



**PRISA**

**Report**

Social Responsibility  
and **Sustainability**

2017



# LETTER FROM THE EXECUTIVE CHAIRMAN

Dear Friends:

PRISA is a responsible company – both in our work generating cultural and educational content, as well as in our energetic activity in the area of social action, undertaken in line with our company's management model. Despite the complex economic landscape, our company is widely recognized for its work in the area of CSR, with the Global Compact of the United Nations inviting PRISA to serve on the Executive Committee of the Spanish Network this year.

We have continued to make great strides in terms of our social commitments, revising and adjusting our indicators to the 17 new Sustainable Development Goals. In the area of content, we have done a commendable job in raising awareness on sustainable development, with the efforts of the *El País* portal on this issue, *Planeta Futuro*, honored by the SERES Foundation with the SERES Award 2016.

All of our activity is tied, at all times, to the creation of value and the provision of service to citizens that goes far beyond mere financial returns. We seek value for our shareholders, our customers and users, our employees, and society at large. Our constant innovation is evident in the growth of our media audiences, and the excellent performance of our learning systems in Ibero-America.

PRISA has a solid project for the future based on professional talent and a commitment to the defense of the democratic ideals of freedom and equality, ideals that are essential if we are to meet the challenges facing society.

I thank each and every one of those who are part of the company for their invaluable, daily contribution. Their effort and commitment enable us to confidently face the future, a future that will prove decisive for the Group. I am convinced that we will succeed thanks to the effort and enthusiasm of all those who make up our teams.

Warm regards,

**Juan Luis Cebrián**  
Executive Chairman



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“Sorprenderse, extrañarse,  
es comenzar a entender”

JOSÉ ORTEGA Y GASSET  
FILOSOFO Y ENSAYISTA

“Pensamientos sin palabras,  
¿eso es posible?”

VIRGINIA WOOLF  
ESCRITORA

“El buen periodismo responde siempre  
a una actitud honesta, de profesionales que  
se acercan con curiosidad y escepticismo  
a las personas y a los hechos.”

POLANCO  
GRUPO PRISA

**40!** Aniversario  
EL PAÍS



RECUERDOS

40 años.  
40 perfiles.  
40 historias.

**40!**

Aniversario  
EL PAÍS



FUTURO

Viaje a la zona cero de Fukushima cinco años después del desastre nuclear.

Una experiencia impactante de periodismo inmersivo.



Aniversario  
EL PAÍS

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# Year in review



# 1 Year in review

Premiere of the documentary *El País with the Constitution*, about the attempted coup of 1981



The King and Queen of Spain hand out the Ortega y Gasset Awards



The Grandes Profes! event brings together more than 2,000 teachers



20th edition of the Cadena Dial Awards, held in Santa Cruz de Tenerife





Mario Vargas-Llosa and Arturo Pérez-Reverte at the presentation of Podium Podcast



Colombian President Juan Manuel Santos and Juan Luis Cebrián at the forum "Benefits of peace in Colombia"



The Paul McCartney concert, celebrating the anniversaries of *El País* and LOS40

LOS40 Music Awards en el 50º aniversario de la emisora musical



Presentation of *BeJob*, the online training platform



Manuela Carmena and Pepa Bueno at the conference *Civil society and global change*

# 2016

## JANUARY

- The *Grandes Profes!* (Great Teachers!) event, organized by Santillana and the ATRESMEDIA and Telefonica Foundations, is a resounding success with more than 2,000 teachers attending from all over Spain.
- As Chile consolidates its position and, in less than a year, becomes the country's leading sports news media outlet.
- TVI FicçãoLands in the UK, reaching more than 300,000 Portuguese citizens living in Great Britain and Northern Ireland.
- *El País* launches the concert series *Matinales*, music performances bringing live acts to the general public during daytime at weekends, and featuring Iván Ferreiro and Marlango, among others.

## MARCH

- Santillana acquires the company Carvajal Educational Solutions (Colombia), one of the leading publishers in Latin America.
- The 20th edition of the Cadena Dial Awards hosts its birthday party with artists and performers from several generations in Santa Cruz de Tenerife.
- *El País* makes a foray into the world of audio with a *podcast* on the terror attacks of March 11, 2004, in Madrid, in collaboration with Cadena Ser.
- Ricardo de Querol, new editor-in-chief of the business and finance newspaper *Cinco Días*.

## FEBRUARY

- Loqueleo, the new children's and youth literature project, is presented in Spain in the presence of hundreds of fans at the Teatros Canal in Madrid.
- Premiere at the Capitol Cinema of *El País with the Constitution*, a documentary that explores how *El País* faced the attempted coup of February 23.
- The UAM-*El País* School of Journalism celebrates its 30th anniversary and announces the first edition of the Tilde Award for new narratives in journalism.
- The Third Congress of Santillana Compartir Mexico looks at *Trends in Education*, with the participation of Howard Gardner, best known for his theory of multiple intelligences, and 400 school principals.

## APRIL

- First Ibero-American Festival of Children's Literature, organized by the Santillana Foundation and held in Colombia, and attended by President Juan Manuel Santos.
- *El País* and Santillana hold nine workshops on journalism for 1000 school students within the framework of the Seventh International Congress of Language in Puerto Rico.
- PRISA Noticias launches EIMotor.com, a new site dedicated to the automotive world and which shares its content across *El País*, *As*, *Cinco Días* and *El Huffington Post*.
- Santillana opens its Leadership Academy in Brazil, a firm commitment to training educational leaders in the performance and perfection of their duties.

## MAY

- On the occasion of its 50th anniversary, Los 40 Principales overhauls its brand to become LOS40, reflecting its internationalization and its transformation towards digital and audiovisual entertainment.
- *El País* celebrates the 33rd edition of the Ortega y Gasset Awards for Journalism, with the presence of the King and Queen of Spain on the newspaper's 40th anniversary.
- *El País* organizes the Retina Forum, the Ibero-American event exploring digital transformation, and aimed at understanding business opportunities in the digital environment.
- The tenth edition of Primavera Pop, the festival with which LOS40 welcomes spring with all the best in music.

## JUNE

- In Texas, Santillana wins the silver medal at the Learning Impact Awards for its technological innovation in the Spanish-language learning project Santillana eLearning Center.
- Loqueleo, the children's and youth literature brand, wins Silver at the Laus Awards for naming and corporate identity in the graphic design category.
- Presentation of Podium Podcast, PRISA Radio's global network of podcasts in Spanish, at a ceremony with writers Mario Vargas Llosa and Arturo Perez-Reverte.
- Paul McCartney concert at the Vicente Calderón stadium in Madrid, on the occasion of the anniversaries of *El País* and LOS40.
- Radio Comercial wins the Marketeer award in the media category, as the station celebrates four years as audience leader media.

- Caracol Radio launches its digital video room, La Radiovisual, for the production of audiovisual content, the leveraging of video products and streaming.
- Media Capital announces the awards “Blogs do Ano” a pioneering initiative aimed at honoring the best blogs and bloggers of the year in Portugal.
- Santillana receives an award for its Educatividad Award graphics campaign at the El Chupete Advertising Festival in Spain.

- The *El País* Forum Benefits of peace in Colombia is held in Bogotá, and attended by Colombian presidents Juan Manuel Santos, César Gaviria, Belisario Betancur and Ernesto Samper.
- Representatives of 135 Colombian schools gather on the island of San Andrés for the Third Congress on Change Management and Educational Innovation, organized by Santillana Compartir.
- *El País* opens the Hay Festival Segovia with the debate The transformation that we are living through, looking at the social impact of the digital revolution.
- The ninth edition of the Formentor Literary Conversations, organized by the Santillana Foundation, opened with the the Formentor Award going to Italian writer Roberto Calasso.

- Santillana launches *BeJob*, an online training platform created to respond to labor market demand for professionals with technological and computer skills
- Caracol Radio and its journalists are honored at the prestigious Simón Bolívar Journalism Awards.
- *Cinco Días* pays tribute to innovation and highlights its importance for business success at its Awards for Business Innovation. The ceremony speech was given by the head of data at Telefonica, Chema Alonso.
- Plural and Radio Comercial win the Meios & Publicidade Awards in the categories of Audiovisual Production and Radio, respectively.

## JULY

## AUGUST

- # 50deLOS40. Beyoncé celebrates the 50th Anniversary of Los 40 Principales with a concert in Barcelona.
- The Innovators UNOi Initial Training Congress 2016 brought together nearly 2,000 teachers in Mexico, with special guest Julia Borbolla, a renowned psychologist.
- Manu Carreño and Dani Garrido are appointed new sports anchors at Cadena SER, kicking off a new era for the network, reinforcing its historic lead in sports reporting, and reaffirming its commitment to multimedia content.

## SEPTEMBER

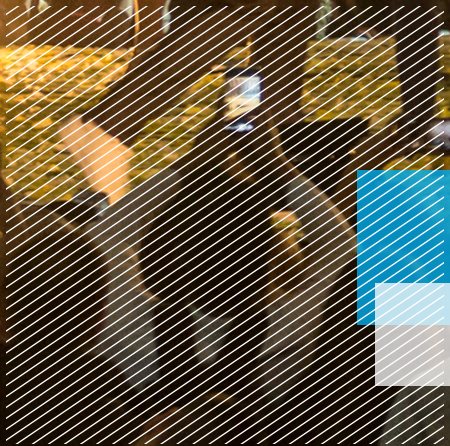
## OCTOBER

- The 63rd Ondas Awards Gala at the Gran Teatre del Liceu in Barcelona, with performances by Miguel Bosé, Manu Carrasco and Dani Martín.
- *El País* Retina and Mobile World Capital Barcelona launch the 4 Mobile Talks, a series meetings on digital transformation, held every two months
- *El País* and the Autonomous University of Madrid (UAM) organized the conference Civil Society and Global Change, a forum for open and pluralistic debate, and part of the agenda for the newspaper's 40th anniversary celebrations.

## NOVEMBER

## DECEMBER

- LOS40 Music Awards, Spain's biggest celebration of music, celebrated 10 years of success. The awards were held at the Palau Sant Jordi in Barcelona for the first time, on this the 50th anniversary of the station.
- The As Sports Awards gala celebrated a decade in the year of the Olympics, and paid tribute to Spanish athletes who brought home medals from the Rio Games.
- The second edition of *El País con tu futuro*, a motivational career guidance event aimed at helping young people choose their academic and professional path. 3,000 attendees and 78 speakers from a wide range of different sectors participated in the event.
- TVI closes 2016 as the undisputed leader for the 12th consecutive year, with audience shares of 21.5%, around the clock, and 25.2% in prime time.



# LOS 40 MUSIC AWARDS 2016

2

## PRISA, a global group

Mission, vision and values  
Business areas  
Main figures  
Corporate Governance  
Shareholders and investors

# PRISA, a global group

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

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

As market leader in press, TV, both spoken-word and music radio, and education, it is one of the Spanish-speaking world's largest media groups thanks to its high-quality content and its eagerness to embrace the digital economy through the connectivity and innovation of its products and services. Its presence in Brazil and Portugal, and among the growing Hispanic community in the US, opens up a global market of 700 million people. With 25 million unique users\* (123 million unique browsers\*\*) worldwide, PRISA is at the forefront of communications companies and has a solid strategy of content creation and distribution, offering products and services adapted to users' changing consumer habits through a wide range of formats, channels and platforms.



Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Spain, US, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Portugal, Puerto Rico, UK, Dominican Republic, Uruguay and Venezuela

\* (Source: comScore, 2016)

\*\* (Source: Adobe Omniture + Netscape, 2016)

# Mission, vision and values

A commitment to society is at the very core of PRISA. From the very beginning, the founders and promoters of *El País* have been committed to Spanish society, to defending and expanding democratic liberties, equality and civil rights for all. All too aware of this responsibility, almost four decades on, this commitment remains as strong and vital as ever and now embraces Ibero-America. This vision is shared by all those who work in our organization and is evident in the work and in the day-to-day operations of all those who work for PRISA. These values have

always been embraced by the teams of professionals working at *El País* and have subsequently been taken on board by all the Group's companies as they strive to be both socially responsible and world leaders in the fields of education, and news and entertainment in the Spanish and Portuguese-speaking markets. We are thus responsive to the needs and expectations of a free, responsible, respectful and sustainable society.

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

## Founding principles



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



**Responsibility**, intellectual honesty and transparency.



**Pluralism** and respect for all ideas, cultures and people.



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



**Self-criticism** aimed at achieving personal and business improvement.



**Creativity** and innovation in the development of business.



Attention to the demands and concerns of **society** at all times.



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

# MISSION

To contribute to the cultural development of individuals and the progress of society at large, by offering maximum quality contents in the areas of education, news and information, and entertainment.

# VISION

To be the brand of **reference, worldwide, in culture, periodism and education** in Spanish and Portuguese.

# VALUES

- 

**People**  
Everything we do **revolves around** people.

  - 

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

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

**Creativity**  
Creativity is our most **basic tool** in our ongoing drive to **innovate.**
  - 

**Connectivity**  
We are aware of the importance of being **connected and being accessible in order to share and collaborate.**
  - 

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

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



EL PAÍS

## EDITORIAL CODE

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

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

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

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

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

*El País* must also champion solidarity, as in today’s world, at least in Western countries, every member of society is a participant in the general welfare. For this reason, it must defend the establishment and proper administration of a Social Security system and a fair and just sharing of wealth through the proper imposition of taxation without inhibiting individual growth. It must also defend the environment,

as the patrimony of all humanity; it must defend civic virtues, and endeavor to combat all corruption, fraud or abuse, and private and state monopolies. The solidarity of all Citizens before the law is also its mission, for which reason we consider the independence of the judiciary to be fundamental.”

**José Ortega Spottorno,**  
March 5, 1977



DOWNLOAD

# BUSINESS AREAS

## Santillana

### *A passion for learning*

2016 was an important year for Santillana, in terms of both results as well as new business initiatives and educational and training projects. The company reported operating revenues of 638 million euros and EBITDA of 171 million (+ 2.3% compared to 2015). By country, there was noteworthy performance from Spain, Brazil, Mexico, and excellent results from Peru. Elsewhere, overall progress was good. In the United States, school takeup in the state of Florida has spurred a significant increase in revenues and EBITDA, compared to the previous year.

September saw the culmination of the purchase of Carvajal Educational Solutions, one of the leading companies in Latin America in the development of content and technology for learning, particularly textbooks and prescribed children's and young people's literature. The operation included the brands Greenwich, Buenas Noches, Torre Papel, Zona Libre, Kapeluz, Educa Inventia, and Voluntad, along with the license for use of the Norma brand. With this operation, the company strengthens its education business in Latin America, while preserving the identity of its brands and

equipping itself to face the educational challenges of today's society.

Learning solutions **UNOi** and **Compartir** offer a comprehensive response to very real educational needs and now account for 17% of company revenue, with more than 850,000 students. **UNOi** ended the year with 282,000 students, and in Mexico presented its renewed educational model at an event called UNOi Forward. The project defines three student-centered approaches: know, evaluate and act. A new program DO, namely learning by making and doing, has been added to the existing two programs, SE in Spanish, and BE in English.

Meanwhile, **Santillana Compartir** reached 571,000 students in 14 countries, and reported an increase in revenue of 12% compared to 2015. Boasting a revamped website, it continues to forge ahead in education, which it sees as based on four pillars: student-centered learning, creating digital learning environments, involving the entire educational community and comprehensive assessment of learning.



