■ **LOS40 Classic** is launched, a station that pays tribute to listeners who have grown up with LOS40 and who have an emotional bond with the network. It's targeted at adults and young people in Spain who grew up with the music and culture of the "golden age of pop" and it airs LOS40 hits, especially from the 80s and 90s. It also features Spanish pop groups who made their debut on LOS40 and are still going strong today.

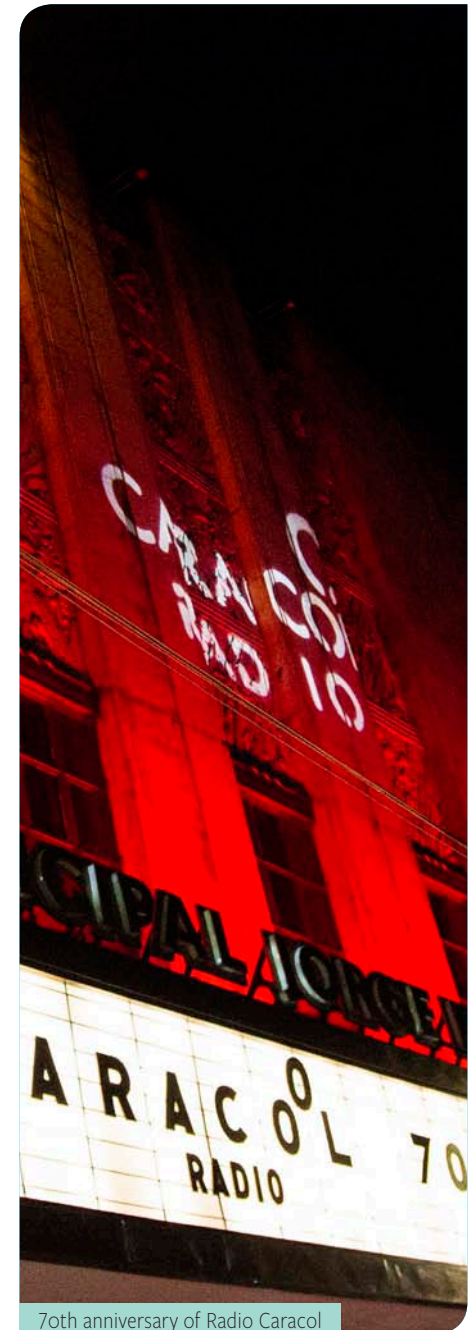
■ The launch in Spain of **SER +** with a triple objective: to give greater coverage to the big news events in each region, to reinforce the network's presence at a local level and to bring greater stability to the schedules. Listeners will be offered regular programming as well as special coverage of events, sports and news in FM.

■ **Máxima FM** becomes a digital product in Spain for the global dance community, offering new experiences and content. More electronic music, more festivals, more DJs, more Máxima FM.

■ **Caracol Radio kicks off the celebrations for its 70th anniversary**, which will include a wide range of events and activities (concerts, exhibitions, special programs...).



AS Sports Awards



70th anniversary of Radio Caracol

NOVEMBER

■ UNOi, is honored in Mexico by HundrED – the Finnish initiative to transform education in the world – as the most important initiative in educational transformation in Latin America thanks to its technological innovation, its philosophy of learning in action and for the multilingualism that teaches children and young people through a personalized approach.

■ The president of the Congress of Spanish Deputies, Ana Pastor, presents the book **La fabulosa historia de nuestra democracia** (The fabulous story of our democracy), published by Santillana to mark the 40th anniversary of the Spanish Constitution. The book covers events, the leading figures, as well as facts and figures, that have shaped, decade by decade, the history of the country.

■ AS carries out the first phase of implementation of an interactive service on WhatsApp whereby the user can access the top sports news of the day.

■ EL PAÍS receives 17 awards at NH Awards from among more than two thousand nominees. These awards pay tribute to the best in

journalistic design in Spain, Portugal and Latin America.

■ W Radio is at the Guadalajara Book Fair as the official media partner of the largest cultural event of the year in Latin America.

■ Caracol Radio inaugurates its **Fotomaratón**, a traveling exhibition to mark the 70th anniversary of the network.

■ TVI and Plural win the Emmy for the best *telenovela* at the International Emmys in New York for the series **Ouro Verde**. Plural thus becomes the most award-winning producer of all time in Europe in this category and the second most award-winning producer worldwide.

■ Media Capital organizes the **Blogues do ano** awards, which pay tribute to the best blogs of the year.



W Radio at the Guadalajara Fair

DECEMBER

■ AS celebrates the AS Sports Awards 2018. At this, the twelfth edition, the sports newspaper exclusively honored women in sports.

■ EL PAÍS and Google develop a tool to more effectively manage readers' comments and thus raise the quality of the digital debate.

■ Launch of SER Publicidad, an online advertising sales platform to help SMEs get their products to local markets. SER is the first media outlet to offer a platform of this nature.

■ The Ke Buena network celebrates its second annual event at the Azteca stadium in Mexico City with the attendance of 100,000 people.

■ ADN Radio and Radioactiva support the 27th edition of the Telathon, the largest charity campaign in the country, to raise funds for rehabilitation centers.

■ TVI makes it to the Top 3 in the national digital ranking, with two million users.

■ Santillana awards the prizes for the national contest **¡Somos KiVa! Todos contra el bullying** (All against bullying). Winners included secondary school students from España de Vallenar school for their short film against bullying, and Karla Espinoza, 5th year student of the Arturo Pérez Canto School, also from Vallenar.



Presentation of the book *The Fabulous Story of Our Democracy*

BUSINESS AREAS

SANTILLANA

Santillana reported excellent financial results in a macroeconomic environment of instability, dramatic currency devaluations in many Latin American countries (most notably Argentina) and changes of government in many countries across the region. There was robust performance in the private market and for our learning systems, as well as for public procurement tenders throughout the Americas. 2018 also saw the successful tender for an education platform and content in Puerto Rico, which is a remarkable achievement given that this is first time ever that a government has tendered out for a platform tailored to the needs of its schools.

BOOSTING TALENT

The learning systems continue to be the chief lever of growth for the company – the figure was 1.3 million students in 2018, an increase of 11% compared to 2017. Although Compartir is the biggest project in the system by volume of students, iUNOi has made remarkable strides as a cutting-edge pedagogical project, and has been instrumental in bringing so-called *maker* culture to the classroom.

All the Group's digital projects have enjoyed strong growth (FARIAS BRITO, RICHMOND SOLUTION and EDUCA). Noteworthy figures for UNOi and Compartir include:



- Number of total users (teachers, students, families and other) of Compartir + UNOi: 1,435,929
- Number of schools and students using Compartir: 2,034 schools / 730,945 students
- Number of UNOi schools: 861 schools / 265,253 students

Bilingualism continues to go from strength to strength in all countries, and the demand for integrated solutions such as Richmond Solution (diagnostics, print and digital materials, evaluation and certification) has led Santillana to expand its portfolio with innovative solutions such as Compass and EDUCATE in Brazil. Meanwhile, the Group remains committed to the teaching of English for adults, with Personal Best showing strong growth.

Santillana continues to strive to develop initiatives that respond to new trends in learning. Projects such as SET21, which seeks to foster a model of learning by projects, or Eureka, which is a personalized learning platform for children, are just some successful examples.

From a technological point of view, the company has continued to forge ahead with investment in digital tools that help to improve learning processes. One standout success was EVA (Virtual Learning Environment), which offers teachers support in their day-to-day work through a set of digital tools that enable didactic interaction with students. Additionally, the company continues to develop evaluation and assessment platforms.

It's been two years since Santillana bought NORMA, and during this time there has been a significant increase in revenues in both the private and public sectors. The integration process has been successfully completed through the reinforcement of catalogs and the development of technological platforms geared towards further enhancing its EDUCA system.

Finally, Santillana concluded the redesign of its corporate websites to create a dynamic, open and flexible space that showcases the education and learning initiatives in each country, as well as digital services and company news and updates.

LEARNING SYSTEMS

UNOi and Compartir have surpassed the figure of 1,400,000 users and are a clear example of both the company's commitment to learning systems and the education market's embrace of these systems.

Santillana Compartir closed the year with 730,945 students in 16 countries. This learning system is built around a range of different programs designed to accompany schools on their journey. For curricular development, there is a range of print and digital content in basic subjects, with student follow-up and evaluation available through the Pleno platform, and the development of reading comprehension via Lectópolis. For the migration towards bilingualism, a content and reference project has been developed, along with a reading platform, which together help users obtain international certification in the acquisition of the target language.

Meanwhile, Logros is a powerful tool for the diagnosis and development of cognitive and emotional skills. And in order to nurture 21st-century skills, SET21 pre-

sents innovative materials in non-curricular areas – and with innovative methodologies such as learning via projects and *maker* culture.

Each program enables ever deeper exploration and development of the school's core educational project so as to better fulfill the purposes for which they were created. Santillana is thus committed to accompanying schools on their journey towards the future of education.

UNOi is one of the most innovative educational initiatives in Latin America thanks to a comprehensive and integrated model in which all the components and elements are closely linked, and where all barriers between subjects and languages are broken down.

We have made great strides toward enshrining maker culture as a catalyst for evolution and development in our schools. In Mexico we have set up more than 130 Maker Clubs. They join our Challenge Clubs and Media Clubs as “maker spaces” for secondary school students and are part of the the so-called UNOi Lab. Here, young





people are encouraged to make prototypes that involve mechanics, electronics and programming.

Robotics is yet another area of innovation: we've partnered with Makeblock, one of the leading brands in the production of robotics components worldwide to bring this discipline into our schools.

Finally, a milestone achievement for UNOi in 2018 was when the learning system was honored by HundrED – an educational non-profit based in Finland, – as one of the hundred most innovative education initiatives in the world.

LANGUAGE LEARNING

The language-learning division (Richmond, Santillana Français and Santillana Español) had a phenomenal year in 2018, with sales and market share growing, and new additions to the catalogs. There was significant growth in sales in Mexico, thanks, in part, to federal government procurement for state schools.

English-language learning has contributed to sales growth thanks to subscriptions within Santillana, both via Compartir and the innovative Richmond Solution, which complements books with digital content, including the MyON digital library, teacher training, academic coaching, the evaluation and certification of students and online games.

The innovative COMPASS primary school series has been launched, aimed at bilingual schools throughout Latin America. Bilingualism is growing steadily throughout the region and Compass is the first series that combines both the latest learning trends, such as trigger questions, and the development of critical thinking through real-life materials in English. In Brazil, the Educate system was successfully launched, also geared towards bilingual schools.

The PERSONAL BEST series for Young Adults was also launched. Richmond is rapidly gaining a reputation for itself in this a segment, not only in the Spanish-speaking world but also in countries such as Turkey and Thailand.

Finally, Santillana has maintained its lead in the teaching and learning of Spanish in Brazil and of French in Spain, the latter with its own catalog and a long and successful track record of collaboration with the leading educational publishers in France.



PROMOTING READING

2018 saw a renewed and strengthened commitment to the digital resources of the Loqueleo imprint. A reading comprehension platform that facilitates the measurement of reading skills as defined by PISA was launched in Argentina and Mexico. It will be rolled out in the remaining countries in 2019.

In addition, progress has been made with the plan for the trade book segment, with the international launches of the Roald Dahl activity books, new reference and knowledge titles and the first titles of the Familia a la fuga series, by the writer Ana Campoy. In 2019 we will launch youth-oriented trade books, plus a book project for children aged 0-3 in different formats (cloth, for bathtime, for teething and so on) featuring characters created by our editorial team.

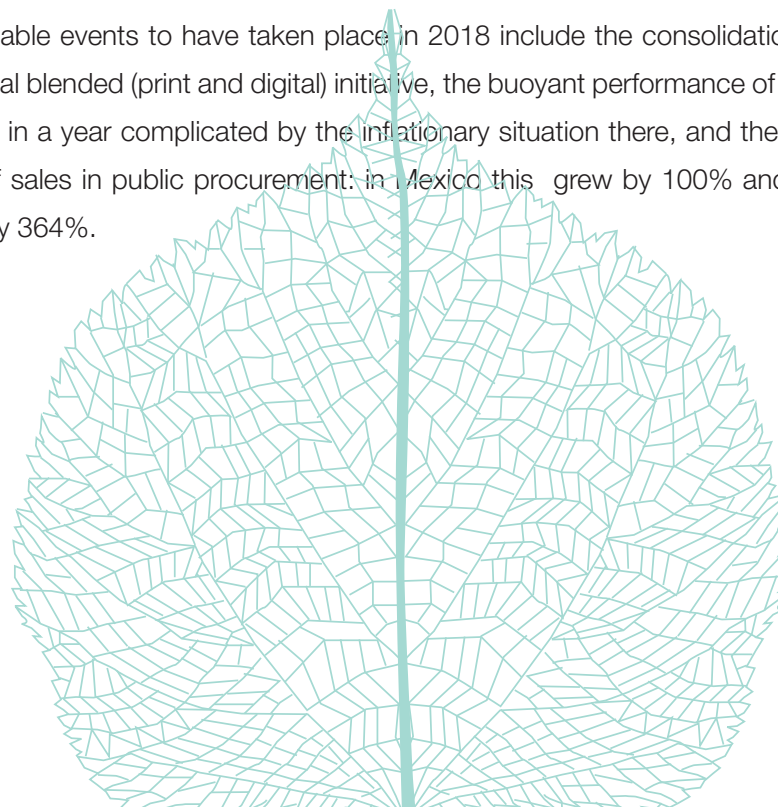
The Moderna 2018 label had a great year in terms of sales to the government and thanks to the inclusion of Ilan Brenman in our catalog of exclusive writers.



It has also been a year of celebration, with two big milestone anniversaries for Norma's children's and young adult literature: the 20th birthday of the Zona Libre youth collection and the 20th anniversary of our bestseller, *Los ojos del perro Siberiano* (*The eyes of the Siberian dog*), by Antonio Santa Ana, which has clocked up more than one million readers since its first publication. In addition, the year also saw the promotional tour for the winner of the Norma Prize for Children and Young Adult Literature, Ezequiel Dellutri, and his work *Koi*.

2018 was a year of definitive consolidation of Norma within Santillana – and indeed for Norma in its own right as a valuable and profitable publishing group. The robust results prove this was a successful investment, both in terms of its acquisition as well as subsequent investment made after the initial purchase. The increase in sales and market share has been notable in all countries, with the overall growth figure for the group standing at 64%.

Other notable events to have taken place in 2018 include the consolidation Norma's global blended (print and digital) initiative, the buoyant performance of Norma Argentina in a year complicated by the inflationary situation there, and the robust growth of sales in public procurement: in Mexico this grew by 100% and in Argentina by 364%.



PRISA NOTICIAS

2018 was a year of far reaching change at PRISA Noticias, with Alejandro Martínez Peón appointed CEO of the business unit in February. In addition, three of its news titles saw new editors take the reins: Soledad Gallego Díaz was appointed editor-in-chief of EL PAÍS in June, and that same month Guillermo Rodríguez took over at the helm of *El HuffPost*. In September Miguel Jiménez took over at *Cinco Días*.

In terms of management, the unit overhauled its different areas with the aim of reorganizing functions, improving work processes and promoting better communication and coordination between the different teams.

EL PAÍS

EL PAÍS undertook a range of important business initiatives and new editorial projects over the course of 2018. In June, the Board of Directors of EL PAÍS approved the appointment of Soledad Gallego-Díaz as the new editor-in-chief of the newspaper. Gallego-Díaz thus became the first woman at the helm of the paper in its 42 years of history. With the challenge of strengthening its lead, further developing the newspaper's digital commitment, increasing its presence and influence in Latin America and building an ambitious project of business and finance news at an international level, Gallego-Díaz has surrounded herself with a formidable manage-



The new newsroom management team at EL PAÍS.

ment team that includes Mónica Ceberio, Jan Martínez Ahrens and Borja Echevarría as deputy editors, and with Javier Moreno – chief editor of EL PAÍS from 2006 to 2014 – as head of the American edition.

With the goal of providing greater coverage of the issues that most directly concern and affect the general public, the paper rolled out its revamped Society section. The Society section aims to provide a vital platform and voice to all those who most inspire us and will be carefully tuned in to the demands and expectations of readers in the areas of human rights and freedoms. In March 2018, EL PAÍS launched EL PAÍS_LAB, a laboratory that promotes cutting-edge digital content to explore new quality creative formats.

EL PAÍS, along with 20 other news organizations, joined The Trust Project with the aim of strengthening the public's confidence in the media through greater transparency and by identifying and increasing the amount of trustworthy news and information published by credible media organizations .

In addition, in December, EL PAÍS and Google developed a tool in Spanish to more effectively manage the comments of readers and thus raise the quality of the digital debate. Once developed, it was made available to all media.

Monthly audiences for the EL PAÍS website have grown by 6% compared to 2017. In Latin America, the figure for unique users was up by 28% (with notable growth for EL PAÍS in Brazil of 45%). This traffic accounted for 38% of the monthly average last year.

The percentage of readers who access the newspaper through mobile devices reached 70% in 2018. The most notable increase was experienced by multimedia content. The monthly average of video views increased 11% thanks to the creation of new content such as live content on Facebook and the exponential growth of the YouTube channel.

EL PAÍS Vídeo produced more than 1,200 videos per month plus dozens of live news programs to cover the the year's big stories. In addition, in mid 2018 a video channel was launched for the EL PAÍS food blog *El Comidista*, which reached more than 80,000 subscribers in less than six months. Meanwhile, the division co-produced the documentary film *The Best Day of My Life*, which follows the experiences of six young gay men from four countries who meet at World Pride in Madrid.



Spain 40-40

The year also saw the production of the first podcasts for home devices, making EL PAÍS the go-to news source for Alexa, Google Home and Apple. There was also a new weekend podcast that deals current affairs in depth.

There was a continued commitment, meanwhile, to the distribution of content through social media. The community of followers has now surpassed 23 million across all the main platforms.

In 2018, EL PAÍS organized a wide range of forums for debate, featuring high-level government business figures from Europe and Latin America, as well as intellectuals such as the writer Mario Vargas Llosa, and top-tier politicians such as the president of the European Commission, Jean-Claude Juncker, and the president of Chile, Sebastián Piñera.

In addition, and on the occasion of the 40th anniversary of the Spanish Constitution, EL PAÍS and Cadena SER brought together the former Spanish Prime Ministers Felipe González and José María Aznar.



Challenge in Chile



Dialogue on the Constitution



Retina LTD

The 35th Ortega y Gasset Journalism Awards honored the work of professionals who put their lives at the service of freedom of expression. The winners were: Miriam Castillo, Manuel Ureste and Nayeli Roldán, who won the prize for Best Report or Investigative Journalism for their report on corruption in Mexico;

Inger Díaz for her podcast following the life of an undocumented immigrant in the US; and David Armengou and Marcela Miret, for their striking image of the jihadist terror attack in Barcelona in 2017. Soledad Gallego-Díaz, current chief editor of EL PAÍS, was honored for her lifetime career.

EL PAÍS Retina forum celebrated its third edition in 2018. The aim was to highlight the importance of digital transformation and to foster dialogue and constructive debate on how to make our society both more advanced and competitive.

In the area of education, two widely regarded initiatives had another successful outing: *El País con tu futuro (El País with your future)*, which guides and motivates young people when it comes to choosing their professional future; and *El País de los Estudiantes (El País for students)*, which aims to engage students with journalism.

With regard to customer loyalty, EL PAÍS +, which offers special deals for newspaper subscribers, now embraces registered users at elpais.com. The program is thus yet another lever in the global strategy of obtaining data, getting to know customers and improving their user experience. In addition, around 3,000 people attended events organized by EL PAÍS +.

AS

AS reaffirmed its position as the news medium of record in the world of sport, thanks to its continued commitment to international expansion, especially in Latin America, and to seeking out new lines of business. International traffic now accounts for 52% of the sports paper's total audience. In Latin America, as.com confirmed its lead thanks to its local editions: in Chile the site grew by 12%, in Mexico by 15% and in Colombia by 9%. In Colombia it is the sports paper of record. International expansion continued in April with the launch of *AS Arabia*, aimed at the more than 400 million Arabic speakers in the world.

Mobile devices reign supreme when it comes to accessing content. Google AMP and Facebook Instant Articles formats were maintained to improve the mobile user experience. AS TV reported growth of video views per month of 6% in 2018, according to Omniture. Meanwhile, Meristation, the No. 1 video games portal in Spain and Latin America, has held on to its lead.



Retina LTD

With the aim of boosting audiences of the newspaper, an agreement was reached with Movistar eSports to host its electronic sports content in a special section on as.com. In addition, interactive news applications have been developed for smart speakers from Amazon (Alexa) and Google (Google Home), making AS one of the first national media available for voice assistants

In 2018, the newspaper celebrated the 12th annual AS Sports Awards, which paid tribute to women's sports. The ex-gymnast Larisa Latynina (the woman with the most Olympic medals in history), Lydia Valentín, Carolina Marín and Gisela Pulido were among the female athletes to be honored.

CINCO DÍAS

PRISA's business and finance title celebrated its 40th anniversary in 2018. After the wide-ranging changes made in the previous year, which saw the roll out of revamped digital and print editions, the newspaper has reinforced its position as the business title of record for companies, professionals, investors, savers and policymakers. *Cinco Días* is adapted to all formats and devices, with special attention to mobile devices.

Cinco Días forms part of the project *EL PAÍS Economía*, the largest business and finance content platform in Spanish, alongside EL PAÍS's *Economía* section and the new digital transformation site, Retina.

Cinco Días has continued its consolidation as an open forum for dialogue on the economy, companies and investment, organizing seminars on key issues. The year was marked by the change of government in June after a vote of no confidence. Against this backdrop, there was continued public debate with political figures through the *Cinco Días Forum*, with participants including the former Minister of Justice, Rafael Catalá the Minister of Ecological Transition, Teresa Ribera, and the Minister of the Treasury, María Jesús Montero.

Cinco Días also keeps its finger on the pulse of economic news with the *Cinco Días Newsroom Breakfasts*, which look at all the latest developments in the economy,

as well as social responsibility and sustainability in companies.

The Cinco Días Awards for Business Innovation, which celebrated their eleventh edition in 2018, were handed out on July 5 at a ceremony presided over by the Minister of Science, Innovation and Universities, Pedro Duque, who debated innovation with four senior figures from Spanish business: Helena Herrero, president of HP Spain; Pilar López, president of Microsoft Spain; Rosa García, president of Siemens Spain, and María Jesús Almazor, CEO of Telefónica Spain. The award winners were Women'secret, Mendelian and New Food Development.



EL HUFFPOST/LA FACTORÍA/ELMOTOR.COM

For *El HuffPost* 2018 was its best year ever. The number of monthly readers has continued to grow and the number of loyal followers has increased significantly. Targets for new readers have been met – it's still among the five most-read digital natives in Spain – as have targets for promoting loyalty among existing ones. In addition, 2018 saw renewed joint strategies with other media belonging to the group: there was an alliance with AS for the World Cup, and the agreement for sharing content across networks was consolidated.

La Factoría has undergone an organizational change to focus on the creation of content for third parties and, above all, in the area of *branded content* for PRISA Noticias products. A thousand pieces of content have been produced for advertising clients managed by the group's marketing wing (PRISA Brand Solutions), which generated associated revenues of around 10.9 million euros, 35% more than in 2017.

The site ElMotor.com, launched in 2016 and across all PRISA Noticias brands, reported record audiences – 24% higher than its previous milestone – placing it among the top 5 car sites in Spain.

PRISA RADIO

SPAIN'S NUMBER ONE RADIO BROADCASTER

For yet another year running, PRISA radio stations have ranked number one in the Spanish radio sector. Cadena SER closed 2018 as the absolute market leader among spoken-word radio broadcasters. In addition, LOS40 reconfirmed its lead and can now boast more than five decades as the No. 1 entertainment radio brand in Spain, followed by Cadena Dial, the second most listened to radio station.

In a year of enormous change for PRISA stations in Spain, the company has demonstrated its continued commitment to news, sports, entertainment and music through a powerful network of stations, events, websites, mobile applications and content on-demand.

With the start of the new season, LOS40 rolled out a revamped program schedule. With the goal of building a solid and ongoing musical strategy, in 2018 more music formats were added to the schedules while the number of programs with high spoken-word content were reduced.

In September, Cadena SER presented its programming for the 2018-2019 season. The novelty was the return of Mara Torres to Cadena SER to anchor the show *El Faro*. The station also welcomed the new entertainment and news program *De buenas a primeras*. There was also an overhaul of the late-night slot as the network took a fresh look at night-time radio with a view to engaging late-night listeners with quality content.

Another novelty came in October with the launch of SER Catalunya. With this unprecedented initiative in the history of private radio in Spain, the leading network redoubled its commitment in Catalonia to offer its listeners two simultaneous primetime programs: *Hoy por hoy*, anchored by Pepa Bueno and Toni Garrido (broadcast on the usual Cadena SER frequencies and in Spanish), and *Aquí, amb Josep Cuni* (broadcast in Catalan on the new station's frequencies). SER Catalunya's schedule also features a range of other programs that bring the total to more than nine hours a day of content in Catalan.

Also in October, Cadena SER took another step forward in its commitment to audiences with the creation of the SER + radio network. This launch had three main objectives: to provide greater news coverage of headline news events unfolding in each region; to reinforce the local presence of Cadena SER; and to provide a degree of stability to the everyday schedule.

October 31 saw the first broadcast of LOS40 Classic, a new music station that draws on the biggest hits from LOS40's history, with a special focus on the 80s and 90s, and with a notable presence of national pop, including bands that made their debuts on LOS40 and that are still going strong today.

Another important milestone of the year was the launch of SER Publicidad, which aims to reach out to small and medium-sized



companies and help them publicize their products in local markets. With the launch of this platform for the sale of *online* advertising, SER became the first media outlet to pioneer a tool of this nature on the market.

Finally, at the end of 2018, the dance music station *Máxima FM* went digital with the goal of offering the dance community new content and experiences.

THE MOST LISTENED TO RADIO GROUP IN LATIN AMERICA

In 2018, PRISA Radio remained the undisputed leader of the radio market in Latin America, with the Group's stations, once again, setting the gold standard in the industry in the Spanish-speaking world. PRISA's radio brands in Latin America had a busy year with a wide range of events in all the countries where they are present.

In January, Caracol Radio in Colombia launched the project *Lloverán libros* in *La Guajira*, which aims to provide access to books among the indigenous populations of the department of La Guajira.

In Mexico, during the month of March, music station *Ke Buena* celebrated its first big event of the year at the Azteca stadium in Mexico City to the delight of 100,000 spectators. Meanwhile, *W Radio* held its forum *Reconstrucción* after the 2017 earthquake that shook the capital, an initiative also supported by *LOS40* throughout the year.

In June, the radio stations of Mexico, Colombia, Argentina and Chile launched a special program to coincide with the World Cup in Russia. That same month in Colombia, Caracol and *W Radio* offered special coverage of the presidential elections, while *Radio Continental* held the forum *Argentina 2020/40*, an annual event that looks at the country's economy and its position in the agricultural sector worldwide.

In July, *W Radio* in Mexico aired a special program for the presidential elections, and *Ke Buena* launched its scholarship program for disadvantaged primary and high school students.

In Colombia, in October, Caracol Radio kicked off its 70th anniversary celebrations with a wide range of events, including concerts, exhibitions and special programs. The Colombian station also launched its program *Pa'lante Pacífico*, a project in partnership with the University of Los Andes that aims to help young people from the Pacific coast region gain access to university.

In November, *W Radio Mexico* was center stage at the Guadalajara Book Fair as the official media partner for the largest cultural event of the year in Latin America.

As 2018 drew to a close, in Argentina *Radio Continental* and *Los40* teamed up to host *Campus FC Barcelona* for children aged 6 to 17, after an agreement was signed with the Spanish football club. Meanwhile, *Ke Buena* held its second festival of the year at the Azteca stadium in Mexico City with over 100,000 people in attendance. In Chile, *ADN Radio* and *Radioactiva* held the 27th edition of their Telethon, the largest fundraising campaign in the country to raise money for rehabilitation centers.



Annual K Buena Festival

MEDIA CAPITAL

2018 saw TVI hold on to its lead for the 14th consecutive season in the free-to-air television sector in Portugal. The channel also ranks No. 1 for drama and soaps, news, sports and entertainment. The share for daytime TV was 20%, rising to 23.6% for prime time, and the channel enjoyed a considerable lead over its nearest rival. It's a solid lead that became even clearer still as the year closed – with a special new year's gala of ***Dança com as estrelas***, bringing in a 24.6% share.

TVI also set itself apart thanks to the broadcast of Champions League matches, which gave it a share of 41.1% and an average audience of almost two million viewers (in the male target, the share was 49.5%).

The second season of ***Pesadelo na Cozinha*** was the most watched entertainment program on Portuguese television in 2018, with 1,371,000 viewers. ***MasterChef Junior*** and ***Secret Story 7: Casa dos Segredos*** were leaders in their respective slots. Notable soaps and dramas included ***A Herdeira***, the most-watched TV soap, while ***Jogo Duplo***, ***Valor da Vida*** and ***A Teia*** were all audience-share leaders.

With regard to the internationalization of content and TVI channels, PLURAL / TVI's export figure for soaps and dramas was at an all time high, reaching more than 75 countries. International channels were extended to operators in Switzerland, France and Luxembourg, and TVI Internacional now airs in 22 territories around the world via more than 40 operators. TVI24 is also prime time leader among cable news channels.

The telenovela ***Ouro Verde*** won the International Emmy in the category of best *telenovela* (it was the only production in Portuguese to be nominated), and was sold in the US and several Eastern European countries, as well as in the 22 MENA territories (Middle East and North Africa). It was TVI's first telenovela to be dubbed into Arabic. With this second victory and fifth Emmy nomination, PLURAL has become the most awarded producer of soaps in Europe and ranks second worldwide in the best telenovela category.

Meanwhile, Radio Comercial is the most listened to radio station in the country, while M80 is in third place. In 2018, Media Capital Radios posted record results and was once again the most listened to radio group in the country. M80 and Smooth launched several digital stations: M80 premiered 11 such channels (M80 Rock, M80 Pop, M80 Ballads, M80 Dance, M80 Soul, M80 Indie, M80 Portugal, M80 60's, M80 70's, M80 80's, M80 90's) and Smooth aired three new channels: Smooth Soul, Smooth Blues and Smooth Bossa Nova.

Online, TVI was the first Portuguese brand to reach a million followers on YouTube. Media Capital's digital content saw growth of 4.5% in number of visits, 2.5% for page views and 2% for video views, compared to 2017 figures.

In 2018, the Group remained one of the only three Portuguese companies to rank in the top 40 Euronext technology companies (Tech40).



Award-winning telenovela *Ouro Verde*

MAIN FIGURES

REVENUE SOURCE

Revenue source by geographic region

	2018		2017	
	millions of euros	Contribution	millions of euros	Contribution
Spain	513	40%	523	40%
International	767	60%	797	60%
Brazil	171	13%	203	15%
Mexico	85	7%	87	7%
Colombia	95	7%	98	7%
Chile	56	4%	51	4%
Argentina	53	4%	61	5%
Peru	25	2%	23	2%
CAN ¹	28	2%	28	2%
CAS ²	10	1%	12	1%
Ecuador	21	2%	22	2%
Dominican Republic	9	1%	10	1%
Puerto Rico	8	1%	9	1%
Uruguay	2	0%	3	0%
Bolivia	6	0%	6	0%
Paraguay	2	0%	3	0%
Venezuela	1	0%	4	0%
USA	11	1%	9	1%
Portugal	185	14%	168	13%

Revenue source by business area

	2018		2017	
	millions €	Contribution	millions €	Contribution
Education	600	46,9%	645	48,9%
Radio	288	22,5%	281	21,3%
Press	203	15,9%	221	16,7%
Media Capital	182	14,2%	165	12,5%
Others	7	0,6%	8	0,6%
TOTAL	1.280		1.320	

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

¹ CAN: Guatemala, El Salvador and Honduras.

² CAS: Costa Rica, Panamá and Nicaragua.