Presentation of the imprint Loqueleo at the Teatros del Canal

The **Languages** Division had a very good year in sales and exceptional performance results. The most significant growth occurred in French language learning in Spain, where **Santillana Français's** range of products was the students' favorite, leading the market. **Richmond**, the company's English language learning imprint, maintained its strong position in Latin America and Spain, contributing to the digital transformation of the Group through the inclusion of its content in both UNOi and Santillana Compartir. Meanwhile, growth in Asia underscores the international quality of Richmond's catalog. Noteworthy among the trends in the Latin American market, were the increase in hours of English learning in state formal education, and a growing interest in bilingualism in private schools. Richmond is actively involved in providing educational solutions for both initiatives. The acquisition of the English imprint Greenwich, belonging to Carvajal Educational Solutions, complements the Richmond's catalog and contributes to the company's market expansion for English language learning.

In the field of children's literature, **Loqueleo** celebrated its first year by completing its launch in Spain, Bolivia, Ecuador, Peru, Puerto Rico, Dominican Republic, USA, Venezuela and countries in both Northern and Southern Central America.\*

It was a key year for consolidating the new brand and its catalog, and for creating a powerful community of readers on social media (Facebook, Twitter, Youtube and Instagram), exceeding 2 million followers. In addition, Loqueleo has created an app to create stories and a platform for reading comprehension, based on PISA measurement standards, to be presented in 2017.

Santillana maintains its commitment to educational innovation with new projects such as **Set Veintiuno**, the program that provides resources and services to nurture the talents and skills required by citizens of the 21st century. It is divided into four areas: Activate, Think, Experiment and Communicate, and is based on project work that tackles different challenges. It includes the programs: "Programming things", "Learning to Get Ahead", "Learning to think", "The value of things" and "Browse and program". Its commercial launch will take place in 2017 in Spain, Colombia and Mexico.

In the field of evaluation, Santillana has created the LOGROS Program, which integrates the platforms *Habilmind* (diagnostic assessment of schools and the cognitive and emotional aspects of students), *Aprendiza Eficaz* (Effective Learning – a portal for the training of basic cognitive, math and reading skills) and a collection of practical notebooks.

\* Northern Central America: includes the countries: Guatemala, Honduras y El Salvador.  
Southern Central America: includes the countries: Costa Rica y Panama.



platform explored the potential of the video at the service of teaching and learning, Project-Based Learning, the impact of so-called maker culture, the transformation of educational spaces, and new organizational and school-management models geared towards innovation.

Finally, in 2016 Santillana made a foray into the field of training for employment with *BeJob*, the new platform for online learning and training that responds to the very real needs of the current labor market, and for the training for high-demand professions, especially in the field of information technology and digital marketing strategy (web programming, robotics, 3D graphics, programmatic media buying, big data, digital analytics...). The portal provides real-time information on jobs related to each course, offers university certification and provides access to Amazon cloud's learning program, through its AWS Educate division.

The digital content repository **Saber y Más** has been added to EPSON projectors for the schools market. In addition, the adaptive learning technology initiative based on Knewton, **A2O**, has been tested on 1,250 secondary-level algebra students (aged 12-13) from nine countries, demonstrating

its ability to design individualized learning paths in real time and offer teachers performance information on each student.

**SantillanaLab** is a platform and meeting point for experts from different educational areas in the field of innovation and new trends. This year the

## PRISA Noticias

### EL PAÍS

In 2016, *El País* celebrated its fortieth anniversary. It was a year of celebrations and of reaching out to readers. An occasion for enhancing and revitalizing the global conversation.

Last year, *El País* restructured its newsroom, creating a modern, flexible and functional space that facilitates the daily work, communication and interaction among journalists. With more flexible communication and greater and more efficient synchronization of teams, the paper thus aims to better satisfy all our news readers' demands.

In June, *El País* implemented the 828 plan, a strategy for adapting to how our readers consume news that includes the redesign and increase in the number of news alerts. The 828 plan adapts the contents of the web to the consumer habits of society, prioritizing news in those time slots of increased demand on digital channels: early morning, noon and late evening.

*El País* closed the year with an average daily circulation of 194,005 (OJD). With these figures, it remains Spain's leading newspaper, with a lead of 85,000 over its nearest competitor *El Mundo*, which closed the year with an average daily circulation of 108,510 copies, and a lead of almost 103,000 copies over *ABC*, which had an average daily circulation of 91,159 copies.

In 2016, the monthly audience for the *El País* website grew by 18% over the previous year. Thus, in 2016, *El País* achieved an annual average of 14.893 million unique monthly users (ComScore PC + Mobile). There is also noteworthy increase in readership in Latin America. The figure for unique browsers for *El País* was up by 6% while *El País* Brazil saw an increase of 77%. Traffic in Latin America accounted for an average of 34% of the monthly total in 2016.

A growing trend is access through mobile devices at the expense of computer use. In 2013, 73% of users accessed *El País* through their PCs, while in 2016 this figure has fallen to just 35%. Readers

who used a mobile device to access the website formerly accounted for 27% of the total, and in 2016 this percentage rose to 65%. The most notable increase was for multimedia content. In 2016, the average number of monthly video views for *El País* increased by 578% over the previous year, thanks to the creation of new content on Facebook and the development of a channel on Youtube.



Videowall in the new *El País* digital newsroom



El País Video TV set

Activity on social networks saw a huge boost in both the number of followers for the accounts on all major platforms (more than 16 million on Facebook, Twitter, Instagram and YouTube) as well as in traffic and readers. The commitment to video and new formats in this environ-

ment and live broadcasts of the big events of the year (US elections, general elections in Spain, terror attacks in Brussels and Nice, and the Olympic Games) placed *El País* at the very center of the global news conversation, confirming the relevance of the brand as a priority source of news and information for users of social media.

In February 2016, Google began to display in mobile search results those websites that have AMP enabled (the new Accelerated Mobile Pages system). This format, which quadruples download speeds is a clear commitment to enabling users to access content from mobile devices and tablets. Mobile access has been growing year after year (up 47% in 2015). Google has already 38 major international media on board, with *El País* being the only media outlet in Spanish to be behind the initiative.

Growth in visits has been exponential since its launch: *El País* traffic from AMP format search engines rose from 0.65% in April 2016 to 11.44% in November, accounting for more than half of all mobile SEO traffic (19.59% in November 2016 compared to 26.38% from PC).

On social media, traffic via the Instant Articles format has continued to grow since its inception in April 2016. This growth is in line with our social media strategy, which is also committed to video format within Facebook.

Video has continued to consolidate its position as one of the essential *El País* formats. In 2016, there has been considerable progress in content production, with a monthly

average of 1,200 videos. Proprietary formats have been developed in the newsroom with the aim of consolidating a truly differentiated brand.

2016 also saw a commitment to live video, with around 50 television specials produced. These included debates between political candidates, the program from the Congress of Deputies on the investiture, or the special on election night in the United States that aired simultaneously from studios in Washington, New York and Madrid. A content schedule has been launched on Facebook Live, with more than two hours of live video each day. The year also saw a huge climb in audiences on the distribution channels of social media. Facebook is already our main publishing vehicle.

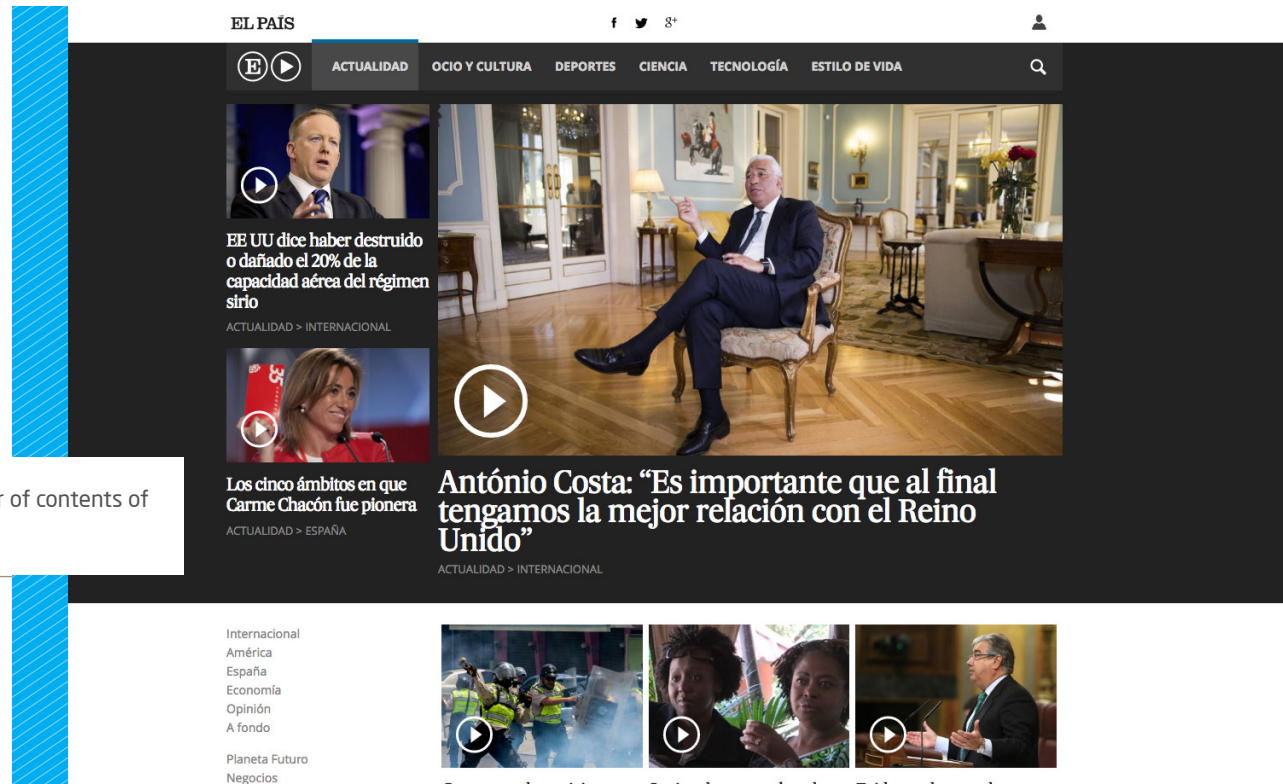
*El País* has also opted for longer formats, participating in the production of documentaries; and it remains committed to innovation, premiering content produced in VR.

Technological development for video has continued apace. In 2016 we debuted a new studio set in the middle of the newsroom, a new platform for signal reception and a bigger team that allows

for more complex products. We closed a deal to adapt the Youtube player to the contents of *El País*, which will enable better distribution and marketing of our videos.

In short, our audience has grown from 85 million at the beginning of 2015 to 173 million at the close of 2016.

Permanent offer of contents of *El País* Video.



## CELEBRATION OF THE 40TH ANNIVERSARY OF *EL PAÍS*

On May 4, 1976, the very first issue of the newspaper *El País* hit the newsstands. Four decades later, the paper celebrated its **anniversary** as the most-read global newspaper in Spanish.

Music played a major part in the celebrations. In January, *El País* began its series of live music events, Los Matinales. Held during daytime over weekends, these events featured performers such as Iván Ferreiro, Marlango and Leiva.

Under the slogan “Join the Conversation”, *El País* also hosted talks with some of the movers and shakers of the last 40 years and those who will prove influential in the coming decades. *El País* thus offered a space for reflection, inviting readers to an open and inclusive dialogue, based on news, analysis, tolerance, democracy and dignity.

February 22 saw the premiere of the documentary *El País with the Constitution* at the Capitol Cinemas, a film that narrates the experience of those who lived through the attempted coup of February

23, 1981, and which traces the role played by the newspaper during that key moment in the history of Spain.

*El País* and LOS40 joined forces to celebrate both their anniversaries with the Paul McCartney concert at the Vicente Calderon stadium in June. After more than a decade, Paul McCartney returned to the stage in Spain to a crowd of more than 40,000 fans.

*El País*'s 40th anniversary celebrations reached a climax during the first week of May. From Monday May 2 to Sunday 8, the newspaper hosted a multisensory exhibition at the Palacio de Cibeles in Madrid, dedicated to the history of the newspaper and which recalled all the major events that have contributed to the transformation of Spanish society.

The figures speak for themselves: more than 15,000 visitors, 350 iconic images, 120 historic covers and 15 cutting-edge hi-tech screens in seven spaces dedicated to these four eventful decades. In addition, *Fukushima, Contaminated Lives*, the first report in virtual reality in the history of *El País*, was screened. On Wednesday, May 4, to mark the date of the foundation of the daily newspaper, *El País* hosted a lunch for employees in the Crystal Gallery at the Cibeles Palace, attended by around 600 people.

Thursday, May 5, saw the gala dinner for the 40th anniversary of the newspaper, which was attended by Their Majesties the King and Queen of Spain. During the ceremony, the awards for the thirty-third



The King and Queen visit the exhibition marking *El País*'s 40th anniversary



edition of the Ortega y Gasset Awards for Journalism were handed out.

On Friday, May 6, the paper paid tribute to the newsagents who have sold more than 5.200 million copies of the newspaper throughout its history. That same Friday also saw a class reunion for alumni of the UAM-*El País* School of Journalism, celebrating its 30th anniversary.

In order to better share this unique journey through recent history with all our readers, *El País* took the exhibition on the road to Bilbao, Barcelona, Santiago, Valencia and Seville, and even crossed the Atlantic to Mexico City.

2016 was also a busy year of institutional activity for *El País*, with the organization of a range of discussion forums, involving top-level government officials and key business and opinion leaders from all over Ibero-America to discuss challenges and opportunities in the region from an economic, socio-political and geostrategic standpoint, such as the Forum for Peace in Colombia, in Colombia; the Forum 'Latam, USA & Spain in the Global Economy' in New York, and the Forum "Hitachi Social Innovation Forum 2016" which focused on technology, social innovation and infrastructure.

The past year also witnessed the launch of *Librotea*, *El País*'s book recommender. Here, a range of leading figures from the world of culture, as well as users, share their literary suggestions.

*El País* also launched in May, the very first edition of **El País Retina**, a forum on the digital revolution in Latin America that addresses technologi-



Mexico City's head of Government inaugurates the Exhibition marking the 40th Anniversary of *El País* at the capital's Palacio de Bellas Artes

cal trends. The goal is to understand the impact of digital transformation in the Spanish-speaking world, particularly in Ibero-America, and to become a true forum for agents of change.

The second edition of **El País, con tu futuro**, was also held. This forum is focused on the world of education, employment and professional development and is aimed providing career guidance to young people, in their 2nd year of *Bachillerato*. Over the course of two days, around 2,000 high school students gathered in Madrid to attend more than 70 talks given by renowned professionals from all sectors and to participate in a wide range of workshops geared towards promoting effective communication, leadership, teamwork, and creative thinking skills.

During 2016, *El País +*, an *El País* subscriber loyalty scheme first launched in 2014, continued to offer subscribers the opportunity to attend a wide range of cultural events throughout Spain. Throughout the year, more than 55,000 tickets for previews of movies, music, classical music concerts and private visits to major exhibitions were offered, and 1,170 subscribers enjoyed these and other events related to *El País*.

Although the number of subscriptions has fallen by 9.6% compared to 2015, average subscription revenue has increased by 18% due to the continued profitability of these special deals and the policy aimed at retention and fostering loyalty among our customers throughout the year.



Winners of the tenth edition of the As Sports Awards

## AS

In June 2016, As.com achieved a record high of 7,735,000 unique users worldwide, from PCs, according to ComScore, coinciding with major sporting events such as the European Football Championship and the Centennial Copa America.

In Spain, according to Comscore Multiplatform figures (PC plus access from mobile devices), As.com

reached an audience of 7.8 million people, in November 2016, making it the second-ranking media outlet in the Spanish market.

**The Americas sees growth.** As.com's international expansion continues apace, especially in the Latin American market, with extraordinary growth in traffic. Particularly noteworthy are the editions in Mexico, with growth of 113%, and Chile and Colombia, with increases of 130% and 70%, respec-

tively. Traffic from the American continent now accounts for 48% of the total, a figure that shows As's firm commitment to internationalizing its contents.

In November, As.com was the most viewed Spanish-language sports media outlet in Latin America, according to ComScore data. In October 2016, all Latin American editions – Mexico, Colombia and Chile – were leaders in their respective countries, a position they reached in record time.

As continued to expand its brand throughout 2016, with the opening of a new office in Miami, to serve the US market. In the US, it increased its audience by 67%, compared to 2015. It also continues to expand through franchising in Asia (Singapore and

Malaysia) and reached out to African audiences (South Africa). As English, the English-language edition of the site, has also seen a significant increase: 112% in the last twelve months, thanks to the expansion of its contents.

Meanwhile, the newspaper's website has adapted swiftly to technological changes. In 2016, As rolled out responsive design, in order to optimize the display of content on different devices, particularly mobile, which already accounts for the No. 1 mode of access by readers: 62%. In addition, an increasing number of users access As content on third-party platforms such as Google AMP and Facebook Instant Articles.

As digital transformation continues apace, Google has shown its commitment to As's multimedia innovation project Football Data Suite, via to the Digital News Initiative (DNI) Innovation Fund, an alliance of the US company and European media to support innovation and new formats in digital journalism.

Also, in line with market trends, As has managed to increase access from new distribution channels, social networks and traffic from search engines, whose weight has grown dramatically. Although readers who access As.com from its home page are still in the majority, these new gateways are becoming increasingly important. In Spain, the figure is close to 50% and in Latin America, the number has already passed the 50% mark.

AsTV, which groups together all the site's audiovisual content, has also grown significantly throu-

ghout 2016, with more than 20 million video views per month, and an interannual increase of 33%, according to the internal measurement tool Omniture.

As for the print edition, As is market leader in seven regions in Spain, and where it has widened its lead over its main competitor (OJD).

During 2016, As has reinforced its events division, with the creation of the 1st Golf Championship, and it has continued to organize a range of As events, with the participation of sports personalities in several Spanish cities. In addition, As also held the first edition of ED16, a high-profile sports forum that brought together organizers, brands, experts, etc. As was also official media partner for the Tour of Spain (La Vuelta) cycling race and the International Under-20 Football Tournament COTIF 2016.

December saw the tenth edition of the annual As Sports Awards, which paid tribute to the Spanish athletes who brought home medals from the Rio Olympic Games.

## CINCO DÍAS

*Cinco Días's* web site has continued to grow and reported record audiences in 2016, reaching the 2.978 million unique users in April. *Cinco Días's* Sites exceeded 4.341 million unique users in December, for an annual average of 3,020,000 unique users (Comscore PC + Mobile).

Much of the credit for such good results must go to the consolidation of its most innovative products,

such as: the technology channel **Smart Life** or the vertical **Territory SME**, aimed at the self-employed, freelancers and SMEs; mobile versions, both via native apps and on browsers; as well as its commitment to creating new formats and narratives to bring the paper's trademark credibility and rigor in business and finance news to the web.

*Cinco Días* continued to foster debate and dialogue on the latest economic and business issues, and to address ideas and provoke discussion to help understand the challenges of our times. Notable events included *The transformation of the digital economy*, which was attended by over 300 entrepreneurs, and *the Second Forum on Pension Plans in Spain*, which looked at the range of different pension models in Europe. The crucially important *Cinco Días* Breakfasts also brought together key business and finance figures for debate and analysis.

The Ninth Annual *Cinco Días* Awards for Business Innovation paid tribute to NH Hoteles Group, BLENDHUB Corp and the spin-off of the Polytechnic University of Cartagena, EMITE. The awards event ended closed with a talk by Chema Alonso, CDO of TELEFONICA.

## EL HUFFINGTON POST

2016 was a year of consolidation for *El Huffington Post*. It maintained its spot among the ten most read online newspapers in Spain and, on average, has remained the second most viewed digital native. In addition, this was its best year ever on Fa-

cebook, where it has nearly tripled the number of followers to reach 850,000 “friends”. Further afield, *El Huffington Post* has continued its international expansion and now has 17 editions worldwide, after the incorporation of Mexico and South Africa.

From the outset, *El Huffington Post* has experimented with new formats and video narratives that are adapted to the new demands of the reader, which has allowed it to triple video views. Its influence has grown, thanks to interviews with key figures from politics and culture and the publication of exclusives with widespread media coverage.

## PRISA REVISTAS, LA FACTORÍA

In 2016, the magazines arm La Factoría has established itself as a leading company in the production of content in Spain. It has also strengthened its collaboration with PRISA Brand Solutions as a producer of branded content for both PRISA Noticias and PRISA Radio.

Throughout the year, a diverse range of new content management projects has been won: *Hojas for Altadis*, *Club + Renfe*, *Observatorio de las Pensiones*, *Acciona Magazine*, *Transforma* magazine for Tragsa, *Corazón and Salud* magazine for the Fundación Española del Corazón, among others.

Meanwhile, the company has continued to manage the magazines available alongside Saturday's *El País: Icon*, *S Moda*, *BuenaVida* and *Tentaciones*. This reconfiguration of PRISA's weekend offer has

made it one of the leading lifestyle publishers in Spain, present in three of the major advertising segments: womenswear, menswear and health.

In April 2016, the company launched the site *ElMotor.com*, specializing in news from the automotive sector and which operates transversally across all PRISA Noticias brands (*El País*, *As* and *Cinco Días*). It closed 2016 with more than 800,000 unique browsers and 5.8 million page views. Since August, the company has managed the health

and lifestyle site *BuenaVida +* for sports daily *As*, which exceeded 700,000 unique browsers within a mere three months after its launch.

## MERISTATION

In 2016, MeriStation has launched new content in a bid to draw younger and more audiovisual users. It has surpassed one million monthly video views with programs like *Sólo en MeriStation* and



The 2016 *Icon* Awards

*Sabías qué.* The number of interactions on social media has doubled from 20,000 daily to more than 40,000 on average.

Meanwhile, MeriStation has established a dialogue with the community to reduce the use of ad blockers in exchange for moderate advertising, strengthening the growing area of native advertising.

## PRISA Radio

**PRISA Radio** is the world's largest Spanish-language radio group with 23,087,000 listeners and more than 1,250 stations, either directly owned or associates, spread out over Mexico, Spain, United States, Colombia, Costa Rica, Panama, Argentina and Chile, and through franchises in Guatemala, Ecuador, Paraguay and the Dominican Republic. PRISA Radio has a well-established business model in its various radio formats, and is committed to the expansion of radio and music in Latin America, and to innovation in the audio industry, specifically audio *on-demand*. This model has positioned PRISA Radio as a world leader for Spanish-language radio.

### **PRISA Radio closes 2016 with 23,087,000 listeners and 30 million unique browsers**

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



Cadena SER unveils its new schedules for the season

In **Spain**, PRISA Radio closed 2016 with 11,208,000 listeners (EGM). Cadena SER, with 4,476,000 listeners, is the absolute leader in the spoken-word segment. LOS40, with 2,938,000 listeners, has been the No. 1 radio entertainment brand in Spain for more than five decades and is present in ten Latin American countries.

Caracol Radio, with 1,828,000 listeners, remains the leading station for news, sports and entertainment in **Colombia** and is one of the most prestigious broadcasters in Latin America. Alongside W Radio, the station is one of the pillars of PRISA

Radio. Together, Grupo Caracol's stations reach 7,850,000 listeners.

In **Chile**, PRISA Radio is undisputed radio market leader with 2,269,000 listeners. Of the ten radio formats formats to be broadcast, five are among the top-ten ranking for audiences, noteworthy among them the spoken-word radio station ADN Radio Chile, and Radio Corazón, which is the most popular radio station in the country

In the **Mexican** market, PRISA Radio operates through Radiópolis, co-owned 50/50 with Televisa,

and to which PRISA Radio brings its extensive experience in the radio business. Radiópolis, through its 75 stations and affiliates, distributes six lines of spoken-word and music programming, reaching 1,381,000 listeners.

In **Argentina**, PRISA Radio reached 870,000 listeners in 2016. Radio Continental continues to go from strength to strength on the Argentinean spoken-word radio scene.

In the **U.S.**, PRISA Radio, with an audience of 112,000 listeners in December, operates two radio stations that broadcast in Spanish, one for the Los Angeles and southern California region, an area which encompasses more than 30% of the U.S. Hispanic population, and another broadcasting in Miami, where we are No. 1 in the Hispanic spoken-word radio sector.

In **Costa Rica**, PRISA Radio operates three radio formats through a company co-owned 50% by the Group and *Grupo La Nación*. Its three music radio broadcasters – Bésame, LOS40 and Q Teja – reach 204,000 listeners daily.

In 2016, PRISA Radio intensified its efforts to position its products as leaders in the digital media ecosystem, seeking to lead the development of online audio in all its markets. The Company's stations already broadcast more than 48 million hours of live listening via digital media, boast more than 12 million monthly audio-on-demand downloads, and have surpassed 30 million unique browsers for their stable of web and mobile products. PRISA

Radio also has a solid 38-million-strong fan base across the different social networks.

The main lines of work of this year were:

The redesign of the sites of five spoken-word radio stations and three music stations in the Americas with the aim of providing all the products with content management tools that increase the consumption of audio, facilitate the publication of multimedia content, adapt to the mobile consumer and generate more traffic. In Spain we have worked to adapt all content to responsive design.

In response to the continued growth of audio listening, both live and on-demand via the Internet, we have launched the responsive live audio player on 28 radio stations and we have begun incorporating on-demand listening to these players. To improve audio content monetization, tools have been implemented for advertising sales and analytics of on-demand audio listening.

We have also worked on improving the LOS40 and Cadena SER apps to enhance interaction with users and promote the consumption of multimedia content. A total of seven apps have been launched through the corporate platform for app development, Replicapp.

Finally, the year saw the launch of **Podium Podcast**, the global network of podcasts in Spanish, with a website and app as well as multi-distribution on digital audio aggregators. We also started the HERTZ project, funded by Google's Digital

News Initiative, a pioneering project in the Spanish-speaking world and aimed at making radio content visible in search engines and social networks and increasing consumption of on-demand audio.

## MUSIC AT PRISA RADIO

In 2016 our music stations in Spain were once again audience leaders.

**Los 40 Principales** has long been the gold standard for music radio in Spain. From its No. 1 position, the station celebrated its 50th birthday with the most important musical event of the year: the Paul McCartney concert at the Vicente Calderon stadium in Madrid. The year also marked a turning point in the network's strategy, with Los 40 Principales becoming simply LOS40. It's not just a change of logo or name. It represents the transformation of a radio format into a digital company that embraces television and radio, and boasts an Internet video channel and an ambitious portfolio of events.

**Cadena DIAL** has consolidated its position as the second most popular station in Spain. The go-to station for Spanish music for 26 years, it has reinforced its position and strengthened its breakfast show, 'Atrévete' with Jaime Cantizano at the helm, while other changes have also been made to the schedule.

**M80 Radio** has been repositioned, preserving the values of quality music classics, while adding



The Premio DIAL Awards

sounds from more recent decades – plus a judicious dose of current music. In 2016, the station launched ‘*Arriba Española!*’, Juan Luis Cano’s morning show, which can be followed simultaneously on air and via video streaming.

In 2016, music stations in Latin America have got closer to and more interactive with the listener, achieving significant growth through LOS40 in Chile and Mexico.

In Mexico, **LOS40** is the fourth ranking station, with the No. 1 position still held by **Ke Buena**, dedicated to regional Mexican music and which has designed its new credit card with the financial group Banorte. LOS40’s “*De película*” is a film program with a unique take on the Hollywood scene, and its success has been replicated in Colombia.

**Tropicana**, Colombia’s music station, has a new morning show that has been a big hit with audiences. **Caracol’s** musical stations have brought together their listeners for the music events Tropic concierto and Festival Urbano de **Oxígeno**, with an attendance of more than 60,000 fans. LOS40 Colombia organized VIVA 40, an innovative festival format with different leisure areas, which brought together 8,000 people for the performances of Babasónicos and Vicente García, among others.

For yet another year, Chile’s No. 1 station hosted *La Gran Noche de la Corazón*, a mega event hosted by Pablo Aguilera, and celebrating the program’s 30th birthday. Almost 30,000 fans came out for the big night. LOS40’s Festigame was also a huge commercial success, drawing almost 45,000 people. There were record audience figures for LOS40 and Radioactiva, while Radio Imagina consolidated its position as the second most listened to station in Santiago de Chile.

In Argentina, LOS40 remains audience leader among young people aged 18 to 24. This year’s highlights included the debut of the breakfast program presented by Nicolas Magaldi. The rock station RQP has doubled its audience over the course of the year and is set to join the top ten ranking stations in terms of audience.



The new LOS40 brand image is revealed on the network's 50th anniversary

PRISA Radio's top music events in Latin America in 2016 were the two macro concerts held at the Azteca Stadium in Mexico by the station Ke Buena, and which brought the best of Mexican regional music to more than 100,000 people.

## LOS40, A GLOBAL BRAND

The renewed strategic vision **LOS40** also reflects the international character of the brand, which is present in 11 countries and is overall leader in digital entertainment, audiovisual and musical events.

For LOS40, music and entertainment are part of people's lives, hence the motto *Music Inspires Life*,

which aims to sum up the power of music to create positive change in the world. The new LOS40 brand, which embraces a range of values and meanings, is the starting point of the digital transformation.

LOS40 events have also adapted to this new vision. The annual awards have become LOS40 Music Awards to celebrate the 50th anniversary of the station with a more global and multi-screen presence. This great celebration of music has become the most important Spanish-language music event on television and was broadcast in 21 countries in Latin America through TURNER channel HTV and TV channels belonging to the Alba-vision group.

LOS40's global programming has also been one of the stars of this year, and LOS40 Global Show, World Dance Music (WDM) and LOS40 *BlackJack* were a big hit in all markets.

## PLANET EVENTS

In 2016, concert promoter Planet Events worked with the hottest national and international artists from the current music scene, with highlights including the Paul McCartney concert in Madrid, attended by 45,000 people, and sponsored by *El País* and LOS40 for their respective 40th and 50th birthdays, and the tour *El gusto es nuestro* reuniting



Serrat, Sabina, Ana Belen and Victor Manuel on stage after 20 years. It was one of Spain's top-selling tours (over 80,000 tickets sold). There was the first ever tour of the new urban artist Maluma, with over 30,000 tickets sold, plus others like Charlie Puth, Carlos Rivera, Carlos Baute, Dvicio, Mariza, Franco de Vita and Eros Ramazzotti. The company also scheduled Malu, Manuel Carrasco, Alejandro Sanz and Raphael, among others, in a range of different cities.