EBITDA Geographical distribution

	2018		2017	
	millions €	Contribution	millions €	Contribution
Spain	68	25%	51	19%
International	208	75%	220	81%
Brazil	52	19%	67	25%
Mexico	18	6%	16	6%
Colombia	22	8%	20	7%
Chile	18	6%	15	6%
Argentina	20	7%	20	7%
Peru	6	2%	5	2%
CAN ¹	11	4%	11	4%
CAS ²	3	1%	4	2%
Ecuador	7	3%	8	3%
Dominican Republic	3	1%	4	1%
Puerto Rico	3	1%	3	1%
Uruguay	1	0%	1	0%
Bolivia	3	1%	3	1%
Paraguay	0	0%	1	0%
Venezuela	0	0%	2	1%
USA	0	0%	0	0%
Portugal	42	15%	42	16%

EBITDA in millions of euros



Source: internal data

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

SANTILLANA

Sales by country or region

In millions of Euros

	2018	2017
Spain and Portugal	114,6	121,5
Spain	111	117,8
Portugal	3,6	3,7
Brazil	168,7	199,8
Mexico	81,4	83,6
Venezuela	0,5	3,9
Argentina	41,3	50,4
Chile	31,7	26,5
Peru	24,4	22,7
Colombia	32,2	32,5
Rest Americas	90,9	95,6

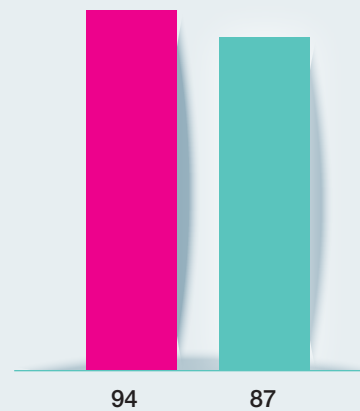
Sales by business line

In millions of Euros



Annual book sales

In millions of books

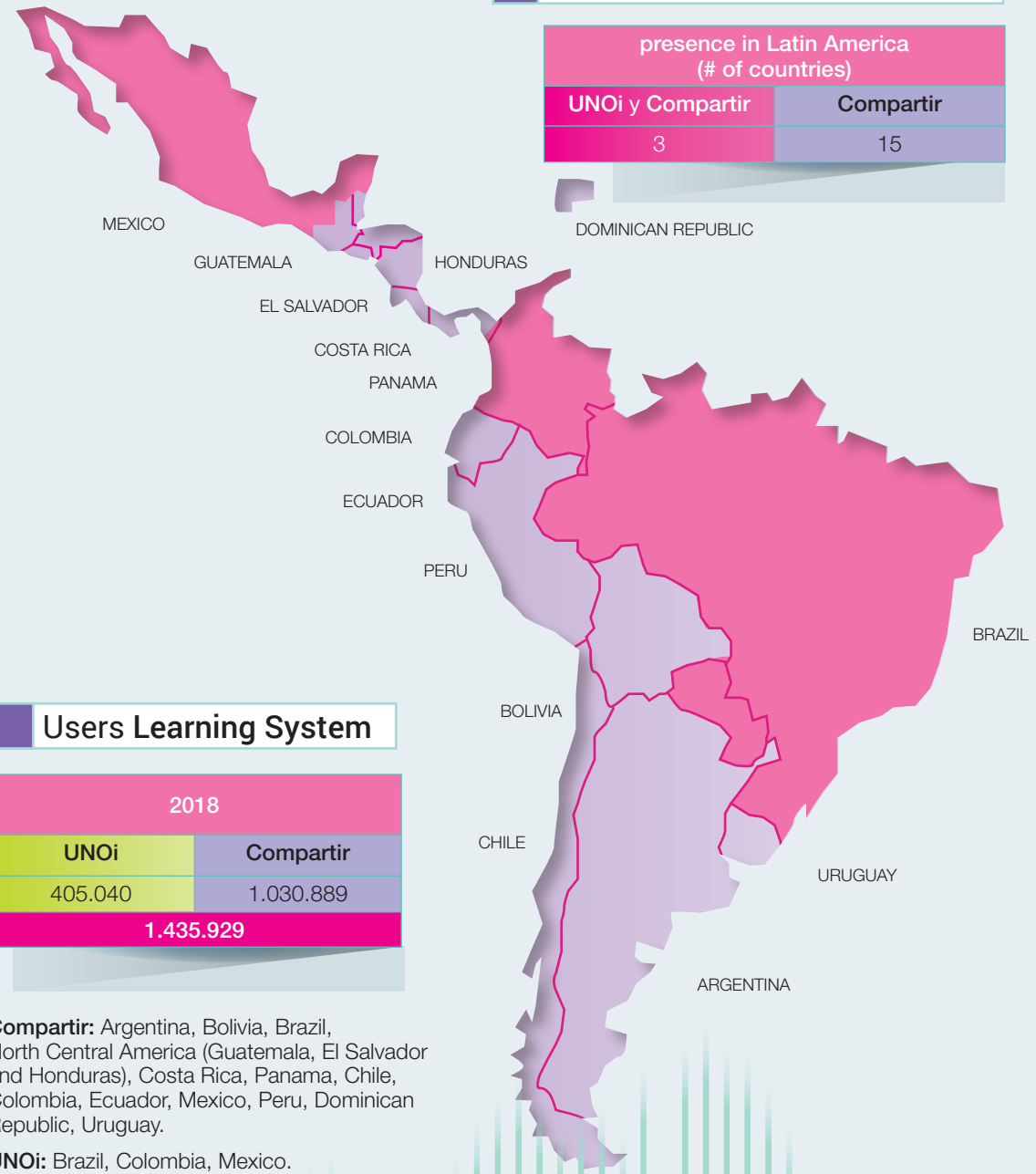


N° of countries UNOi and Compartir



Growth of UNOi and Compartir

presence in Latin America (# of countries)	
UNOi y Compartir	Compartir
3	15



Students UNOi and Compartir

N° of students			
2018		2017	
UNOi	Compartir	UNOi	Compartir
265.253	730.945	276.176	656.430
996.198		932.606	

N° of schools			
2018		2017	
UNOi	Compartir	UNOi	Compartir
861	2.034	893	1.894
2.895		2.787	

Users Learning System

2018	
UNOi	Compartir
405.040	1.030.889
1.435.929	

Compartir: Argentina, Bolivia, Brazil, North Central America (Guatemala, El Salvador and Honduras), Costa Rica, Panama, Chile, Colombia, Ecuador, Mexico, Peru, Dominican Republic, Uruguay.

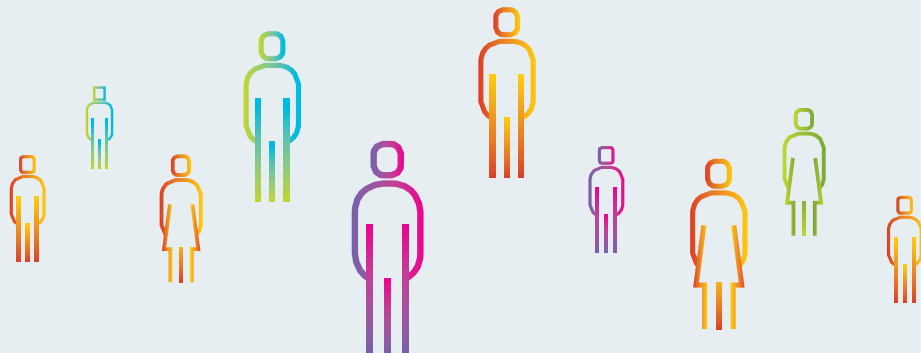
UNOi: Brazil, Colombia, Mexico.

PRISA RADIO

PRISA Radio Audience by country

thousands of listeners

	Position market	Audience share	Listeners	Source
Spain	1	41%	9.734	EGM January-December 2018
Latin America			12.398	
Chile	1	40%	2.503	IPSOS January-December 2018
Colombia	1	27%	7.325	ECAR November 2018
Mexico	3	15%	1.759	INRA January-December 2018
US - Miami	4	5%	109	NIELSEN January-December 2018
Argentina	5	12%	702	IBOPE January-December 2018
Portugal	1	37%	2.081	Baremo Radio Olas en-Dic 2018
Total without portugal			22.132	



Radio audience in Spain

EGM T3 2018. millions of listeners

	Listeners 2018
Cadena SER	4.139
40 Principales	2.925
Cadena Dial	2.224
Máxima	259
M80	445
Radiolé	452
Ke Buena	74
Total	9.777*

	Listeners 2018	Share
SER	4.139	36,3%
Cope	2.716	23,8%
Onda Cero	1.755	15,4%
RNE	1.219	10,7%
Total listeners, general-interest	11.390	

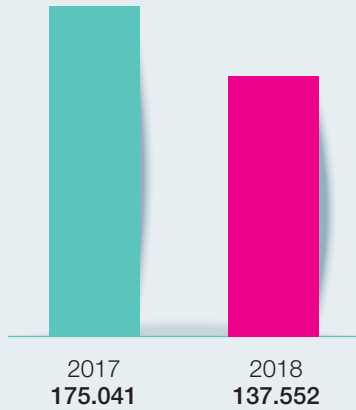
	Listeners 2018	Share
PRISA RADIO	5.986	44,3%
LOS40	2.925	21,7%
Cadena Dial	2.224	16,5%
Máxima FM	259	1,9%
M80	445	3,3%
Radiolé	452	3,3%
Ke Buena	74	0,5%
Cadena 100	2.126	15,8%
Europa FM	1.305	9,7%
Rock FM	1.162	8,6%
Kiss FM	936	6,9%
Total listeners, music	13.497	

*Number of net listeners without duplications

PRISA NOTICIAS

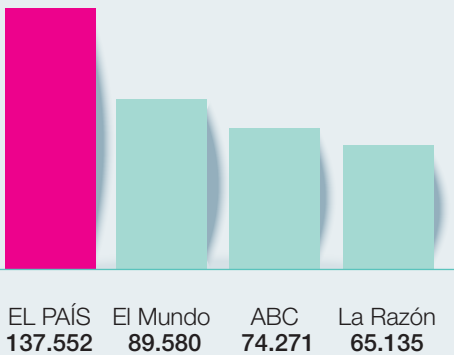
Circulation figures for EL PAÍS

number of copies



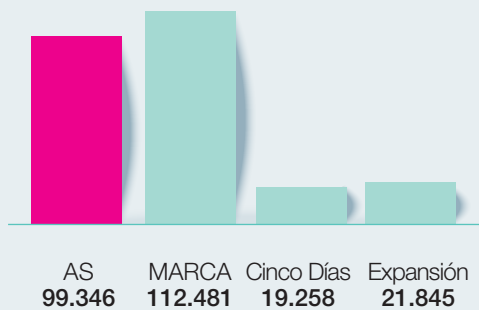
Circulation figures for leading Spanish general-interest printed newspapers

number of copies 2018
Source: OJD

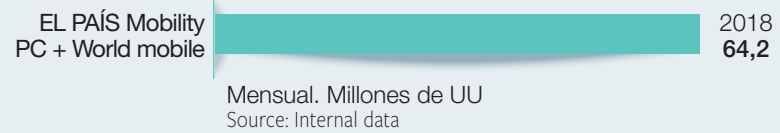
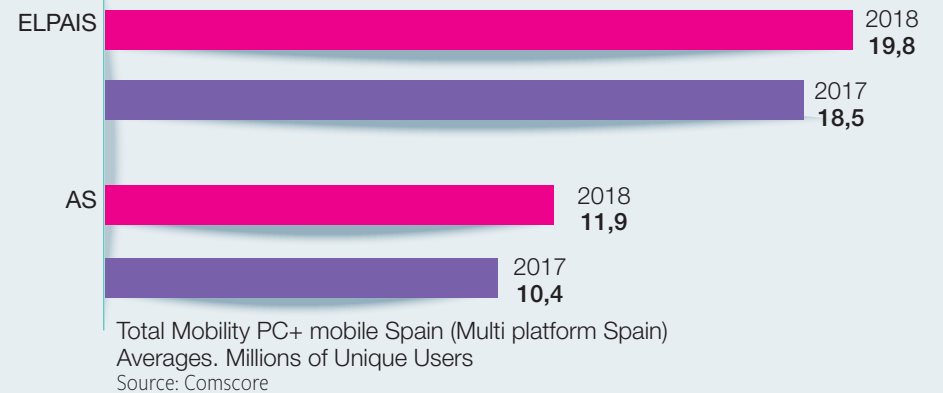
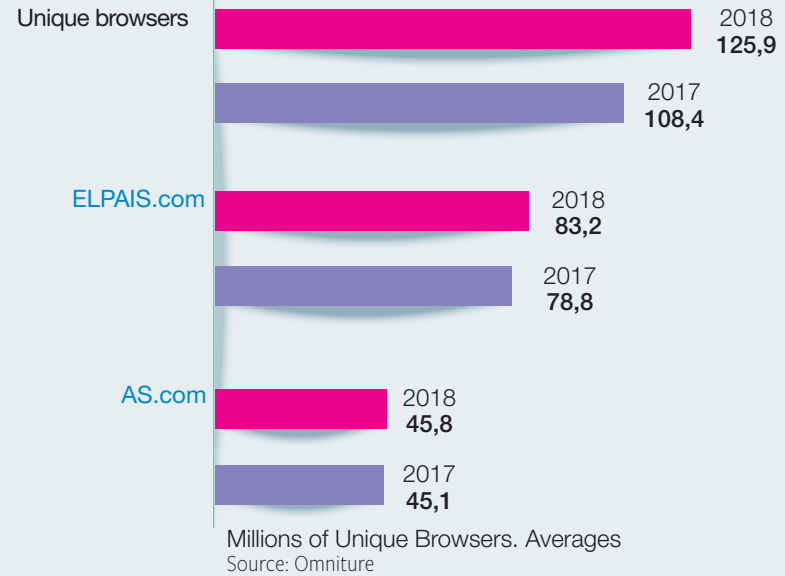


Circulation figures for leading Spanish sport printed newspapers

number of copies 2018
Source: OJD



Browsers and multiplatform users PRISA Noticias



PRISA NOTICIAS

Unique browsers by region

Thousands

	2018	2017
Browsers	125.946	108.428
Spain	64.882	59.532
Latin America	49.749	37.085
USA	6.623	5.047
Other	4.690	6.818

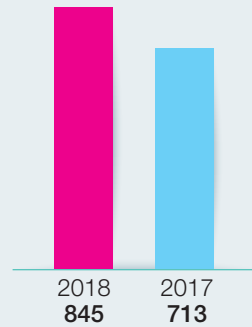
Origin of traffic

Share and percentage

	2018		2017	
		Contribución		Contribución
Brand	91.550.837	35%	79.906.494	36%
SEO Keyword	100.297.585	38%	56.701.418	31%
Social media	49.616.502	19%	62.091.796	25%
Other	21.687.566	8%	23.474.610	6%
TOTAL	263.152.490		222.174.317	

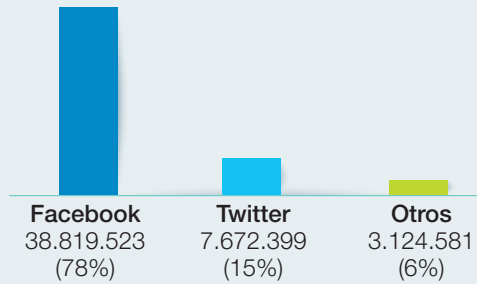
Video starts

Millions



Number of sessions by origin in %

by origin in %



MEDIA CAPITAL

Television PORTUGAL

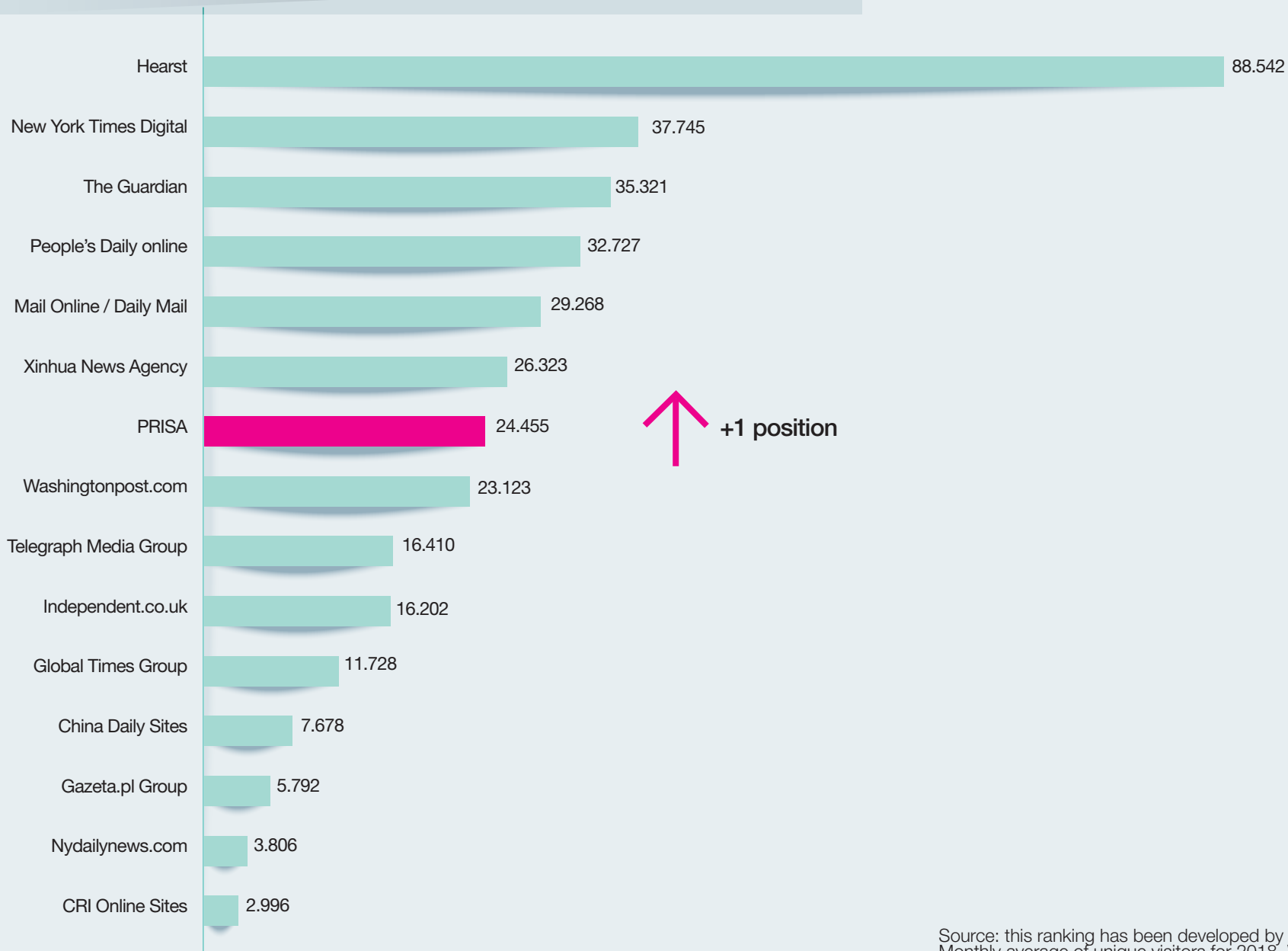
January - December 2018

	24 h	Prime time
Grupo TVI	23,8%	26,7%
Grupo SIC	20,8%	24,3%
Grupo RTP	17,3%	16,6%
Other	38,1%	32,4%



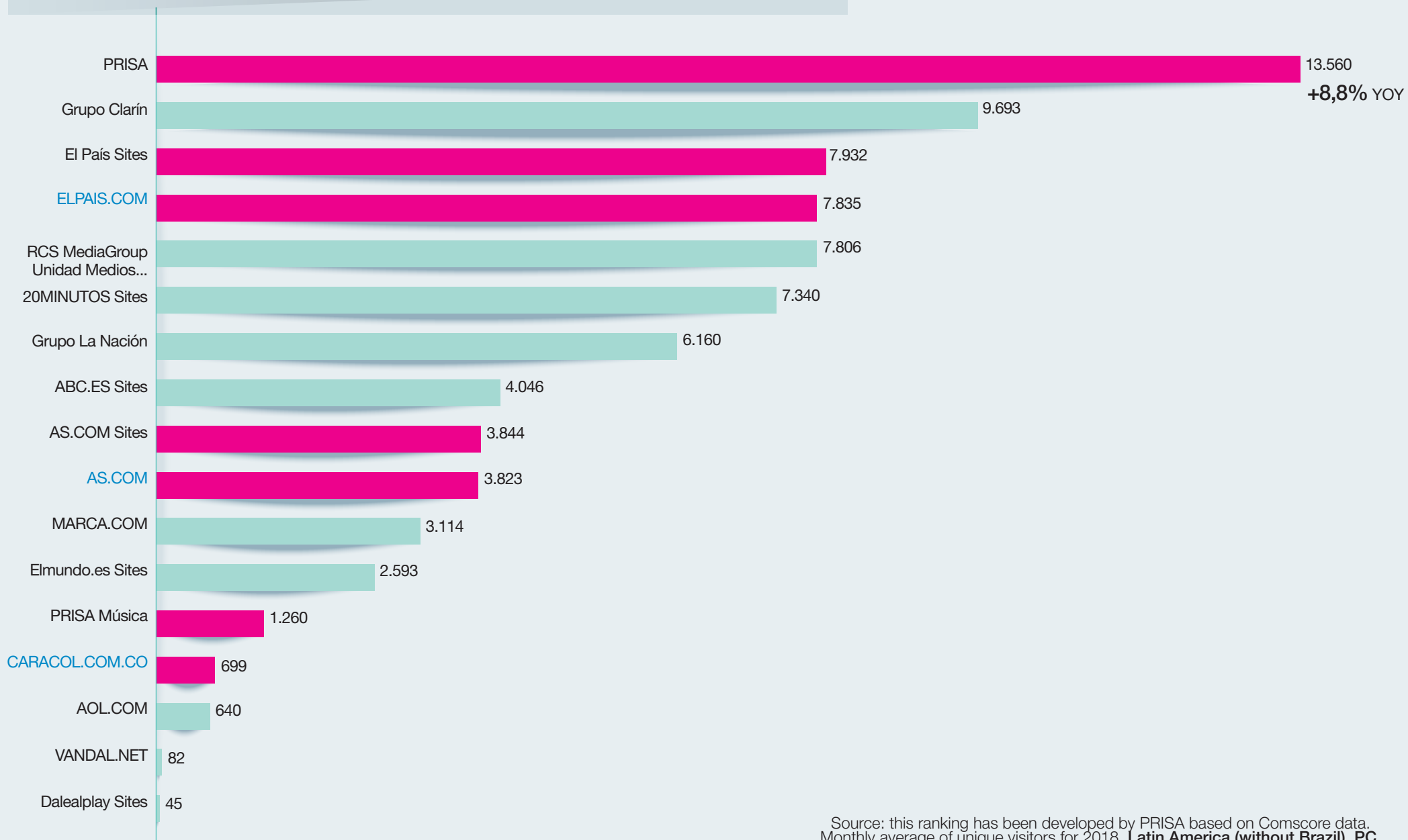
Source: Omniture

World audiences for news sites (in thousands of unique users)



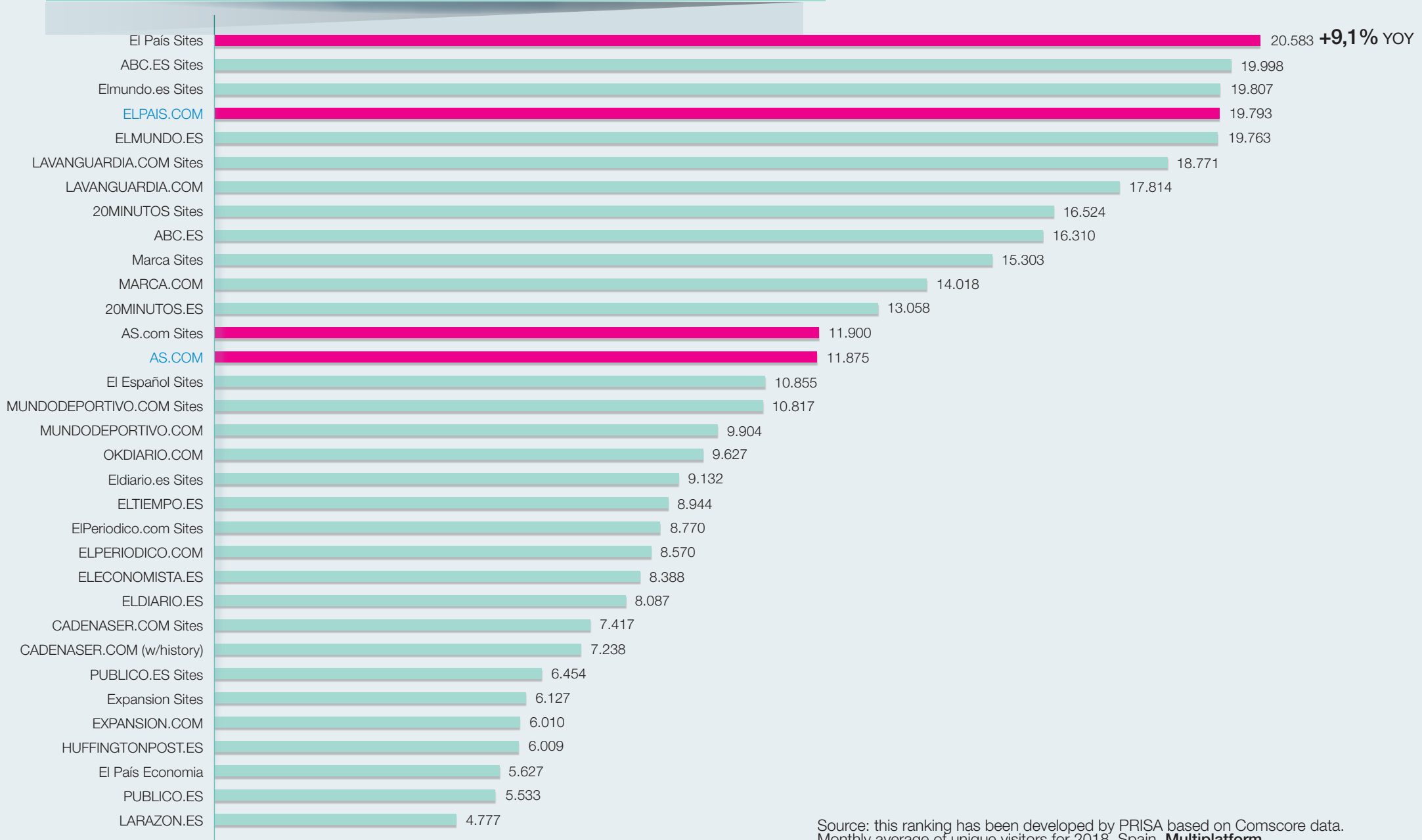
Source: this ranking has been developed by PRISA based on Comscore data. Monthly average of unique visitors for 2018. **Worldwide. PC.**

Latin American audiences for news sites (in thousands of unique users)



Source: this ranking has been developed by PRISA based on Comscore data. Monthly average of unique visitors for 2018. **Latin America (without Brazil). PC.**

Spanish audiences for news sites (in thousands of unique users)



Source: this ranking has been developed by PRISA based on Comscore data. Monthly average of unique visitors for 2018. Spain. **Multiplatform.**



2 Sustainability at PRISA

The goal of Prisa's corporate social responsibility policy is to ensure the Group's continued sustainable development. This is achieved by offering its users, listeners and the educational community high-quality content in a responsible and efficient manner, while providing a return to shareholders; by promoting an ethical culture as well as one of compliance; by promoting the professional development of its employees; by contributing to the development of the societies where it operates; and by using in a sustainable manner the natural resources necessary for its operations – all with a view to creating shared value among all its stakeholders.

Prisa's corporate social responsibility policy, approved by its Board of Directors in 2018, establishes a frame of reference that will guarantee responsible engagement with all of the Group's main stakeholders. The policy is available on Prisa's corporate website, www.prisa.com.

The very nature of PRISA's business activity makes it an important contributor to the development of democratic and sustainable societies. The Group takes this responsibility seriously, not merely in how it manages and conducts its business, but also through all its content and activities, in order to thereby raise awareness, promote and disseminate knowledge.

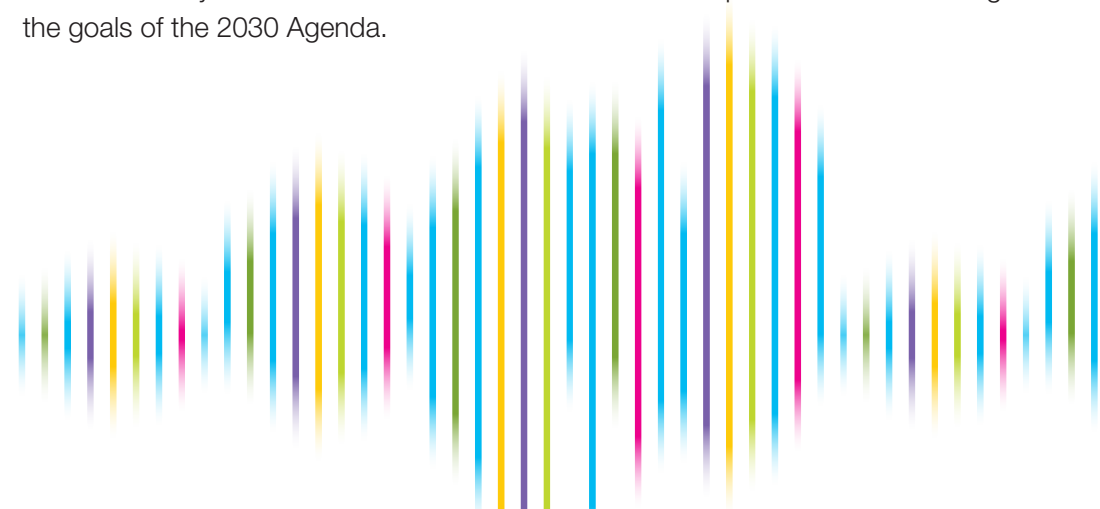
In this regard, PRISA's relationship with its stakeholders is key to its exercise of responsibility. Hence, its sustainability strategy is developed and nurtured in constant dialogue with all stakeholders through a variety of different communication chan-

nels which are used to identify all material aspects that might impact the Group's strategy. This strategy is chiefly structured across three areas: the creation and distribution of content, responsible management, and numerous social, cultural and environmental actions.

In each of these areas, PRISA contributes in one way or another to the Sustainable Development Goals (SDGs), which are a global initiative promoted by the United Nations (UN), within the framework of the 2030 Agenda for Sustainable Development. This initiative seeks to eradicate poverty, protect the planet and guarantee peace and prosperity for all people. The Agenda sets out 17 SDGs, which address issues ranging from hunger and food security to economic growth and climate change.

PRISA is keenly aware of the fundamental role that all companies have in meeting the goals of the 2030 Agenda.

«Prisa's corporate social responsibility policy establishes a frame of reference that will guarantee responsible engagement with all of the Group's main stakeholders.»



DIALOGUE AND COMMUNICATION WITH STAKEHOLDERS

USERS

Readers, listeners, teaching community, students, etc.

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

Customers, advertisers, advertising agencies, education sector

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

SOCIETY

General public, NGOs, associations, cultural and educational institutions

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

OPINION LEADERS

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

REGULATORS, ADMINISTRATION AND AUTHORITIES

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

SHAREHOLDERS AND INVESTORS

Reference shareholders, institutional investors, minority shareholders

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

SUPPLIERS

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

EMPLOYEES

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

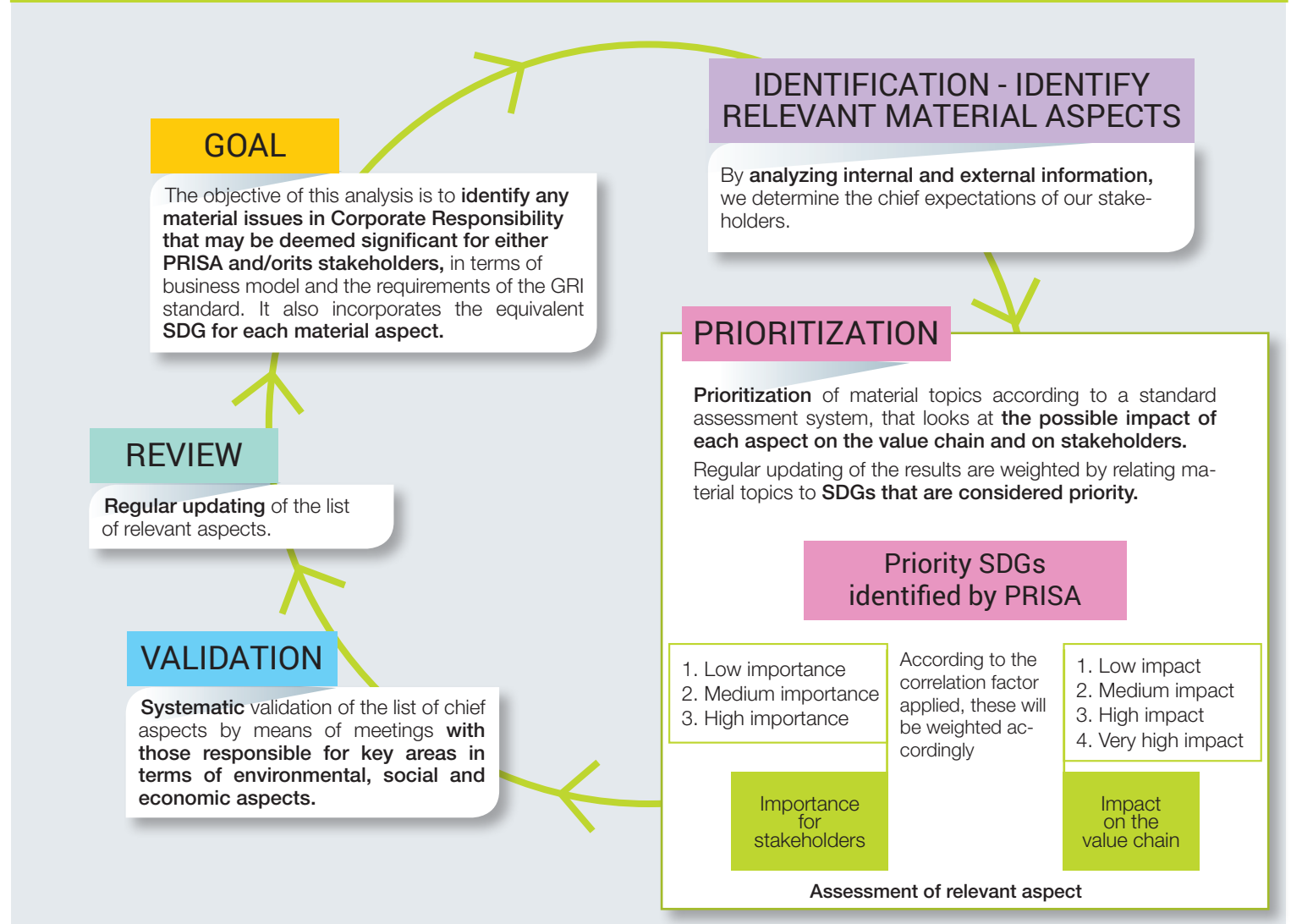
External complaints channel for all stakeholders



MATERIALITY ANALYSIS

This Social Responsibility and Sustainability Report has been prepared following the guidelines of the Global Reporting Initiative (GRI), taking into account the materiality assessment of PRISA. This report identifies all those environmental, social and economic aspects that are significant for both stakeholders and for the organization, based on their impact on the value chain. The Report has also taken into account the Ten Principles of the United Nations Global Compact in terms of human rights, labor, environmental and anti-corruption norms and laws, and, wherever these are deemed to have an impact Sustainable Development Goals, this has been indicated. .