Once again in 2016, the company produced the Matinales de *El País*, the Premios DIAL Awards, the As Sports Awards, Premios Ondas Awards, the Primavera Pop festival, Actua and the LOS40 Music Awards.

The promoter was also involved in the organization of festivals and special events, including Dcode, MadTown Days and the ambitious Nights in the Botanical Garden, which brought together artists such as Patti Smith, Robert Plant and Wilco; and events like the electronic Old Gold and the festival A Summer Story.

## TYRONA EVENTOS

In 2016, Tyrona Eventos organized and produced some of the most important events in Colombia, including artists such



The Paul McCartney concert at the Vicente Calderón stadium in Madrid

as Guns N Roses, which beat ticket sales records, Aerosmith and Iggy Pop, among others.

Tyrona Events is one of the two most important companies in the concerts sector in Colombia, organizing more than 20 musical performances in a range of formats and with revenues in excess of 11 million euros.

Vicente Jiménez, managing director of SER, presents Podium Podcast



## AUDIO ON-DEMAND

2016 saw the launch of Podium Podcast, the global network of podcasts in Spanish. It's a lively and flexible network with an on-demand offer to suit the tastes and interests of each and every listener. It's designed exclusively for the Internet, with new radio narratives that cherish good sound, and it is committed to quality products. Since its launch, Podium Podcast has registered a total of 4 million downloads. 23 different podcast series have been released, an app has been created and it has won the 2016 Ondas Award for Best Internet platform.

## PRISA Audiovisual

### PRISA VÍDEO

PRISA Video was extremely active in the celebrations marking the 40th anniversary of *El País* in 2016, offering coverage of the wide range of events that took place, as well as developing and producing content in coordination with a number of curators and managers.

February 22 saw the premiere of the documentary *El País con la Constitución (El País with the Constitution)*, which followed events that unfolded during the night that changed the history of the young Spanish democracy,

and explored the crucial role that the newspaper played in spreading the truth of what was happening and in restoring the stability of the government.

With regard to work for external customers, of particular note was the premiere of the documentary series *Guardianes de la Historia* (*Guardians of History*). This weekly six-episode program, commissioned by the channel Movistar #0, was devised by PRISA Video and involved the World Monuments Fund, a foundation dedicated to conserving heritage worldwide. The series explored hidden corners of well-known landmarks such as the Alhambra in Granada, the ruins of Pompeii, Naples and the temple complex of Angkor Wat, Cambodia, with paleontologists Juan Luis Arsuaga, Nira Juanco and Santiago Zannou. The series also went off the beaten track to places such as the city of Lalibela and its amazing churches carved into the rock, and the Temples of the Sun and Moon in Peru, among others.

Santillana entrusted PRISA Video with the production of a number of educational videos aimed at parents, students and teachers, and covering the skills needed by the following thematic blocks: “The value of things”, “Entrepreneurship” and “Learning to think”.

PRISA Video has collaborated with *El País* on the production of video on various news and current affairs topics, such as the General Elections in December, special coverage (*Refugees*),



Guardians of history, Juan Luis Arsuaga, Nira Juanco and Santiago Zannou at the temple of Angkor

and other major events such as *Investing in Puerto Rico* or the Retina digital forum.

September saw the premiere of the feature-length documentary *The end of ETA* at the San Sebastian Festival. Directed by Justin Webster and with a screenplay by José María Izquierdo and Luis Aizpeolea, this in-depth film seeks to preserve the

memory of the victims and reflect on what led to the collective achievement of the end to armed violence.

PRISA Video also continued to produce native video advertising for different companies such as Banco Popular and Banco Santander. In both cases, Video PRISA was responsible for audiovisual production in collaboration with other Group companies, for broadcast both online as well as at the physical events.

In 2016, Plural Entertainment Spain brought its production activity under PRISA Producciones de Vídeo via an asset transfer operation.

## MEDIA CAPITAL

During 2016, Grupo Media Capital continued apace with its efforts to optimize processes and cost structures, focusing on areas of strategic growth, and the search for new revenue streams, while maintaining innovation, quality and the diversity of content.

In addition, all group companies continued their commitment to creating and bolstering synergies that leverage the best that each has to offer in order to develop innovative projects. The results were positive internally, as well as from the consumer point of view, and with regard to the introduction of new forms of communication and content to the market. Of particular note were TVI and Media Capital Digital (MCD), which, in addition to the efforts made to integrate their respective



Shooting of the soap opera *A Impostora*

editorial and commercial departments, continued to develop synergies, taking advantage of know-how in the digital area and the exclusive content of the station to create innovative and interactive apps.

The Group's radio businesses further developed cross content and services between these channels and the products of Media Capital.

In the area of audiovisual production, in 2016 the quality of Media Capital productions was rightly recognized once again both in Portugal and abroad. The stage and set design and imaging services divisions maintained their international growth and conquered new markets and clients.

In 2016, Media Capital reported revenues of 174 million euros and an EBITDA of 41.5 million

euros. Its advertising revenues amounted to 121.4 million euros.

It stands out the increase in video views of the Media Capital Digital sites (CDM) that exceeded 150 million, while the whole of the sites of the Group ranked the top 5 of the ranking in Portugal.

## TVI

### TVI maintains its lead for the twelfth consecutive year and expands its distribution

TVI ended the year as the undisputed audience leader in Portugal. Its contents embrace a wide variety of genres, with a focus on dramas and soap operas, news, entertainment and sport. With regards to dramas and soap operas, the network has continued its strategy of bringing such content to prime time, with the broadcast of highly successful shows such as *A Única Mulher*, *Santa Bárbara* and *A Impostora*. Meanwhile, the youth-oriented show *Massa Fresca* was a huge hit, as was the launch of a new season of *Inspector Max*.

As for news, *Jornal da Uma* led in its timeslot with a share of 26.5%, and *Jornal das 8* was also a leader in its schedule with a share of 22.3%. Meanwhile, *Reporter TVI*, broadcast weekly, scored an average audience of more than 1,100,000 viewers, and continues to set the standard for investigative journalism.

Flagship entertainment formats held onto their leads in prime time and all day long on weekdays. TVI debuted new seasons of successful formats that were audience leaders on Sunday evenings:

the talent shows *Pequenos Gigantes*, *MasterChef Junior* and *A Tua Cara não me é Estranha* reported top-ranking shares of 27.1%, 30.6% and 28.9%, respectively. Meanwhile, TVI debuted the innovative *Love on Top* format (with a 24% share) and rolled out new seasons of reality shows *A Quinta* (Final Challenge) and *Secret Story*, which scored audience shares of 31.1% and 34.3%, respectively. From Monday to Friday, *Você na TV* maintained its lead in the morning slot with a 28.5% share, and *A Tarde é Sua* secured a 17% share. During the weekends, the program “*Somos Portugal*” — a live show that travels the country from north to south — was leader in its timeslot with an average audience share of 21%.

In sports programming, matches from the Portuguese league, the “*Taça CTT*”, recorded a share of 30%.

## TVI24

Media Capital’s rolling news channel, TVI24 reported an average audience share of 1.9% for the whole day and of 1.8% in prime time, consolidating its position as a leading news station. When compared to all the other Portuguese news channels, audience figures were robust, with 39% share for the whole day, and of 42.1% in prime time.

TVI24 remained committed to providing the best and most complete news and current affairs service, and consolidated its offer of debate shows, comment and analysis. The channel also strengthened its sports content in partnership with TVI.

## TVI expands its global presence

TVI aims to bring the best of dramas and soap operas, entertainment and news — all made in Portugal — to markets where Portuguese-speaking communities have a significant presence. The very best of TVI in the areas of news and information, dramas and soap operas, and entertainment is now available in 15 countries and on 30 distribution platforms (Angola, Mozambique, Cape Verde, Spain, France, Andorra, Switzerland, Monaco, Luxembourg, UK, Timor, United States, Puerto Rico, Australia and New Zealand).

In 2016, **TVI Ficção** and **TVI Internacional** reinforced their international presence, adding the United Kingdom and Northern Ireland, as well as new platforms, thereby reaching the 300,000 Portuguese citizens living there.

Launched in 2015, both **TVI Africa**, the first Portuguese-language channel made specifically for Portuguese-speaking African countries and present in Mozambique and Angola, and **TVI Reality** achieved good results. TVI Reality, a 24-hour reality show channel exclusively broadcast on the NOS platform, reached record audiences in 2016 and has regularly made it into the Top 10 pay TV channels.

## Strengthened presence in the digital environment

TVI’s free digital platform, **TVI Player**, is available online or through the app and brings TVI to everyone, either live or in catch-up. Over the past year

it has strengthened its content offer and registered a monthly average of 7.5 million videos and one million browsers per month.

All of TVI's sites were once again outstanding leaders, with quotas of 45.9% in visits and of 43.2% in page views. In keeping with its commitment to innovation, TVI has surprised and energised the market with the production of new content and formats for various platforms as well as new interactive solutions.

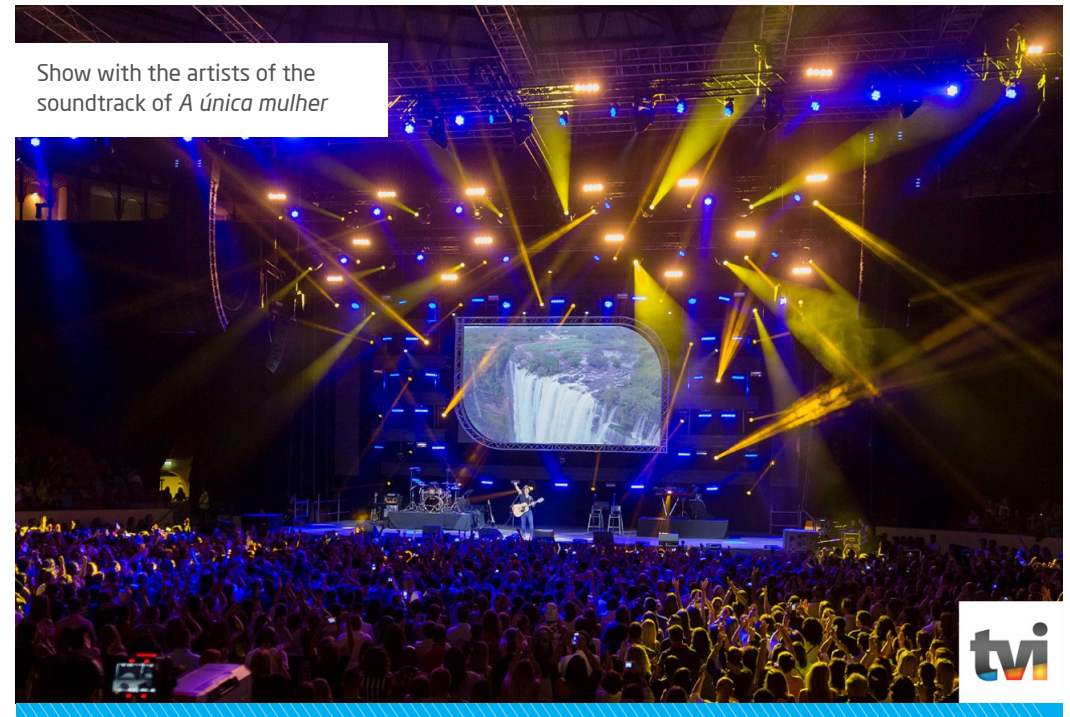
## Plural Entertainment

**Plural Entertainment** maintains its position as one of the largest audiovisual production companies in Iberia, particularly in the area of dramas and soap operas in Portuguese and in entertainment in Spanish.

Plural's customers include the main players in Spanish and Portuguese television, and its projects are renowned for the originality of their scripts, their cinematography and high production values. Plural's content leads among different targets and audiences and in a range of timeslots.

In 2016, Plural has strengthened its lead, consolidating its position as a leading producer in Portugal, with over 520 hours of content produced. Its productions set the standard, both nationally and internationally and are present in Chile, Colombia, Paraguay, France, Ecuador and Angola. Some of these countries are also among the company's shooting locations for major productions, such as the soaps *A Única Mulher* (Angola), *A Impostora* (Chile and Mozambique) and *Ouro Verde* (Brazil).

In addition to dramas and soap operas, Plural produced entertainment and advertising content.



Meanwhile, **EMAV** (Plural's technical arm) and **EPC** (stage and set design) have had a strong year, specifically with imaging services for sports competitions in the case of EMAV, and, in the case of EPC, the building of important sets for entertainment programs, soaps, dramas and series. Both companies attracted new customers and expanded their business to new countries and markets, particularly in Spain and France.

## MEDIA CAPITAL RADIO

Media Capital's good results in the audiovisual area are also echoed in other areas of the Group.

Media Capital Radios (MCR) was audience leader in the Portuguese radio market via its station **Radio Commercial**, which reported a 23.5% audience share. **M80** maintained its position as the leading radio broadcaster among stations without nationwide distribution and ended the year with an average audience share of 6.9%. All radios organized and supported important musical events throughout 2016, bringing them closer to their listeners. The presence at major music festivals, concerts and at the popular M80 festivals are just some examples. Radio Commercial, which ran a series of sell-out concerts, is also a leader among media on Facebook.

In the digital arena, this year Media Capital's sites saw a significant increase in video views, and recorded between them a monthly average of more than 150 million page views. All Media Capital's sites ranked among the top five in Portugal.

## Blogs of the Year

In 2016, Media Capital launched the "Blogs of the Year" awards, with the aim of honoring and recognizing the best blogs and bloggers in Portugal. The initiative was very well received and new editions are being planned.



# MAIN FIGURES

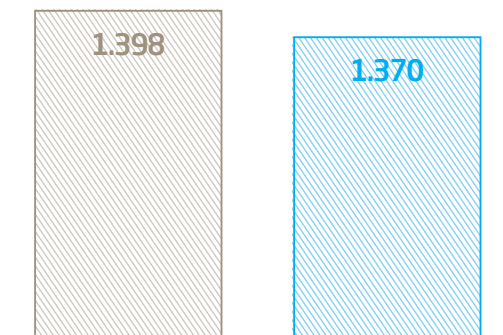
The data are adjusted for all extraordinary effects related to changes in consolidation and severance.

## Operating revenues

| in millions of euros |

■ 2015 ■ 2016

Source: Internal data

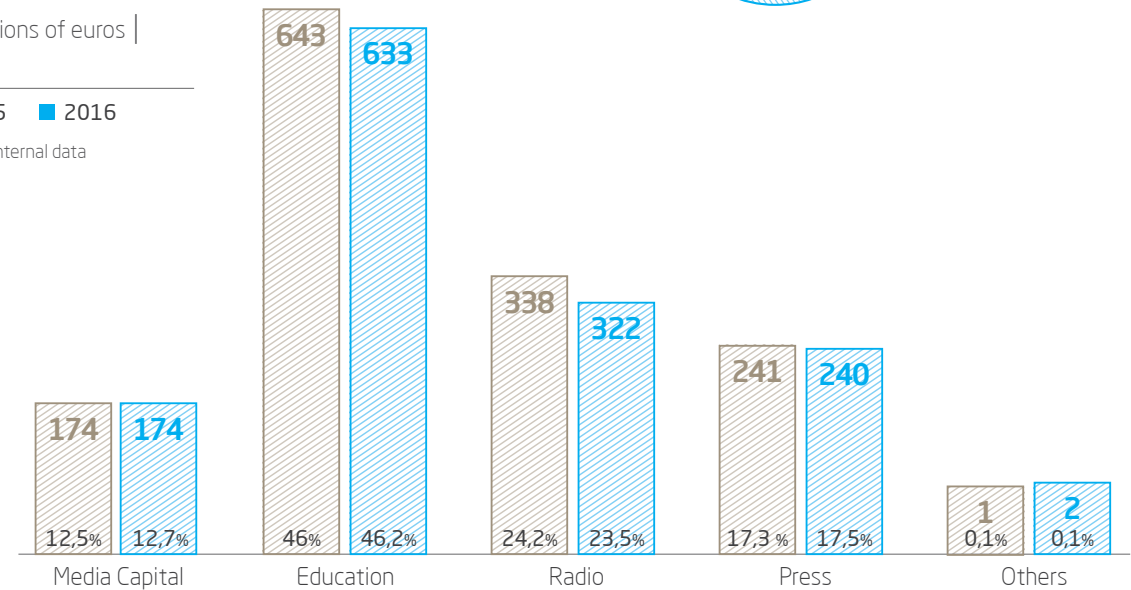


## Revenue by business area

| in millions of euros |

■ 2015 ■ 2016

Source: Internal data

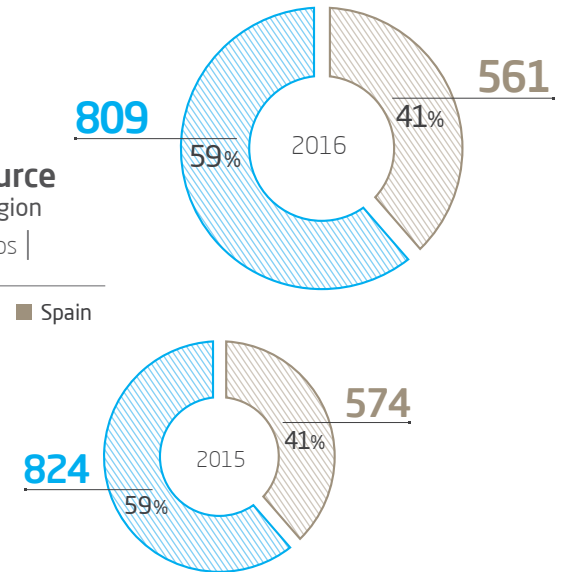


## Revenue source by geographic region

| in millions of euros |

■ International ■ Spain

Source: Internal data



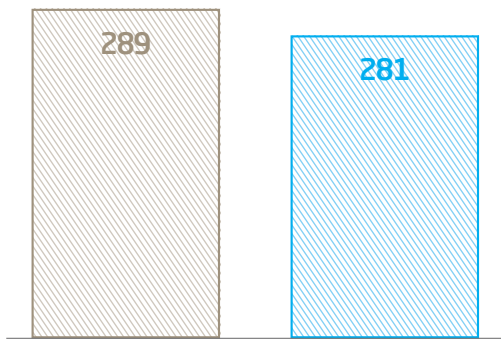


### EBITDA

| in millions of euros |

■ 2015 ■ 2016

Source: Internal data

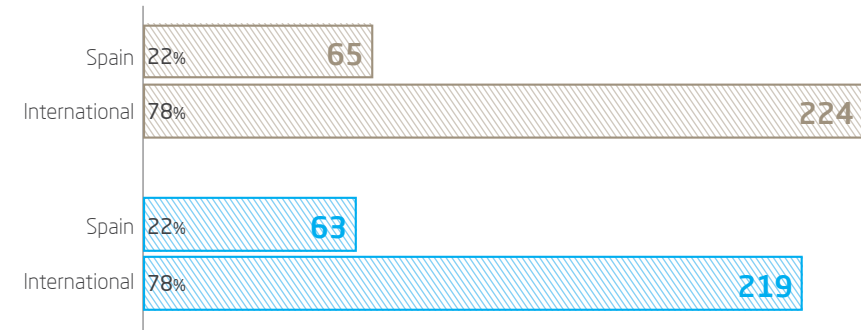


### EBITDA

| Geographical distribution in% |

■ 2015 ■ 2016

Source: Internal data

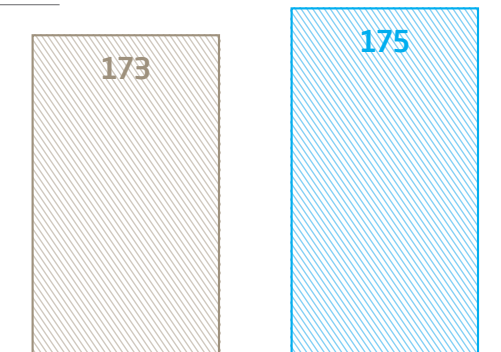


### EBIT

| in millions of euros |

■ 2015 ■ 2016

Source: Internal data

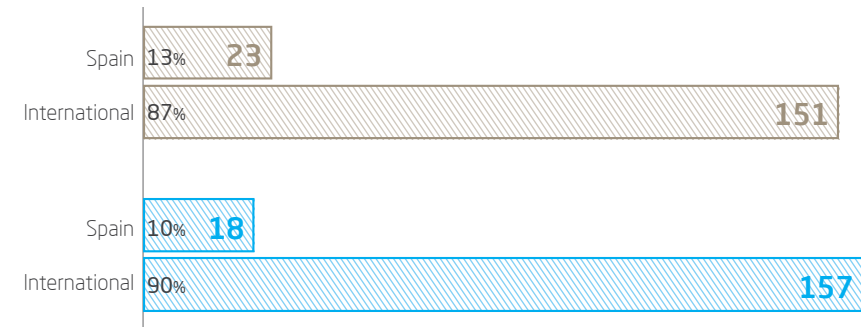


### EBIT

| Geographical distribution in% |

■ 2015 ■ 2016

Source: Internal data

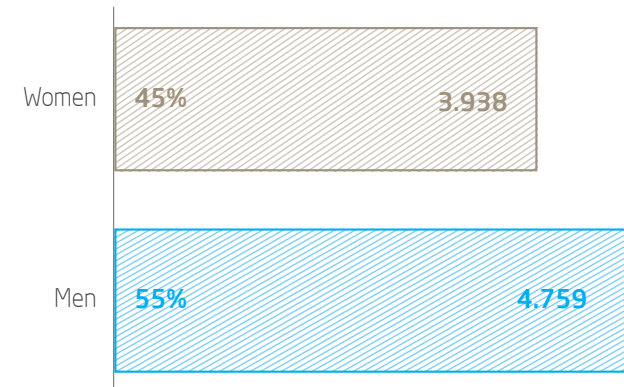


### Employees PRISA

	Total	
	Men	Women
Santillana	1.919	1.987
Radio*	1.473	921
Noticias	561	298
Media Capital	612	445
PRISA Video	7	3
PBS	62	114
PBS América	4	4
PRISA Corporation	20	36
PGS	26	36
Rest	76	92
<b>Total</b>	<b>4.759</b>	<b>3.938</b>

\* Does not include Mexico neither Costa Rica  
Source: Internal data

### DISTRIBUTION OF THE STAFF BY GENDER



### TOTAL EMPLOYEES\*



**8.697**

\* FTE (Full-Time Equivalent): Annual rate of employees expressed in terms of full time employees

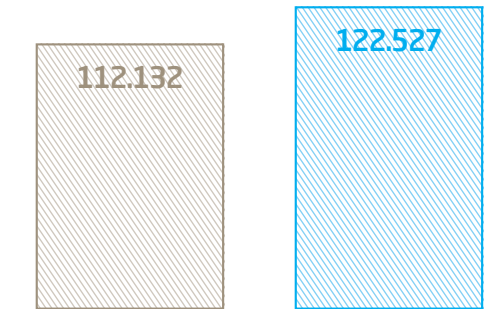
## Digital figures

### Unique browsers

| in thousands |

■ 2015 ■ 2016

Source: Omniture Netscope

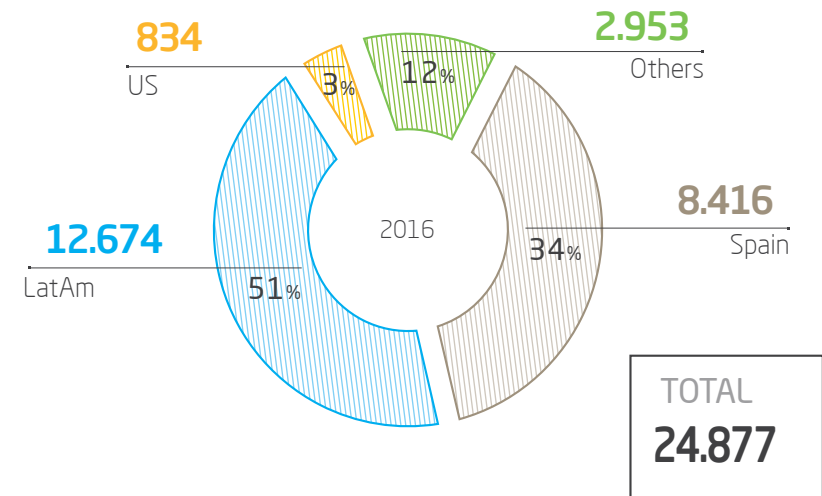


### Unique user PRISA

by geographical region

| in thousands |

Source: comScore



### Unique user - PRISA Noticias

| in millions |

■ 2015 ■ 2016

Source: comScore

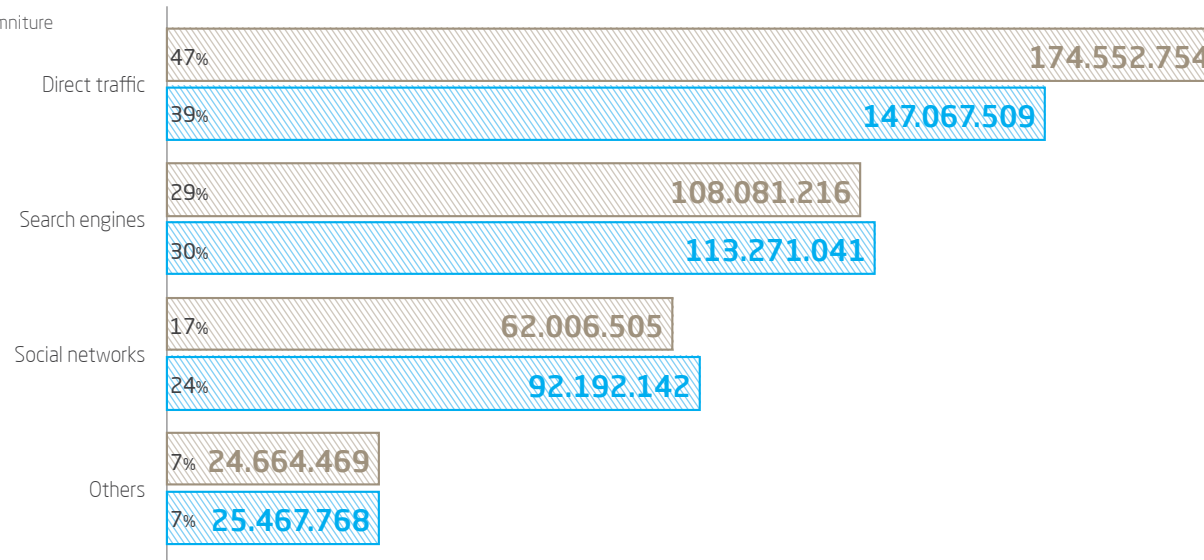
	2015	2016
<b>Total PC Worldwide</b>	20,7	18,8
<b>Total PC + mobile Spain</b>	20,1	20,4
El País	14	14,9
As	6,9	8,1