METHODOLOGY EMPLOYED IN THE MATERIALITY ANALYSIS



RELEVANT AND MATERIAL TOPICS

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

1 Financial performance

8 12 17

2 Customer/user satisfaction and quality

12 17

3 Ethics and good governance

1 5 16 17

4 Company strategy

4 8 9 11 12

5 Digital transformation in products and Innovation

4 9 12 13 17

6 Communication with stakeholders

12 17

7 Brand management

4 8 16 17

8 Employee motivation and recognition

5 8

9 Responsible environmental management

3 7 8 9 10 11 12 13 14 15 16

10 Freedom of expression and pluralism

10 16

11 Communities

1 2 4 5 6 9 10 11 16

12 Responsible supply chain

5 6 7 8 9 10 11 12 13 14 15 16

13 Training and professional development

4 5

14 Diversity and equal opportunities

4 5 10 16

15 Attracting and retaining talent

3 8



OUR SUSTAINABILITY STRATEGY:

OBJECTIVE

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



STRATEGY

Mission

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

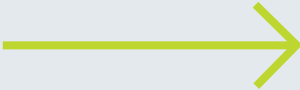


Vision

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

APPROACH

TRANSVERSAL AND INTEGRATED



DIFFERENTIATION

Values

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

LEVERS

Corporate governance, senior management and communications departments.





AXES



CREATION AND DISTRIBUTION OF CONTENT

- Education
- Press
- Radio
- Audiovisual

RESPONSIBLE MANAGEMENT

- Of our shareholders and investors
- Of our professionals
- Of our users and customers
- Of digital transformation
- Of communication
- Of our suppliers
- Of the environment
- Corporate governance
- Compliance and risk management

SOCIAL, CULTURAL AND ENVIRONMENTAL INITIATIVES

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

CHANNELS OF
TRANSPARENCY
AND DIALOGUE

PROACTIVE COMMUNICATIONS

ACTION PLANS

ANALYTICS

CSR REPORTS

OUR SUSTAINABILITY STRATEGY

CREATION AND DISTRIBUTION OF CONTENT

The chief social responsibility of a media group such as PRISA is to defend and practice, truthfully and vigorously, the right to information and freedom of expression. In this way we contribute to the growth and development of democratic societies everywhere we operate.

EL PAÍS was a pioneer from the very outset in Spain in adopting a series of professional and ethical frameworks such as the Editorial Statute, Style Book and the independent Readers' Editor, which have set the standard both inside and outside the Group and which have fostered the growth of a news culture that is rigorous, critical, plural and of the highest quality.

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

PRISA offers truthful, complete, engaging, timely and high-quality news and information on a daily basis that enable readers to understand the world around them and to form their own opinions. To this end, all Group products are governed

by rigorous quality control when it comes to the creation and distribution of our content, in both print and digital. The management teams and the editors of each media outlet evaluate all original content, bought or syndicated content and advertising following the guidelines set forth in the EL PAÍS *Style Book*.

Our readers and users, whose interests we safeguard at all times, can count on us for independence and the rejection of manipulation. We create quality products free from any manipulation. The *Style Book* establishes the procedures and criteria that allow us, for example, to

check facts and distinguish news information from rumour and / or opinion, which must be clearly differentiated at all times. It also establishes how news and sources must be credited, and how we must identify whether or not written copy or graphics and images were created by Group news journalists or acquired from third parties. The treatment and correct use of language and images are monitored at all times to avoid stereotyping, discrimination and vulgar expressions.

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

«Our credibility and hard-earned prestige are among our greatest assets, assets which we place at the service of society.»

PPRISA Radio, all too aware of its social impact, is fully focused on people when it comes to developing or covering its own or third-party content, activities and initiatives, including events and social projects. Highly valued live broadcasts and programs from on the ground where the news is happening are common, and these give a real voice to both experts and anonymous individuals involved, making radio the social medium par excellence. This standout feature of our radio model, both spoken-word and music, constitutes a very important differentiating value in the process of digital transformation, and also offers us a huge opportunity for consolidation of the brands, such as SER, Caracol, W Radio and LOS40, as public service entities.

Following these examples, in 2018 the Group's sports newspaper AS published its own AS Style Book, which defines its statutory principles and an internal code in order to unify systems and writing style so as to give the paper a clear personality and to enhance the reader's experience.

«All too aware of the influence that our content might have on users of all ages, the Group has set itself certain criteria governing integrity, quality and adaptation of content. PRISA is also deeply committed to promoting Spanish language and culture worldwide.»

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

All too aware of the influence that our content might have on users of all

ages, PRISA has set itself certain criteria governing integrity, quality and adaptation of content. PRISA is also deeply committed to promoting Spanish language and culture worldwide. And we have shown that raising awareness of social and environmental issues can go hand-in-hand with entertainment, through programs that educate and inform, while also providing entertainment at the same time.

As the world's leading educational and publishing group in Spanish and Portu-

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

Santillana makes its textbook and general-interest book content accessible, with versions in Braille and larger font sizes for people with impaired vision. For public schools in some countries, the company also produces CDs with audio descriptions of images as an additional aid for students with these difficulties.

We take the utmost care when mentioning or suggesting web pages within our content. All suggested pages in our books, whether in print or digital format, are carefully analyzed by the editors. For print books we include the date the page was last accessed. We urge teachers and parents to visit these pages before suggesting them to students, in case there has been an unforeseen or undesirable change. In the case of digital content, publishers constantly monitor the links.

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



PRISA NOTICIAS

Of all PRISA Noticias' content, the EL PAÍS **Planeta Futuro** section stands out thanks to its endeavors to offer quality coverage of environmental and equality issues. This section seeks to raise public awareness of the Sustainable Development Goals (SDG) of the Global Compact. In 2018, it published reports and articles on, among other topics, poverty, violence in childhood, global health, school and immigration, feminism and pollution.



Meanwhile **Retina** leads the way in raising social awareness about the new technological age we live in, and is an invaluable tool to foster digital inclusion and reduce the digital gap. It is active online, where it sets the gold standard for information and training, with daily multimedia content (video, audio, interactive infographics, data journalism), to explain, analyze and further deepen our understanding. It is widely accessible and has an active presence on social networks.

Retina also hosts and organizes events and training workshops for professionals and the general public. 2017 saw the launch of the Retina Observatory, an event which brought together leading experts to analyze the trends of the future. In addition, each month with the Saturday edition of *El País*, Retina magazine offers content focused on innovation, entrepreneurship as well as tips on digital life, aimed at the general public. In 2018, the magazine covered topics such as artificial intelligence, industry, mobile devices and smart cities.



The new EL PAÍS **Sociedad** (Society) section covers the issues that most concern the general public or most directly affect society. It has quickly come to provide a vital platform and voice to all those who most inspire us, and is carefully tuned into the demands and expectations of readers in the areas of human rights and freedoms. The issues covered include health, climate change, sexual freedoms, religion and education, among others.



In 2018, EL PAÍS, created a new gender correspondent to plan and improve the coverage of issues related to equality and women. This reporter works across all sections of the newspaper.



Materia is a science, environment, health and technology news website that seeks to explain the latest research in biology, physics, paleontology and astrophysics in a clear, simple and rigorous way. In addition, it is active in defense of the environment and raises awareness of advances in new technologies and the Internet, and analyzes these in depth. It also actively covers research in health, and is constantly on guard against miracle products. In 2018 it tackled, among other issues, nutrition, pandemics, genetics, healthy eating and medicine. **Materia** has received the most prestigious scientific journalism prize in Spain, the *Prisma Casa de las Ciencias* 2018, for its report "Extinct animal for sale for one euro".



Buena Vida magazine is the news medium of record in Spanish on issues related to health and sustainable lifestyles. It comes free of charge



with EL PAÍS on the second Saturday of each month, and is sold separately in kiosks starting on the second Sunday. It also has its own website, where it publishes daily content. In 2018 it addressed, among other topics, food, obesity, cosmetics, travel and sports.

The **Fortuna** section of the business newspaper *Cinco Días* focuses on the situation of women in the workplace and the professional world. It produces exhaustive reports on discrimination and offers space in its pages to leading experts in the field.



With the title **The New Arrivals**, EL PAÍS has developed a set of multimedia reports to share with readers the challenges facing a group of immigrants who came to Spain in search of work. This project was developed in collaboration with *The Guardian*, *Le Monde* and *Spiegel Online*, and received The Drum Online Media Award in the category of B2C Editorial Team of the Year.



In 2018, EL PAÍS, Santillana and BBVA launched the project **Aprendemos juntos** (Let's learn together) aimed at the whole community and at fostering the conversation on education with inspiring stories and new teaching methodologies



Finally, a new EL PAÍS blog created in 2018, called **I Love bicis**, covers the world of urban bikes, synonymous with modernity, environmental responsibility and alternative transport.



PRISA RADIO

In Spain, when it comes to the creation and distribution of PRISA Radio content, one can't fail to mention the program **Punto de Fuga**, a weekly show that sheds light on forgotten or neglected stories and issues. Though it may make for uncomfortable listening, it's a program none can ignore. This isn't a show for those who are happy with the status quo, but rather for those who are interested in the most disadvantaged in our society – not out of charity, but out of a keen sense of social justice. The program airs weekly on Cadena SER.



Conversaciones con Adela Cortina is a biweekly show that looks at the biggest social conflicts from the perspective of philosophy and ethics. Adela Cortina is a professor at the University of Valencia and director of the Etnor Foundation.



Memorízate seeks to reconstruct the collective memory of Spain, through the testimonies of our grandparents' generation, a generation that has much to teach us. To this end, an audio archive of memory is being created, so that all that wisdom is not forever lost. This is an initiative of the Baltasar Garzón International Foundation and Maloka Media, and is broadcast by **Hoy por hoy**.



Vidas enterradas (Buried lives) is a radio serial that rescues from oblivion the lives and deaths of people killed during the Civil War and under the Franco regime. There are hardly any photographs of these people, but their memory is kept alive by their children, grandchildren and great-grandchildren who, decades later, are breaking the silence and narrating their stories. Their biographies are completed with research in military archives, newspaper archives, prison records, cemeteries, and also during the exhumation of mass graves.



More current, **Vidas robadas** (Stolen Lives) looks at gender violence in Spain. It looks at the lives cut short of murdered women, at unfinished life stories. It is aired by SER's La Ventana every time there is a new death resulting from sexist violence.



Cadena SER airs a Christmas Story each year, and in 2018 the festive broadcast was based on the novel **Little Women**, which follows the lives and dreams of women in the USA in the years before and after the Civil War. The broadcast was dedicated to the work of the Inspiring Girls Foundation, whose aim is to increase the self-esteem and professional ambition of girls of school age and show them that being a woman and prevailing gender stereotypes need not limit their choices.



The program **Las chicas** is a pajama party for women who should have long outgrown pajama parties. This is guerrilla, street feminism, for feminists old and new, a program made by women who speak frankly and humorously on topics that interest and affect women: politics, work, equality, men, motherhood, sex and fashion. As a humorous magazine show it welcomes top guests: Candela Peña, Lorena Castell, Carmina Barrios, Yolanda Ramos, Natalia Flores— as well as influential men interested in understanding their new role in life.



Tramas maestras (Master Plots) is a cultural program that takes a wry look at gender in cinema and TV series. The filmmaker Leticia Dolera, the journalist Henar Álvarez, and the comedian Pilar de Francisco answer questions about how plots are constructed, and explore common stereotypes and the themes that predominate in blockbuster cinema.



Buena Vida en la SER is a seasonal program presented by Marta Nebot, initially as a collaboration with the homonymous magazine of EL PAÍS, but now as a stand-alone show in its own right. The Christmas 2018 show was dedicated to time management: how to earn it, when to spend it with those we love, how to lose it with digital addictions, when it's best to do things and the vital importance of chronobiology.



José Miguel Mulet, Ph.D. in Biochemistry and Molecular Biology from the University of Valencia, and Luis Alfonso Gámez, a journalist specializing in science at the newspaper El Correo, team up for **Los escépticos** (The Skeptics), which airs during **Hoy por Hoy** on Cadena SER. Together they bring their skeptical eye to bear on a world awash in fads and fake news on health, science and food.



Espacio Eco raises awareness on sustainable culture and the circular economy. It's aired on Cadena SER and is anchored by widely acclaimed and much-lauded environmental journalist Javier Gregori. Content is transversal and is also available in EL PAÍS, in collaboration with the Ecoembes Foundation.



The slot dedicated to business innovation and startups is called **Estar-tapeando** and is broadcast by Hora 25, *La ventana* and *Hoy por hoy*. This space shares personal experiences of entrepreneurship, and looks at major events and publications related to the sector. It has its own site at www.cadenaser.com.



Noteworthy in Colombia is the show **Planeta Caracol**, an open space to publicize news, stories and complaints regarding environmental protection. It seeks to raise awareness about good ecological and environmental practices that we can all adapt to our daily lives. Issues include sustainable development, recycling, creative and innovative initiatives, biodiversity, environmental culture and alternatives for the care of natural resources and safeguarding the planet.



Al campo is dedicated to news and information of interest to the agricultural sector in Colombia.



In Chile, the Radio ADN program **Nuestro Canto** (Our song) focuses on Chilean music, and is presented by Jaime Davagnino and David Ponce. On



the same network, Francisco Mouat and Marcela Aguilar present the book program **Entre líneas**. The micro-story podcast entitled **Santiago en 100 palabras** (Santiago in 100 words) also covers literature. Radio ADN also airs **Superciencia**, a science and technology program, and **Agenda de género** (Gender Agenda), on female leadership. Over on Radio Futuro **Innovarock** deals with innovation.

In Mexico, W Radio organized two forums (**Foros W**) called '**Reconstruction**' and '**Reconstruction after the earthquake**'. Both sought to report on the process of reconstruction and offer support to all those affected by the earthquake of September 19, 2017. Participants included spokespersons for the victims, specialists and authorities. There was also another forum to raise awareness of the functions and scope of the National System for the Integral Development of the Family (DIF). And a fourth forum to address marine issues in Mexico, specifically the Sea of Cortez, affected by overfishing. W Radio also broadcast the program **Cuidamos de ti**, (We look after you) which tackles health care.



Educación XXI is a program about the needs of education both in Mexico and worldwide. The show seeks an improvement in educational quality in Mexico, and encourages the participation of authorities, experts, teachers, parents and students, who together generate a dialogue with the listener, providing them with information while sharing their experience and announcing upcoming events.



There was also special and comprehensive coverage of the **Guadalajara International Book Fair** including a special broadcast from Guadalajara by W Radio. Coverage included interviews with writers and promoters of reading. There was also extensive coverage of **Jalisco Talent Land**, a major national and international gathering of more than thirty thousand talents working and living together to develop projects that might change the world. The event, the largest of its kind in the world was covered by the program **Así las cosas AM**, presented by Gabriela Warkentin and Javier Risco.



SANTILLANA

At a global level, Santillana has continued apace with SantillanaLab, an informative website that aims to raise awareness about the innovation and transformation that is taking place in schools and in the world of education in general. It focuses on the state of play in both Spain and Latin America. Through the Educadores por el mundo (Educators for the World) program, it highlights inclusive social action projects that may serve as an example for the educational community.



Compartir en familia (Sharing as a family) is an informative website on educating children at home with specific social action campaigns such as A Better Future for the Country, developed in 2018. Meanwhile, the site compartirenfamilia.com offers information and helpful resources to families eager to learn more about their children's education.



No dejes de aprender (Don't stop learning) is the title of a campaign targeted at the general public through the website despiertasupotencial.com, and is aimed at highlighting the value of effort and the importance of learning for the personal and professional development of students. This is a key corporate action by Santillana and strives to awaken the full potential of students.



The **Leemos a la par** campaign is Editorial Norma's gender equality initiative aimed at students of all levels. It offers texts that seek to build a more equitable and just society. It consists of 27 titles, three for each grade of primary and secondary school.



In Brazil, Editora Moderna, in collaboration with Toffoli and Todos Pela Educação, published **Reflections on Justice and Education**, with texts by 12 authors on public education and whose objective is to stimulate debate on the role of the justice system in guaranteeing quality public education.



The twice-yearly magazine **Educatrix** covers a wide range of topics such as innovative teaching and learning practices and trends, and shares them with the educational community in order to contribute to the construction of quality education. It is distributed free of charge to teachers in Brazil and published its issue number 15 in 2018.



In Colombia, the project **Habilidades 21** (Skills 21) was distributed. Written by the expert Carlos Magro, it offers tools and guidelines that can be put into practice in education. More than 1,500 copies were sent to rectors and directors of institutions throughout the country.

The magazine **Ruta Maestra**, specialized in education, and featuring articles related to the educational community and its members, is published and distributed quarterly.



In Spain, the presidents of both the Congress and the Senate presented the illustrated book entitled **La fabulosa historia de nuestra democracia** (The fabulous story of our democracy), published by Santillana to mark the 40th



anniversary of the 1978 Constitution. The entertaining and visually appealing book covers the main events, the leading figures, as well as facts and figures, that have shaped, decade by decade, the history of the country. The authors carefully chose such events and people for children and young people, but the book will also be of interest for the rest of the family – there is probably someone in every home who can share their own memories and experiences of those momentous years.

There was also the recycling and sustainability campaign *Yo hago mi papel*. It included kits such as the Paper Book and a pull-out feature with a range of activities which explained the recycling process and how to use the Paper Book. Teachers were invited to share their experiences to earn points and more kits for their classes. A video tutorial explained how to use the material and promote the campaign.



The *Lección de paz* (Peace Lesson) campaign encouraged teachers to teach a lesson on peace. Two physical items came with a Christmas card: an envelope and a peace lesson booklet (there was also a digital version) for the teachers. Each of the peace lessons is related to six selected subjects. The winning class received a diploma, a trophy and a charitable gift of € 3,000 for an NGO.



Sesión de presentación del libro *La fabulosa historia de nuestra democracia*

MEDIA CAPITAL

In Portugal, the year's highlight was the broadcast of special charity editions of the hit TVI game show *Apanha se Puder*, which raised money for a range of good causes, including Sociedade Portuguesa de Esclerose Multipla, Centro Solidariedade e Cultura de Peniche, Mãe de Deus, Centro Social Pariqueal de Barcarena, Associação Alzheimer de Portugal, Caritas Portuguesa and Abrigo Seguro.



RESPONSIBLE MANAGEMENT

OF OUR PROFESSIONALS

OBJECTIVES AND POLICIES

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

- To foster equal opportunities, non-discrimination and promotion based on merit, ability and professional performance. To foster professional growth and personal development.
- To champion the principle of equality between men and women, ensuring equal opportunities in income and professional development at all levels of the workplace.
- To reduce inequalities and imbalances and thereby promote and improve women's access to positions of responsibility.
- To favor measures to promote a better work-life balance for all company professionals.

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

The geographical, cultural and functional diversity of the workforce at PRISA and the challenges facing the sector, coupled with the need for outside partners to develop our operations, require Management Policies as well as certain guiding principles and values that are outlined in the PRISA Code of Ethics, which was approved by the Board of Directors in 2015.

The Compliance Unit, set up in 2016, was further reinforced in 2018, and facilitates communication and the fulfillment of the aforementioned objectives and policies, as well as fostering a culture of compliance and the setting in place procedures for preventing and dealing with non-compliance.

The total number of employees at PRISA at the end of the year was 8,480, a fall of 3% compared to the previous year (the figure being similar for Spain and the rest of the countries, with a drop of -3% and -4% respectively).

The main business areas in terms of workforce are Santillana (45%) and Radio (28%), and gender distribution is as follows:

	Men	Women	Total
Santillana	1.847	1.994	3.841
PRISA Radio	1.441	930	2.371
PRISA Noticias	460	294	754
Media Capital	634	441	1.075
Rest	198	241	439
Total	4.580	3.900	8.480

Both recruitment and training policy throughout the Group is focused on finding and training those employee profiles that are required for the digital transformation sweeping society. This, coupled with the commitment of our professionals, is again reflected in a voluntary turnover rate (measured as the number of voluntary

redundancies out of the total workforce) of 6% (6%, men, 7%, women), mainly in Latin America. The rate of layoffs stands at 5.5% (measured as the number of compensated severances out of the total workforce), a figure chiefly associated with redundancies due to renewal of the workforce in most countries and due to group restructuring processes.

Men accounted for 49% of such layoffs, while women accounted for 51%. 69% were aged between 30 and 50 years old.

Employees by region, gender and contract type									
	Permanent contract and + PSR (**)			Temporary contract and + TSR (**)			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Argentina	194	264	458	21	15	36	215	279	494
Bolivia	22	19	41	-	-	-	22	19	41
Brazil	367	455	822	-	-	-	367	455	822
Northern Central America *	74	69	143	-	-	-	74	69	143
Chile	207	130	337	9	1	10	216	131	347
Colombia	731	519	1.250	31	10	41	762	529	1.291
Costa Rica	28	26	54	10	1	11	38	27	65
Ecuador	71	54	125	-	-	-	71	54	125
Spain	1.542	1.275	2.817	61	83	144	1.603	1.358	2.961
USA	20	14	34	-	-	-	20	14	34
Mexico	273	265	538	-	-	-	273	265	538
Puerto Rico	13	22	35	1	1	2	14	23	37
Panama	11	9	20	-	-	-	11	9	20
Paraguay	17	14	31	-	-	-	17	14	31
Peru	74	85	159	82	66	148	156	151	307
Portugal	508	356	864	129	90	219	637	446	1.083
R. Dominicana	74	45	119	-	-	-	74	45	119
Uruguay	10	12	22	-	-	-	10	12	22
Total	4.236	3.633	7.869	344	267	611	4.580	3.900	8.480

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

TSR: Temporary Sales Representatives. PSR: Permanent Sales Representatives

Layoffs affected chiefly Santillana International (the sale of Santillana USA and restructuring in Santillana Portugal). In Spain, the workforce was scaled back due to the closure of the Video business, as well as part of the printing process that the Group previously ran.

New hires, excluding internal movements between companies, stood at 10% of the total workforce (46%, men, 54%, women).

	31 / 12 / 2018		
	Women	Men	Total
Directors	30%	70%	100%
Middle management	43%	57%	100%
Other employees	47%	53%	100%
Total	46%	54%	100%

93% of Prisa's total workforce are on permanent contracts, while temporary contracts account for 7% of the workforce. Men account for 54% of total staff, while women make up the remaining 46%. 97% of the workforce at the end of the year was working full-time (in Spain this figure stands at 95%).

Number of employees broken down by professional category:

	Women	Men	Total
Average employee age	43,1	41,9	42,5

The average age of male Group employees is 2.8% higher than the average for women. The group average stands at 42.5 years old.

PRISA generates indirect employment among a large group of freelance collaborators and providers of professional services. At Santillana, for example, professionals collaborate in content development and sales management; at PRISA Noticias, in writing, web development, photography and illustration.

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

In this regard, the initial starting salary for new workers at Prisa is generally higher than the minimum wage established in each country where the Group operates. The average salary across the group is 32,000 euros (excluding benefits). Average salary for men is 10% above the local average, with this climbing to 12% for female employees.

	Women	Men
PRISA	10%	-12%

The Group is transparent with regard to the remuneration of directors and executives and publishes annually the Senior Management Remuneration Report specifying the compensation by individual and by concept.



PRISA also encourages the promotion of local managers. Thus, a high percentage of management positions are occupied by people from the country in question.

Country	Percentage of senior management (1) from local area (2-3)
Argentina	95,65%
Bolivia	100,00%
Brazil	95,45%
CAN(*)	61,11%
Chile	90,91%
Colombia	87,50%
Costa Rica	66,67%
Ecuador	80,00%
Spain	97,52%
USA	80,00%
Mexico	68,00%
Puerto Rico	0,00%
Panama	0,00%
Paraguay	75,00%
Peru	77,78%
Portugal	93,10%
Dominican Republic	60,00%
Uruguay	100,00%
Total	87,95%

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

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

3 The ratio of local senior management to total senior management in each country.

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

Collective labor agreements offer improvements in working and employment conditions above and beyond the established minimum legal requirements of each country. In general, the procedures governing information, representation and consultation with workers are set out and regulated in the different collective agreements and are articulated through the appropriate labor representation bodies.

Many our staff (56%), except for senior management, are subject to collective labor agreements in each of their companies. In Spain this figure is 97 %. These agreements offer improvements in working conditions and safety and health, ensuring that all workers are able to perform their professional duties in a stimulating and competitive work environment.

In all companies, staff enjoy freedom of association, and the Group fosters all social dialogue deemed necessary for the development of the businesses. PRISA establishes minimum periods of notice for structural / organizational changes in accordance with the time limit established by law or collective agreements applicable in the countries in which the Group operates.

EMPLOYEE TRAINING

Training and ongoing professional development of employees are a key component of the Group's policy aimed at maintaining the highest standards of professionalism and quality.

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

In 2018, more than 33,000 teaching hours have been provided with an average of 16 hours per person trained. 39% of such training was aimed at executives, senior and middle management, with the rest of the workforce making up the remaining 61%.

Continuous training of employees has focused, as in previous years, on ensuring the employability of Group professionals within the emerging digital economy and

against a backdrop of technological development. We are thereby in a position to increase the quality and added value of the contributions that our workforce can make to the Group, while at all times meeting the criteria of competitiveness marked by key institutions such as, for example, the European Commission and the World Economic Forum.

Key training initiatives in 2018 included:

- Lean Yellow Belt training program in transformation methodology processes for PRISA Gestión de Servicios (PGS).
- Phase 1 of the advanced program in artificial intelligence and Machine Learning for PRISA Tecnología.
- Phase 2 of the advanced program in artificial intelligence and Machine Learning for PRISA Tecnología.
- Advanced program in programmatic advertising for PBS sales and marketing teams.
- Phase 3 of the advanced digital marketing program for PRISA Noticias.
- Specialization program in basic Microsoft BI tool for all business units.
- Program in commercial management of social networks and the development of Branded Content for PRISA Brand Solutions (PBS).
- Launch of the digital product manager program in online mode, certified by the EOI.
- Launch of the Google tools course for content production, certified by Google.

With regard to PRISA Campus (the online skills training portal for all Group employees, which seeks to equip them with the skills they need as traditional media undergo digital transformation), in 2018 the number of new registered users grew by 298, for a total of 2,474 registered students. Of these, 353 students completed one of the courses or modules offered.

PROFESSIONAL DEVELOPMENT

The current job performance appraisal system is part of the annual variable compensation program, applicable across the company. It is a system of individual performance evaluation, whereby a performance appraisal of employees is carried out over a given period within the organization, based on a series of criteria depending on the functions of the job and the sector. In 2018, the percentage of employees subject to performance appraisal was 39%, distributed as follows:

Percentage of employees subject to performance appraisal, by category	
Directors and middle management	69%
Qualified technical personnel	33%
Total on annual variable compensation / total workforce	39%

MANAGEMENT OF EQUALITY AND DIVERSITY

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

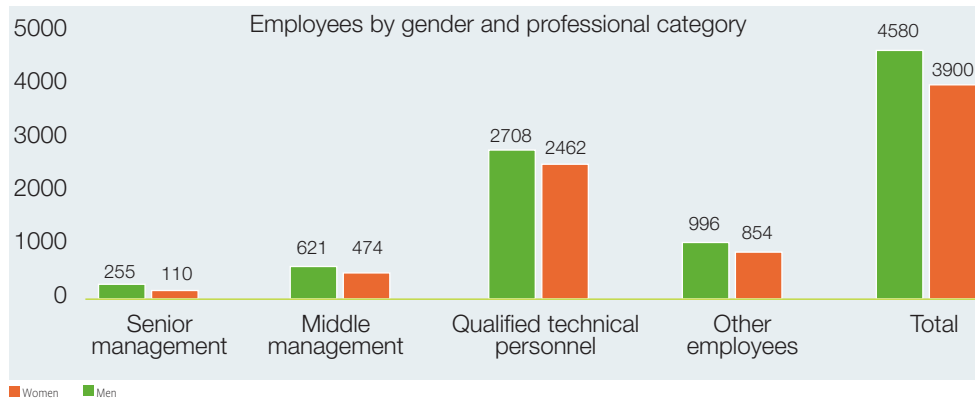
The Code of Ethics is mandatory for all staff. One of its essential values is pluralism and respect for all ideas, cultures and people. PRISA is committed to respecting and protecting human rights and civil liberties, with the chief objective being respect for human dignity.

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

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

- Compliance with the principle of equal treatment at work.
- Rejection of any discrimination on grounds of sex, marital status, age, race or ethnicity, religion or belief, disability, sexual orientation, political beliefs, trade union membership, etc.
- The implementation of equal opportunities between men and women in access to employment, promotion, training, job security and pay equity.
- A commitment to creating positive work environments, to preventing harassment and to the pursuit and resolution of any such cases that may occur.

With regard to the distribution of men and women in the workforce. PRISA's active personnel as of December 31, 2018, was 8,480 people (3,900 women, 46%, 4,580 men, 54%). Women occupy 30% of the 365 management positions.



In the collective labor agreements applicable to our different companies in Spain, there are specific sections dealing with equal treatment and opportunities for men and women, protocols for action in the event of sexual harassment as well as other measures designed to foster and promote equality in all areas.

PRISA's workforce is diverse – geographically, culturally, and in terms of gender and age:

- We have employees in 21 countries.
- Local hiring. 88% of the top executives in each country are local.
- There are 39 different nationalities working across the Group.
- The average age of the workforce is 42.5: 43 for men and 42 for women.

The company complies with the requirements of Spanish legislation on employment for people with disabilities and accessibility in the workplace.

With regard to the integration of persons with disability into the Prisa workforce, in Spain the Group has signed collaboration agreements with special employment centers for the provision of certain services (such as cleaning) as well as other collaboration agreements set out in our legal system (donations to employment centers). Additionally, the number of people with a certified disability level of 33% or greater in the Group is 37, 24 men and 13 women, distributed by region as follows:

	Spain	Rest
PRISA	25	12

WORKPLACE HEALTH AND SAFETY

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

The Joint Prevention Service carries out in all companies a process for the identification of psychosocial risk factors that may pose a risk to the health of workers.

- Regulatory audits in the area of prevention were carried out satisfactorily, where required.
- Quarterly meetings with all health and safety committees have continued.
- Evacuation measures in the event of emergencies have been put in place.
- In short, the Group has continued to do its utmost to safeguard and improve conditions for all its employees.
- 97% of the staff members in Spain are represented in formal joint health and safety committees.
- 100% are covered by the Joint Prevention Service.
- 60% of the Group's total workforce is represented in these types of safety and health committees.
- 60% of PRISA employees are covered by the occupational safety management system (ISO 45001 / OHSAS 18001).
- 73% of the Group's employees work in centers where hazard identification, risk assessment and incident investigation are carried out.
- 66% of PRISA employees are covered by occupational health services.

In 2018 there were 72 work accidents (20 men, 52 women). Throughout 2018 there no cases of occupational illness.

The main measurement indices of the Group are as follows:

	Severity rate (2)	Incidence (3)	Frequency (4)
Men	0,06	6,11	3,29
Women	0,10	10,77	5,73
Total	0,08	8,25	4,42

- (2) severity rate (No. days lost / number of hours worked) x 1000.
- (3) incidence rate (No. accidents leading to absenteeism / average number workers) x 100.
- (4) frequency rate: (Total number of accidents / Total number of hours worked) x 1,000,000.

SOCIAL BENEFITS

It is Group policy to provide companies with adequate resources so as to offer employment benefits that will be sufficiently attractive to the very best professionals.

It is worth noting that PRISA operates in 21 countries. Each market in which it operates has special characteristics to which Human Resource Management Policy must be sensitive and thereby be in a position to offer an appropriate response to both the needs and the expectations of the professionals joining these companies.

In Spain, the workforce has, in general, social benefits such as medical insurance (76% of employees), life insurance, sick and disability coverage and maternity /paternity coverage. Group companies in Spain do not distinguish between full or part time employees, or between employees with permanent and temporary contracts with regard to these these benefits.

In Portugal, meanwhile, 100% of employees have life insurance, medical insurance, sick or disability coverage and even more days of maternity or paternity leave than those guaranteed by law.

The flexible benefits and remuneration program, first rolled out in 2012, remained in place throughout Group companies in Spain in 2018 with the full range of products offered.

WORK / LIFE BALANCE

In Spain, almost all collective agreements applicable to our companies establish working days that are shorter than the legal maximum (40 hours per week) and only under exceptional circumstances is recourse made to request overtime.

Meanwhile, employees are offered flexible schedules, as well as the possibility of working intensive shifts at certain times of the year such as summer, Christmas and Easter. Any such arrangements with regard to schedules are made by agreement between the different departments and workers' legal representation.

In some companies in Spain, these measures aimed at favoring a balance between work and personal life have been maintained:

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

Thanks to the various policies and initiatives implemented across the group, 88 % of employees have returned to their posts after maternity or paternity leave – 100% of men, and 78% of women.

Reincorporation rate		
Men	Women	Total
100%	78%	88%

Absenteeism rate and hours of absenteeism in the Group are as follows:

Absenteeism rate (1)	0,55%
Total hours absenteeism	86,324

Absenteeism rate: (Total number of hours of absenteeism / Total number of hours worked) x 100



RESPONSIBLE MANAGEMENT OF OUR USERS AND CUSTOMERS

Digital technology has definitively placed people at the center of each and every company's strategy and allows companies such as PRISA to learn more about their users' habits – thereby enabling us to offer an improved and more complete user experience. This entails responsible management of our users that must first start with focussing on and preparing our professional teams to face the challenge of digital transformation.

Over recent years, PRISA has been energetically pursuing an ambitious culture of transformation that is attentive to change, and has fostered the development of new skills, innovative new procedures and new ways of working, all of which are essential if we are to embrace the new opportunities offered by technology and digital environments .

Direct dialogue between the media and readers has long been embraced by the Group and this dialogue is supported by technology that allows the user to see the effect of their active participation both on the collective opinion and on content creation, and this, in turn, contributes to audience growth.