## Source of traffic to PRISA sites

| number of instances |

■ 2015 ■ 2016

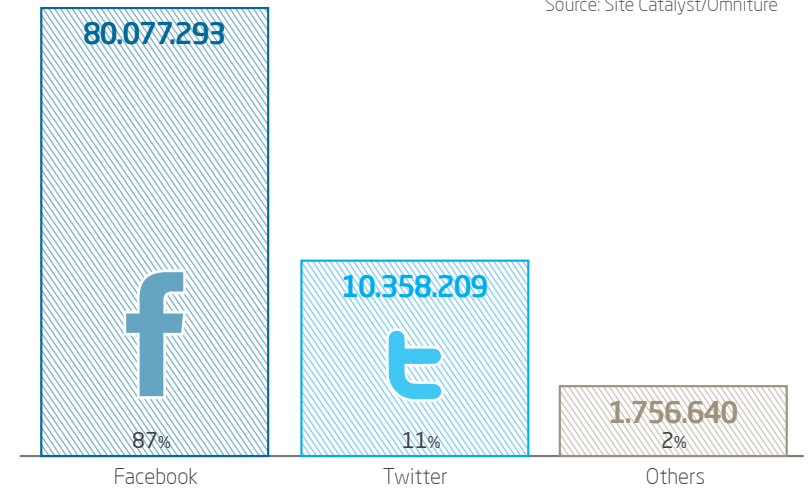
Source: Site Catalyst/Omniture



## Distribution of social traffic to PRISA

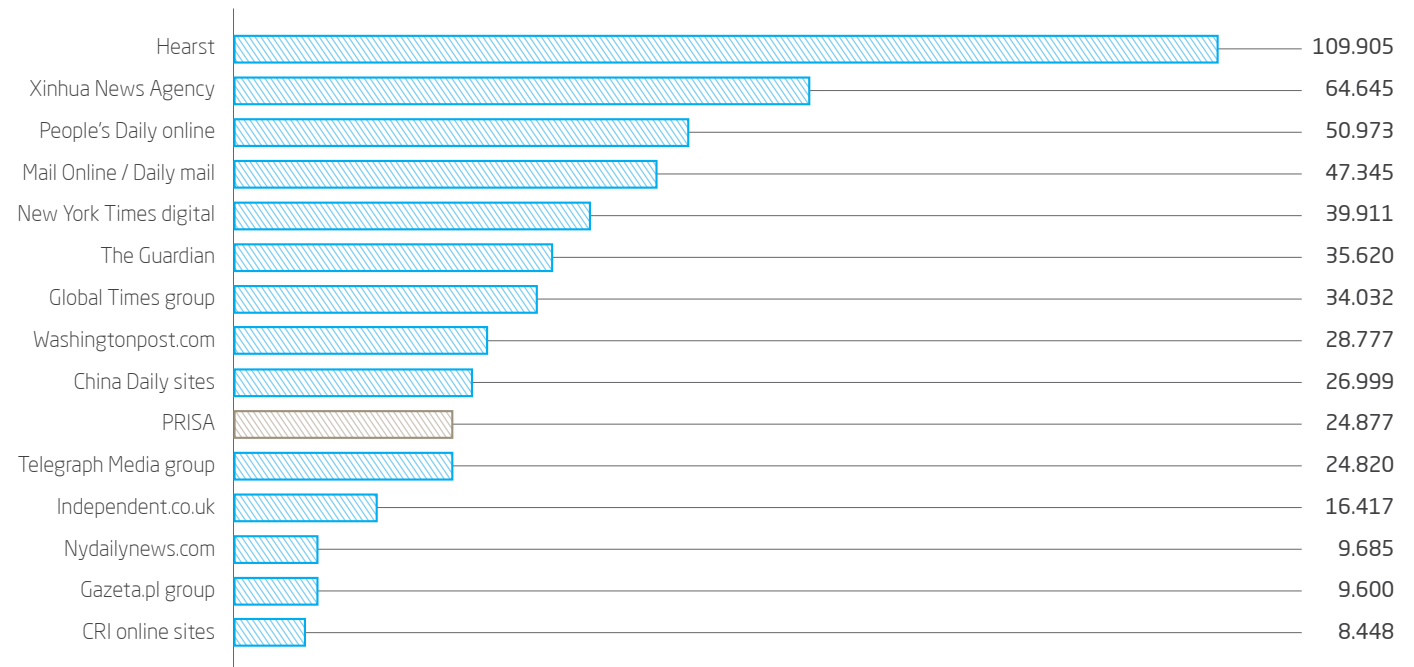
| number of instances by media |

Source: Site Catalyst/Omniture



**Audience for new sites**  
| in thousands of unique users |

Source: comScore December 2016

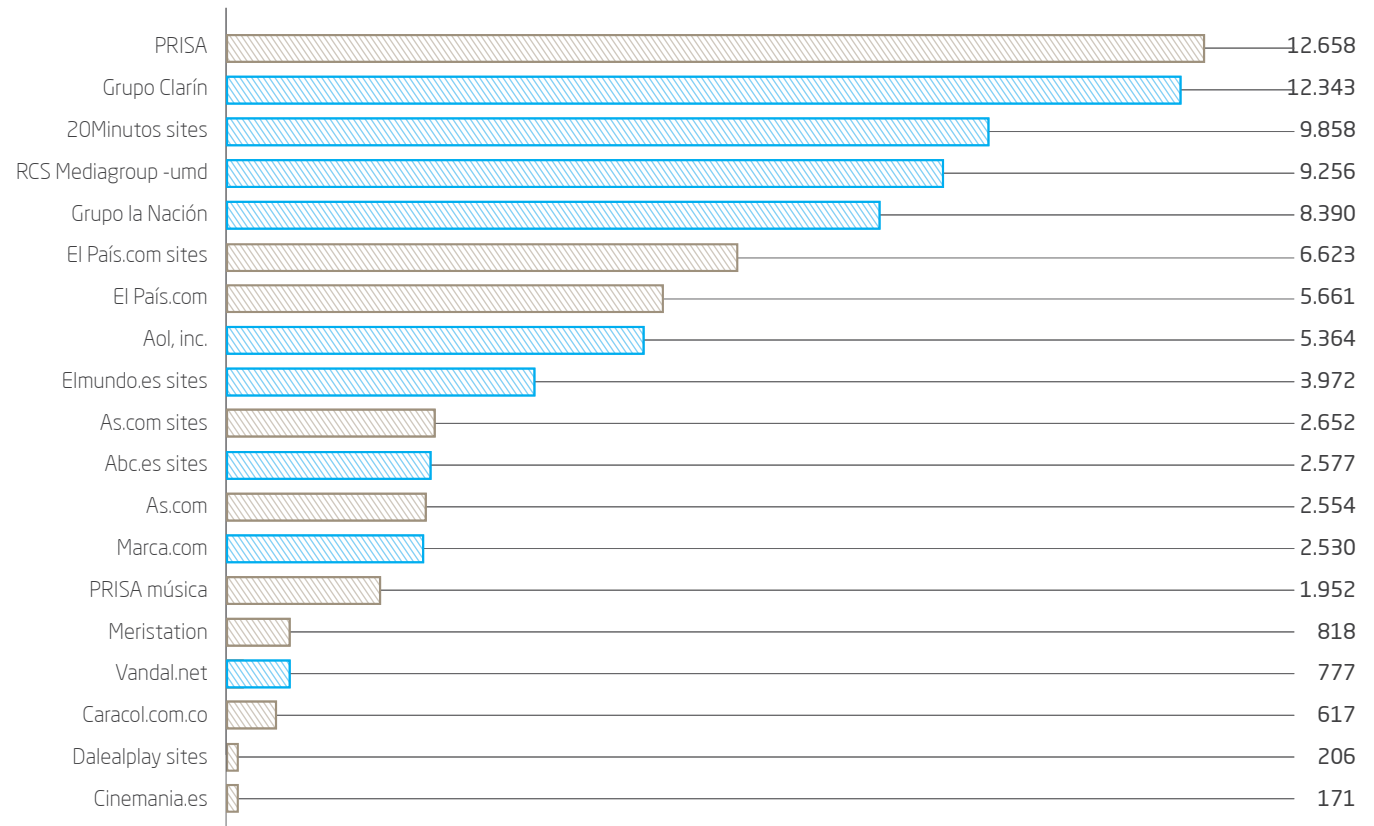


## LatAm audiences for news sites

| in thousands of unique users |

■ Companies that belong to PRISA

Source: comScore December 2016

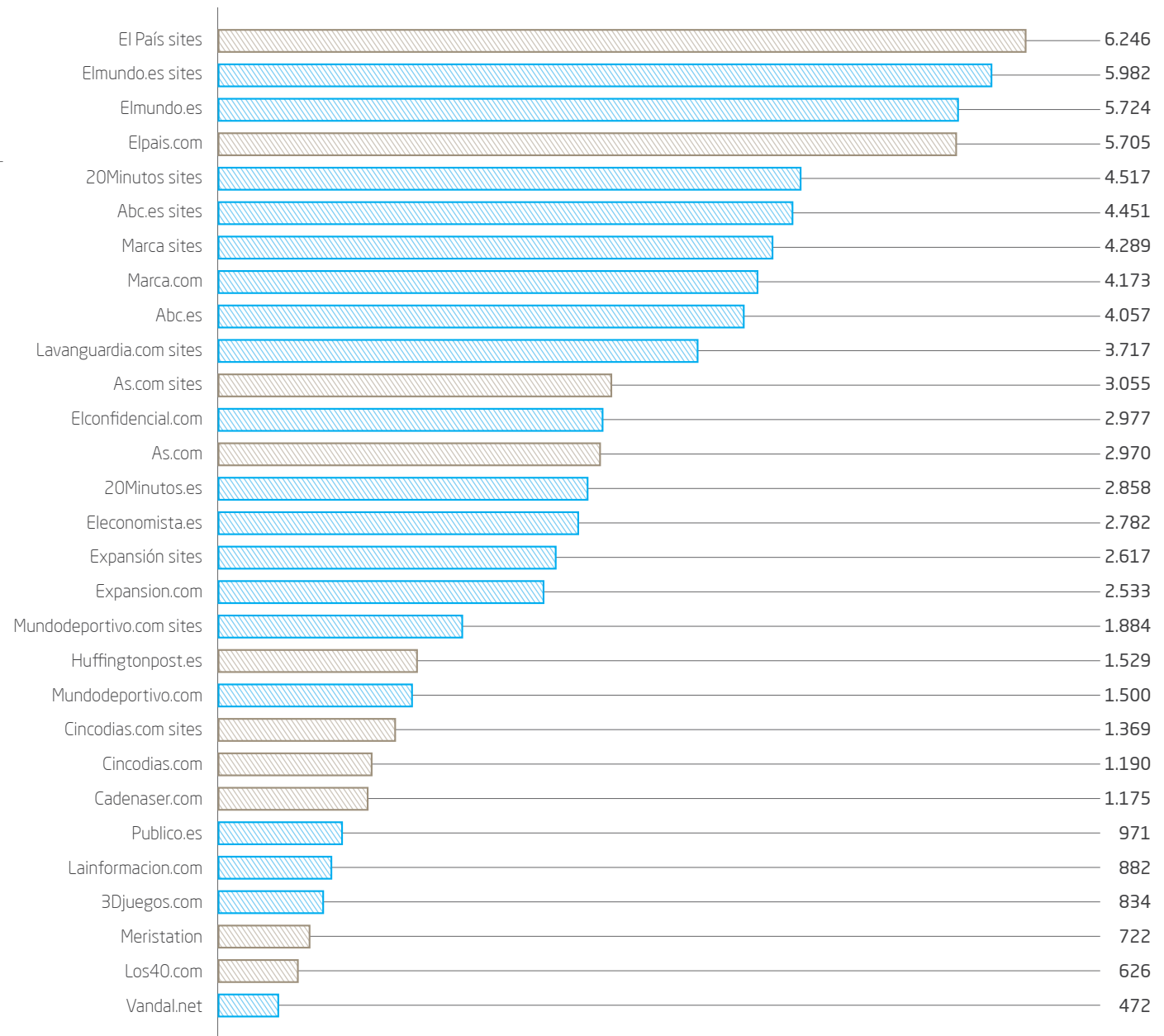


## Spanish audiences for news sites

| in thousands of unique users |

■ Companies that belong to PRISA

Source: comScore December 2016



## PRISA Noticias

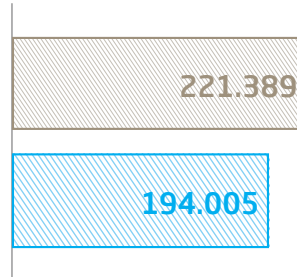
Press on paper data

### Circulation figure for El País

| number of copies |

■ 2015 ■ 2016

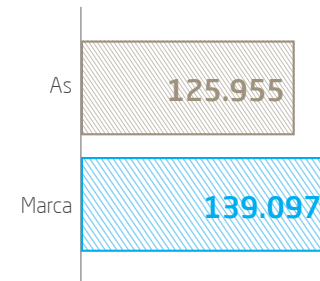
Source: OJD



### Circulation figures for leading Spanish sport printed newspapers

| number of copies - 2016 |

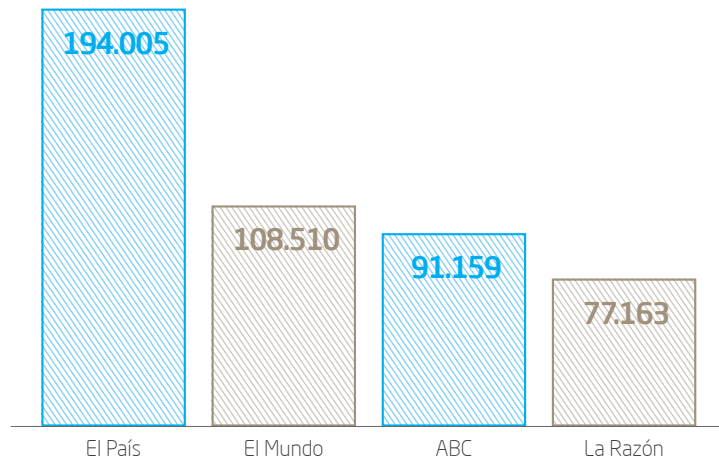
Source: OJD



### Circulation figures for leading Spanish general-interest printed newspapers

| number of copies - 2016 |

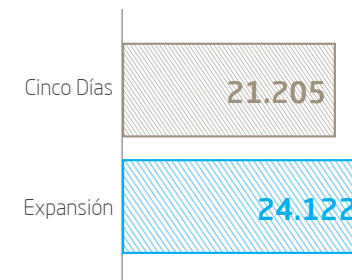
Source: OJD



### Circulation figures for leading Spanish economic printed newspapers

| number of copies - 2016 |

Source: OJD





## PRISA Radio

### PRISA Radio Audience by country

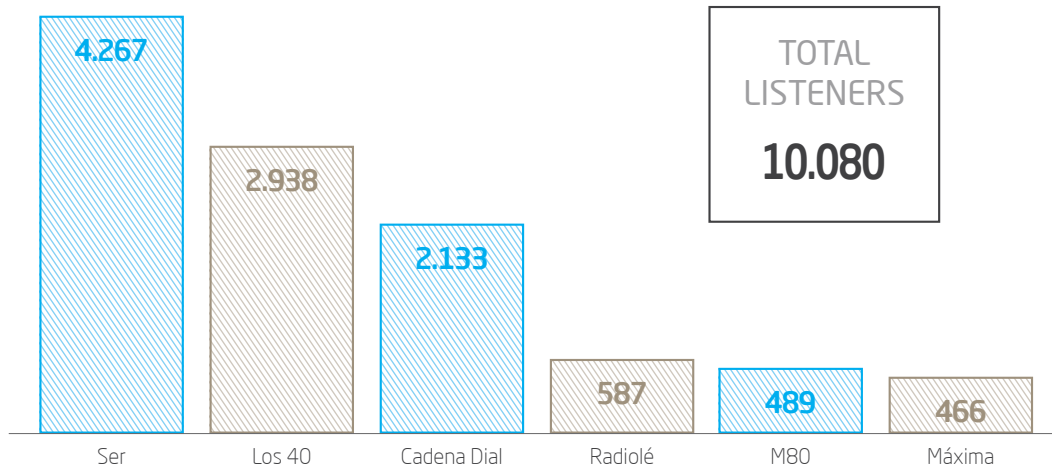
| thousands of listeners |

	Position market	Share audience	Listeners	Source
<b>Spain</b>	1	42%	10.401	EGM January-December 2016
<b>Latin America</b>			12.686	
Colombia	1	28%	7.850	ECAR Noviembre 2015-October 2016
Chile	1	42%	2.269	IPSOS January-December 2016
Mexico	2	15%	1.381	INRA January-December 2016
Argentina	5	14%	870	IBOPE January-December 2016
Costa Rica	4	14%	204	EGM January-December 2016
US - Miami	4	5%	112	NIELSEN January-December 2016
<b>Portugal</b>	2	35%	1.963	Baremo Radio Olas January-December 2016
<b>Total</b>			25.050	

## PRISA Radio audience in Spain

| thousands of listeners |

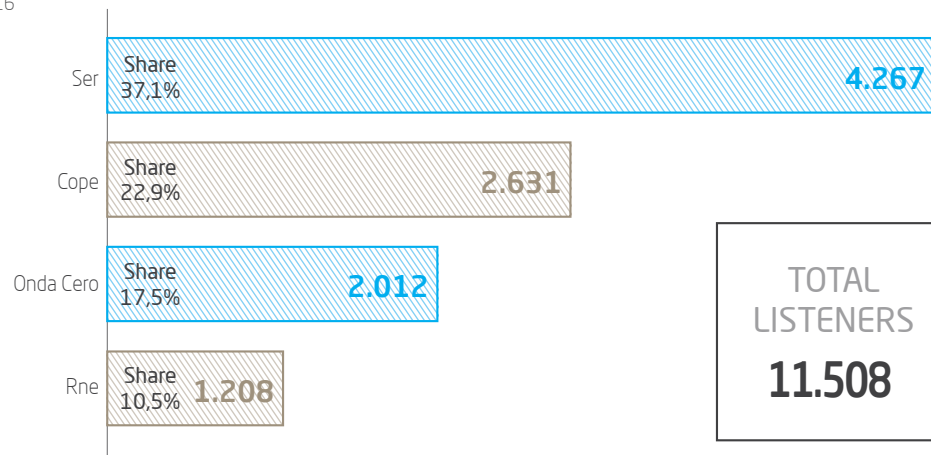
Source: EGM 3ª OLA 2016



## General-interest Radio audience in Spain

| thousands of listeners |

Source: EGM 3ª OLA 2016



## Musical Radio audience in Spain

| thousands of listeners |

	Oyentes	Cuota
<b>PRISA</b>	6.198	43,6%
Los 40	2.938	20,7%
Dial	2.133	15,0%
Radiolé	587	4,1%
M80	489	3,4%
Máxima	466	3,3%
<b>Europa FM</b>	1.927	13,6%
<b>Cadena 100</b>	1.920	13,5%
<b>Rock FM</b>	1.150	8,1%
<b>Kiss FM</b>	929	6,5%
<b>Total listeners</b>	<b>14.206</b>	