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

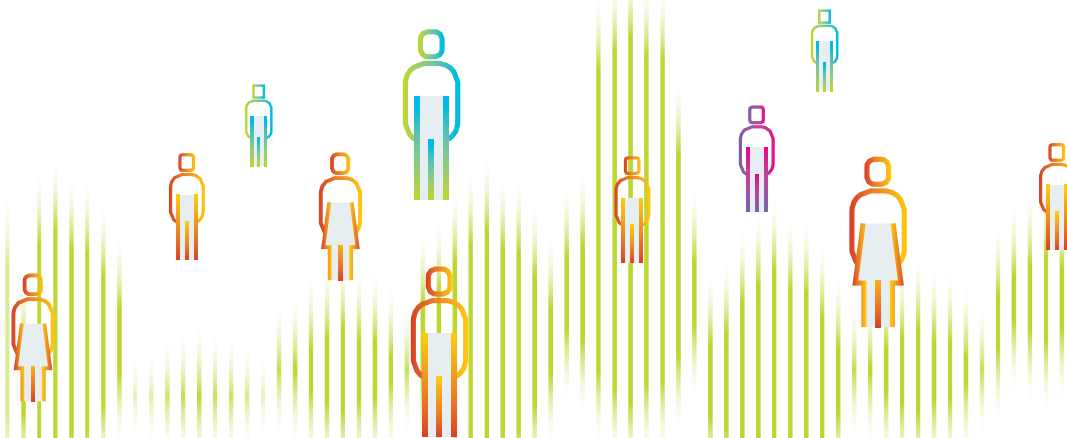
The Readers' Editor, meanwhile, was established to address complaints, comments and suggestions from readers regarding the contents of EL PAÍS, as well

as any of the products or collections that sometimes accompany the paper. The Readers' Editor ensures compliance with the ethical rules governing the practice of journalism and that are laid out in the EL PAÍS Style Book. The existence of this figure and its continued activity over the years, demonstrate the commitment of the newspaper's management and the broader Group to the transparency of information and their respect for the ethical principles governing the profession.

Plural and participatory dialogue continues to strengthen the social role of PRISA Radio's broadcasters, where we have continued to give a voice to people through new technologies that complement the existing channels for interaction.

«Direct dialogue between the media and readers has long been embraced by the Group and this, in turn, contributes to audience growth.»

This overarching concern with our users embraces all our companies. Santillana, for example, has been able to apply methodological formulas that are part of the current transformation of schools and where parents, students and members of the educational community all play a fundamental role.



RESPONSIBLE MANAGEMENT OF DIGITAL TRANSFORMATION

PRISA's different businesses are engaged in an ongoing process of innovation that positions all its news titles and brands at the forefront of transformation. All across the Group there is constant experimentation and implementation of projects in line with all the latest trends and technological changes sweeping through each sector. Each of the businesses participates actively in associations and forums, both nationally and internationally, which enables them to explore potential improvements or opportunities for innovation and development in their respective services, processes and management systems.

In 2018, PRISA Radio focused its innovation efforts on the distribution and monetization of digital audio, both live and on demand. To this end, it pioneered the development of apps for smart speakers (so-called skills or actions) for Cadena SER, LOS40, W Radio, Ke Buena and Podium Podcast, among others. These apps allow access to content through simple voice commands and are compatible with all the leading platforms offering this service: Alexa (Amazon), Assistant (Google) and HomePod (Apple).

Meanwhile, a whole new generation of mobile apps was rolled out, for both spoken-word and music radio formats. Our in-house 'factory' allows us to generate and maintain low-cost applications for listening to both live and on-demand content, adapted to the needs of the radio networks, whatever their size.

Noteworthy in terms of app development is the virtual reality project, LOS40 VR,

which gives users access to a range of big stars and offers them a glimpse into their day-to-day lives away from the stage. Users can also actively participate thanks to interactive experiences integrated into the content. All this in combination with Samsung Gear VR glasses, one of the leading devices in terms of this type of technology.

With regard to the Latin American stations, new web players have been created – optimized for mobile devices – for the spoken-word radio stations in Colombia, Mexico, Chile and Argentina, all of which offer user-friendly access to the wealth of content offered by the brands.

In 2018 a system was developed that allows the automatic extraction of news bulletins from local and national broadcasts. The process means that news summaries are available within minutes of their original broadcast across all the distribution channels.

«In 2018, PRISA Radio focused its innovation efforts on the distribution and monetization of digital audio, both live and on demand.»

Big data has also been integrated into radio innovation projects, and more specifically in services such as the audio advertising ecosystem, where it is possible to offer online audio campaigns, both direct and programmatic, segmented with our own and third-party data.

PRISA Noticias had several innovative projects in 2018 that follow the latest trends and that seek to enhance the reader's experience, such as EL PAÍS LAB, an incubator of innovation geared to telling stories in a digital native environment and that offers readers new formats that enable them to interact with the medium.

Always at the forefront of quality news, EL PAÍS joined The Trust Project, led by an international media consortium that establishes trust standards and works with technological platforms to promote transparency.

Meanwhile, EL PAÍS and Arc Publishing, the digital platform designed by The Washington Post, teamed up to optimize the technological infrastructure of the newspaper and thus improve the reader's experience as well as speed up the production and distribution of digital content.

Also seeking to improve user experience, the site of the sports newspaper AS underwent web page optimization, which has led to faster loading of pages. Meanwhile, the newsletter was redesigned to allow it to adapt to different user profiles.

In terms of content optimization and prioritization, EL PAÍS has developed a control panel to monitor engagement with articles in real time, which successfully tracks exposure and format, according to reader engagement. Meanwhile, the Content API consolidates all EL PAÍS content into a database that allows, among other features, big data analysis and efficient multi-distribution of content. In addition, the

cache of elpais.com is stored with a Content Delivery Network (CDN) in Akamai that locally redistributes the content from the servers and stores the files in a cache that does not require constant updating, which improves performance of the website.

With regard to marketing at PRISA Noticias, EL PAÍS created its first predictive model of propensity to

«PRISA Noticias boasted several innovative projects in 2018 that follow the latest trends and that seek to enhance the reader's experience.»

register, and the paper also launched segmented web campaigns. In terms of user loyalty, sections such as EL PAÍS + made their cultural activities available to readers registered on the website elpais.com.

In 2018, the EL PAÍS podcast player was launched to publish audio on the internet as well as other major platforms, such as iTunes. Users can now listen to, as well as read, all the latest news from the newspaper.

There was a strategic agreement between Movistar and AS for the integration into as.com of the Movistar eSports portal, which offers the most up-to-date news from the rapidly growing world of electronic sports.

PRISA Noticias also worked on innovative projects for mobile devices, such as the launch of interactive EL PAÍS and AS apps for Alexa's smart speakers. Content from EL PAÍS, AS and Cinco Días was added to the news application Google Play Kiosk, while AS and EL PAÍS underwent personalization for Google Assistant. The year also saw the first phase of implementation of an interactive service for AS in WhatsApp – enabling the user to quickly access the day's big sports news – as well as the creation of a new football newsflash service. The latter is the result of an agreement between AS and Twitter – adapted to new consumer trends and aimed at improving monetization.

In education, Santillana focused on research in innovation and transformation in educational centers, on the in-depth analysis of different trends in education and on the ongoing SantillanaLAB project, which explores the current state of education and the demand for products and services.

The #SantillanaLAB observatory has comprehensively explored issues related to the methodological innovation that is taking place in education centers across Spain and Latin America. It has looked at new actors in the current education process, and gained a deeper understanding of the new products and services available to them, to schools, teachers, students and families, and has analyzed education and technology. As a result, a total of nine dossiers have been produced, with titles such as: *GAFAM and education, conquerors of the 21st and 22nd centuries*; *Deep learning, is each brain a world of its own?*; *Learning in a world of screens*; *The future is made of mathematics*; *Is the teacher the new publisher?*; *The user is the new curriculum*; *Learning, a land of phenomena*; and *The artifice of artificial intelligence?*

#SantillanaLAB has also continued to explore trends such as: the educational use of video, with the aim of designing a product or commercial service based on the consumption of audiovisual content, curated from Santillana content; and the use of podcasts in education, in order to better understand their role in our classrooms or in the learning process. In this area, prototypes were developed that were part

of several pilot projects. The year also saw #artthinking, a transversal methodology that has the potential to truly set Santillana apart and, finally, there was research into extrapolating the Fontán system to other contexts.

Another key focus in 2018 was mathematics products for K12. The chief goal was to develop a map of what's available in terms of math for primary and secondary levels that would serve to bring together and systematize all the information available. All this knowledge has become a tool called Mathematics Compass, which gives us a detailed picture of products and services available in Spain, Latin America, USA, United Kingdom, Japan, India, China, Korea and Singapore. It also helps us understand trends in the teaching of mathematics, methodological innovations and new outlooks that might improve the teaching and learning of mathematics.

Also worth highlighting are the different online forums: IneveryCREA, nominated as the most influential educational portal at the II National Education Marketing Awards, and the blog SantillanaLAB, which was merged into the initiative Líderes

«Santillana has continued with its commitment to learning technologies, serving more than 2.2 million users with a unique global digital ecosystem that's customizable by country and business.»

Compartir over the course of the year.

Meanwhile, Santillana R+D+i focused on marketing SET XXI, with the goal of complementing and expanding the sales network to Spain. Marketing this unique product requires a deep knowledge of innovation, on the one hand, and an understanding of the new learning landscape, on the other.

Santillana has continued with its commitment to learning technologies, serving more than 2.2 million users (especially through Compartir and UNOi) with a unique digital ecosystem, global and customizable by country and business. This has been made possible thanks to the creation and use of multi-device HTML5 digital content, as well as a transversal digital strategy based on data, the cloud and educational technology standards. And all this in accordance with the latest cybersecurity guidelines.

In addition, the e-Stela learning platform was expanded, with the extension of version 3.5 to BeLive, Richmond Together and a range of government initiatives. A first successful foray into the textbook market was also launched, with the EVA digital platform being rolled out in three countries. During 2019, the deployment of this platform will be completed, bringing it to a total of eight countries.

Santillana also uses smart speakers to support learning, through the Alexa skill Pequeños Genios (Little Geniuses), which enables primary school students to access and interact with Santillana content to learn about natural sciences, in this initial phase.

Santillana and Microsoft signed a deal to improve learning using data analytics. Thanks to the more than 28 million users who teach and learn in Latin America and Spain with educational content and services provided by Santillana and the 2.2 million who use our digital ecosystems on a recurring basis, it is now possible to better understand the real needs of teachers and students and create more effective content for them.

Finally, in 2018, considerable headway was made with the implementation of a Commercial Management System (CRM) in 12 countries, and it has been integrated with the analytical platform (BI) in Mexico, Peru, Colombia and Brazil. This allows us to have a 360° view of our clients and configure personalized educational solutions for schools.

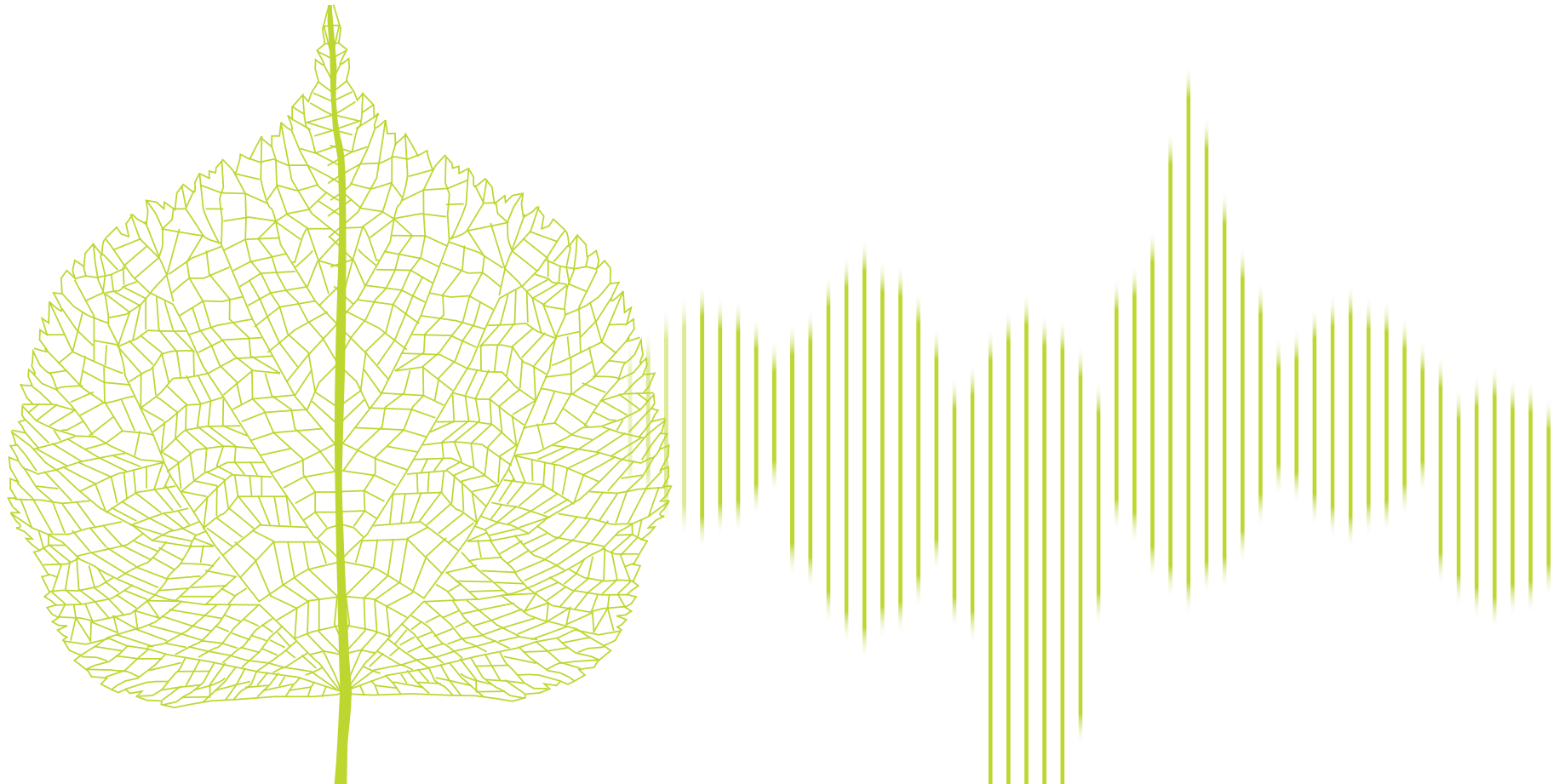
With regard to PRISA's audiovisual business, Media Capital made investments to create new digital content, quickly distribute it across the different platforms and reuse it across the different media of the group (especially TVI Player). In addition, mobile apps were developed for radio with the launch of 14 digital stations, in addition to their FM versions.

Other noteworthy developments included the official partnership of Media Capital Group with Weather Channel in Portugal, which enables new and innovative ways of delivering weather news to users. The Onlive project was also developed in 2018. It enables the streaming of the Media Capital Group's television channels and videos on the Group's different websites.

«With regard to audiovisual business, Media Capital made investments to create new digital content.»»

Media Capital has also partnered with the Nónio project, a unique technological platform created by the largest communication groups in Portugal, which together share 85% of the Internet audience in the country. The goal is to offer personalized content with a greater degree of se-

curity and higher quality. Users need register only once to access more than 70 sites. Nónio seeks to promote a transparent brand-safe market for digital advertising with its own data, and with a reduction of wasted advertising. The project itself, because of its innovative nature, is a pioneer in the sector and is already being closely followed by international research centers.



RESPONSIBLE MANAGEMENT OF COMMUNICATIONS

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

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

PRISA's values revolve around people, who are at the very heart of all marketing and communication initiatives. Here, internal communications play a key role in the development of the Group's chief asset – human capital.

For the past few years, PRISA has been developing a culture of transformation whose objective is to establish an organizational culture that will flourish in the digital economy, to foster improved performance in the production of value and to cultivate a feeling of belonging.

The key tool here is Toyoutome, our intranet, a common, global shared platform that fosters relations among professionals from different business areas and gives

our professionals all the information they need concerning the company. It also fosters the development of company reputation, internally, transmits company values and nurtures intellectual and social capital.

The platform is also endowed with a range of products that enable direct communication, such as the corporate blog (*Toyoutome blog*), which allows us to share Group news and serves as a showcase for talent and internal opportunities, and stimulates knowledge and innovative thinking.

Other key platforms for facilitating training and reorienting professionals to new productive needs are PRISA Campus, where free online training is offered, and PRISA Jobs, which promotes internal mobility and promotion and publishes new job opportunities.

«PRISA's values revolve around people, who are at the very heart of all marketing and communication initiatives.»

PRISA promotes transparency in the dissemination of information by adopting responsible communication practices at all times. The Group has a range of communication tools, including the Social Responsibility and Sustainability Report, which adheres to the best reporting practices and is a transparent and true reflection of the degree of compliance of Group actions in the economic, social and environmental fields.

Another important tool is the corporate website, www.prisa.com, which in addition to hosting the various reports on social responsibility and sustainability published over the years, also provides information on corporate social responsibility, with details of the activities undertaken by the different areas of the Group, and offers vital documentation to all stakeholders.

RESPONSIBLE MANAGEMENT OF OUR SUPPLIERS

OBJECTIVES AND POLICIES

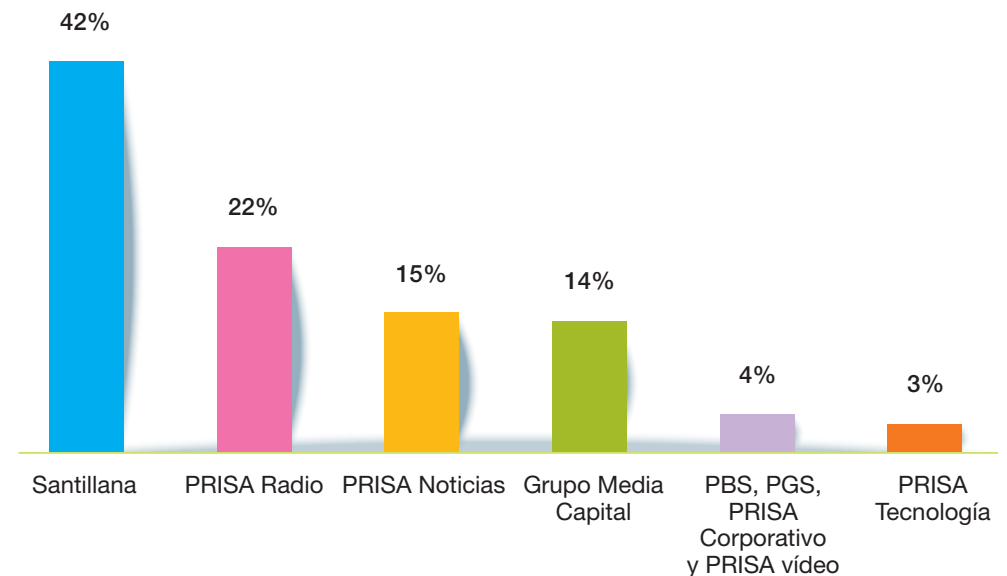
The chief goal of PRISA's Procurement Policy is to build up a solid base of suppliers and collaborators, thereby enabling all our companies to acquire goods and services under the strict criteria of efficiency, cost, coverage and technical and productive capacity. Moreover, PRISA also evaluates and ensures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

- Any information supplied will be identical for all suppliers, ensuring that no single supplier enjoys any initial advantage, thus fostering legitimate competition.
- Potential suppliers will not be invited to participate in the adjudication process.
- The results of the adjudication and certification process, including a summary of the criteria employed, will be communicated to the supplier in writing. Initiatives for constant improvement are in place, which boost quality to the benefit of both parties.

THE IMPACT OF OUR PROCUREMENT

Over the course of the year 2018, the Group done business with suppliers for a total of more than 765 million euros. This figure highlights the importance of managing both our supply chain and any associated indirect impact.

Spend on procurement by business



LOCAL DEVELOPMENT

PRISA is committed to using local suppliers in the countries in which it operates, meaning that, on average, 86.45% of our spend on procurement goes to local suppliers, i.e. they are registered for tax purposes in the country where the acquisition is made and paid for.

SPEND ON SUPPLIERS BY COUNTRY		
	TOTAL SPEND (€)	% SPEND ON LOCAL SUPPLIERS
Argentina	27.362.192	94%
Bolivia	1.837.022	42%
Brazil	89.220.439	85%
Chile	34.865.793	43%
Colombia	44.610.178	90%
Costa Rica	2.369.915	60%
Ecuador	11.490.671	92%
El Salvador	7.177.290	71%
Spain	320.618.255	90%
USA	10.397.677	98%
Guatemala	8.249.120	76%
Honduras	4.549.474	63%
Mexico	54.002.213	84%
Puerto Rico	5.878.899	64%
Panama	1.735.210	69%
Paraguay	1.242.116	79%
Peru	11.895.836	81%
Portugal	110.167.946	93%
Dominican Republic	2.979.509	52%
Uruguay	770.219	96%
Venezuela	218.782	100%
Other	13.440.545	98%
Grupo PRISA	765.079.300	86%

SOCIAL AND ENVIRONMENTAL IMPACT

PRISA has not identified via its communication channels any significant impacts on social or human rights in its supply chain.

From an environmental point of view there is undoubtedly an impact particularly with regards to the consumption of paper by Santillana and Prisa Noticias, who together account for 57% of our volume of payments to suppliers. To mitigate these effects, the Group carries out initiatives described in the section “consumption control”, which operate in tandem with the process of conversion to digital content that is sweeping the sector.

CERTIFICATION AND SELECTION OF SUPPLIERS

For suppliers who collaborate with PRISA transversely, that is, with more than one business unit, or for those that provide a high volume of goods or services, it is a prerequisite that they be duly approved and certified and added to our approved supplier list. This approval process is carried out through the Electronic Procurement Platform – found on the Corporate website. This is the channel that manages the Group’s relationships with its collaborators, facilitates the processes of registration and certification, and carries out any subsequent monitoring and evaluation.

In 2018, 24% of total payments corresponded to suppliers who have been certified in this manner.



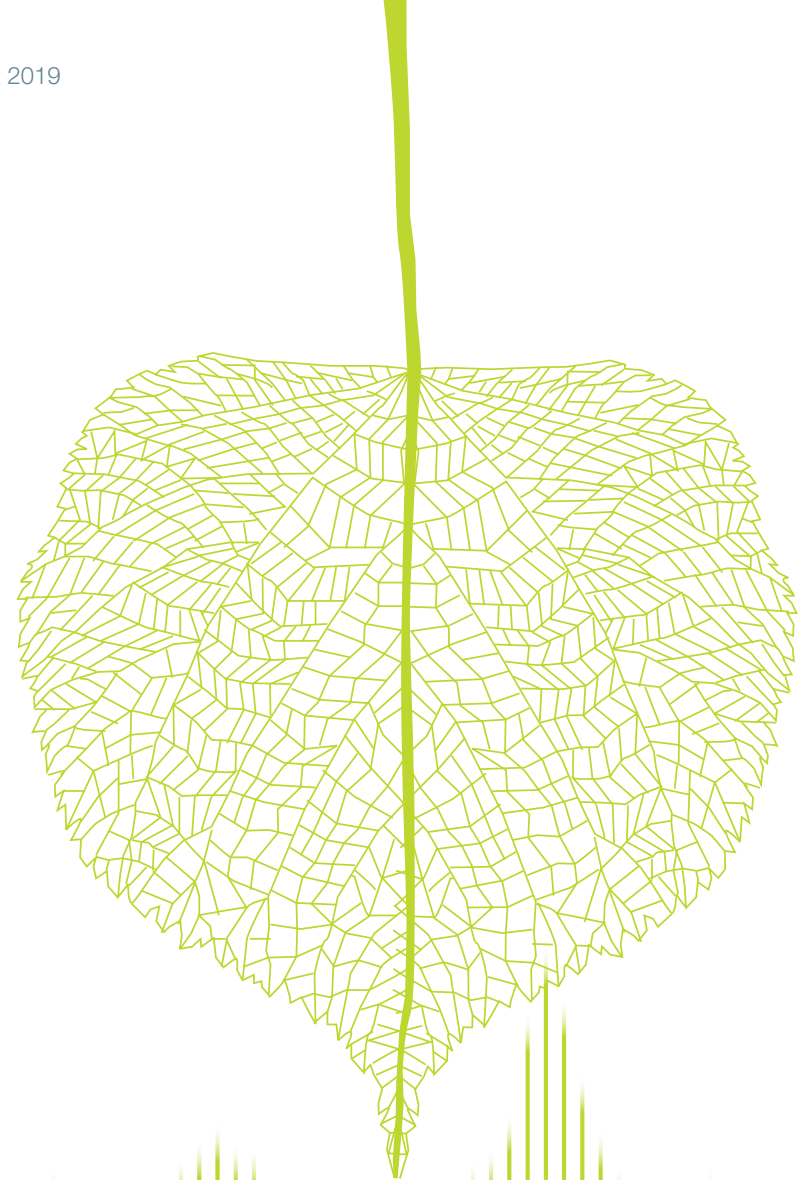
EVALUATION AND MONITORING OF SUPPLIERS

The Group’s most significant suppliers, by volume and by Business Unit, are subject to regular monitoring and evaluation via Quality Assurance surveys with regards to seven key performance areas, including ethics and good governance, environmental and quality management, and the prevention of occupational hazards, among others.

Such supplier evaluations were carried out under the criteria, as detailed below, in the areas of environment, labor practice, human rights and other social matters.

Suppliers evaluated for environmental matters	Suppliers evaluated for labor practices	Suppliers evaluated for human rights issues	Suppliers evaluated for social issues
308	459	459	459

7. Quality Assurance filled in by suppliers via the Suppliers Portal



RESPONSIBLE MANAGEMENT OF THE ENVIRONMENT

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

On environmental matters, PRISA acts either directly or indirectly (on the value chain) and at all times follows the recommendations of the Group's Corporate Social Responsibility Policy, which includes a series of basic principles, all of which are aimed at providing safe products and services that respect the environment throughout their entire life cycle and that ensure constant improvement. These principles state that:

- The group will actively strive to reduce any negative environmental impacts in all its operations and will comply with all applicable legal requirements, and will actively contribute to raising awareness about the effects of climate change.
- Pay special attention to responsible management in the production cycle of the print editions of the Group's products: use of paper, inks, other printing materials, energy use, water consumption, control of emissions and waste. These are the resources to have the greatest environmental impact.

This policy is divided into three levels of action:

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

The Quality Assurance evaluation carried out indicates that the Group does not have responsibilities, expenses, assets, provisions and contingencies of an envi-

ronmental nature that might be deemed significant in relation to the assets, financial situation and results thereof.

CONSUMPTION CONTROL

Consumption of material

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

Type of material	Total material consumption (tn)	% Material recycled or recovered /consumed
Paper ¹	89.786	41%
Inks ²	10	0%
Paperboard ³	316	100%
Adhesives	0	0%
Solvents	0	0%
Plastics ⁴	301	6%
Toner ⁵	1	30%
Plates ⁶	243	56%
Other	0	0%

1. Consumption for Santillana (Spain, Argentina, Brazil, Chile, Colombia, Mexico, Guatemala, El Salvador, Honduras, Ecuador, Peru, Puerto Rico, Dominican Republic), PRISA Radio, PRISA Noticias, Media Capital Group (Portugal), PGS, PBS, PRISA Tecnologia, PRISA Corporativo and PRISA Video.

2. Consumption for Bidasoa and Distasa (PRISA Noticias), Santillana (Ecuador, Puerto Rico), Media Capital Group (Portugal).

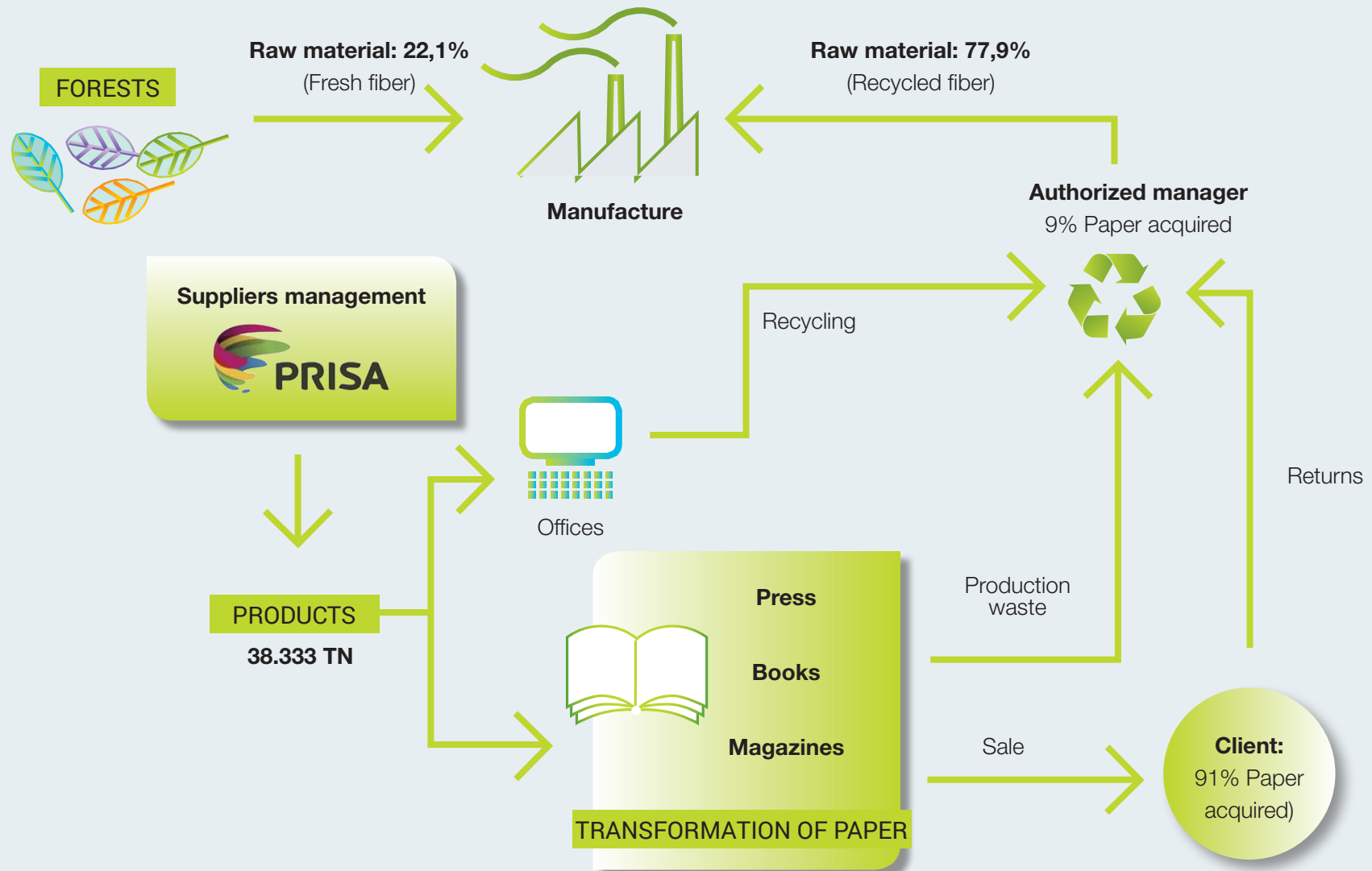
3. Consumption for PRISA Noticias and Santillana (Spain, Argentina, Colombia, Guatemala, El Salvador, Ecuador, Peru).

4. Consumption for Santillana (Spain, Colombia, Guatemala, El Salvador, Honduras) and Media Capital (Portugal).

5. Acquired as fungible by PRISA Noticias, Santillana (Colombia, Guatemala, El Salvador, Peru).

6. Consumption for Distasa and Bisadoa (PRISA Noticias) and Grupo Media Capital (Portugal).

PAPER CYCLE IN PRISA



Spain 2018

PRISA's suppliers must comply with certain minimum legal environmental requirements in the manufacture of paper, and most of them possess the capacity to produce PEFC and FSC accredited paper, thus guaranteeing that controls are being carried out at the various stages of the production process.

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

PRISA ensures responsible management at all stages of the lifecycle of paper. In Spain and Portugal, the management of paper is centralized and, as shown in the chart illustrating the paper lifecycle, 77.9% of paper comes from recycled raw material, obtained from recycling operations carried out by authorized companies, and offering a rate of return of 9% of the raw material.

Energy Consumption. ^{7,8}

Invoices issued by suppliers have been used to obtain the relevant data:

Electricity consumption		Consumption of natural gas (GJ)	Consumption of diesel (GJ)	Total energy consumption (GJ)	Energy intensity (GJ /Million Euro Invoiced)
Renewable (GJ)	Non-renewable (GJ)				
28.465	185.456	14.405	56.975	285.302	213,98

- In 2018, total energy consumption for the Group was 285,018 GJ, which is associated chiefly with the use of fuels and electricity. Almost 10% of energy consumed by the Group is from renewables.

- According to data provided by the different paper suppliers, carbon intensity, expressed in kilograms of CO2 equivalent per tonne of paper consumed, is 481.54 in Spain.

- All this is taking place in an industry marked by the digitization of content and platforms, allowing us to progressively reduce our paper consumption. Initiatives in this area are being carried out in Santillana Argentina, Colombia, Peru, Guatemala, Honduras, El Salvador and by Media Capital in Portugal.

Water consumption

Water consumption at PRISA for the year 2018 amounted to 146,683 m3, supplied mainly from municipal networks.

EMISSIONS CONTROL

The main source of emissions linked to Prisa's operations is employee travel, which is measured by mode of transport and subsequently monitored by the Corporate Procurement Department.

Information on emissions reported for the financial year 2018 takes into account the scope of emissions as defined by the GHG Protocol standard.

Notable initiatives in this area included:

- Initiatives to replace existing lighting with more efficient technology have been undertaken in several countries.
- Energy savings achieved compared to the previous year were +6,275 GJ, which, when translated into CO2, represents a CO2 equivalent savings of 881.95 TN
- Emission intensity for the year 2018 is 81.28 TN CO2 equivalent per million euros invoiced.

7. Does not include Santillana Venezuela.

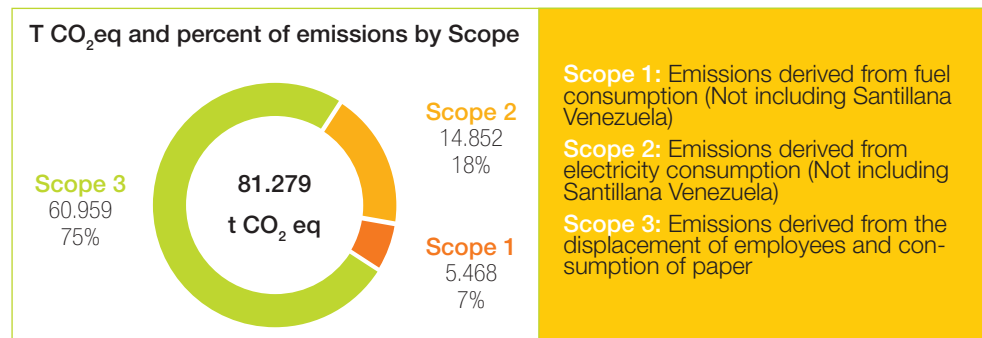
8. The source used to obtain the conversion factor is DEFRA (Department for Environment, Food & Rural Affairs - GOV.UK).