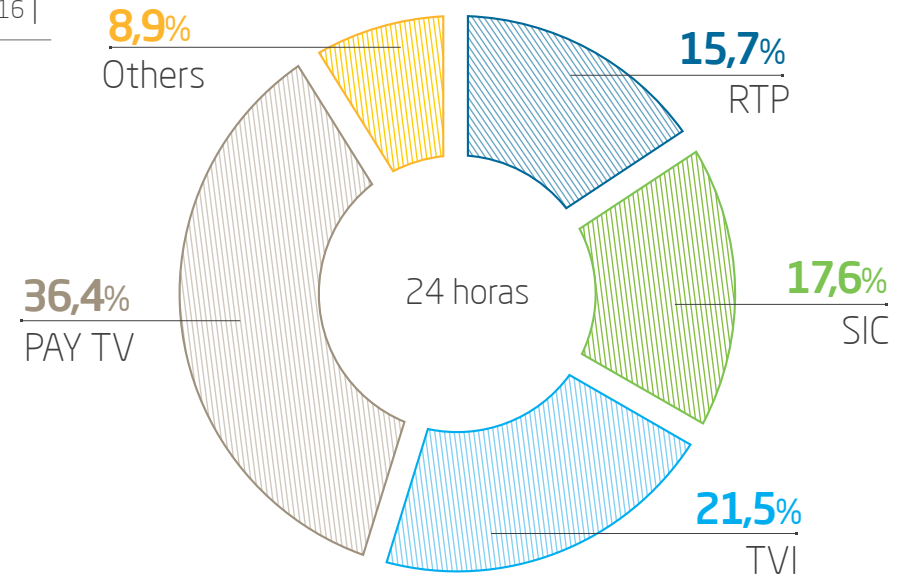
\* Number of net listeners without duplication

## PRISA Audiovisual

### Television share 24 hours

Portugal  
| January-December 2016 |

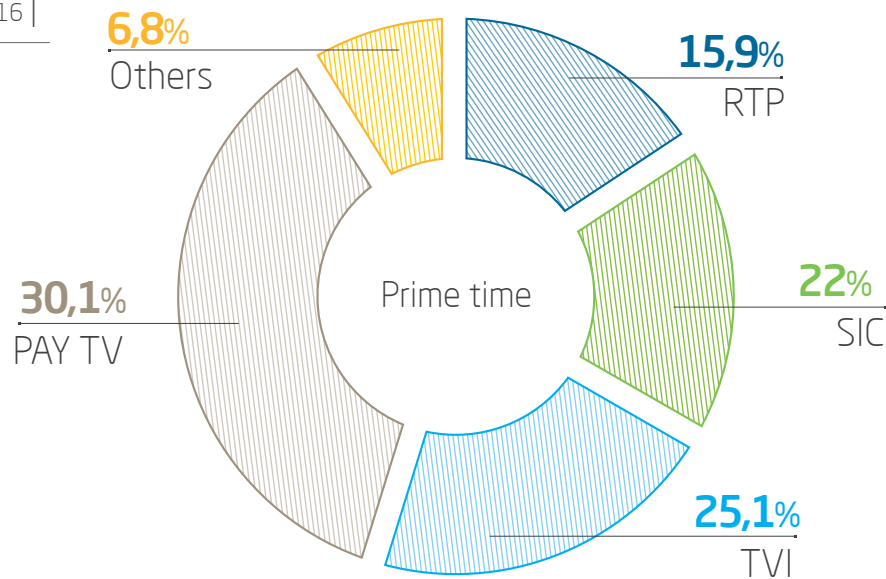
Source: Gfk



### Television share prime time

Portugal  
| January-December 2016 |

Source: Gfk



## Santillana

### Book sales by geographic region

| in millions of euros |

Source: Internal data

	2015	2016
<b>Brazil</b>	175,4	167,2
<b>Spain and Portugal</b>	144,5	138,6
Spain	138,9	133,8
Portugal	5,6	4,8
<b>Mexico</b>	93,1	77,3
<b>Peru</b>	19,9	48,5
<b>Argentina</b>	39,9	27,5
<b>Chile</b>	29,3	26,6
<b>Colombia</b>	19,5	19,6
<b>Venezuela</b>	4,7	7,3
<b>Rest of the Americas</b>	106,8	110,3

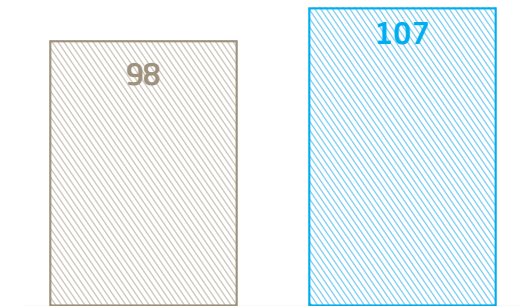
\* Does not include NORMA Editorial

### Annual books sales

| millions |

■ 2015 ■ 2016

Source: Internal data

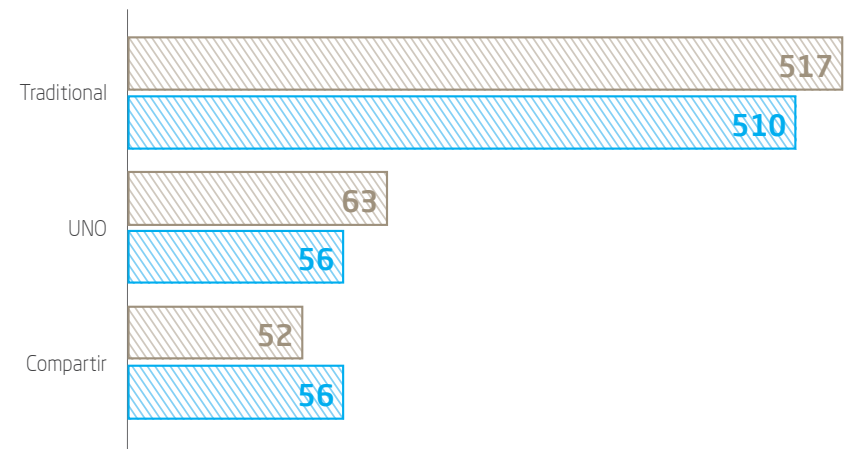


### Sales business area

| in millions of euros |

■ 2015 ■ 2016

Source: Internal data



## Students UNO and Compartir

| in thousands of students |

■ COMPARTIR ■ UNO

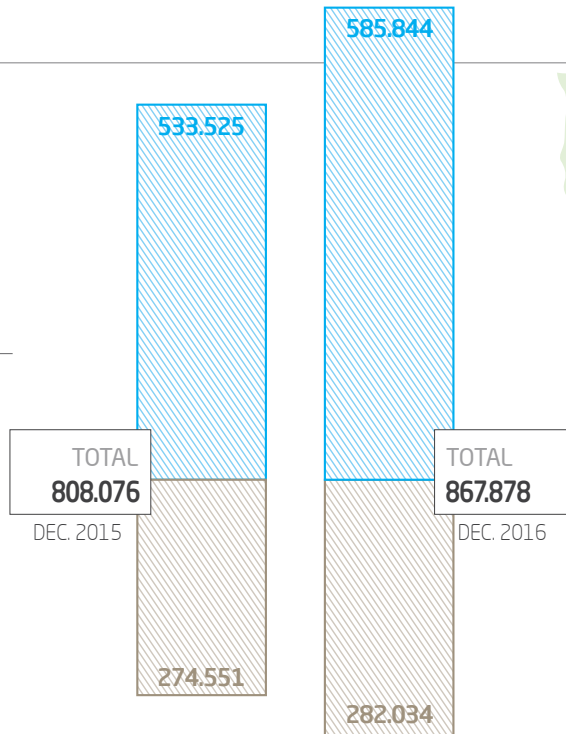
Source: Internal data

### Variation on previous year

**Total:** +7,4%

**COMPARTIR:** +9,8%

**UNO:** +2,7%



## Schools UNO and Compartir

| in thousands of schools |

■ COMPARTIR ■ UNO

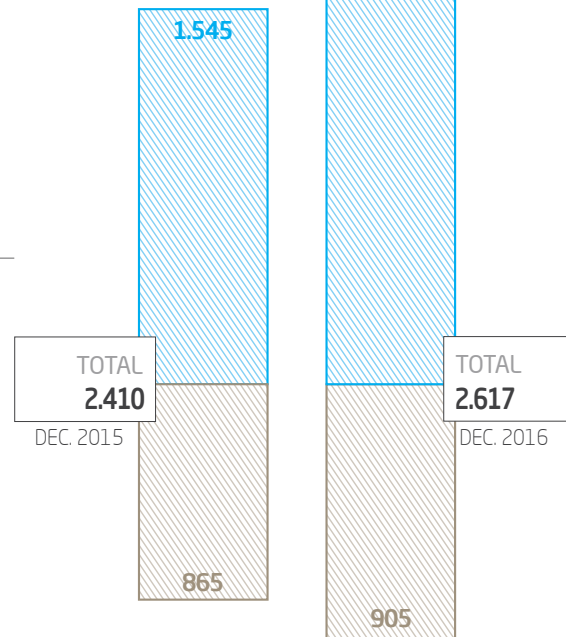
Source: Internal data

### Variation on previous year

**Total:** +8,6%

**COMPARTIR:** +10,8%

**UNO:** +4,6%



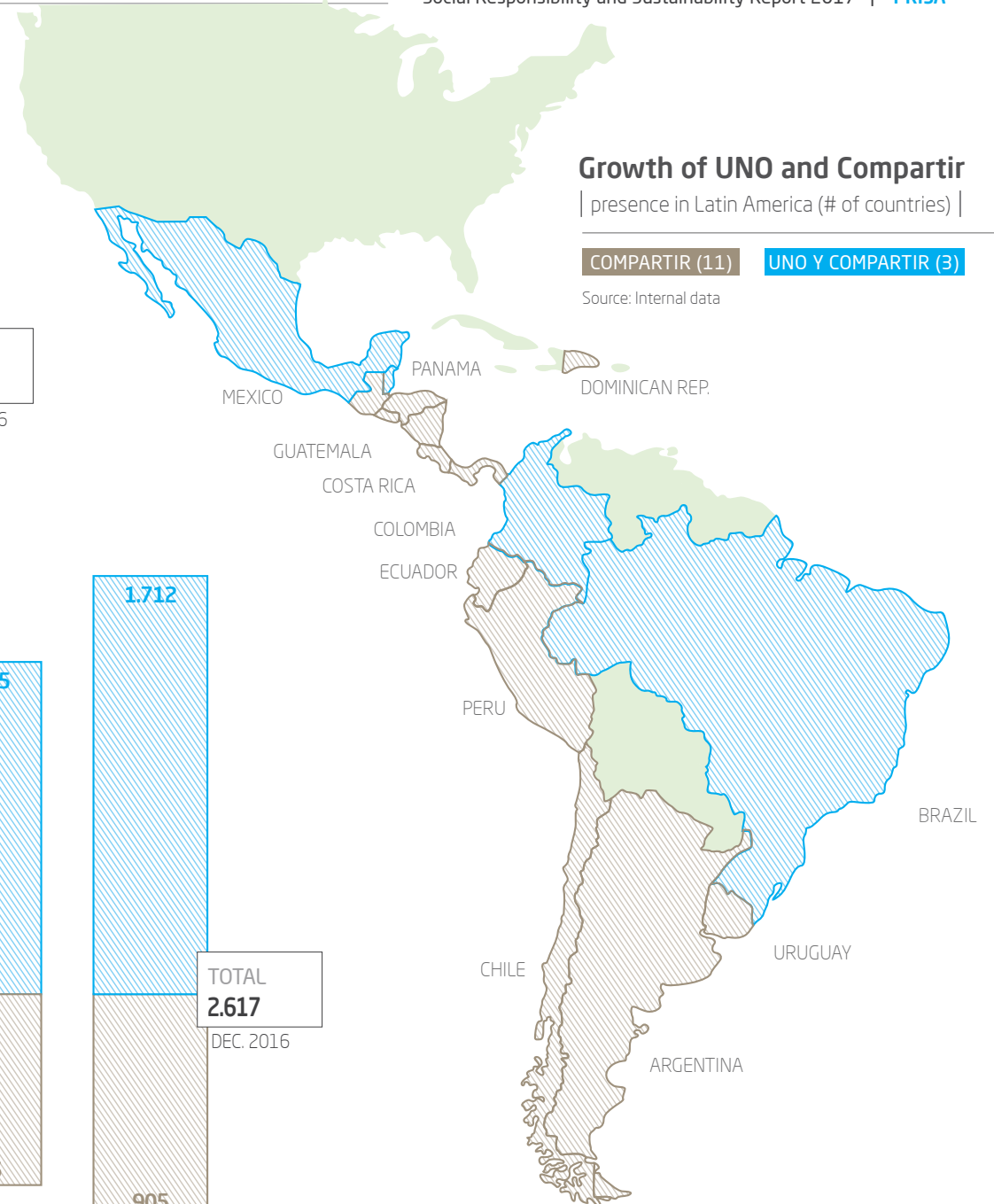
## Growth of UNO and Compartir

| presence in Latin America (# of countries) |

COMPARTIR (11)

UNO Y COMPARTIR (3)

Source: Internal data



# CORPORATE GOVERNANCE

2016 Consolidated  
Financial Statements

2016 Report  
management

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2016 Corporate  
governance annual  
Report

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In 2016, the Group completed the process of revising the company's criminal prevention model, primarily spearheaded by PRISA's Compliance Unit.

As part of this process, and under the framework of the Code of Ethics, a range of internal rules has been adopted, including the following:

- Gifts Policy
- Anti-corruption policy
- Competition policy
- Guidelines on money laundering
- Procedure for managing the Complaints Channel
- Circular for the coordination and exchange of information between the PRISA Compliance Unit and the individual company Compliance Units

Also, to respond to the needs and circumstances of the Company, the Ordinary Shareholders' Meeting, held on April 1, 2016, addressed a restructuring of the Board of Directors, resulting in the re-election of certain directors and the appointment of new directors, all highly qualified and honored professionals, with skills and talents in various fields and sectors of interest to the Company, in order to promote a wider diversity of knowledge, experience, origin and gender within the Board of Directors.

Meanwhile, the Internal Code of Conduct regarding the securities markets (RIC) was modified by the Board of Directors in July 2016, to adapt to the new Regulation (EU) 596/2014, of 16 April 2014, on Market Abuse and its implementing measures, which has been directly applicable in Spain since last July 3.

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

This regulation is applicable to all members of the Board of Directors and members of senior management, as well as corporate center directors and other officers and employees of the Group who may be privy to inside information.

The Internal Code of Conduct is communicated to all persons to whom it is applicable, and who are requested to sign that they are aware both of its contents as well as the obligation to adhere to it.

Also in 2016, in response to the process of financial restructuring that the Company is undergoing, the Board of Directors, at the proposal of the Corporate Governance Committee, approved an “Action Protocol” that will govern said process, and which sets out guidelines regarding the use of inside information.