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

Emissions of CO ₂		Total Emissions 2018 (T CO ₂ eq)	
Business Travel ⁹	Plane	Short haul	3.791,79
		Medium haul	1056,43
		Long haul	2.615,60
	Train	207,64	
	Car	Diesel	4.932,82
Gasoline		5.120,62	
Product ¹⁰	Paper	43.233,97	
TOTAL emisiones alcance 3		60.958,87	

⁹ Does not include Santillana (Puerto Rico).

¹⁰ Consumption in Santillana (Spain Argentina, Brazil, Chile, Colombia, Mexico, Guatemala, El Salvador, Honduras, Ecuador, Peru, Puerto Rico, Dominican Republic), PRISA Radio (Spain), PRISA Noticias, Grupo Media Capital (Portugal), PGS, PBS, PRISA Tecnología, PRISA Corporativo and PRISA Vídeo



WASTE MANAGEMENT

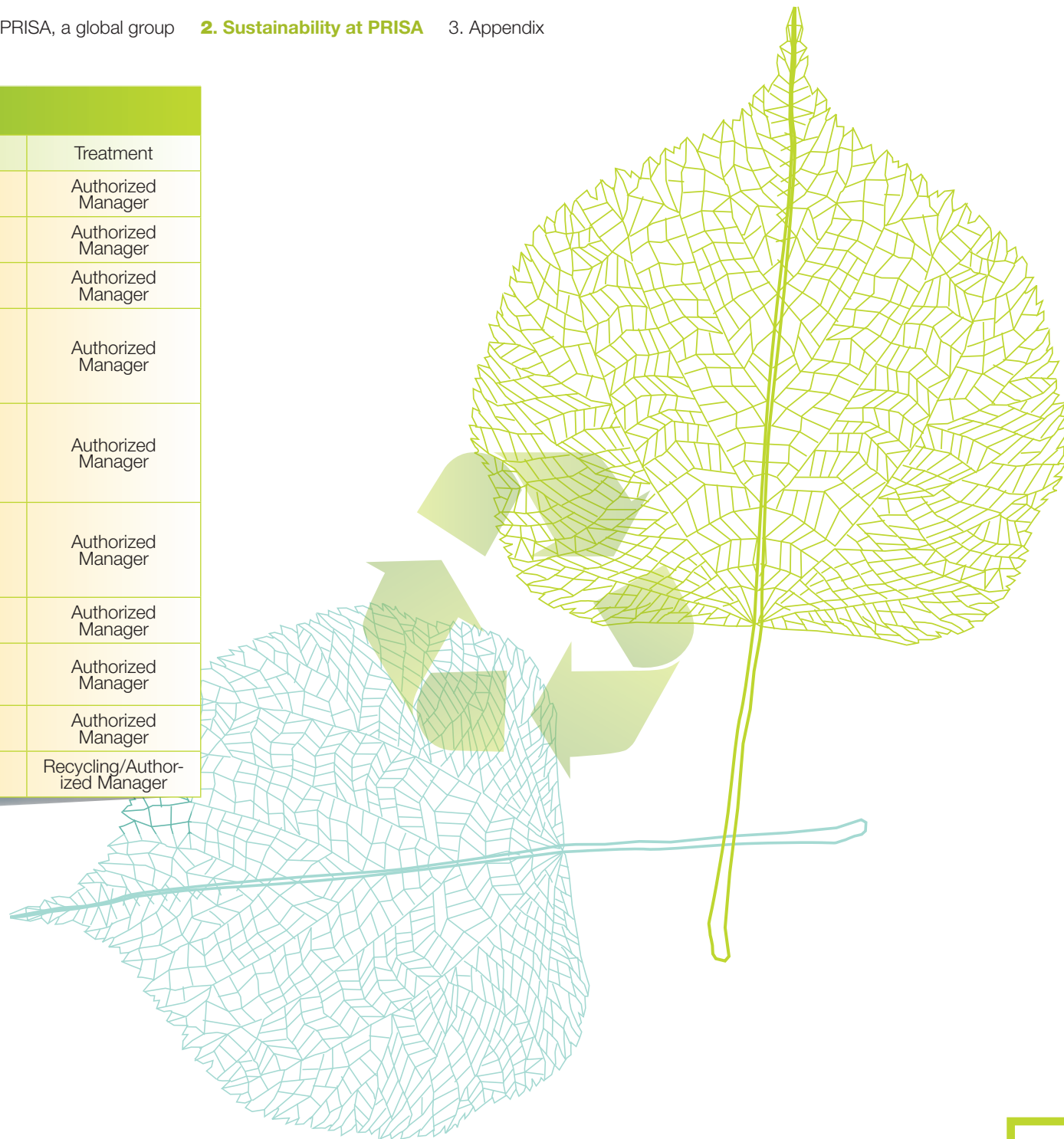
Of all PRISA operations, printing is the activity that generates most waste, with plates, inks and varnishes, and paper and cardboard, being the most significant sources, as can be seen in the following table.

There has been a decrease in the generation of waste with respect to the previous year, thanks chiefly to a reduction in paper and paperboard consumption across the Group with respect to the previous year. The digitization of content is another factor that favors the reduction of paper waste.

PRISA also plans to design a pilot program in Spain aimed at carrying out a detailed analysis of the final destination of all its waste, and to study measures that might favor the efficient reintegration of any such waste into a circular economy.

Waste management			
Hazard level	Treatment	Type of waste	Hazard level
Non-hazardous waste	Recycling/Authorized Manager	Paper and paperboard	2.983,94
	Recycling	WEEE	0,88
	Authorized Manager	Construction and Demolition Waste	18,44
	Recycling	Plastics and packaging	8,77
	Recycling	Metal packaging	21,5
	Recycling/Authorized Manager	Municipal Solid Waste	315,96
	Recycling	Glass	4,16
	Recycling	Wood	220,36
	Recycling	Plates	190,64
	-	Cleaning water	76,97
	-	GRCs	0
	Recycling/Authorized Manager	Others	46,247

Waste management			
Hazard level	Type of waste	Tonnes 2018	Treatment
Hazardous waste	Inks and varnishes	19,21	Authorized Manager
	WEEE	0	Authorized Manager
	Plate developer	5,76	Authorized Manager
	Construction and demolition waste containing hazardous substances	9,76	Authorized Manager
	Wood containing hazardous substances	14.000,9	Authorized Manager
	Plastics and packaging containing traces of dangerous substances	28,58	Authorized Manager
	Waste oil	0,12	Authorized Manager
	Contaminated rags and absorbents	8,48	Authorized Manager
	Batteries	0,22	Authorized Manager
	Others	220,23	Recycling/Authorized Manager



CORPORATE GOVERNANCE

MAJOR DEVELOPMENTS DURING THE YEAR

The main changes to the Board of Directors and management team of PRISA in 2018 were:

- Succession of the Chairman of the Board of Directors: during the last quarter of 2017, the serving executive chairman was replaced by Manuel Polanco Moreno (the then executive deputy chairman). He was appointed non-executive chairman of the Board of Directors of PRISA, his succession becoming effective as of January 1, 2018.
- At the meeting the Board of Directors held on December 18, 2018, the process for the succession of Manuel Polanco Moreno, in his position as non-executive chairman of Prisa, was initiated, with the Board appointing Javier Monzón de Cáceres (at that time non-executive deputy chairman and coordinating director) to replace him in the position of non-executive chairman of the Board of Directors, with the aforementioned termination and appointment taking effect on January 1, 2019.
- Chief Executive Officer: Following the replacement of the previous executive chairman and the appointment of a non-executive chairman, since January 1, 2018, the CEO, Manuel Mirat Santiago, has acted as PRISA's most senior executive.
- Reorganization of the Board of Directors: at the end of 2017, there was a reorganization of the Board of Directors of PRISA, which included the succession of the Chairman and the CEO, and resulted in the following changes over the course of 2018:

- Javier Monzón de Cáceres, independent director, was appointed non-executive deputy chairman and coordinating director of the Board of Directors of PRISA. Subsequently, in December 2018, Mr. Monzón was appointed non-executive chairman of PRISA, effective January 1, 2019.

- The company Amber Capital UK LLP (represented by Fernando Martínez Albacete) was appointed as proprietary director and Mr. John Paton resigned as a director of the company.

- The Shareholders' Meeting held in April 2018 set the number of directors at 13.

- The board's committees were also reorganized. They are currently as follows: the Delegate or Executive Committee; the Audit, Risks and Compliance Committee (formerly the Audit Committee, and which now takes on duties in the area of compliance) ; and the Appointments, Remuneration and Corporate Governance Committee (which now absorbs the former Appointments and Remuneration Committee and Corporate Governance Committee).

- In January and July of 2018 the reorganization of the Management Committee, overseen by the CEO, was also undertaken, which has led to the modification of the perimeter of senior management.

- In February 2019, the Board of Directors appointed M^a Varela Miura as deputy non-director Secretary.

There have also been changes to the internal regulations of the Group. In order to adapt the corporate governance system of the company to the best existing standards and within the context of the significant changes that have taken place in the company's capital and governance structure, the main internal regulations of the company (Articles of Association, Regulations of the Shareholders' Meeting and Regulations of the Board of Directors) were updated in 2018, with the or-

ganizational structure and functioning of the various corporate boards and bodies undergoing review.

Meanwhile, with regard to the criminal prevention model, the company has promoted new internal policies and regulations. These include the approval of an *Investment and Financing Policy* and a *Corporate Social Responsibility Policy*.

GOVERNING BODIES

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

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

COMPOSITION AND ORGANIZATION CHART OF THE BOARD OF DIRECTORS AND RESPONSIBILITIES OF COMMITTEES IN ECONOMIC, ENVIRONMENTAL AND SOCIAL AREAS.

The Board of Directors of the company has a non-executive chairman and a CEO, the latter being the Group's most senior executive. Until December 31, 2018, the company also had a non-executive deputy chairman.

Notwithstanding the powers delegated to the CEO, the Board of Directors has an Executive or Delegate Committee, to which have been delegated all the powers and duties of the Board that may be so delegated, in accordance with the law and with the limitations established in the Regulations of the Board of Directors.

In addition, the Board has an Audit, Risks and Compliance Committee and an Appointments, Remuneration and Corporate Governance Committee.

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

Senior managers are appointed by the Board, on a proposal from the Chief Executive and subject to a report issued by the Appointments, Remuneration and Corporate Governance Committee. Senior managers report directly to the CEO.

The functions of the Board, as defined in the Board Regulations, and in accordance with the recommendations on Good Governance as issued by the CNMV, are chiefly financial, social and environmental in nature, such as the approval of the policy on Corporate Social Responsibility (which, as already indicated, was approved in December 2018). In addition, the various committees (the Executive Committee, the Audit, Risks and Compliance Committee and the Appointments, Remuneration and Corporate Governance Committee) also have responsibility for decision-making on financial / economic, environmental and / or social matters.

Specifically, the Audit, Risks and Compliance Committee, in addition to the powers provided for in the applicable legislation, also oversees the evaluation of all matters relating to non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational issues. The Appointments, Remuneration and Corporate Governance Committee, meanwhile has, among other duties and powers, those relating to strategy in the areas of corporate governance, corporate social responsibility and sustainability, and, in particular, to propose to the Board of Directors the approval of this annual report on corporate social responsibility. The Audit, Risks and Compliance Committee and the Appointments, Remuneration and Corporate Governance Committee have issued their respective annual reports describing their functions and activities during 2018.

POLICY FOR THE SELECTION OF BOARD MEMBERS AND DIVERSITY

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

BOARD OF DIRECTORS AND BOARD COMMITTEES

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

D. Manuel Mirat (CEO)

EXTERNALS DIRECTORS REPRESENTING MAJOR SHAREHOLDINGS

D. Roberto Alcántara
 D. Waleed Alsa'di
 D. Shk. Khalid Thani A. Al Thani
 Amber Capital UK LLP
 (represented by D. Fernando Martínez Albacete)
 D. Joseph Oughourlian
 D. Manuel Polanco

INDEPENDENT EXTERNAL DIRECTORS

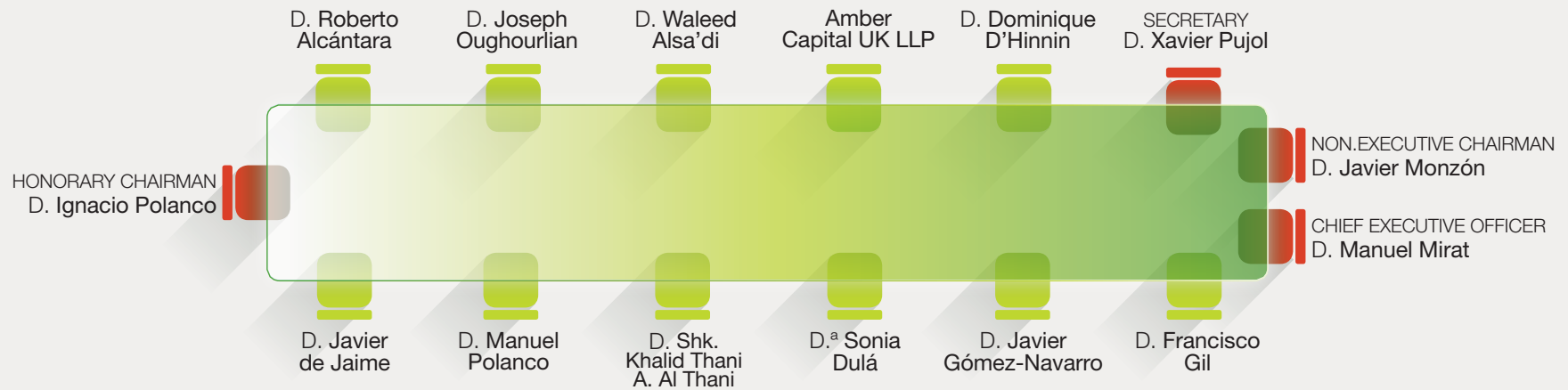
D. Javier Monzón (non-executive chairman)
 D. Dominique D'Hinnin
 D. Javier de Jaime
 D.ª Sonia Dulá
 D. Javier Gómez-Navarro

OTHER EXTERNALS DIRECTORS

D. Francisco Gil

NON-DIRECTOR SECRETARY

D. Xavier Pujol



Delegate / Executive Committee

FEBRUARY 2019

CHAIRMAN

D. Javier Monzón

MEMBERS

D. Manuel Mirat
 D. Joseph Oughourlian
 D.ª Sonia Dulá
 D. Manuel Polanco

SECRETARY

D. Xavier Pujol

Audit, Risks and Compliance Committee

CHAIRMAN

D. Dominique D'Hinnin

MEMBERS

D.ª Sonia Dulá
 D. Waleed Alsa'di

SECRETARY

D. Xavier Pujol

Appointments, Remuneration and Corporate Governance Committee

CHAIRMAN

D. Javier Monzón

MEMBERS

D. Joseph Oughourlian
 D. Javier Gómez-Navarro
 D. Dominique D'Hinnin
 D. Roberto Alcántara

SECRETARY

D. Xavier Pujol

The Board of Directors is composed of reputable and highly qualified professionals, with skills from a wide variety of academic and professional backgrounds and sectors of interest to the Company: They are also from a range of different countries. Their profiles are available online at www.prisa.com.

«The Board of Directors is composed of reputable and highly qualified professionals.»

The Appointments, Remuneration and Corporate Governance Committee, at its meeting held on February 26, 2019, carried out its annual assessment of compliance with the company Policy for the Selection of

Directors, and concluded that the composition of the Board is reasonably diverse in terms of profile, training, experience and professional qualification, skills, age and geographical origin of the directors, there being a positive balance as a whole. However, the Appointments, Remuneration and Corporate Governance Committee also considers that the degree of gender diversity is insufficient, and has therefore formulated a proposal and goals in this regard, for 2020.

CONFLICT OF INTEREST

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

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

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

ENGAGEMENT WITH STAKEHOLDERS

The Group has a tried and trusted, effective governance structure and rules, and is equipped with a corporate communications policy that facilitates, in every area of

activity, the conditions for dialogue with stakeholders.

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

«The Board of Directors conducts an annual assessment of the performance and operation of the Board and its committees.»

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

CHOICE OF CONTENT

EDITORIAL GOVERNANCE AT THE GROUP

The Group's different media enjoy a high degree of editorial independence, in accordance with their corresponding statutory frameworks and operating rules. The respective publishing companies appoint their own managing editors and senior personnel – in accordance with the procedures set out for that purpose – and these are supervised or, where appropriate, authorized or ratified by the Board.

«The Group has a tried and trusted, effective governance structure and rules.»

The Group has an editorial director, who reports to the Chief Executive Officer, and is in charge of harmonizing the editorial framework of all the different media. In addition, there is

an Editorial Committee of PRISA, whose mission is to support media managing editors and writers and ensure that they carry out their work only after appropriate corroboration and debate on the selection of topics and the approach to be used. This committee is governed by its own Principles of Operation and Organization, which have been approved by the Board of Directors. The Board is responsible for appointing the committee's Chairman.

The Editorial Committee is composed of a minimum of fifteen (15) members and a maximum of eighteen (18), including both internal (9) and external members (between 6 and 9). Internal members always include the non-executive chairman of the Board of Directors of PRISA, the CEO of PRISA, the editor-in-chief of EL PAÍS and the managing director of Cadena SER.

In addition to these members, the Committee will be made up of prominent opinion editors, writers or presenters and corporate directors and / or advisors of group companies.

External members are leading figures of recognized professional expertise from the areas of politics and society, public service, academia, journalism, economics and business, culture, arts, science and technology. At all times, the Committee will seek to foster gender plurality and diversity.

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

In 2018, PRISA restructured its Editorial Committee and the team that is on the frontline of editorial management. The Board of Directors appointed Jesús Ceberio to the position of Chairman of the Editorial Committee while Augusto Delkáder was named Group editorial director. The latter also sits on the Management Committee, where he is supported by the CEO.

Meanwhile, Daniel Gavela was appointed CEO of PRISA Radio Spain, and there was a change at the top of EL PAÍS, with the appointment of Soledad Gallego-Díaz as editor-in-chief, with the overwhelming endorsement of the newspaper's newsroom and enormous support from international media and the general public alike.

EL PAÍS

The editor-in-chief is responsible for the editorial line of EL PAÍS, and is answerable to both readers and the judiciary, within the framework of the principles set out in the Editorial Statute. To this end, he or she retains the right of veto over all originals, including advertising. Likewise, the editor-in-chief organizes and coordinates all the work in the newsroom. Before the Board of Directors of the publishing company appoints a new editor-in-chief for EL PAÍS, the chairperson or CEO must submit to the Journalists' Committee any proposed nominee. If two thirds of the total census of the Journalists' Committee oppose the nomination, by means of a written argument, the Board will take this opinion into consideration, although it is not binding. Likewise, the appointment of deputy editors and section editors will be previously communicated to the Journalist's Committee by the editor-in-chief. If two-thirds of the Committee are opposed the measure, this opinion, though not binding, is taken into account. Their opposition will be presented in writing, laying out their arguments.

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

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

«The editor-in-chief is responsible for the editorial line of EL PAÍS, and is answerable to both readers and the judiciary, within the framework of the principles set out in the Editorial Statute.»

The Statute of EL PAÍS states that the Journalists' Committee acts as mediator between the newsroom and the publishing company.

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

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

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

CADENA SER

Cadena SER's *Style Book* sets out a number of principles that "are mandatory for all PRISA Radio professionals, both those working with content that is broadcast on air and those publishing content on Internet media, including advertising content on both platforms". These ethical principles apply to all PRISA radio stations.

The goal of these ethical principles is to ensure the broadcast of truthful news and information, the appropriate treatment and correction of errors, and plurality. These principles also deal with potential incompatibilities of PRISA Radio journalists, conflicts of interest and all matters related to privacy, honor, intellectual property, the treatment and coverage of issues that affect minors, gender violence and the protection of minorities.

Strict compliance with all these principles is expected of all Cadena SER professionals. The general management of Cadena SER is entrusted with overseeing and coordinating such compliance among newsrooms and employees.

In the case of our radio operations in Latin America, the independence and diversity of our media is guaranteed by legislation that guarantees freedom of expression, freedom of the press and the right to information. Although circumstances regarding respect of fundamental freedoms often leave much to be desired in certain countries in the region, PRISA Radio currently operates in markets where, despite the constraints placed on a highly regulated activity such as radio, there is respect for autonomy and the editorial freedom of news media companies.

Meanwhile, good journalism and quality entertainment are guaranteed by the culture and heritage of the Group, which is reflected in the choice of professionals, both in strictly business areas as well as in journalistic areas. That's what endows all our spoken-word and music networks coherence and consistency in terms of rigor, independence, respect, plurality and diversity. All this, logically, in line with the characteristics of each product or brand. This is thanks to the work of the managing directors and CEOs, of those in charge of the radio networks, of the directors and anchors of the programs and of all the workers, on air and off, who safeguard the autonomy of the newsrooms and the decision-making processes – decisions that are transparent and in keeping with the editorial line of the group in all the countries in which it is present.

Two aspects that notably help to improve our independence and rigor are: the figure of the Content Director for all PRISA Radio stations in Latin America; and the existence of a *Style Book* that is mandatory for all our radio stations. The Content Director supervises and coordinates the programming of both spoken-word and music stations, the positioning of our brands, schedule

«The *Style Book* sets out a number of principles that are mandatory for all PRISA Radio professionals, both those working with content that is broadcast on air and those publishing content on Internet media.»

changes, the signing of talent, the coherence of digital operations and, ultimately, he or she ensures that our products are recognizable by their rigor and independence. He or she also seeks to share best practices between countries, acts as

« Good journalism and quality entertainment are guaranteed by the culture and heritage of the Group, which is reflected in the choice of professionals. »

a permanent link with the corporate center and promotes collaboration and synergies with our media and companies in Latin America (EL PAÍS, Santillana and AS). Although based in Madrid, the Content Director performs most of his work in situ, traveling regularly to the countries where PRISA Radio has a presence.

The *Style Book*, meanwhile, is a publically available set of rules, that ensures that all those who work at PRISA Radio are committed to the principles of good radio journalism. The Style Book is by no means a strait jacket, but, rather, should be seen as a contract between PRISA Radio professionals and their listeners and digital users. It is a guarantee not of our infallibility, but of our commitment to rigor and independence.

MEDIA CAPITAL

With regard to Media Capital, in Portugal editorial independence is protected by law in matters affecting the work of journalists and the news and information they produce (though not content of a different nature). Such guarantees are set out in the Constitution, as well as in laws and statutes covering the different sectors (TV, press, radio), and Editorial Statutes, all overseen by a regulatory authority for media (ERC). It is forbidden by law for managers or board members to interfere in the editorial line or in journalistic content, these being matters reserved for the news editor, who is responsible for the guidance and supervision of journalistic content. Penalties are severe and set by law. There is no single committee, therefore, at Media Capital that specifically addresses journalistic content or news outside the scope of the news directors or newsroom professionals at TVI/ radio / press.

SANTILLANA

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

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

COLLABORATION WITH RELEVANT ASSOCIATIONS AND INSTITUTIONS

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

In the area of education, Santillana has been a member of the Edutech Cluster since 2018, a group of companies in the ICT Education sector that create products

or offer technology-based services for the improvement of the teaching-learning processes at non-university stages. The company is also a member of the International Group of Educational Publishers (IGEP). Santillana is an active member of the World Wide Web Consortium (W3C), the Spanish National Book Publishers

« PRISA is a member of some of the most important national and international professional associations »

and Teaching Material Association (ANELE), the Federation of Spanish Book Publishers (FGEE), the Madrid Publishers Association, IMS Global Learning Consortium, as well as other educational organizations with common interests and values such as teaching, quality and responsibility.

In Latin America, the company belongs to a wide range of important relevant associations from all over the region.

With regard to Press, the Group's newspapers and magazines actively participate in the European Publishers Council, an important association of publishers representing member interests and shared points of view to the EU authorities, and in the News Media Association (AMI, formerly AEDE). We are also active in the Leading European Newspaper Alliance (LENA), which champions and promotes quality journalism, in ARI (Association of News Magazines) and the Spanish Association of Publishers of Cultural Magazines (ARCE). All the Group's media in Spain are signed up to the Association for Self-regulation in Commercial Media (Autocontrol) and, in the area of intellectual property rights, to CEDRO (Centro Español de Derechos Reprográficos). EL PAÍS, meanwhile, is also a member of the Col·legi de Periodistes de Catalunya, the World Association of Newspaper and News Publishers (WAN-IFRA), the Online Publishers Association Europe (OPA Europe) and, together with AS and Cinco Días, the Association for Media Research (AIMC).

In the area of radio, Cadena SER is a member of the Spanish Association of Commercial Radio Broadcasters (AERC), the EBU (European Broadcasting Union), the AMPE (Association of Advertising Media in Spain), the Spanish Association of Advertisers (AEA), the Association for Media Research (AIMC), the Association for Self-regulation in Commercial Media (Autocontrol), ARTE (Association of Performing Arts Technicians), the APM (Association of Music Promoters) and PROMUSI-

CAE, whose main purpose is to represent and defend the interests of the Spanish music industry.

In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Platform (PMP), which brings together companies from the press, radio and TV sectors, APDC (Portuguese Association for the Development of Communications), CAEM (Commission for media research and analysis), ACEPI (Association of digital economy and e-commerce businesses), AIABP (Interactive Advertising Bureau), the Association of Publishers of Musical Works (AEOM) and APR (Portuguese Association of Broadcasters).

COMPLIANCE AND RISK MANAGEMENT

COMPLIANCE AND ETHICAL CODE

PRISA's Compliance Unit is an independent body with autonomous powers of initiative and control and is made up of the Secretary General, the Director of Internal Audit and the Director of Human Resources. This unit reports to the Audit, Risks and Compliance Committee and is entrusted with the following:

- I. Ensuring and promoting the ethical behavior of employees, associates and members of the Group.
- II. Overseeing and promoting compliance with all regulations applicable to the Group's activities, that is: current legislation, PRISA's *Code of Ethics* and the internal regulations of the organization. Likewise, its functions include identifying, managing and mitigating any risks associated with compliance with said regulations.

The Compliance Unit is endowed with the functions of the Criminal Prevention Body foreseen in the Criminal Code.

In this regard, in Spain PRISA has a compliance program and a Crime Prevention and Detection Model (MPDD) aimed at detecting and preventing the commission of crimes by employees or reducing their risk of happening.

Likewise, the main Business Units of the Group have their respective compliance units, which report to the PRISA Compliance Unit, and with which they coordinate. What's more, some Group companies, due to their importance or because of legislative requirements in the countries in which they operate, have specific compliance units or may have designated a compliance officer. There are such officers or compliance units in companies in Brazil, Portugal, Mexico, Ecuador, Colombia and El Salvador.

As part of its mission, the Compliance Unit promotes a culture of prevention based, firstly, on the principle of "zero tolerance" toward the commission of unlawful acts, and, secondly, the promotion of ethical principles and responsible behavior among all Group employees, regardless of their rank or the country in which they work.

The Compliance Unit reports regularly to the Audit, Risks and Corporate Governance Committee on all incidents and decisions related to the *Internal Code of Conduct regarding the Securities Markets* (RIC), as well as the Code of Ethics and its development policies, so as to enable this Committee to assess compliance with corporate governance rules and accordingly make the necessary proposals for improvement.

PRISA's Compliance Unit is ultimately entrusted with the interpretation of the Code of Ethics and the Internal Code of Conduct (RIC) and must resolve any doubts or questions that arise with regard to their application and content, as well as any other matters related to internal regulations and compliance.

INTERNAL RULES OF CONDUCT ON MATTERS RELATED TO SECURITIES MARKETS

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

This regulation (RIC) is applicable to all members of the Board of Directors and members of senior management, as well as corporate center directors and other officers and employees of the Group who may be privy to inside information. The Internal Code of Conduct is communicated to all persons to whom it is applicable, and who

are requested to sign that they are aware both of its contents as well as their obligation to adhere to it.

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

CODE OF ETHICS

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

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

- Regulatory compliance and integrity of professional conduct.
- Use of resources for the performance of professional activity.
- Conflicts of interests among professionals, and customer relations with the Group.
- External activity of professionals and competition. This has been reinforced with the Policy for the Protection of Competition, approved by the company in 2017.
- Internal control and prevention of corruption. This has been reinforced with the Anti-Corruption Policy, the Gifts Policy and the Policy for the Prevention of Money Laundering.
- Corporate image and reputation. This has been reinforced with the Corporate Social Responsibility Policy, approved by the Board of Directors in December, 2018.

- Relations with other stakeholders.

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

The Compliance Unit is responsible for any final interpretation of the Code of Ethics, and must attend to any queries or concerns raised by the Human Resources departments of the different Group companies.

The Code of Ethics, available in Spanish, English and Portuguese, has been widely communicated and disseminated among all the Group professionals to whom it is applicable.

The Code of Ethics is permanently available on the corporate website www.prisa.com and the global intranet of the Group, Toyoutome.

COMPLAINTS CHANNEL

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

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

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

Additionally, all PRISA employees may contact cumplimiento@prisa.com with queries related to the RIC, the Code of Ethics and other matters regarding internal regulations and compliance. This is managed by the Compliance Unit.

There are also compliance mailboxes for the compliance units of each business, which redirect doubts and concerns regarding the Code of Ethics and other matters, as well as allegations of improper behavior, to the PRISA compliance mailbox. The treatment of any such communications is identical to that of the main complaints channel.

In 2018, 30 complaints were received, addressed and resolved in full during the year. Of the complaints analyzed, 16 were disregarded as lacking any basis.

FIGHTING BRIBERY AND CORRUPTION

The *Code of Ethics* sets out basic principles in terms of internal control and prevention of corruption, regulating aspects such as the reliability of information and the control of all records, as well as covering bribery and measures against corruption, the prevention of money laundering and irregularities in payments.

Over the course of 2018, all Group employees in Spain received the Compliance Guide, which goes over some of principles and rules of conduct established in the Code of Ethics, including, among others, those relating to anti-corruption such as irregular payments, money laundering and relations with management and suppliers.

« The Code of Ethics sets out basic principles in terms of internal control and prevention of corruption. »

These principles on internal control and prevention of corruption are reinforced by a series of policies that PRISA has developed, such as the *Anti-corruption Policy*, which sets out the Group's commitment to fighting against corruption in all its forms, in all

areas and in all the countries in which it operates. The Group is all too aware that corrupt practices present serious legal and reputational risks for Group companies. This policy establishes guidelines, precautions and procedures that must be observed by all Group professionals and companies in the exercise of their business activity.

Likewise, PRISA has also issued specific guidelines that aim to reinforce measures to prevent and avoid, among PRISA companies, the laundering of money proceeding from criminal or illicit activities.

As a further measure to prevent bribery and fight against corruption, PRISA also has a *Gifts Policy* that aims to serve as a guide for PRISA professionals and bodies to help them make the right decision with regard to the offer of gifts or other services, within the framework of PRISA's business relations.

In addition, PRISA also has an *Investment and Financing Policy* that aims to establish the framework with regard to the analysis, approval and control of investment or divestment projects applicable to Group's businesses and with the financial, control and management needs arising from any financial risks facing the Group's businesses.

RISK MANAGEMENT

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

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

The identification of risks is carried out by the managing bodies of the business units and by the corporate center. Data are then consolidated and standardized by the Internal Audit, which reports the results periodically to the Audit, Risks and Compliance Committee, which continuously monitors the main risks identified. At least once a year, the Board of Directors is informed of the Group's risk map.

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

The effective implementation of the internal control model is the responsibility of the CEO and the Chief Financial Officer of Prisa, as well as the CEOs and Manag-

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

ing Directors of business units who are involved in the preparation of financial information which forms the basis for the preparation of the financial statements of the Group.

Supervision of the system for internal control of financial reporting (ICFR hereinafter) is carried out by both the

Audit, Risks and Compliance Committee and the Board of Directors of PRISA, with the support of the Internal Audit. In addition, the effectiveness of the system is annually evaluated by external auditors at the request of the Group.



SHAREHOLDERS AND INVESTORS

SHAREHOLDER STRUCTURE

As of January 1, 2018, Prisa's share value amounted to EUR 83,497,721.22, represented by 88,827,363 ordinary shares, each with a par value of EUR 0.94. As of December 31, 2018, the capital stock of PRISA was of EUR 524,902,482.24 represented by 558,406,896 ordinary shares of the same class and series, of EUR 0.94 par value each, fully subscribed and with identical rights. They are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Stock Market Interconnection System (SIBE).

In 2018 the share capital was modified as follows:

- In February there was a capital increase with preferential subscription rights, amounting to 441 million euros through the issuance and subscription of 469,350,139 new ordinary shares, bringing the total effective amount of the capital increase – including the joint nominal value of the shares and the issue premium – to 563 million euros. This was the result of the simultaneous execution of two capital increase operations: one for EUR 352.5 million, approved by the extraordinary general meeting of shareholders of November 15, 2017 and another capital increase for EUR 88,689,130.66, as delegated by the ordinary general meeting of shareholders of April 20, 2015.
- In relation to the Warrants issued pursuant to the resolutions passed at the General Shareholders' Meeting of the Company held on December 10, 2013, in 2018, certain institutional investors have exercised warrants on two occasions, which has resulted in corresponding capital increases of EUR 132,092.56 and EUR 83,537.80.

At year-end, the most significant shareholders in the share capital are Amber Capital, HSBC, Telefónica, Rucandio, Adar Capital, International Media Group, Consorcio Transportista Occher S.A, Banco Santander and Carlos Fernández. The company's free float is around 17%.

CHANNELS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

■ **Comisión Nacional del Mercado de Valores (CNMV) and other government agencies.**

The website of Spain's National Securities Market Commission, CNMV, is one of the main channels of information about the Company.

■ **Corporate Website .**

The corporate website publishes all the information that the company makes available to shareholders and the general public. It is therefore a key tool for strengthening communication between the Group and market players. Said website provides in-depth information on all of the Group's areas of activity and its geographical presence, as well details of the Group's social and cultural initiatives.



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

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

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



Meetings with shareholders and investors.

The Company regularly attends road shows in national and international financial centers to provide information on the performance of the Group, as well as any other aspects that might be of interest to analysts and institutional investors. It also attends events organized by investment banks to meet with institutional investors and national as well as international business meetings hosted by other organizations. In addition, the group regularly attends breakfast meetings and similar events. The company also organizes a quarterly conference call, immediately after results have been reported to the CNMV, with the CEO and CFO on hand to discuss in detail the most significant aspects of the financial results published by the Company.

At these meetings and events, the company attends to requests for information, unless this is confidential, and at all times any such information will be subject to strict compliance by the Company with the principle of equal treatment of all shareholders.

Investor Relations Department and Shareholder Services Office.

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

- **The Investor Relations Department**, integrated into the Office of Investor Relations – and which reports, in turn, to the Finance Department of the Company – primarily serves analysts and institutional investors (both debt and equity), and the information it provides is fundamentally linked to the management and financial performance of the company and its performance in the markets. This department assists the CEO and CFO in their quarterly conference calls. It also addresses any issues raised by retail/minority shareholders in relation to the share performance. The department may be contacted at the email address ir@prisa.com and telephone number +34 91 330 10 85.

As a priority, the Investor Relations Department strives to maintain and improve the flow of communication with shareholders, investors and financial markets, and endeavors to increase the transparency of all information provided. There was an even greater need, in 2018, to interact with shareholders and investors (both in terms of debt and equity) due to a range of factors such as political uncertainty in Spain and in the main Latin American countries in which the company operates, the irregular behavior of Latin American currencies, the refinancing of the company's debt and the obtaining of credit ratings, the strategic review of the group, the execution of a capital increase and changes in the shareholder structure and the changes to the composition of the Board of Directors.

As well as contact with shareholders, investors and financial markets, the department has sought to provide all the necessary information to financial analysts covering the company so that they can conduct a correct analysis of Grupo PRISA in a market environment made all the more complicated by the entry into force of MIFID II. In 2019, it is intended to continue providing the necessary information for a better understanding of Group's business among the investment community by boosting transparency and undertaking all necessary actions to achieve greater coverage of the Company's value.

■ **The Shareholder Services Office**, is integrated into the General Secretariat of the Company and caters mainly to minority shareholders and provides information related to matters of corporate governance of the Company (availability of information, guidance on the corporate website, questions relating to general meetings of shareholders, etc.). The office may be contacted at the email address ia@prisa.com and telephone number +34 91 330 11 68.

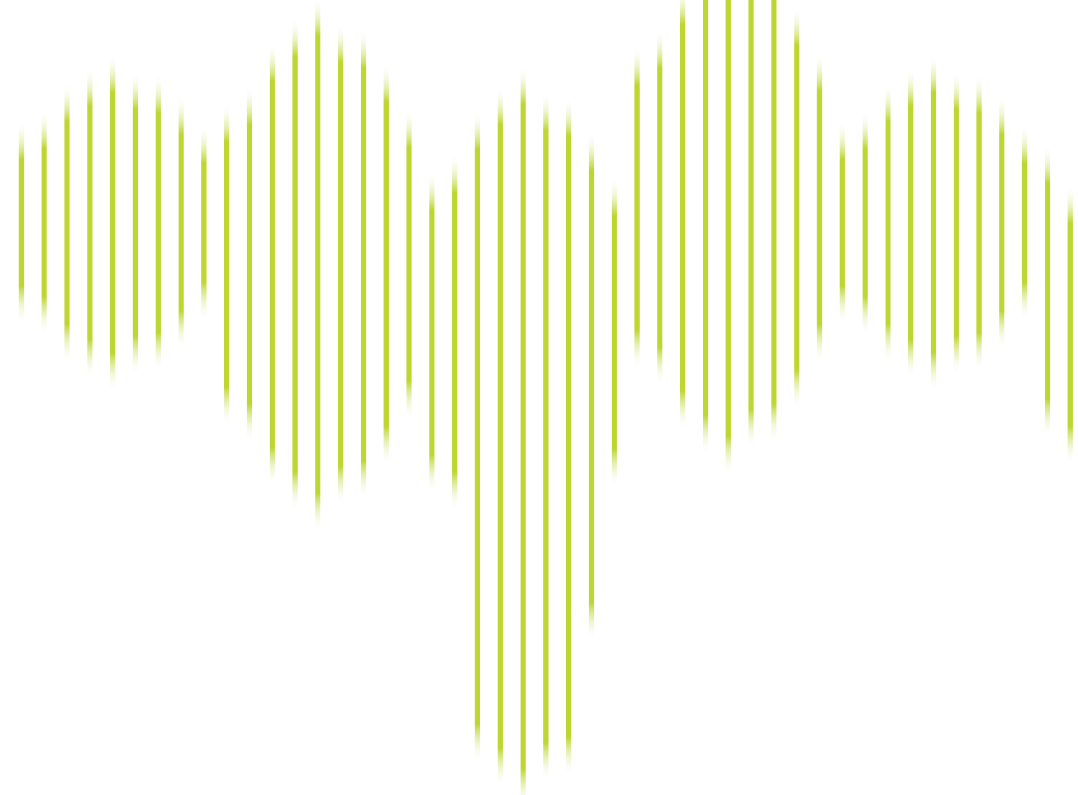
■ Annual General Meeting of Shareholders.

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

The Annual General Meeting takes place during the first half of the year (in 2018, it took place in April) and gives the Chairman of the Company and its CEO the opportunity to explain matters of corporate governance, the annual financial results of the Company and to review the business situation and market that the Group faces. Additionally, in specific cases, PRISA may organize Extraordinary General Meetings to discuss specific issues which require the approval of the shareholders of the Company.

In the period between the notice to convene the Meeting and until it is held, the Shareholder Services Office will inform shareholders about the various procedures that are available to them so that they may exercise the rights to which they are entitled, especially with regard to information, voting and representation.

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



SOCIAL, CULTURAL AND ENVIRONMENTAL ACTION

Since the very outset, PRISA has worked with a firm commitment to promoting cooperation and global solidarity in order to build together a better world. This commitment is fully in line with the Sustainable Development Goals (SDGs). We constantly strive to establish strategic alliances and build bridges that allow us to meet the 17 SDG objectives by leveraging the very best of our organization. In 2018, we continued to work closely with the United Nations agencies UNESCO, FAO and UNICEF. These partnerships underscore our unwavering commitment to promoting news on sustainable development, to fostering education, quality journalism and awareness of children’s welfare issues. We believe that the world is best understood by sharing knowledge, by promoting debate and by drawing on the expertise of specialists.

PRISA collaborates actively with the Food and Agriculture Organization of the United Nations (FAO) for our coverage and dissemination of news on sustainable development, hunger, food and poverty. We do so from the FAO headquarters in Rome, where we have a Planeta Futuro reporter who contributes regularly to this EL PAÍS section dedicated to sustainable development. EL PAÍS thus has direct access to the agency’s publications, allowing it to offer comprehensive news coverage on such crucial issues as poverty and climate change, as well as global health and education as engines for development. We foster awareness on all these issues in Spanish and thereby



foster greater awareness in Latin America, the region to have made the greatest strides in the fight against hunger over the past ten years. .

We also work with UNESCO to promote common values such as freedom of expression, press freedom, the safety of journalists – who safeguard plural and democratic societies –and education, including teacher training. PRISA is UNESCO’s chief media partner, and, in the field of education, our agreement focuses primarily on promoting the expansion and improvement of education in Latin America through teacher training, as well as the proper use of educational resources, the use of technologies and the improvement of educational assessment and management.



Prisa also works with UNICEF to improve coverage and awareness of children’s issues and of the work UNICEF carries out, in line with the Group’s policy of total rejection of child labor and forced labor.



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

Testament to this commitment, PRISA is an active member of the Global Compact of the United Nations through its Spanish network. The Group is firmly committed to the Ten Principles that this global organization promotes in the areas of human rights, the fight against corruption, labor rights and environmental protection. We

are part of its Executive Committee, we actively support all its initiatives and we develop specific projects together to promote debate and disseminate the Sustainable Development Goals of Agenda 2030. In 2018 we have once again renewed our commitment, as we do every year.



PRISA is part of the group of companies that together make up the Fundación SERES, a foundation that promotes corporate engagement and commitment to improve society through socially responsible actions that are aligned with company strategy and the policy of creating value for all. In 2018 the Group was actively involved in the dissemination of the work carried out by the foundation and in offering coverage of the SERES Awards, which honor strategic and innovative initiatives that generate value for both society and for companies.



In the field of education and culture, PRISA and the Fundación Santillana have signed a range of agreements with cultural, educational and scientific institutions both in Spain and in Latin America, including the Organization of Ibero-American States, the Inter-American Development Bank, the Fundación Pro Real Academia Española, the Cervantes Institute, the Teatro Real Foundation, the Museu d'Art Contemporani de Barcelona, the Fundación Carolina, the Hispano-Brazilian Cultural Foundation, and the Istituto Europeo di Design (IED), among others.

2018 saw the renewal of the sponsorship agreement that covered an event of exceptional public interest: the bicentennial of the Teatro Real – Madrid's historic opera house. This foresees expanding new avenues of collaboration. The Group continued to support the Botín Center in



Santander as part of its commitment to culture and education, by offering advertising in support of its activities.

In terms of university education, PRISA cooperates with a range of Spanish and Latin American universities, including the Autonomous University of Madrid, the Com-



plutense University of Madrid and the Technological Institute of Monterrey (TEC). The different headquarters of the Fundación Santillana in the Americas (Colombia, Brazil, Argentina and Peru) develop similar initiatives in education and culture, in collaboration with a wide range of institutions and the ministries of education and culture of the respective countries. We are also active as Trustees and patrons of the Fundación Conocimiento y Desarrollo (Knowledge and Development Foundation), which promotes excellence in universities through reports and rankings.

PRISA's media have long championed campaigns as promoted by other institutions, whom we can support thanks to our position as opinion leaders with the capacity to raise awareness through our content and to mobilize society. For decades we have collaborated with the FAD (Foundation Against Drug Addiction), of which we are founding trustees and where we work actively on its Media Committee to promote its activity in the areas of awareness and prevention of drug use and other risky behaviors that might impede the personal and social development of adolescents.



We have also worked with the WWF since 2008 on its campaign Earth Hour, the world's biggest initiative to mobilize the popu-



lation against climate change. One-off initiatives in 2018 it have been geared toward supporting a wide range of other initiatives or institutions, such as *Run for Syria* (promoted by the Syrian People's Support Association), *Solidarity Race* (promoted by Entreculturas), Fundela, Reporters Without Borders and Save the Children, both editorially and with specific promotion and sponsorship agreements.

In 2017, Prisa joined the Emergency Committee, which brings together different NGOs (Acción contra el Hambre, ACNUR Spanish Committee, Doctors of the World, Oxfam Intermón, Plan International and World Vision) and which jointly co-

«In the field of education and culture, PRISA has signed a range of agreements with cultural, educational and scientific institutions.»»

ordinates public response to humanitarian crises. In 2018, the Emergency Committee was activated to channel aid and solidarity in the wake of the earthquake and tsunami in Indonesia. The Group's media collaborated in raising funds to help meet these humanitarian needs.



In the field of innovation, research and development, Prisa is the founding patron of the Pro CNIC Foundation (National Center for Cardiovascular Research, founded and directed by Valentín Fuster) and is active in the dissemination of the Foundation's initiatives and campaigns – whose main objective is to raise awareness about the vital work in research and prevention of cardiovascular disease, the leading cause of death in Spain. Yet another year running, Prisa supported the day VIVE 2018, organized by the VIVE Initiative, a joint project between the SHE Foundation and the Pro CNIC Foundation to promote healthy habits among children. A wide range of activities was organized: physical exercise, body knowledge, emotion management and healthy eating. Children in general, and especially those of PRISA employees, learned firsthand how to lead a healthy life while playing.



Group has collaborated in 2018 – such as the aforementioned Pro CNIC Foundation, SERES Foundation, Botín Center and the WWF – was estimated to be worth 3 million euros.

Prisa also actively promotes journalism, culture, innovation and sports by sponsoring a series of prestigious awards. In journalism, the Ondas Awards and the Ortega y Gasset Awards pay tribute to the work of the very best professionals and work in radio, television, music and advertising. In innovation, the Cinco Días Awards and the #StartMeApp Awards recognize initiatives in the field of business, universities, social responsibility and entrepreneurship. Finally, the AS Sports Awards honor the sporting achievements of the biggest players in Spanish sport. In total, the Group contributes approximately 100,000 euros to these awards.



PRISA Noticias has a clear global vocation and seeks to promote and champion the defense of human rights, education, equality and the environment. The company is firmly committed to offering content on initiatives in these areas that are carried out globally. To this end, it promotes or participates in a broad range of debates, events and projects.

In education, Prisa Noticias has ran two successful projects: EL PAÍS con tu futuro (El País with your future), which guides and motivates young people when it comes to choosing their professional future; and EL PAÍS de los Estudiantes (El País for students), which aims to engage students with journalism and provides prizes for the most outstanding works worth 50,000 euros.



The UAM-EL PAÍS School of Journalism, founded in 1986, belongs to a non-profit foundation made up of the Universidad Autónoma de Madrid (UAM) and the news-

«In the field of innovation, research and development, Prisa is the founding patron of the Pro CNIC Foundation and is active in the dissemination of its initiatives and campaigns.»»

In 2018 Prisa was a media partner for EnlightED, reinventing education in a digital world, organized by Fundación Telefónica, IE University and South Summit, the global event that brings together experts in education, technology



and innovation to foster and promote debate on education worldwide in the digital age.

The contribution of coverage and space that Prisa's media have made available to publicize the initiatives carried out by some of the organizations with whom the

paper EL PAÍS. The School's main initiative is the Masters in Journalism, which has to date trained 1,200 quality journalists, who've gone on to work at 100 news media worldwide.

This post-graduate degree is awarded by the Universidad Autónoma de Madrid, which is specialized in quality Spanish-language journalism training. In 2018, EL PAÍS contributed 220,000 euros to this project.



Prisa Radio is all too aware of its impact on the process of social transformation. The company endeavors to be a responsible and sustainable company, and to be seen as such, and our reputation and how we are regarded by society are key when it comes to planning our activities, whether these be our own initiatives or those we undertake in partnership with third parties. In 2018, the company developed or participated in a range of initiatives that, in addition to their specific objectives, have sought more broadly to benefit a range of NGOs or promote social awareness campaigns in different areas.

Thanks to its fundraising events – LOS40 Music Awards, Premios Dial 2018, Vive Dial- *La igualdad*



necesita ritmo, LOS40 Primavera Pop and the Radiolé Awards – the company donated nearly 50,000 euros to the following social causes: UNICEF, Saint Vincent de Paul Canteen and the Asilo de Ancianos Desamparados Nuestra Señora de la Candelaria, Soledad Cazorla Scholarship Fund of the Fundación Mujeres, Aspadir Foundation and Diabetes Cero.

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



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

The Santillana Foundation continued in 2018 with its wide-ranging program of educational and cultural activities in Latin America and Spain, where the chief focus has been on fostering debate and reflection on the present and future of education in priority areas such as the skills demanded by both the labor market and in society, the role of inclusion and collaborative work, the promotion of reading as a key factor in individual and social development, and the publication of major education reports, often in collaboration with prestigious institutions.



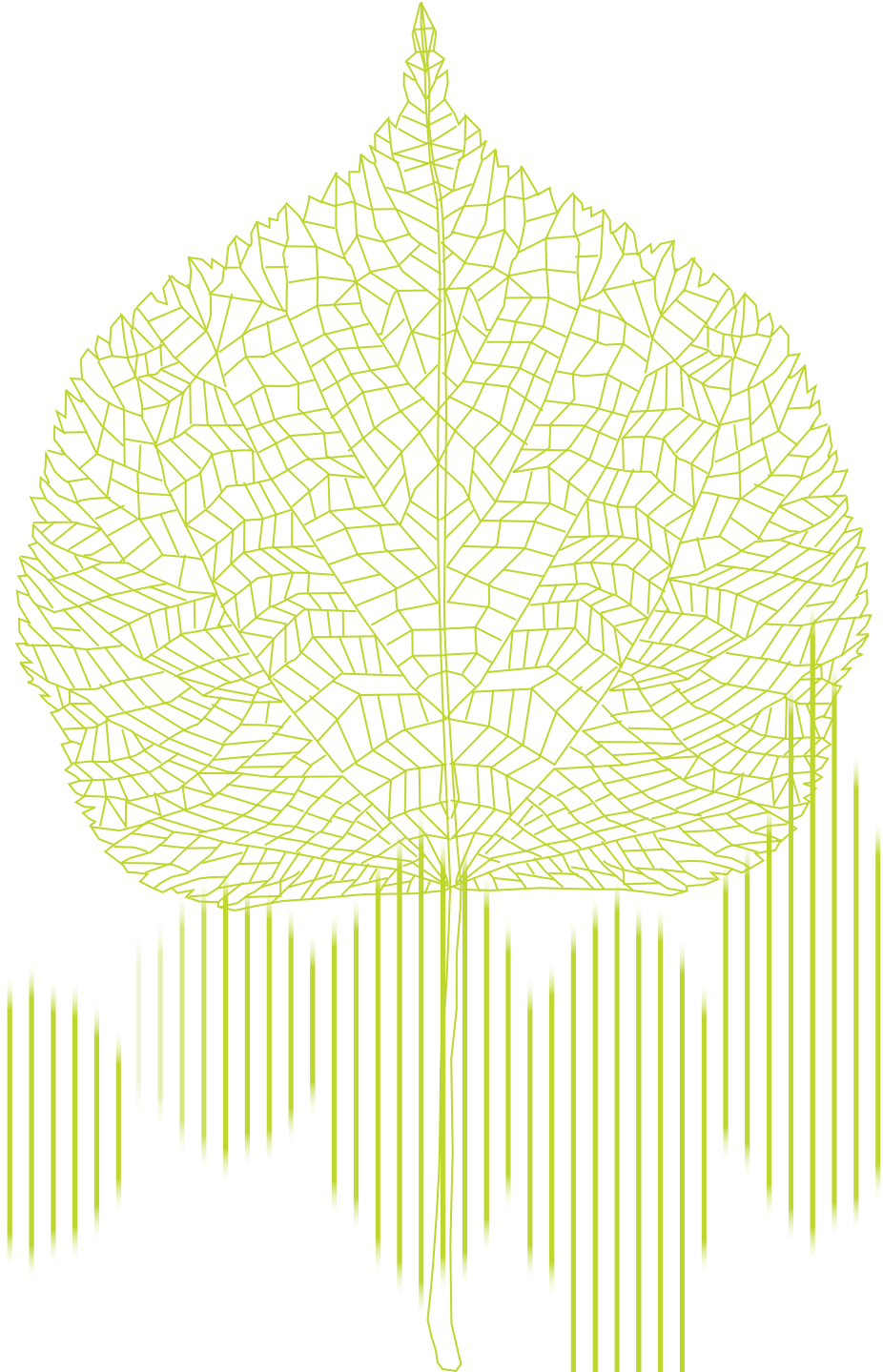
Meanwhile, the series of education forums held in different countries and the contest Vivalectura are popular and widely regarded initiatives in the sector.

Cultural initiatives include established and key events in the literary and cultural calendar, such as the *Formentor Literary Conversations*, a festival that celebrated its eleventh edition and which annually brings together writers, editors, critics and professors, in collaboration with the International Book Fair of Guadalajara (Mexico). Other notable events include the *Cultural Industries Forum*, a place for professionals and

«The Santillana Foundation continued in 2018 with its wide-ranging program of educational and cultural activities in Latin America and Spain.»

experts to tackle and analyze the challenges facing the cultural sector; the *Congress of Cultural Journalism*, which brings together press, radio, television and digital media professionals who regularly cover Spanish cultural affairs; and, the *II Festival of Philosophy* held jointly with the City Council of Madrid and Madrid's Complutense University, and which brings together philosophers and essayists.

Also noteworthy is the *Master in Governance and Human Rights*, of the Jesús de Polanco Ibero-American Studies Chair, created by the Autonomous University of Madrid and the Santillana Foundation. The Foundation contributed 60,000 euros to this project in 2018. Finally, special mention should go to the *Creative Industries Network*, which develops training courses aimed at helping young entrepreneurs in the cultural sector to develop their capacity for innovation and acquire new competitive skills.



SOCIAL, CULTURAL AND ENVIRONMENTAL ACTION

ALLIANCES



Society and culture

GLOBAL COMPACT SPANISH NETWORK
UNESCO
200th ANNIVERSARY TEATRO REAL
MACBA
CENTRO BOTÍN
REINA SOFÍA MUSEUM
UNIVERSIDAD AUTÓNOMA FUNDACIÓN UAM
FUNDACIÓN SERES
FAD
FUNDACIÓN PRO CNIC
FUNDACIÓN CEDE
FUNDACIÓN CAROLINA
CERVANTES INSTITUTE
Presence at Fairs:
ARCO, FIL, CILE, MADRID BOOK FAIR



ECONOMIC DEVELOPMENT

FAO
UNICEF
FORO IBEROAMÉRICA
SPAIN INVESTORS DAY
FUNDACIÓN CYD
Professional associations:
IAB, AMI, LENA, ARI, ARCE, AUTOCONTROL,
CEDRO, WAN-IFRA, AIMC, OPA, AERC, UER,
AEA, AIMC, APM, PMP, APDC, CAEM, ACEPI,
AIABP AEOM, APR, ANELE, FGEE, W3C, IMS, IGEP



ENVIRONMENTAL DEFENSE

EARTH HOUR
COMUNIDAD POR EL CLIMA

DYNAMIZER



INSTITUTIONAL AWARDS

ORTEGA Y GASSET
ONDAS
CINCO DÍAS
LOS40
CADENA DIAL
AS SPORTS



PROMOTION OF EDUCATION

EL PAÍS CON TU FUTURO
EL PAÍS DE LOS ESTUDIANTES
GRANDES PROFES / GREAT TEACHERS
FUNDACIÓN **SANTILLANA**
EDUCATION WEEK
IBERO-AMERICAN FESTIVAL OF CHILDREN'S AND
YOUNG ADULT LITERATURE
LATIN AMERICAN EDUCATION FORUM



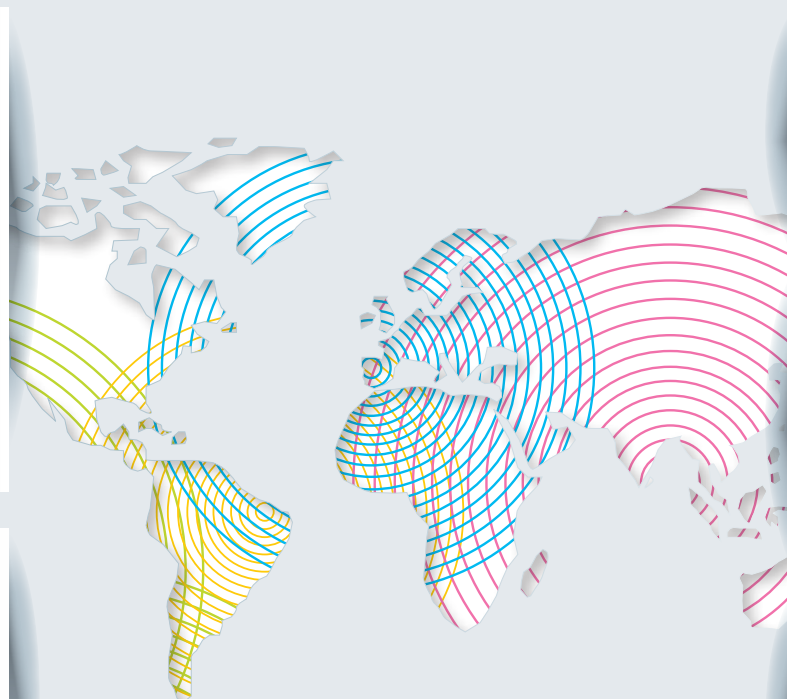
SOCIAL DIALOGUE

Forums and debate:
EL PAÍS RETINA
SOCIEDAD CIVIL
EL PAÍS 40
INVESTING IN LATIN AMERICAN COUNTRIES
EL PAÍS NEWSROOM BREAKFAST MEETINGS
CINCO DÍAS NEWSROOM BREAKFAST MEETINGS



COMMITMENT TO CULTURE AND COMMUNICATION

FUNDACIÓN **SANTILLANA**
MASTERS IN GOVERNANCE AND HUMAN RIGHTS
CULTURAL AND CREATIVE INDUSTRIES
CULTURAL JOURNALISM CONGRESS
FORMENTOR LITERARY CONVERSATIONS
UAM-EL PAÍS SCHOOL OF JOURNALISM



PRISA NOTICIAS



Generation E Event



Retina LTD Event



UAM-EL PAÍS School of Journalism

The UAM-EL PAÍS School of Journalism



Founded in 1986, the UAM-EL PAÍS School of Journalism has as its chief mission the teaching of the values of quality journalism and awakening a passion for the craft. The School belongs to a non-profit foundation made up of the Universidad Autónoma de Madrid (UAM) and the newspaper EL PAÍS. The School's main initiative is the Masters in Journalism, the oldest such postgraduate degree in the Spanish language for training journalists. The course lasts 22 months – 12 of which are practical training in newsrooms or via remunerated work experience at PRISA media outlets.

The School of Journalism has been quick to adopt new technologies over the past three decades and is a cutting-edge laboratory where we try out new ways of telling the news using all the latest technological advances. – all without losing sight of the spirit with which the School was first conceived: to be, above all, a school for journalistic content.

EL PAÍS de los estudiantes



EL PAÍS de los estudiantes is a free, widely acclaimed, pioneering, school newspaper project aimed at teachers and students alike, with a focus on those students in the 1st and 2nd years of ESO, Bachillerato, and Vocational Training. With both recreational and educational value, it promotes multidisciplinary learning, teamwork and the personal development of each student.

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

Encuentro 'EL PAÍS, con tu futuro'



EL PAÍS, con tu futuro (El País with your Future) is a motivational careers guidance and professional development forum. The two-day event in Madrid is aimed at students in their second year of bachillerato and seeks to help them choose their future careers. The 4,000 young attendees were able to avail of more than 60 short talks given by leading professionals. There were also numerous training workshops to enhance effective communication skills, leadership, teamwork, creative thinking and many other highly useful skills for personal development. Finally, there were face-to-face meetings where professionals shared their experiences with the students, explaining how they got where they are in their careers. .

UAM-EL PAÍS School of journalism



EL PAÍS de los Estudiantes program



El País con tu futuro Forum



Retina LTD Event

Every revolution has its leaders and the digital revolution is no exception. Retina LTD is the annual event for leaders of digital transformation, aimed at managers who are keen to gain a deeper strategic, global outlook, speed up the pace of change in their organizations and keep up to date with all the latest technological trends. Attendees from all over the world – leaders in digital transformation – came to Madrid for the event.



Book/CD 'Lucha de gigantes'

Cadena SER, EL PAÍS and Acción contra el Hambre presented the fundraising charity book / CD *Lucha de gigantes*, a tribute to Antonio Vega, and which brought together performers such as Alejandro Sanz, Juanes, Rozalén, Ara Malikian and Iván Ferreiro. Written by the journalist Fernando Neira, it recounts the details of the recording session and tells the story of Mariam Aboubacar, aid worker with Acción contra el Hambre.



Retina LTD Event



Concert: Lucha de gigantes



Concert: Lucha de gigantes

Concert: 'México, es que me acuerdo'



EL PAÍS, AS and LOS40 organized, on February 28, 2018, the aid concert *México, es que me acuerdo* that, in addition to helping those affected by the earthquakes of 2017, offered four hours of music. Around thirty artists, including Los Secretos, Rayde, Bely Basarte, Rafa Pons, David Otero, MClan and Rozalén, came together on stage. All proceeds were used to rebuild homes in the affected areas.

- Beneficiary: **Fundación Alfredo Harp Helú**



Concert: *México, es que me acuerdo*



Concert: *México, es que me acuerdo*



Concert: *México, es que me acuerdo*



Concert: *México, es que me acuerdo*

Generation E



This EL PAÍS initiative is aimed at young people between 21 and 27 years old who want to broaden their vision of the future. The Generation E event explores the world of work and encourages young people to form their own opinions on different trends in the market.



Generation E Forum

Forum 'The future of transport'



Cinco Días organized the forum 'The future of transport: public transport, technology, legislation and rights' with the aim of discussing one of the overdue revolutions facing cities: to achieve a sustainable, efficient, modern transport system that meets present and future demands.



Forum: The future of transport

Journalism workshops at the 'Digital Academy' of the Fundación ONCE



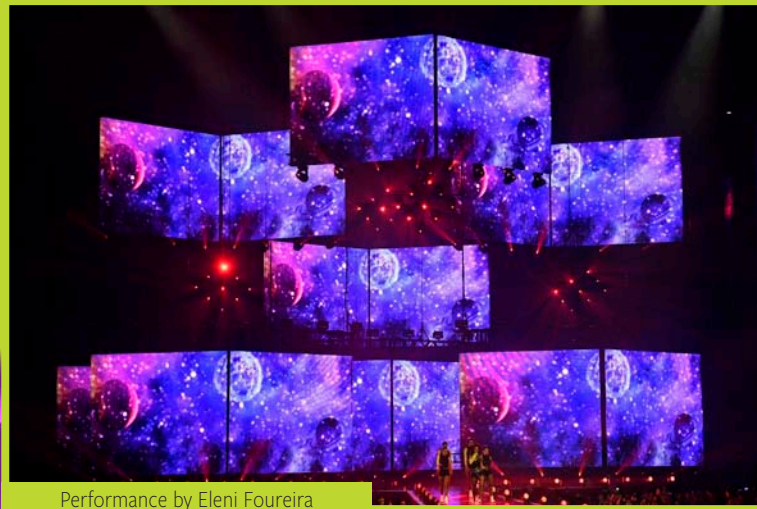
Students of the ONCE Digital Academy course for people with disabilities visited the editorial offices of EL PAÍS, *Cinco Días* and AS. After the visit, they met with newspaper staff who explained how they work.

Journalism workshops at FIL Guadalajara



EL PAÍS organized a range of journalism workshops during the Guadalajara International Book Fair, aimed at helping children learn more about the profession of journalism and running a newspaper – as well as developing their creativity and critical vision by getting them to design the cover of their very own newspapers.

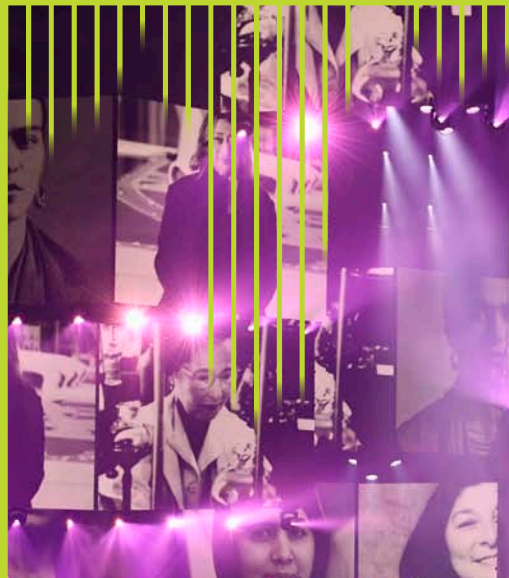
PRISA RADIO



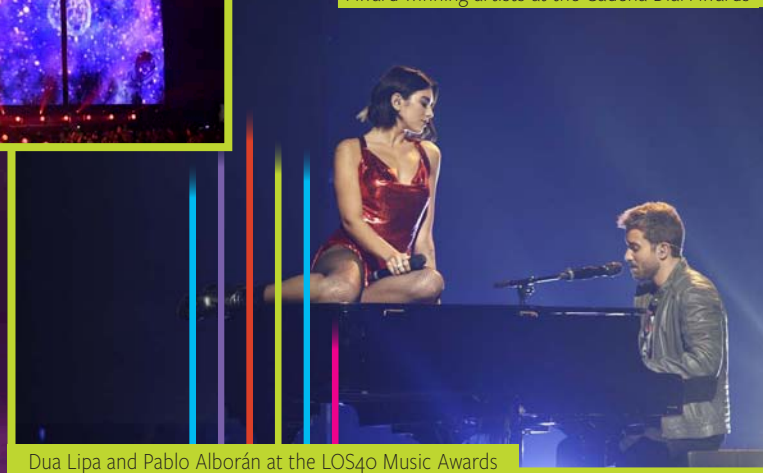
Performance by Eleni Foureira



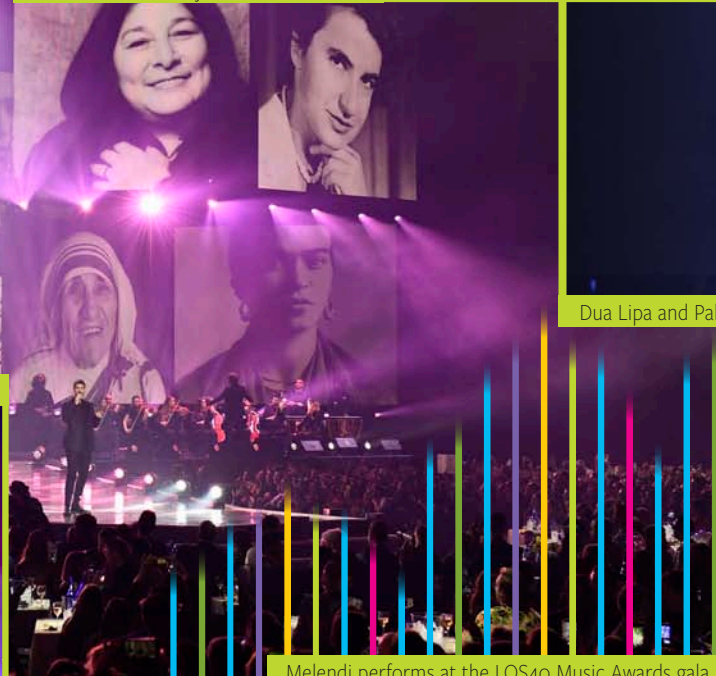
Award-winning artists at the Cadena Dial Awards



Radiolé Awards



Dua Lipa and Pablo Alborán at the LOS40 Music Awards



Melendi performs at the LOS40 Music Awards gala



LOS40 Primavera Pop Festival

SPAIN

LOS40 Music Awards. Madrid

The gala for the LOS40 Music Awards, the biggest music awards in Spain and Latin America, was held on November 2 at the WiZink Center in Madrid. Big names from the Spanish and international music scene included David Guetta, Dua Lipa, David Bisbal and Rosalía.

Beneficiary: **UNICEF**



Dial Awards 2018. Santa Cruz de Tenerife

The Cadena Dial Awards, the only awards in Spain to honor songs and artists in Spanish from around the world, celebrated its 22nd edition in Santa Cruz de Tenerife. Winners included Juanes, Malú, Pastora Soler, Rozalén, Sergio Dalma, Carlos Vives, Manolo García and Tequila, while there were performances from Amaia y Alfred, Bebe, David DeMaría, Marta Sánchez, Melendi and Vanesa Martín.

• Beneficiary: **Comedor San Vicente de Paúl and Asilo de Ancianos desamparados Nuestra Señora de la Candelaria**



LOS40 Music Awards 2018



LOS40 Music Awards 2018



Antonio Carmona and Marta Sánchez at the Cadena Dial Awards

Vive Dial - *La Igualdad Necesita ritmo.* (Equality needs rhythm). Madrid



Cadena Dial ran the campaign “Equality needs rhythm”, a social initiative aimed at turning words into action with regard to equality. The station promoted a range of initiatives during the season to make equal opportunities real and effective. The campaign kicked off at the Vive Dial festival, with performers such as Pablo Alborán, Luz Casal and Pastora Soler.

- Beneficiary: **The Fundación Mujeres ‘Soledad Cazorla’ Scholarship Fund**

A festival for all. LOS40 Primavera Pop Festival. Madrid, Rubí and Málaga



The station promoted the campaign *A festival for all* to encourage among young people the full inclusion of people with intellectual disabilities. Among the young people to get involved was José de Luna, who stars in the film *Campeones*, and who shared the stage during the festival in Madrid with Tony Aguilar at the WiZink Center.

- Beneficiary: **Aspadir Foundation**

No respect, no game. Séntisis Report



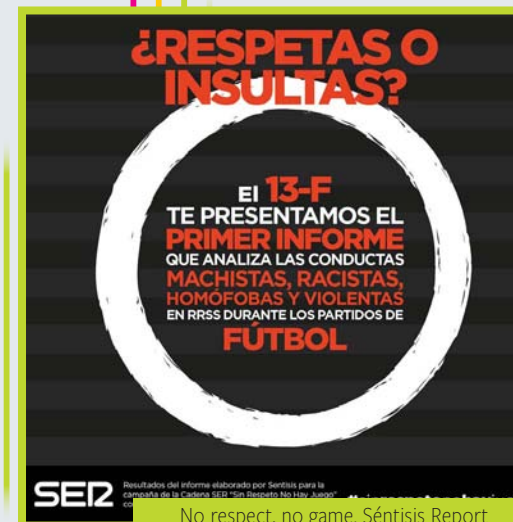
Cadena SER presented the report *No respect, no game (Sin respeto no hay juego)*, the first study on the most common toxic behaviors on social media during football matches. We analyzed almost two million comments made during the main matches of the 2016-2017 and 2017-2018 seasons, as well as the Supercopa de España and Copa del Rey 2018, to learn more about toxic and violent behaviors on the social networks and the type of profile behind them.



Vive Dial campaign



LOS40 Primavera Pop Festival



No respect, no game. Séntisis Report

Radiolé Awards 2018. Seville



The 2018 Radiolé Awards gala was held at the Palace of Congresses and Exhibitions of Seville. Among the winners were Andy & Lucas, Ana Reverte, Los Rebutijos and Raya Real. Remedios Amaya and María Jiménez received special awards, and the Radiolé In Memoriam Prize paid tribute to Rocío Jurado. There were on-stage performances by the winners as well as special guests Alazán, La Hungara and Melody

- Beneficiary: **Diabetes Cero**

SER's Christmas Story



SER's Christmas Story 2018 was *Little Women*, which follows the lives and dreams of women in the USA in the years before and after the Civil War. The broadcast was dedicated to the work of the Inspiring Girls Foundation, whose aim is to increase the self-esteem and professional ambition of girls of school age and show them that being a woman and prevailing gender stereotypes need not limit their choices. .

- Beneficiary: **Inspiring Girls Foundation**



COLOMBIA

Lloverán libros en La Guajira (It will rain books in La Guajira)

Caracol Radio shows El Club de Lectura (Book Club) and A vivir que son dos días and the transport and logistics company Enviar teamed up to bring books to the children of the Wayuu population. The initiative followed an interview on the show A vivir que son dos días with Alexandra Ardila, who teaches children in La Guajira to read and write and gives them books that she distributes from her bicycle. Listeners donated 7,000 books, school supplies and 100 desks.



- Beneficiary: **Indigenous population of La Guajira** (Colombia)

Pa'lante Pacífico

W Radio and the Universidad de los Andes teamed up to support higher education for Colombian youth from the Pacific Coast region and give them the opportunity to study their chosen degree at one of the best universities in the country. The ultimate goal is to ensure that they have a better future for themselves and their families and can thus contribute to the development of one of the most disadvantaged regions of Colombia. Thanks to the solidarity of the Colombian public, funds were raised enabling the first young people of Quibdó, Tumaco and Buenaventura to start at the University of Los Andes in January 2019



- Beneficiary: **Disadvantaged young people from the Pacific Coast region of Colombia**

ARGENTINA

Barcelona Football Club Training Campus. Buenos Aires



The campus, with the sponsorship of Nestlé, taught the social and sports values of the Spanish team to 1,500 boys and girls, aged 6 to 17. Radio Continental and LOS40 covered the event on their respective media.

- Beneficiary: **Families with children aged between 6 and 17 years old**

Argentina Vision 2020/40. Buenos Aires



Radio Continental joined this annual event that explores the position of Argentina's economy and agriculture worldwide. There were speakers from both the public and private sectors, and the event had the support of AdBlick, the Universidad Austral de Rosario and the Ministry of Production. Participants included Luis M. Etcheverre, Minister of Agroindustry; Carolina Stanley, Minister of Social Development; Elisa Carrió, member of parliament; Leonardo Sarguis, Minister of Agribusiness of the province of Buenos Aires, and Mariano Mayer, Secretary of Entrepreneurs and SMEs of the Ministry of Production.

- Beneficiary: **BisBlick Talento Joven Foundation**

PANAMA

Women's Week



Interviews with Panamanian women leaders such as Annette Clement, Balbina Herrera, Olga Sinclair and Gloria Quintana, among others.

Cancer prevention campaign



Participation in Cancer Prevention Month by handing out pink and turquoise ribbon pins in favor of cancer prevention, in collaboration with the Presidency of Panama, the Ministry of Health, Metro de Panamá and Boltio.

CHILE

Desafío Levantemos Chile

Iberoamericana Radio Chile teams up every year with the Desafío Levantemos Chile Foundation as the official media partner for all its campaigns. The radio network offers advertising space.



- Beneficiary: **Fundación Desafío Levantemos Chile**

Telethon

Support from W Radio, LOS40 and La Ke Buena at a national level with 24 hours of air time to cover the fundraising Telethon in aid of Rehabilitation Centers and Inclusion Centers for Children, which help children with disabilities.



- Beneficiary: **Rehabilitation Centers and Inclusion Centers for Children**

MEXICO

Ke Buena scholarships

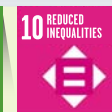
Ke Buena allocated ten scholarships to low-income primary and secondary students, thereby recognising the hard work of the most outstanding students.



- Beneficiary: **Low-income primary and secondary school students**

Telethon

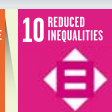
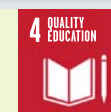
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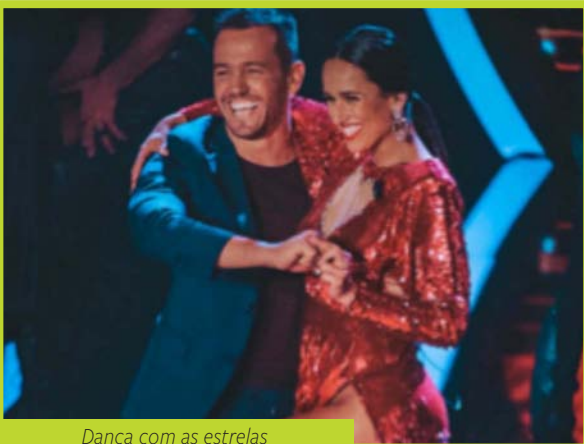
- Beneficiary: **Rehabilitation Centers and Inclusion Centers for Children**

Earthquake Reconstruction 2017. Oaxaca and Puebla

LOS40 and Tarjeta 40 and partners Banorte, Editorial Santillana (Sistema Unoi) and Fundación Banorte allocated resources – under the auspices of the Club Maker project, which contributes technological and didactic tools to the learning process – to the construction of a transforming classroom for a school damaged by the 2017 earthquake.



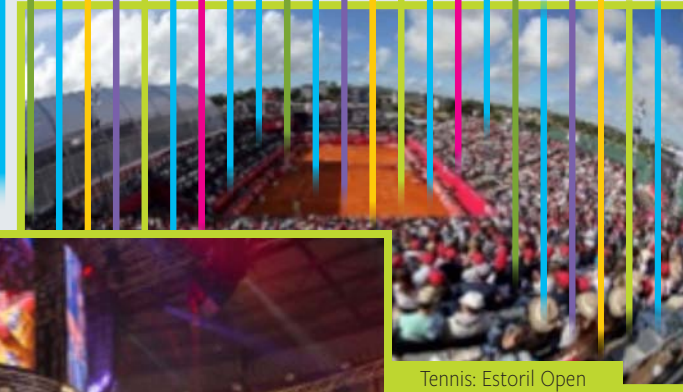
MEDIA CAPITAL



Dança com as estrelas



Apanha se poderes



Tennis: Estoril Open



MasterChef Júnior



A Herdeira concert

Pós-Graduação em Jornalismo

In collaboration with ISCTE-Instituto Universitário de Lisboa, and inspired by the EL PAÍS School of Journalism, this was a successful year for the Post-Graduate Degree in Journalism, awarded by the ISCTE-IUL-Media Capital School of Journalism, widely acclaimed nationally for the training of future journalists. Based around a newsroom, the teaching program includes the participation of Media Capital journalists as well as national and foreign specialists and opinion leaders. Students also get five months of remunerated practice in the newsrooms of TVI, Media Capital Digital and Radio Comercial .



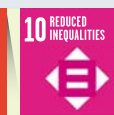
Blogs do Ano Awards

The third edition of the Blogs do Ano (Blog of the Year) Awards, an initiative that in the previous two years helped to bring together digital market agents in Portugal. These awards are of paramount importance, as they impact the professionalization and quality of the digital market, and play an important role in the identification of digital influencers, enhancing their visibility among brands.



Social collaboration

Protocol with the Direção Geral de Saúde to collaborate in the promotion of national campaigns that favor healthy lifestyles through better eating habits (consumption of salt, sugar and fat), physical activity and an awareness for the harmful effects of smoking. Likewise, the company collaborated in campaigns run by the Portuguese League against Cancer, Caritas, Unicef, APAV, Banco Alimentar, Missão Sorriso, Instituto Português do Sangue as well as campaigns against gender violence and to collect food for kennels. The company also participated in a campaign to donate clothing from TVI's costumes to the Mimo association, which supports children from low-income families.



Project: *Juntos pelo Ambiente* (Together for the Environment)

The goal of this project was to raise awareness of the urgent need to change our habits if we are to save the environment. To this end, messages were disseminated about situations that seriously harm the environment and that need to be urgently tackled. The messages were accompanied by images aimed at capturing the attention of the collaborators and encouraging people to join the cause. In addition, measures were promoted such as the exclusive use of recycled paper, the distribution of reusable bottles among employees and the use of glass bottles and paper cups in meeting rooms.



Special broadcasts of *Apanha se Puder*

There were special charity editions of the hit TVI game show *Apanha se Puder*, which raised money for a range of good causes, including Sociedade Portuguesa de Esclerose Múltipla, Centro Solidariedade e Cultura de Peniche, Mãe de Deus, Centro Social Paroquial de Barcarena, Associação Alzheimer de Portugal, Caritas Portuguesa and Abrigo Seguro.



Collaboration with the Fundação de Serralves

Media Capital Group is a trustee of the Fundação de Serralves and contributes annually to the Foundation's efforts in the field of cultural promotion, including the Museu de Arte Contemporânea de Serralves.



Collaboration with the Teatro da Trindade / Fundação Inatel

Media Capital Group promotes the cultural initiatives of the Teatro da Trindade and its social responsibility policy of contributing to the cultural and artistic development of Portugal and, in particular, the theater.



Collaboration with the Casa da Música

Media Capital is a founding member of Fundação Casa da Música, with which it closely collaborates by supporting it in the fulfillment of its cultural mission.



Fórum iGen

Integration in the iGen Forum "Organizações para a Igualdade", through an adhesion agreement and the definition of goals and measures to promote gender equality.



Natal a Meias

TVI and Calzedonia teamed up for the Natal a Meias campaign, with the aim of supporting the work of the firefighters of the Liga dos Bombeiros Portugueses. The project sold 160,000 pairs of stockings and raised 400,000 euros to help buy three ambulances, 20 defibrillators and more than 300 firefighter uniforms.



SANTILLANA

Schoolchildren visit Congress to celebrate the Constitution



Presentation of The Fabulous Story of our Democracy



The iGrandes Profes! (Great teachers!) event



The iGrandes Profes! (Great teachers!) event

ARGENTINA

Seminar series: Education, art and literature for children and young people

The seminar entitled *Education, art and literature for children and young people* gave us a chance to explore the role of children's and young people's literature in turning them into readers, as well as the role played by educational institutions and families in the process. More than 300 attendees – teachers, librarians, children's and youth literature specialists, students and reading specialists – heard from experts in the field and authors such as Juan Sasturain, María Fernanda Heredia, María Cristina Ramos and Cristina Banegas.



Talks and workshops at the Children and Young Adult Book Fair. Buenos Aires

In collaboration with the El Libro Foundation, Santillana participated in the fair with talks and workshops to train some 150 teachers.



Race for education

Santillana subsidized employee inscriptions in the Race for Education.

Beneficiary: **Unicef**



Annual agreement with Tiflonexos

Agreement to extend access to reading and information among 8,500 users with visual disabilities from 400 institutions, thus fostering greater independence.

Beneficiary: **Tiflonexos**



Workshops 'Diversity and school coexistence'

These are aimed at primary and secondary school students during the school year and work on topics related to the management of emotions in the face of violence.



CHILE

Front Runner Santillana

Directors of educational centers shared innovative and disruptive experiences in the field of education and its management. The centers invited to take part all stand out for their innovation and their openness to new trends.



Campaign '¡Somos KiVa! Todos contra el bullying'

Santillana awards the prizes for the national contest *¡Somos KiVa! Todos contra el bullying* (All against bullying). Winners included secondary school students from España de Vallenar school for their short film against bullying, and Karla Espinoza, 5th year student of the Arturo Pérez Canto School, also from Vallenar.



COLOMBIA

Santillana Plus Forum 2018

This forum brought together international education specialists to debate and offer training and tools on new trends in education. It was broadcast by Facebook Live and Santillana Plus to reach the most disadvantaged areas and offer free and valuable training to all educational communities in Colombia.



Santillana Digital Café

This was the second #CaféDigitalSantillana, which brings together education specialists to debate education in Colombia. It was broadcast by Facebook Live and Santillana Plus to reach the most disadvantaged areas and stimulate opinion in every corner of Colombia. The theme was: "Development of skills, our country's challenge." Participants included the Colombian Institute for the Promotion of Higher Education (ICFES), the Ministry of Education, the SIGE Foundation, the Jorge Tadeo Lozano University, the Reporteros Asociados del Mundo News Agency and El Tiempo. News Agency and *El Tiempo*.



PISA for Schools

PISA for Schools is an OECD education program adopted by the Colombian Institute for the Promotion of Higher Education (ICFES), making Colombia the first country in Latin America to do so. It provides precise information on how prepared students are to face global challenges. Strengths and weaknesses are analyzed and action routes are created in an effort to provide education for the global age.



COSTA RICA

Social assistance for Costa Rican children

We support the campaign to collect toys and books at Christmas, with donations of books going to education centers in disadvantaged areas across Costa Rica.

Beneficiary: **Asociación Obras de Espíritu Santo**



SPAIN

Event: ¡Grandes profes! (Great teachers!)

More than 1,700 teachers (record participation) attended ¡Grandes profes!, a special day-long event that pays tribute to the work of teachers in the classroom. The theme of this fifth edition was curiosity.



Competition: 'A contemporary reading of the classics'

Awards ceremony for the contest 'A contemporary reading of the classics', a reading contest in which ESO and high school students from the Madrid region record and publish their own readings.



Young adult literature seminars 'Loqueleo'

As part of Book Week, these events featured Rosa María Huertas, Alfredo Gómez Cerdá and Santiago García-Clairac, who spoke of the value of freedom and dreams in the face of violence and repression.



MEXICO

Seminar on the development of socio-emotional skills

The seminar *Socio-emotional skills in the context of the education model* addressed the importance of developing these skills if we are to have happy, driven, creative, determined and resilient students and people. Leading specialists shared their knowledge with teachers and school managers and gave them tips on further developing skills that will prove useful on a day-to-day basis.



NICARAGUA

Puentes educativos (Educational Bridges)

Santillana joined the World Vision program *Puentes educativos* (Educational Bridges), which aims to reduce child labor and promote equal opportunities in disadvantaged communities.



Equal opportunities

Collaboration with the CEBRA-CENAREC association, via donations of *Todos Juntos* learning material for 1st to 6th grades and English material. The materials, which will be adapted to people with visual disabilities, will enable better access to information and education.



PANAMA

Donation of textbooks to disadvantaged students in schools in Panama.



PERU

Un paseo por...

The round-table discussion *Education in heritage for children in Peru*, organized by UNESCO, saw the presentation of a number of publications, including the collection *Un paseo por...*, which seeks to establish a dialogue between the different cultures of Peru and highlight the value of women as agents of social change.



FUNDACIÓN SANTILLANA

2018 was yet another busy year of educational and cultural activity for the Fundación Santillana / Santillana Foundation in Latin America and Spain. The Education Director, Mariano Jabonero, was named secretary general of the OEI, and he was replaced in the post by someone with extensive knowledge of the world of education and learning, Miguel Barrero, until now Director of Innovation. The year ended with the sad news of the death of Belisario Betancur, former president of Colombia and president of the foundation in Ibero-America.

The educational work of the foundation focuses on:

- Fostering debate and reflection on the present and future of education, focusing primarily on aspects such as the skills needed for the labor market and society.
- The role of inclusion and collaborative work.
- The promotion of reading as a key to individual and social development.

«The educational work of the foundation focuses on fostering debate and reflection on the present and future of education and the skills needed for the labor market and society.»

- The publication of key education reports, often in collaboration with prestigious institutions.

Widely acclaimed initiatives include educational forums and the Viva-lectura contest, and the Foundation is behind a number of key events in the literary and cultural calendar:

- The *Formentor Literary Conversations* celebrated their eleventh edition by bringing together writers, editors, critics and professors, in collaboration with the Guadalajara International Book Fair (Mexico).

- The *Cultural Industries Forum* is a forum for professionals and experts to analyze the challenges facing the cultural sector.

- The *Congress of Cultural Journalism*, brings together press, radio, television and digital media professionals who regularly cover Spanish cultural affairs.

- The *II Festival of Philosophy* held jointly with the City Council of Madrid and Madrid's Complutense University, and which brings together philosophers and essayists.

- The *Master in Governance and Human Rights*, of the Jesús de Polanco Ibero-American Studies Chair, created by the Autonomous University of Madrid and the Santillana Foundation.

- The *Creative Industries Network*, which develops training courses aimed at helping young entrepreneurs in the cultural sector to develop their capacity for innovation and acquire new competitive skills.



Congress of Cultural Journalism

EDUCATION



Latin American Education Forum

Thirteenth Annual Latin American Education Forum: “Skills of the 21st century. When the future is now”, with the participation of the Organization of Ibero-American States for Education, Science and Culture (OEI). Buenos Aires (Argentina), June 27

The Latin American Education Forum seeks to foster debate on the current state of the education system, and related policy and challenges. Each year an important issue on the

national and regional agenda is selected and a basic document is discussed in the sessions.

This year, around 500 teachers, school managers and national and international specialists participated on June 27 in the thirteenth such annual forum, titled “Skills of the 21st century. When the future is now”. The basic document was prepared and presented by Dr. Mariana Maggio.

Maggio invited participants to reflect on what skills a graduating student should possess if they are to have the best opportunities in work and life, and how these skills might be learned in the classroom. She proposes focusing on basic skills such as comprehension, communication, collaboration, creativity and critical thinking.



Conference on Educational Inclusion

Conference on Educational Inclusion and Skills for the 21st Century, in collaboration with the Ministry of Education and Culture of the Principality of Asturias and the University of Oviedo. Gijón (Asturias, Spain), February 26 and 27

The main objective of the conference was to explore innovative projects and identify and share successful experiences so as to successfully meet the challenges of inclusion and foster the development of skills required by a society in constant change.

Regional meeting of ministers on Skills in Ibero-America, in collaboration with the Organization for Economic Cooperation and Development (OECD), the Ministry of Education of Brazil and the Ibero-American General Secretariat (SEGIB). São Paulo (Brazil), February 19 and 20



Attendees at the event “Competências na Iberoamérica”

This meeting addressed educational policy issues, which are key to the region, according to the latest PISA reports which evaluate to what extent students in the final phase of compulsory education have acquired the knowledge and skills essential for full participation in modern societies in areas such as basic science, reading and mathematics.

- Participants included representatives from 13 countries: Argentina, Brazil, Chile, Colombia, Ecuador, Spain, Guatemala, Mexico, Panama, Paraguay, Peru, Portugal and Uruguay.

Vivalectura Award 2018, in collaboration with the Ministry of Education of Argentina and the OEI. Buenos Aires (Argentina), May 10

The Vivalectura Award aims to stimulate, encourage and pay tribute to the most outstanding experiences in the area of reading promotion in different social spaces. The prizes were presented during the 44th International Book Fair of Buenos Aires.



Vivalectura prizewinners



Presentation of the book *Reflections on Justice and Education*

Presentation of the book “Reflexões sobre Justiça e Educação”, in collaboration with Todos por la Educación and Editora Moderna. Brasilia (Brazil), April 18

The movement *Todos Pela Educação* (All for Education) and the publisher Moderna launched the book *Reflections on Justice and Education* at the headquarters of the Supreme Federal Court (STF), in Brasilia. This work continues the debate initiated in 2013, which resulted in the book *Justice for Quality in*

Education, and reaffirms the commitment to broaden discussions on the role of the justice system in guaranteeing the right to quality public education.

How to build a quality school for the 21st century, in collaboration with the OECD and Fundación Telefónica. Madrid (Spain), October 9

How do schools of the past and future compare? What are the characteristics of successful education systems? What myths hinder educational improvement? What



Attendees at the event “How to build a quality school for the 21st century”

sort of teachers should we have? What do countries like Finland, Canada or Singapore get right? What do the PISA tests tell us?

With his latest book *World Class: How to Build a 21st-Century School System*, published by the Santillana

Foundation, Andreas Schleicher – Division Head and coordinator of the OECD Programme for International Student Assessment (PISA) – provides a global overview of what successful educational systems are doing around the world. The book was presented on October 9 at Madrid’s Espacio Telefónica Space, in an event moderated by journalists Berna González Harbor and Jesús Cintora.

The book is the result of observing the education systems of more than 70 countries, and of liaising with ministers and heads of education in the development of progressive education policies and practices. It argues that education systems can be changed and improved if we understand education reform as a science.

CULTURE

Graduation ceremony for the “Master in governance and human rights”, in collaboration with the Jesús de Polanco chair of Ibero-American Studies. Madrid Madrid (Spain), March 14

Darío Villanueva, director of the Royal Spanish Academy, gave the commencement speech entitled Language, post-truth and political correctness during the seventh graduation ceremony of the Master, attended by 62 students.

The academic event was chaired by Ignacio Polanco, president of the Santillana Foundation; Juan Luis Cebrián, president of EL PAÍS; the rector of the Autonomous University of Madrid, Rafael Garesse Alarcón; Yolanda Valdeolivas, dean of the Faculty of Law, and by the co-director of the Master, Antonio Rovira, Professor of Constitutional Law.



Ignacio Polanco hands out diplomas at the seventh graduation ceremony for the Master in Governance and Human rights



Group photo during the closing of the seventh edition of the Creative Industries Network

Creative Industries Network (RIC). Business Laboratory, in collaboration with the Instituto Europeo de Design de Madrid (IED). Madrid (Spain), April 6 / July 13 / October 19, 2018 / February 2019

The Creative Industries Network (RIC) seeks to

support entrepreneurs and freelancers in the cultural and creative sectors, working in Spanish, with a new business management methodology based on strategic design.

More than 120 companies have already consulted the Network, which held its eighth edition in the second half of 2018. Participants have lauded the transformative effect of the experience. The RIC network is made up of companies, professionals and institutions from Spain, Costa Rica, Peru, Brazil, Colombia, Argentina, Chile, Venezuela, France and Italy who together have formed a network of alliances committed to the development of the creative industries in Spanish.

Congress of Cultural Journalism: “Digital lynching. Harassment, defamation and censorship in social networks”, in collaboration with the Botín Foundation and Santander City Council. Santander (Spain). April 25,



The assembly hall of the Botín Center during one of the sessions of the congress

26 and 27

53 journalists from 30 of the Spain’s chief newspapers attended the fourth edition of this congress, held at the Botín Center. They discussed social networks and the negative effect that the anonymous machinery of cen-

sorship, harassment and defamation can have on our democracies. Participants explored behaviors spurred on by hostility and belligerence, and analyzed to what extent the threat of scandal hinders journalists – who may avoid certain issues to avoid public outcry and choose to cover others in order to curry their favor.

Formentor.Literary Conversations: “Virgins, goddesses and sorceresses”, in collaboration with the Barceló Formentor Hotel. Mallorca (Spain), September 28, 29 and 30

“Virgins, goddesses and sorceresses. Drama and comedy of the literary feminine” was the theme of this year’s event, attended by an erudite public. Participants commented on their favorite books and shared their interpretations of the great literary, poetic and philosophical texts.

Over the course of its eleven editions, the Formentor Literary Conversations has become a key and influential event in the Spanish literary calendar. More than 240 writers, editors and critics have come to the Hotel Formentor and its gardens since 2008 to participate in conversations that scan the vast horizons of world literature. The Formentor Literary Prize 2018 was awarded to the Romanian writer Mircea Cărtărescu.



Participants at the eleventh edition of the Formentor Literary Conversations

Creative Industries Network (RIC) Investor Forum, in collaboration with the Instituto Europeo de Design de Madrid (IED). Madrid (Spain), October 18

Approximately 50 projects and companies registered for the second RIC Investor Forum, aimed at facilitating links between entrepreneurs, business and investors, and at promoting, revitalizing and boosting investment in the creative industries, Ten of these were subsequently selected to present their proposals, including a platform that teaches children to read and write through a game (MyABCKit), software



Entrepreneurs and investors at the second RIC Investor Forum

to provide subtitles in theaters (Aptent) and an app for professionals in the music industry (SoundsLikeMarket). These were presented to 16 investors, including ENISA, Swanlaab, CREAS, Vice & ILP Foundation, and business angels such as Jesús Alonso Gallo and Antonio Fontanini.

Participation was free, and the selected projects agreed to undergo a training program and attend meetings prior to the event, to hone and improve their projects before presenting them to the investors.

II Philosophy Festival: “Hedonists versus Puritans”, in collaboration with the City Council of Madrid and the Department of Philosophy and Society of the Complutense University of Madrid. Madrid (Spain), October 14–November 17

The philosophers invited to the second edition of the Philosophy Festival explored the meaning of politics, science, art, feminism and nationalism, in a bid to return philosophy to its true roots and spirit: to perfect the discursive, conceptual and linguistic qualities that allow human beings to understand the meaning of existence and skillfully manage our intellectual abilities.



Inauguration of the festival by the Mayor of Madrid, Manuela Carmena, Ignacio Polanco and Basilio Baltasar

Six events were organized over the course of five weeks: *Hedonists versus Puritans*; *#Metoo Americans versus French libertines*; *The disease industry versus the craft of health*; *Europe challenged*; *Economism versus humanism*; and *Censorship versus the Imagination*.

The festival was held at several venues, such as the CentroCentro cultural center (headquarters of Madrid City Council), Albergue San Fermín (Usera), José Hierro Municipal Public Library (San Blas-Canillejas), Ángel González Library (Aluche) and the Lope de Vega Cultural Center, with the support of the Librería Muga bookshop (Vallecas).

Tenth Annual Cultural Industries Forum: “Mayors and cultural cities”, in collaboration with the Alternativas Foundation. Madrid (Spain), November 22

What is the nature of a decentralized system of governance for culture? This management model, in which the autonomous regions of Spain, provincial councils and local bodies all have specific briefs when it comes to civic and economic affairs, is now forty years old. The Tenth Annual Cultural Industries Forum reviewed the cultural planning model based on territory and compared it with other decentralized models of governance, such as those operating in Canada and Germany, in order to identify those aspects that might contribute to the optimization of the governance of culture in our country.



Talk by Emiliano Martínez at the opening of the Tenth Annual Cultural Industries Forum

The forum explored experiences and heard from leading experts in cultural policy from Canada, Germany and Spain. Participants also heard from representatives from Spain’s main political parties and their proposals for territorial management of culture.

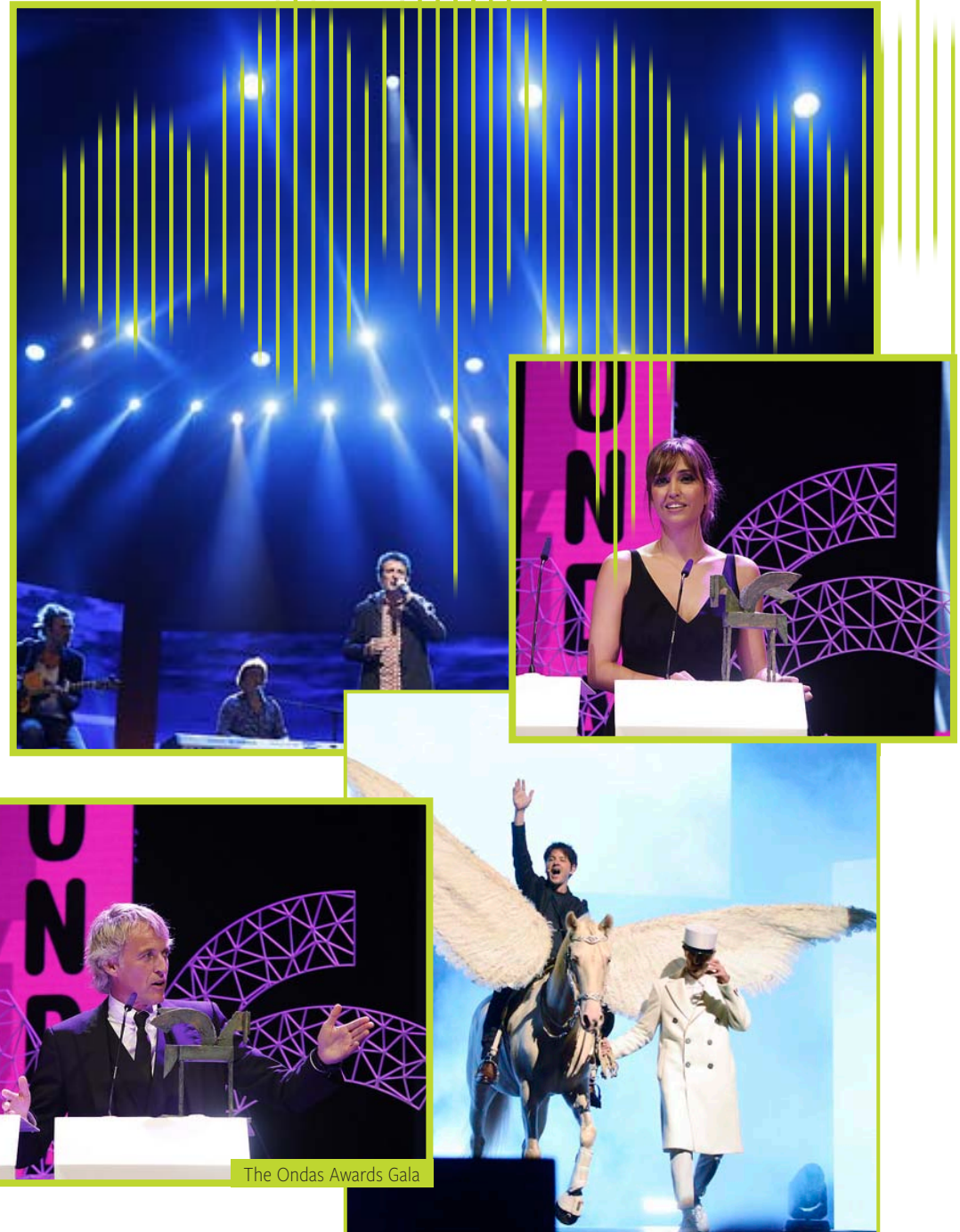
This tenth anniversary of the event was in keeping with the spirit of previous editions, with useful answers to the most recent and urgent dilemmas of the culture sector.

PRIZES AND AWARDS

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

THE ONDAS AWARDS

The gala for the 65th Ondas Awards took place at Gran Teatre del Liceu in Barcelona on November 14 to honor the most outstanding and innovative national and international audiovisual productions, from the worlds of radio, television, music and advertising. The international winners were praised for their coverage of issues such as immigration, childhood, the defense of democracy and for raising awareness of injustice. Spanish prize winners included Julia Otero, Tomás Fernando Flores, David Broncano, Sandra Sabatés and Jesús Calleja.



The Ondas Awards Gala

THE ORTEGA Y GASSET AWARDS FOR JOURNALISM

The Ortega y Gasset Awards for Journalism were created in 1984 by the newspaper EL PAÍS, and have become one of the world's most prestigious honors for Spanish-language journalism. The prizes are awarded across four categories: **Best Report or Investigative Journalism**, which goes to the most outstanding work in Spanish in print or online media; **Best Multimedia Coverage** in print or online media; **Best Photograph**, which is awarded to the best image published in print or online media; and **Lifetime Achievement**, which pays tribute to an outstanding career in journalism. 2018's Best Report or Investigative Journalism prize went to *La estafa maestra*, (The Master Scam), published in *Animal Político*. The prize for Best Multimedia Coverage went to the podcast *Mejor vete, Cristina*, aired by Univisión Noticias, Miami. Marcela Miret and David Armengou received the award for Best Photograph, while Lifetime Achievement this year went to Soledad Gallego-Díaz.



#STARTMEAPP PRIZES

EL PAÍS and Retina, in collaboration with Huawei, organized the first ever edition of the #StartMeApp Prizes, designed to promote the ideas of Spanish startups creating Android apps that solve common problems. Hatcook, a social network that allows users to share cooking recipes in Spanish through photographs, videos and text, took first prize. In second place was the app ByHours, the first online platform that allows you to book microstays in hotels of three, six or twelve hours and decide both the time of entry and the time of departure. The third place award went to Miwuki Pet Shelter, a pet adoption app that works as a showcase to find a new furry or feathery friend from among dogs, cats, ferrets, guinea pigs, birds, and so on.



The Ortega y Gasset Awards for Journalism



The #StartMeApp Prizes

THE CINCO DÍAS AWARDS FOR BUSINESS INNOVATION

The Cinco Días Awards for Business Innovation have become a key event in the business calendar. The success of the awards can be measured in the number of submissions, as well as in the prominent attendees at the awards gala, drawn from government, the public and the private sector. The award for **corporate social responsibility** was given to Women'secret for their initiative *Things that matter*, which launched a postoperative bra, a new design that's part the *Post-Surgery Bras collection*. In addition, the proceeds from the sale of the Post-Surgery Bra go towards offering free fertility treatment for women affected by cancer.

The **most innovative business initiative in the field of new technologies** went to Mendelian, sponsored by Pfizer, and which aims to accelerate the early diagnosis of rare diseases, thanks to a global mapping of these types of pathologies through big data and artificial intelligence.

The award for the **most innovative initiative linked to a university** went to New Food Development, a spin-off of the University of Zaragoza that focuses on researching food products that respond to the current needs of society and that can offer the food industry innovative, cutting-edge food products.



The Cinco Días Awards for Business Innovation

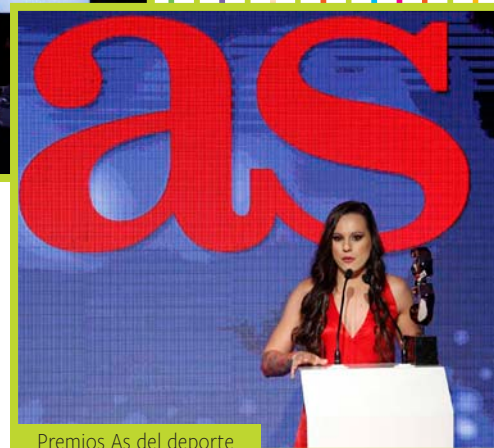
AS SPORTS AWARDS

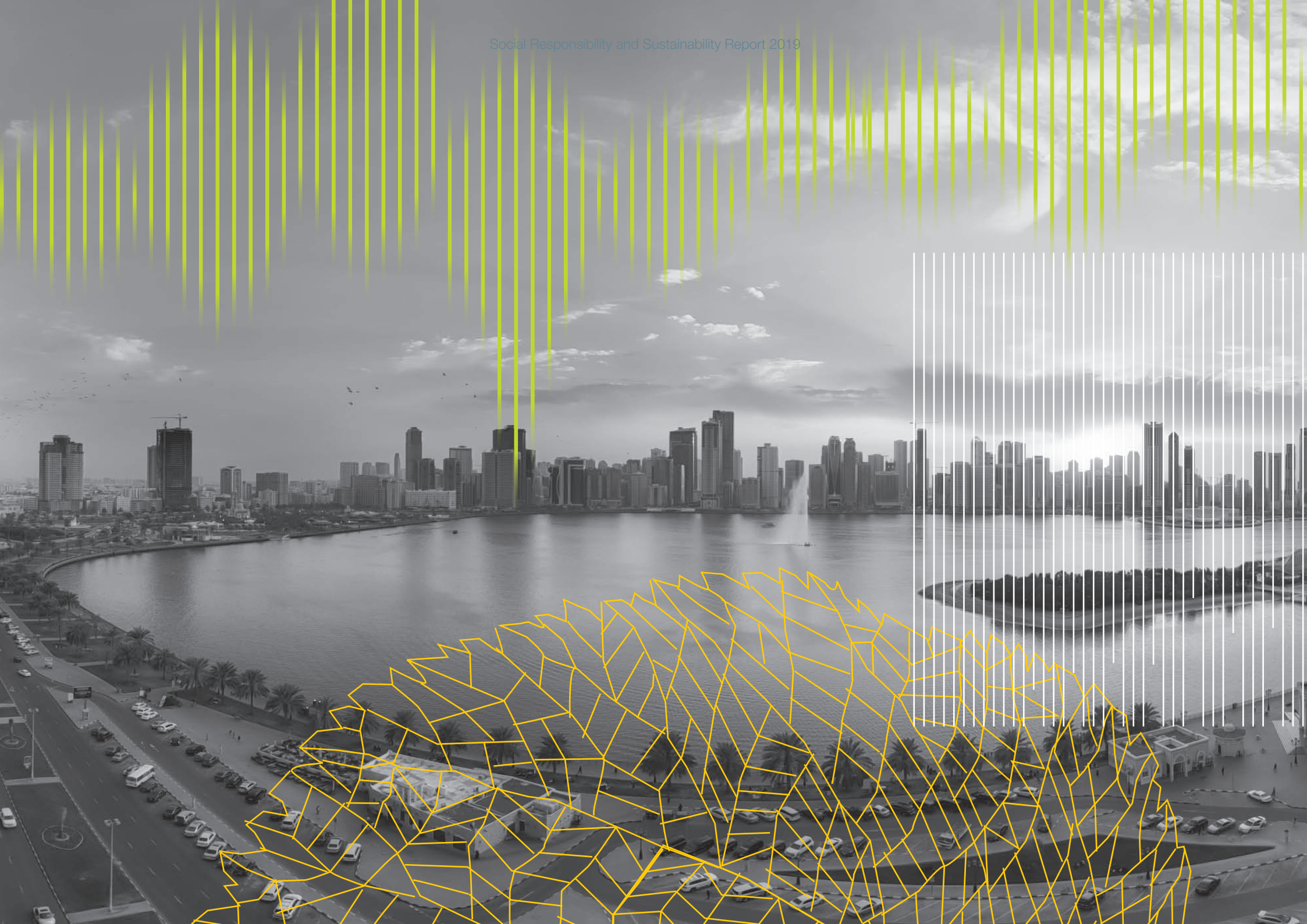
The twelfth edition of the AS Sports Awards has called time on sexism in sport, with the newspaper giving all its honors this year to women athletes. The big award in the **Legend** category went to Larisa Latynina, the woman with the most Olympic medals in history. Meanwhile, a special category, **Lifetime Achievement**, honored the climber Edurne Pasaban, the first woman to climb all of the fourteen eight-thousander peaks in the world. Other AS awards went to the year's top world champions: Carolina Marín, Ana Carrasco, Lydia Valentín, Joana Pastrana, Gisela Pulido, Sandra Sánchez, the Spanish basketball team, and the Atlético de Madrid soccer team. The **Most Promising Newcomer Award**, went to María Vicente. There were honors too for international sports stars such as the Venezuelan Yulimar Rojas, winner of the AS Americas Award and the Moroccan Rababe Arafi, who won the AS Arabia Award.



The AS Sports Awards







4 Appendix

APPLICATION AND SCOPE OF THIS REPORT

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

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

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

In accordance with GRI guidelines, PRISA has carried out a materiality analysis. This analysis identified all those environmental, social and economic aspects that are significant for stakeholders and for the organization, based on their impact on the value chain. The report addresses this non-financial information.

GUIDING PRINCIPLES BEHIND THIS REPORT

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

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

MATERIALITY

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

STAKEHOLDER INCLUSIVENESS

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

SUSTAINABILITY CONTEXT

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

COMPLETENESS

The report's coverage of the material topics and Indicators and the definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts over the course of 2018.

BALANCE

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

COMPARABILITY

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

ACCURACY

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

TIMELINESS

This report provides continuity to those presented in previous years.

CLARITY

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

RELIABILITY

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



SIGNIFICANT CHANGES during the period covered by the report affecting the size, structure and ownership of the organization.

CAPITAL INCREASE AND DEBT REFINANCING

During the first quarter of 2018 PRISA carried out a capital increase for a total cash amount (nominal plus premium on issue) of EUR 563 million and reached an agreement for the refinancing and modification of the terms of its debt with its creditors.

This operation was aimed at endowing the Group with a stable capital structure that is sustainable in the long term and which will allow the group to focus on the development of its businesses and the creation of value for shareholders.

THE MAIN CHANGES TO THE BOARD AND THE MANAGEMENT TEAMS WERE AS FOLLOWS

Succession of the Chairman of the Board of Directors

During the last quarter of 2017, the previous executive chairman was replaced by Manuel Polanco Moreno (then executive deputy chairman). He was appointed non-executive chairman of the Board of Directors of PRISA, his succession becoming effective as of January 1, 2018.

In February 2018, Javier Monzón de Cáceres, an independent director, was appointed non-executive deputy chairman and coordinating director of the Board of Directors of PRISA.

Subsequently, in December 2018, Manuel Polanco Moreno ceased to be the non-executive chairman of PRISA and Javier Monzón de Cáceres (at that time non-executive deputy chairman) was appointed non-executive chairman of the Board of Directors of PRISA, effective January 1, 2019.

Chief Executive Officer and reorganization of the Management Committee

Following the succession of the previous executive chairman and the appointment of a non-executive chairman, since January 1, 2018, the CEO, Manuel Mirat Santiago, has acted as PRISA's most senior executive.

The reorganization of the Management Committee, overseen by the CEO, was also undertaken, which has led to the modification of the perimeter of senior management.

Other changes to the Board of Directors

In 2018, the company Amber Capital UK LLP (represented by Fernando Martínez Albacete) was appointed as proprietary director and Mr. John Paton resigned as a director of the company.

The board's committees were also reorganized. They are currently as follows: the Executive or Delegate Committee; the Audit, Risks and Compliance Committee; and the Appointments, Remuneration and Corporate Governance Committee.

CHANGES IN INTERNAL REGULATIONS

In order to adapt the corporate governance system of the company to the best existing standards, and, within the context of the significant changes that have taken place in the company's capital and governance structure, the main internal regulations of the company (Articles of Association, Regulations of the Shareholders' Meeting and Regulations of the Board of Directors) were updated in 2018, with the organizational structure and functioning of the various corporate boards and bodies all undergoing a thorough review.

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

GENERAL DISCLOSURES GRI STANDARDS			
GRI STANDARD NUMBER	CATEGORY		ODS
ORGANIZATIONAL PROFIT			
102-1	Name of the organization	8	
102-2	Activities, brands, products, and services	PRISA does not market any prohibited or litigated products.	
102-3	Location of headquarters	144	
102-4	Location of operations	8-9	
102-5	Ownership and legal form	90, Annual Accounts and Corporate Governance Report (IAGC) (pag. 2, 3, 4 y 5)	
102-6	Markets served	8, 9, 12, 19-29	
102-7	Scale of the organization	30	5
102-8	Information on employees and other workers	56-63	5 8
102-9	Supply chain	70-73	8 12
102-10	Significant changes to the organization and its supply chain	78-79, 132	8 12
PARTICIPATION AND EXTERNAL INITIATIVES			
102-11	Precautionary Principle or approach	86-89	
102-12	External initiatives	13-18, 43, 47, 99-127	
102-13	Membership of associations	85, 93-115, 121-123	
STRATEGY AND ANALYSIS			
102-14	Statement from senior decision-maker	We include letters from Javier Monzón, Chairman of PRISA, and Manuel Mirat, CEO, at the beginning of this Sustainability Report (p. 2-3).	
102-15	Key impacts, risks, and opportunities	70-73, 86-89, 130 + IAGC	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	10-11	16
102-17	Mechanisms for advice and concerns about ethics	42, 48, 86-88 In 2018, 30 complaints were received (16 in 2017), of which: • 30 have been addressed during the year • 30 have been resolved in the year. • 16 complaints were not relevant or no action was deemed necessary. Complaints chiefly involved irregular behavior with clients, suppliers or labor issues. In all cases, once the complaints were analyzed, appropriate measures were then taken.	16

GOVERNANCE			
102-18	Governance structure	78-85 + Company Bylaws All committees of the Board of the Company have responsibility for decision-making on some or all economic, environmental and / or social areas: the Executive / Delegate Committee, the Audit, Risks and Compliance Committee, and the Appointments, Remuneration and Corporate Governance Committee.	
102-19	Delegating authority	78-85	
102-20	Executive-level responsibility for economic, environmental, and social topics	All committees of the Board of the Company have responsibility for decision-making on some or all economic, environmental and / or social areas: the Executive Committee, the Audit Committee, the Corporate Governance Committee, and the Appointments and Remuneration Committee.	
102-21	Consulting stakeholders on economic, environmental, and social topics	43-46	16
102-22	Composition of the highest governance body and its committees	80 + IAGC	5 and 16
102-23	Chair of the highest governance body	80 + Reglamento Consejo	16
102-24	Nominating and selecting the highest governance body	78-81 + Reglamento Consejo	5 and 16
102-25	Conflicts of interest	81	
Role of highest governance body in setting purpose, values, and strategy			
102-26	Role of highest governance body in setting purpose, values, and strategy	82-86 Annual Corporate Governance Report Board of Directors Regulations	
Evaluating the highest governance body's performance			
102-27	Collective knowledge of highest governance body	81 + IAGC + Board of Directors Regulations In the last quarter of 2018, there was a training program for the Directors of PRISA, which consisted of two sessions given by an external consultant on various matters of general interest to the directors of a listed company.	4
102-28	Evaluating the highest governance body's performance	81 + Board of Directors Regulations The Board of Directors carries out an annual evaluation of the functioning of the Board and its Committees to identify areas for improvement.	
Highest governance body's role in risk management			
102-29	Identifying and managing economic, environmental, and social impacts	79 Annual Corporate Governance Report Board of Directors Regulations	16
102-30	Effectiveness of risk management processes	79, 86 Annual Corporate Governance Report Board of Directors Regulations	
102-31	Review of economic, environmental, and social topics	81 Annual Corporate Governance Report Board of Directors Regulations	
Highest governance body's role in sustainability reporting			
102-32	Highest governance body's role in sustainability reporting	44-47 The Board of Directors of PRISA supervises and approves the Social Responsibility and Sustainability Report. Likewise, the Statement of Non-Financial Information included in the Management Report has been formulated and approved by the Board of Directors	
Highest governance body's role in evaluating economic, environmental, and social performance			
102-33	Communicating critical concerns	10-11, 79, 88 + IAGC When there is knowledge of the existence of a matter of critical interest, the person in charge of the matter shall inform the Chief Executive Officer shall who submit it to the consideration of the Executive Committee or the Board of Directors. Depending on the severity and / or urgency of the critical issue in question, the Company has the ability and flexibility to call and hold meetings of the Board of Directors, ad hoc, and with the immediacy and provision of information as deemed necessary.	

102-34	Nature and total number of critical concerns	86-89 When there is knowledge of the existence of a matter of critical interest, the person in charge of the matter shall inform the Chief Executive Officer shall who submit it to the consideration of the Executive Committee or the Board of Directors. Depending on the severity and / or urgency of the critical issue in question, the Company has the ability and flexibility to call and hold meetings of the Board of Directors, ad hoc, and with the immediacy and provision of information as deemed necessary.	
102-35	Remuneration policies	The remuneration policy of the Board and its committees, and the criteria relating to performance and its relationship, whenever appropriate, to economic, environmental and social aspects of the Company and, generally, the processes for determining the remuneration of the highest governing body, are detailed in the Annual Report on Remuneration of directors and the Remuneration Policy.	
102-36	Process for determining remuneration	The company has a Remuneration Policy.	
102-37	Stakeholders' involvement in remuneration	The company has a Remuneration Policy for Directors.	16
102-38	Annual total compensation ratio	PRISA publishes the remuneration of its Directors in the Annual Report on Remuneration.	5 and 16
102-39	Percentage increase in annual total compensation ratio	PRISA publishes the remuneration of its Directors in the Annual Report on Remuneration.	5 and 16
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	43	
102-41	Collective bargaining agreements	59	16
102-42	Identifying and selecting stakeholders	43	
102-43	Approach to stakeholder engagement	43-45 PRISA and its business units regularly conduct satisfaction surveys among users and listeners.	
102-44	Key topics and concerns raised	62-64, 70-74 PRISA and its business units regularly conduct satisfaction surveys among users and listeners.	
MATERIAL TOPICS AND THEIR BOUNDARIES			
102-45	Entities included in the consolidated financial statements	89, 130-131	
102-46	Defining report content and topic Boundaries	44, 130-131	
102-47	List of material topics	45	
102-48	Restatements of information	132	
102-49	Changes in reporting	132	
REPORT PROFILE			
102-50	Reporting period	130	
102-51	Date of most recent report	130	
102-52	Reporting cycle	130-132	
102-53	Contact point for questions regarding the report	144	
GRI Index			
102-54	Claims of reporting in accordance with the GRI Standards	130-141	
102-55	GRI content index	130-141	
Verification			
102-56	External assurance	130 Verification Report on the State of Non-Financial Information is available in the Management Report (page 183)	
Grievance mechanisms			
103-1	Explanation of the material topic and its Boundary	44-45	
103-2	The management approach and its components	46-47 PPRISA promotes respect and equal opportunities for its workers through article 5 of its Code of Ethics and Conduct. It also rejects any physical, sexual or psychological harassment, abuse of authority, defamation or any other form of aggression and hostility. To this end, PRISA has implemented a complaints channel, accessible on its website and on the employees' intranet, as well as a post office box managed by the PRISA Compliance Unit. These two channels have been designed to receive and process all communications in a confidential and anonymous fashion, according to established procedure. The compliance unit works continuously to resolve any issues and, when deemed appropriate, in the application of disciplinary measures according to the procedures for absences and penalties provided for in the collective agreement or in the applicable labor legislation.	

TOPIC SPECIFIC DISCLOSURES GRI STANDARDS						
IDENTIFIED MATERIAL ASPECTS	MATERIAL ASPECTS BOUNDARY	INDICATOR	DESCRIPTION	PAGE / OMISSION	SCOPE	ODS
ECONOMIC ASPECT						
Economic Performance						
Creation of sustainable value for our stakeholders	Mixed	201-1*	Direct economic value generated and distributed	Answer in table on page 137	Group	2, 5, 7, 8, 9 and 13
		201-2	Financial implications and other risks and opportunities due to climate change	73	Group	2, 5, 7, 8, 9 and 13
		201-3	Defined benefit plan obligations and other retirement plans	62-63	Group	2, 5, 7, 8, 9 and 13
		201-4	Financial assistance received from government	PRISA offers free training to employees in Spain.	Group	2, 5, 7, 8, 9 and 13
		M1	Funding and any other significant support received from non-government sources.	Financing from the World Bank, CDTI, Ministry of Industry. Google has financed a number of technological projects of the Group	Group	
Market Presence						
Responsible management of our professionals	Mixed	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	58	Group	8 and 12
		202-2	Proportion of senior management hired from the local community	58-59	Group	8
Direct Economic Impacts						
Contribution to the cultural development and progress of society	Mixed	203-1	Infrastructure investments and services supported	75, 98, 115	Group	2, 5, 7, 9, and 11
		203-2	Significant indirect economic impacts	50-55	Group	2, 3, 8, 10 and 17
Procurement Practices						
Contribution to the cultural development and progress of society	Mixed	204-1	Proportion of spending on local suppliers	71	Group	8 and 12
Public policy						
Regulatory Compliance	Mixed	205-1	Operations assessed for risks related to corruption	44, 87-88 With regard to the Group's Crime Prevention Model in Spain, an analysis is carried out for the risk of bribery and corruption associated with different activities and operations of the Group's different businesses in Spain, identifying any potential risks.	Group	16
		205-2	Communication and training about anti-corruption policies and procedures	87-88 PRISA's Code of Ethics sets out a series of principles and guidelines in this area and has been the subject of a variety of communications among all employees throughout the year 2018. In addition, PRISA has an Anti-Corruption Policy, which is applicable to all companies in the Group and has been communicated to all employees. In addition, as part of the welcome pack, this policy is posted on the corporate intranet (Procedures Portal) in a folder that is accessible to all Group employees. The Group also has a Gifts Policy. In addition, PRISA's Compliance Unit has issued guidelines on money laundering, which apply to all companies in the Group, and which aims to strengthen measures to prevent and avoid money laundering, by all Group companies, of the proceeds of criminal or illegal activities.	Group	16
		205-3	Confirmed incidents of corruption and actions taken	In 2018, of the operations analyzed, it was concluded that corruption had occurred in 2 of these. Apart from preventive training and awareness initiatives, corresponding labor and commercial measures have been adopted and the processes linked to these incidents have been reviewed in order to reinforce vigilance in these areas.	Group	16

Consecuencias económicas directas						
Regulatory Compliance	Mixed	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were four legal actions in 2018. Two of these took place in Colombia and are currently pending. The third took place in Spain, for price fixing and unfair competition and the appeal period has now ended, meaning the ruling stands. The fourth case took place in Argentina and is currently pending.	Group	16

THOUSANDS OF EUROS	2018	2017
ECONOMIC VALUE GENERATED	1.290.424,00	1.278.483,00 1.233,64
Operating revenues ^(a)	1.280.288,00	1.267.057,00
Financial revenue	6.306,00	5.623,00
Results using the equity method of accounting for investments, and other investments	3.830,00	4.819,00
Profit after tax from discontinued operations	0,00	984,00
ECONOMIC VALUE DISTRIBUTED	944.050,00	746.977,00
Operating Costs ^(b)	181.642,00	197.804,00
Employee wages and benefits	383.413,00	402.514,00
Financial costs	108.141,00	85.100,00
Corporation taxes ¹	240.152,00	
Dividends	30.702,00	28,19
ECONOMIC VALUE RETAINED (ECONOMIC VALUE GENERATED LESS ECONOMIC VALUE DISTRIBUTED)	346.374,00	531.506,00

* GRI 201-1 PRISA Indicator

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

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

ENVIRONMENTAL ASPECTS						
Materials						ODS
Responsible management of environmental resources	Mixed	301-1	Materials used by weight or volume	73	Group	12 and 15
		301-2	Recycled input materials used	73	Group	
		301-3	Reclaimed products and their packaging materials	During 2018, no initiatives have been identified in this regard.		
Energy						
Responsible management of environmental resources	Mixed	302-1	Energy consumption within the organization	75	Group	7
		302-2	Energy consumption outside of the organization	Not material	N.A.	
		302-3	Energy intensity	75	Group	
		302-4	Reduction of energy consumption	75	Group	7 and 13
		302-5	Reductions in energy requirements of products and services	Not material	N.A.	
Water						
Responsible management of environmental resources	Mixed	303-1	Interactions with water as a shared resource	Not material	N.A.	
		303-2	Management of water discharge related impacts	Not material	N.A.	
		303-3	Water withdrawal	75	Group	6 and 12
		303-4	Water discharge	Not material	N.A.	
		303-5	Water consumption	Not material	N.A.	
Biodiversity						
Not material	Mixed	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material	N.A.	
		304-2	Significant impacts of activities, products, and services on biodiversity	Not material	N.A.	
		304-3	Habitats protected or restored	Not material	N.A.	
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not material	N.A.	
Emissions						
Gestión responsable de los recursos ambientales	Mixed	305-1	Direct (Scope 1) GHG emissions	75-76	Group	13 and 15
		305-2	Energy indirect (Scope 2) GHG emissions	75-76	Group	
		305-3	Other indirect (Scope 3) GHG emissions	75-76	Group	
		305-4	GHG emissions intensity	75-76	Group	
		305-5	Reduction of GHG emissions	75-76	Group (2)	
		305-6	Emissions of ozone-depleting substances (ODS)	Not material	N.A.	
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not material	N.A.	

Effluents and Waste						
Responsible management of environmental resources	Mixed	306-1	Water discharge by quality and destination	Not material	N.A.	
		306-2	Waste by type and disposal method	76-77	Group	12
		306-3	Significant spills	Not material	N.A.	
		306-4	Transport of hazardous waste	Not material	N.A.	
		306-5	Water bodies affected by water discharges and/or runoff	Not material	N.A.	
Regulatory Compliance						
Responsible management of our professionals	Mixed	307-1	Non-compliance with environmental laws and regulations	There have been no fines or significant penalties for non-compliance with environmental regulations	Group	16
Supplier Environmental Assessment						
Responsible management of our professionals	Mixed	308-1	New suppliers that were screened using environmental criteria	70-72	Group	8 and 12
		308-2	Negative environmental impacts in the supply chain and actions taken	71	Group	8 and 12
SOCIAL ASPECTS						
LABOR PRACTICE AND DECENT WORK						
Employment						
Responsible management of our professionals	Internal	401-1	New employee hires and employee turnover	57	Group	8
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	62-63	Group	8
		401-3	Parental leave	62-63	Group (1)	5 and 8
Labor/Management Relations						
Responsible management of our professionals	Internal	402-1	Minimum notice periods regarding operational changes	59	Group	8
Occupational Health and Safety						
Responsible management of our professionals	Internal	403-1	Occupational health and safety management system	62	Group	3
		403-2	Hazard identification, risk assessment, and incident investigation	62	Group (2)	8
		403-3	Occupational health services	62		8
		403-4	Worker participation, consultation, and communication on occupational health and safety	PRISA complies with the requirements of all legislation in each of the countries where it is present.		
		403-5	Worker training on occupational health and safety	The company has a specific portal for the prevention of occupational hazards, which is updated continuously and to which all PRISA workers have access.		
		403-6	Promotion of worker health	The company has a specific portal for the prevention of occupational hazards, which is updated continuously and to which all PRISA workers have access.		
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	There are no specific risks arising from the activity of PRISA		
		403-8	Workers covered by an occupational health and safety management system	62		3
		403-9	Work-related injuries	62		3
		403-10	Work-related ill health	62		3 and 8
Training and Education						
Talent management	Internal	404-1	Average hours of training per year per employee	59-60	Group	4, 5 and 8
		404-2	Programs for upgrading employee skills and transition assistance programs	59-60	Group	8
		404-3	Percentage of employees receiving regular performance and career development reviews	60	Group	5 and 8

Diversity and Equal Opportunity						
Equal opportunities	Internal	405-1	Diversity of governance bodies and employees	60-61	Group	5 and 8
Equal pay for men and women						
Equal opportunities	Internal	405-2	Ratio of basic salary and remuneration of women to men	58	Group	5 and 8
HUMAN RIGHTS						
Non-discrimination						
Equal opportunities	Mixed	406-1	Incidents of discrimination and corrective actions taken	87-88	Group	5, 8 and 16
Freedom of Association and Collective Bargaining						
Respect for Human Rights	Mixed	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	70-72	Group	8 and 12
Child Labor						
Respect for Human Rights	Mixed	408-1	Operations and suppliers at significant risk for incidents of child labor	Not material	N/A	
Forced or Compulsory Labor						
Respect for Human Rights	Mixed	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not material	N/A	
Security Practices						
Respect for Human Rights	Mixed	410-1	Security personnel trained in human rights policies or procedures	In those countries where security personnel it is outsourced to third parties. PRISA is making progress towards reporting this information in coming years.	Group (3)	
Rights of Indigenous Peoples						
No material	Mixed	411-1	Incidents of violations involving rights of indigenous peoples	Not material	N.A.	
Assessment						
No material	Mixed	412-1	Operations that have been subject to human rights reviews or impact assessments	Not material	N.A.	
Investment						
Ethical management	Mixed	412-2	Employee training on human rights policies or procedures	Given the nature of Prisa's business activities, training in Human Rights is not considered a priority, although the Group does make available to all its employees the Code of Conduct which sets out basic principles in this area.	N.A.	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not material	Group	
SOCIETY						
Local communities						
Contribution to the cultural development and progress of society	Mixed	413-1	Operations with local community engagement, impact assessments, and development programs	93-127	Group	11
		413-2	Operations with significant actual and potential negative impacts on local communities	Not material	N.A.	
Supplier Social Assessment						
Contribution to the cultural development and progress of society	Mixed	414-1	New suppliers that were screened using social criteria	Not material	Group	
		414-2	Negative social impacts in the supply chain and actions taken	Not material	Group	
Unfair competition						
Regulatory Compliance	Mixed	415-1	Political contributions	Relations with authorities and Public Administrations are included in the Group's Code of Ethics	Group	

PRODUCT RESPONSIBILITY						
Customer Health and Safety						
No material		416-1	Assessment of the health and safety impacts of product and service categories	Not material	N.A.	
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not material	N.A.	
Marketing and Labeling of products and services						
Honest and rigorous communication	Mixed	417-1	Requirements for product and service information and labeling	75	Grupo	
		417-2	Incidents of non-compliance concerning product and service information and labeling	75, 87-88	Grupo	
Customer Privacy						
Regulatory Compliance	Mixed	417-3	Incidents of non-compliance concerning marketing communications	CCAA (pág. 99-103)	Grupo	
Customer Privacy						
Regulatory Compliance	Mixed	418-1	RSubstantiated complaints concerning breaches of customer privacy and losses of customer data	CCAA (pág. 99-103)	Grupo	16
Regulatory Compliance						
Regulatory Compliance	Mixed	419-1	Non-compliance with laws and regulations in the social and economic area	Annual Accounts (p. 99-103)	Grupo	16
Content creation						
Honest and rigorous communication	Mixed	M2	Non-compliance with laws and regulations in the social and economic area	10-11, 43-55	Grupo	
		M3	Actions taken to improve adherence to content creation values, and results obtained	10-11, 43-55	Grupo	
Content dissemination						
Honest and rigorous communication	Mixed	M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained	19-29, 48-49, 64, 82-85	Grupo	
		M5	Number and nature of responses (feedback/complaints) related to content dissemination, including protection of vulnerable audiences and informed decision making and accessibility, and processes for addressing these responses	19-29, 48-49, 64, 82-85	Grupo	
Audience Interaction						
Digital transformation	Mixed	M6	Methods to interact with audiences and results	13-29, 43, 64-65, 68	Grupo	
Media Literacy						
Honest and rigorous communication	Mixed	M7	Actions taken to empower audiences through media literacy skills development and results obtained.	19-29	Grupo	4

CCAA: Consolidated Annual Accounts 2018
IAGC: Annual Corporate Governance Report 2018
IG: Management Report 2018

- (1) Does not include the entire Radio business
- (2) Does not include Noticias in Latam and PBS America
- (3) Only has its own staff in Portugal

The Sustainable Development Goals (SDGs) upon which PRISA has a significant impact:

- SDG 1: Ending poverty,
- SDG 2: Zero Hunger,
- SDG 3: Good health and wellbeing,
- SDG 4: Quality education,
- SDG 5: Gender equality,
- SDG 8: Decent work and economic growth,
- SDG 9: Industry, Innovation and infrastructure,

- SDG 10: Reduced inequalities,
- SDG 11: Sustainable cities and communities,
- SDG 12: Responsible production and consumption,
- SDG 13: Climate action
- SDG 14: Life below water
- SDG 15: Life on land
- SDG 16: Peace, justice and strong institutions,
- SDG 17: Partnerships to achieve the Goals

CORRELATION OF INDICATORS WITH THE PRINCIPLES OF THE GLOBAL COMPACT

 <p>PRINCIPLES</p>		<p>PAGES</p>	
<p>HUMAN RIGHTS</p> <p>1. Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>GRI 412-3, GRI 410-1, GRI 411-1, GRI 412-1, GRI 413-1, GRI 413-2</p>	<p>10-11, 48-55, 78-89, 93-127</p>	<p>1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17</p>
<p>HUMAN RIGHTS</p> <p>2. Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>GRI 412-3, GRI 414-1, GRI 414-2</p>	<p>10-11, 70-72, 78-89</p>	<p>1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17</p>
<p>LABOUR</p> <p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>GRI 102-41, GRI 407-1, GRI 402-1</p>	<p>59, 70-72</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>LABOUR</p> <p>4. Businesses should eliminate of all forms of forced and compulsory labour.</p>	<p>GRI 409-1</p>	<p>56-63, 70-72</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>LABOUR</p> <p>5. Businesses should promote the effective abolition of child labour.</p>	<p>GRI 408-1</p>	<p>10-11, 42-55, 78-89</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>

PRINCIPLES	GLOBAL REPORTING INITIATIVE	Pages	SUSTAINABLE DEVELOPMENT GOALS
<p>LABOUR</p> <p>6. Businesses should promote the elimination of discrimination in respect of employment and occupation.</p>	GRI 102-8, GRI 202-1, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, GRI 414-1, GRI 406-1	56-63, 86-88	1, 3, 5, 8, 9, 10, 16, 17
<p>ENVIRONMENT</p> <p>7. Businesses should support a precautionary approach to environmental challenges.</p>	GRI 301-2, GRI 301-1, GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-6, GRI 305-7	75-76	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
<p>ENVIRONMENT</p> <p>8. Businesses should undertake initiatives to promote greater environmental responsibility.</p>	GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5, GRI 303-1, GRI 303-2, GRI 303-3, GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 301-3, GRI 307-1, GRI 308-1, GRI 308-2, GRI 103-2	45,48-52, 70-77, 94, 95, 98-122	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
<p>ENVIRONMENT</p> <p>9. Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	GRI 302-4, GRI 302-5, GRI 305-5	48-52, 70-77, 94	2, 6, 7, 9, 11, 12, 13, 14, 15, 17
<p>ANTI-CORRUPTION</p> <p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	GRI 102-16, GRI 102-17, GRI 205-1, GRI 205-2, GRI 205-3, GRI 415-1	10-11, 42, 44, 48, 86-88	3, 10, 16, 17



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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