Knowledge and the promotion of best practices in corporate governance, as well as the ongoing review of the direction of the Company’s activities in the area of corporate social responsibility, inform and guide 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.

In 2017, the actions undertaken in 2016 in terms of corporate governance, crime prevention and compliance in order to consolidate the organizational structure of compliance within PRISA, will continue. There will be a range of training activities and

the Group will seek to raise awareness in this area among all groups involved.

## Our governance structure and responsibility in the choice of content

The Board of Directors of PRISA has established the following committees: i) an Executive Delegate Committee, ii) an Audit Committee, iii) a Corporate Governance Committee, iv) an Appointments and Remuneration Committee, and v) a Technological Transformation Committee.

Details of the composition and responsibilities of the Executive Delegate Committee and of the other committees are available in the ACGR.

The Audit Committee, the Corporate Governance Committee, the Appointments and Remuneration Committee and the Technological Transformation Committee have all published reports describing their functions and activities over the course of 2016.

As for the decision-making processes by the governing structure of PRISA with regards to the creation and distribution of content, and those procedures ensuring editorial independence, the Board does not participate in the processes of defining content, although some of the executive directors, non-executive directors and various

members of senior management of the Company do form part of the highest-level management bodies of the business units and / or hold executive functions in some of these.

Furthermore, these processes are different for each business unit or area and, in general, are applied on a case by case basis, depending on the nature and characteristics of the contents of the specific activity and/or the market.

In the areas of Press and Radio, Grupo PRISA has set up an Editorial Committee made up of PRISA’s Executive Chairperson, the CEO, senior management of the abovementioned business units and of the Group, as well as longstanding journalists. The Editorial Committee defines the editorial line of the group on current affairs without involving any persons who may have economic and / or political interests. The Editorial Committee is the guarantor of the independence of the group.

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 news professionals. The statute governs the professional relationships between the *El País* newsroom and its management and the PRISA publishing company, independently of trade union and labor relations. The newsroom includes all journalists, regardless of the university degree they hold, who write content, and who have been on the staff for at least six months.

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

The editor-in-chief is responsible for the editorial line of *el país*, and is answerable to both readers and the judiciary, within the framework of the principles set out in the statute. To this end, he or she retains the right of veto over all originals, including advertising. Likewise, the editor-in-chief organizes and coordinates all the work in the newsroom. Before the Board of Directors of the publishing company appoint a new editor-in-chief for *El País*, the executive chairperson or CEO must submit to the Journalists' Committee any proposed nominee that may be known to him or her. 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, 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.

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 contemplated in the Constitution, as well as in laws and statutes covering the different sectors (TV, press, radio), and Editorial Statutes, all controlled 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. There is no single committee, therefore, at Media Capital that specifically addresses journalistic content or news outside the scope of the news directors at TVI/radio/press.

With regards 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 projects that provide teachers with a range of different working methods, while presenting content across new media platforms that facilitate the digitization of education.

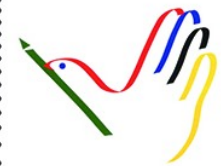
Wherever Santillana publishes books and learning materials, there are corporate, global and national committees which meet regularly and continuously, to make decisions regarding the editorial process: basic projects, publishing plans, innovative

educational targets, business, sales and company strategies, and goals in the areas of creation, communication, innovation etc. 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. The corporate center coordinates the committees and ensures compliance with the rules and laws of each country

Additionally, there are manuals on editorial style, setting standards for writing textbooks, that have been agreed on by the editorial team and recognized by teachers in the countries where Grupo Santillana operates.



United Nations  
Educational, Scientific and  
Cultural Organization



World Press  
Freedom Day



## Our governance structure and 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 of the corporate center. Data are then consolidated and standardized by the Internal Audit, which reports the results periodically to the Audit Committee. The managing bodies of the respective businesses are entrusted with determining who shall be responsible for managing each risk and for the action plans and associated controls to be implemented.

In addition, one of the responsibilities of PRISA's Compliance Unit is to identify, manage and mitigate compliance risks.

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

Internal Control Over Financial Reporting (ICFR) is subject annually to an independent evaluation of the effectiveness of the system by the external auditors of the Group.

A description of the most significant risks and impacts for the Group, as well as details of the procedures for their identification, assessment, analysis and management, are set out in the Annual Report for the year, as well as in the Annual Corporate Governance Report and the Annual Report.

## Compliance and Code of Ethics

**PRISA's Compliance Unit** is an independent body with autonomous powers of initiative and control and is made up of the Secretary General, the Director of Internal Audit and the Director of Human Resources. This unit reports to the Audit Committee and is entrusted with identifying, managing and mitigating compliance risks and ensuring and promoting compliance with applicable laws, the Code of Ethics and the internal regulations governing all the Group's activities.

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

The Compliance Unit reports regularly to the Corporate Governance Committee on all incidents and decisions related to the Internal Code of Conduct as well as the Code of Ethics, so as to enable this Committee to assess compliance with corporate governance rules and accordingly make the necessary proposals for improvement (a task entrusted to the committee by the Board Regulations).

As already indicated, 2016 saw the completion of the process of reviewing the Crime Prevention Model, spearheaded primarily by the Compliance Unit. As part of this process and with a view to developing the Code of Ethics, the Compliance Unit has promoted the adoption of a range of internal rules, among which are the following: Guidelines on Money Laundering, Gifts Policy, Policy on Anti-Corruption and a Policy for the Defense of Competition.

## Code of ethics

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

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

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

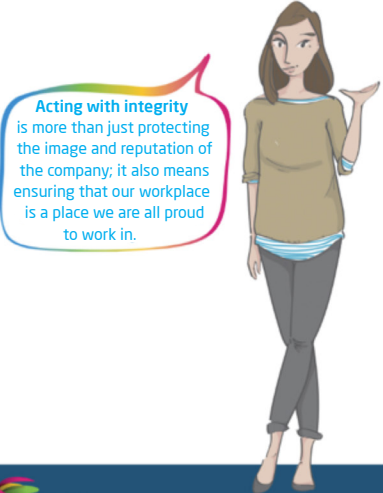
- iii. Conflicts of interests among professionals, and customer relations with the Group.
- iv. External activity of professionals and competition.
- v. Internal control and prevention of corruption: regulating aspects such as the reliability of information, control of records, reserved and confidential information, protection of personal data, gifts and favors, bribery and anti-corruption measures, and prevention of money laundering and irregularities in payments.
- vi. Corporate image and reputation.
- vii. Relations with other stakeholders (shareholders and investors, partners in commercial projects, clients and customers, employees, suppliers, contractors and business partners, competitors, governments and authorities, etc.).

Professionals subject to the Code should raise any issues or queries regarding the Code to their immediate superior or their Human Resources Department.

The Code of Ethics, available in Spanish, English and Portuguese, has been communicated and disseminated among all Group employees to whom it applies. In 2016, the Communications Department of PRISA has carried out, under the supervision of the Compliance Unit, a plan for internal communications of the Code, covering its basic principles and other important information.


The Code of Ethics is permanently available on the corporate website [www.prisa.com](http://www.prisa.com) and the global intranet of the Group, To-youhome.

## GRUPO PRISA'S GENERAL ETHICAL PRINCIPLES



Ethic Code

<p><b>HUMAN RIGHTS AND CIVIL LIBERTIES</b></p> <p>PRISA is firmly committed to respect for human rights and civil liberties, the construction of democracy and freedom of speech, conservation of the environment, and to collaborating in the development and wellbeing of the communities we touch.</p>	<p><b>PROFESSIONAL DEVELOPMENT, EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND RESPECT FOR OTHER PEOPLE</b></p> <p>PRISA is convinced that our professional teams constitute our company's greatest asset, which is why we promote equal opportunities in access to employment, training and promotion, as well as non-discrimination based on social, physical or social status.</p>
<p><b>WORKPLACE HEALTH AND SAFETY</b></p> <p>PRISA will adopt preventive measures in the area of workplace health and safety in accordance with current legislation</p>	<p><b>PROTECTION OF THE ENVIRONMENT</b></p> <p>PRISA will conduct all its operations in a way that will minimize their negative impact on the environment, and will ensure that all legally established environmental standards are rigorously met.</p>



Si conoces irregularidades o incumplimientos de normativas que afecten a sociedades de Grupo PRISA, sus empleados o sus actividades, puedes comunicarlo en el Canal de Denuncias. [www.prisa.com/es/canal-de-denuncias](http://www.prisa.com/es/canal-de-denuncias)

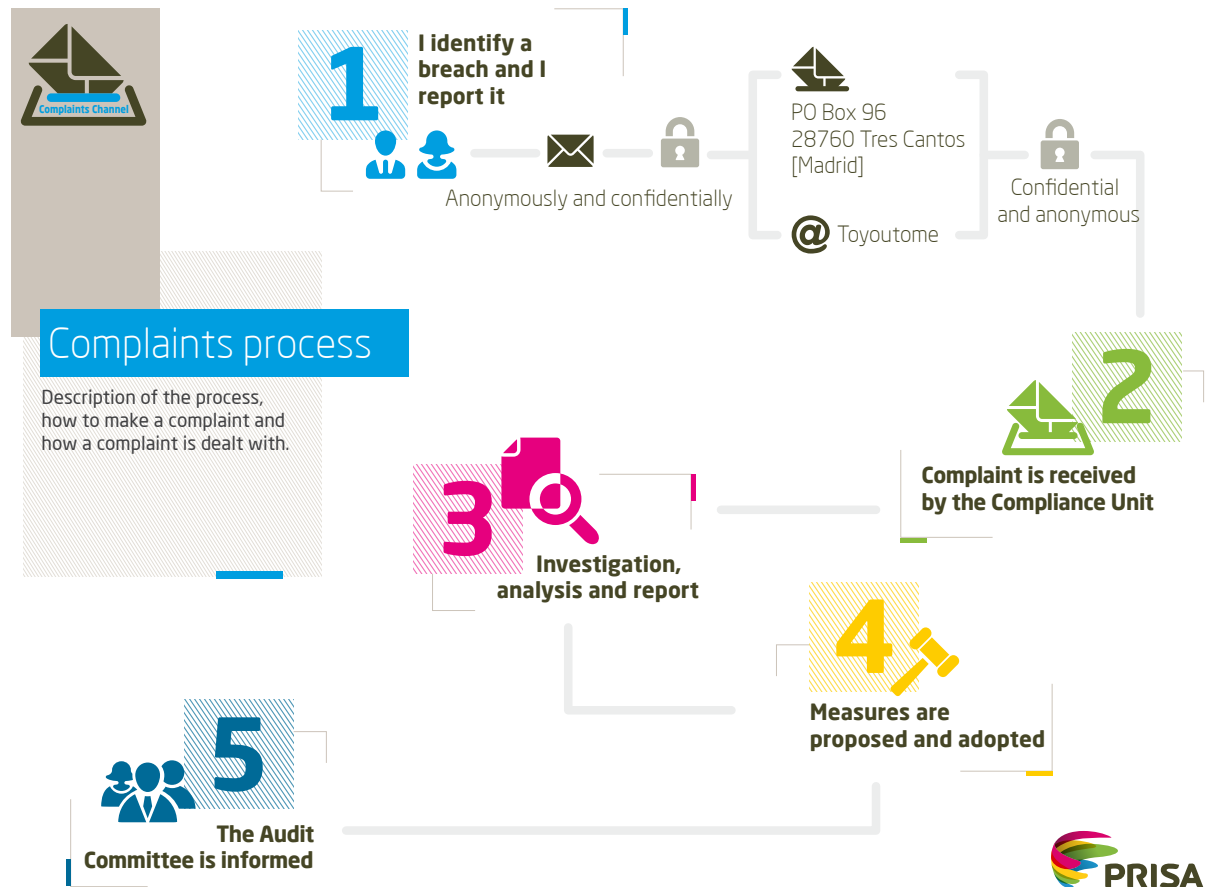
## Complaints channel

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

The complaints channel is available on the corporate intranet Toyoutome or via the PO Box 96 in Tres Cantos. It enables any employee, anonymously and confidentially, to report complaints concerning irregularities or breaches of both external and internal regulations. Additionally, there is a confidential complaints channel enabled for third-parties on the corporate website.

There are mechanisms in place to promote awareness of the existence and operation of the complaints channel, chiefly on the PRISA intranet and website, where both employees and third parties can consult the rules governing how it works. In 2016, a Circular was approved on the exchange of information and coordination between the Compliance Unit and individual business compliance units, as well as a procedure for managing the Complaints Channel.

Meanwhile, all communications issued by Corporate Communications in relation to the Code of Ethics and Compliance Unit in 2016, have made reference to the Complaints Channel and have indicated the process for reporting irregularities and breaches through it.





International  
Press  
Institute



[Detail of the list of associations and institutions to which Santillana belongs.](#)

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## Collaboration with significant associations and institutions

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

In Europe, PRISA is a member of the European Publishers Council, an important association of leading media organizations and which represents our common points of view to the EU. We are also affiliated to the International Press Institute (IPI), WAN-IFRA (World Association of Newspaper and News Publishers), OPA Europe (Online Publishers Association Europe), and the Club of Rome, ASI-MELEC (Asociación Multisectorial de Empresas de Tecnologías de la Información, Comunicaciones y Electrónica), IAB (Internet Advertising Bureau), AIMC: Asociación de Investigación de Medios de Comunicación, and the APD (Asociación para el Progreso de la Dirección), among others.

In the Americas, PRISA collaborates with the press association, Sociedad Interamericana de Prensa (SIP), and the Latin American Business Council (CEAL). The Group has been instrumental in the

success of the Foro Iberoamérica (Ibero-American Forum), which it founded and which every year brings together leading figures from the worlds of politics, business and culture from all across the region to discuss common problems throughout this geographical and cultural area.

In the Spanish education arena, Santillana is an active member of the National Book Publishers Association, ANELE, the Federation of Spanish Book Publishers (FGEE), the Madrid Publishers Association, IMS Global Learning Consortium, as well as other educational organizations with common interests and values such as teaching, quality and responsibility. In Latin America, the company belongs to a wide range of relevant associations from all over the region, which are detailed at the link that appears next to these lines.

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

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

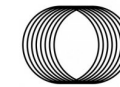
In Colombia, the Group is a member of ASOMEDIOS, SAYCO & ACINPRO, and ACIM (Colombian Association for Media Research). In Mexico, we are active members of ARVM (Association of Radio for the Valley of Mexico region) and in Argentina of ARPA (Argentinian Association of Private Broadcasters) and CCMA (Chamber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

In Portugal, Grupo Media Capital is a member of the Portuguese Social Media Confederation, which brings together more than 600 companies from the press, radio and TV sectors, AEMETIC (Association of Electronics, Information Technology, Telecommunications and Digital Content), APDC (Portuguese Association for the Development of Communications), AEM (Association of Issuers of Listed Securities), CAEM (Commission for media research and analysis), ACEPI (Association of digital economy and e-commerce businesses), AIABP (Interactive Advertising Bureau) and APR (Portuguese Association of Broadcasters).

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



INTER AMERICAN  
PRESS  
ASSOCIATION



LENA  
LEADING — EUROPEAN  
NEWSPAPER — ALLIANCE

# SHAREHOLDERS AND INVESTORS

## Shareholder structure of PRISA

As of December 31, 2016, PRISA's share capital was made up of 78,335,958 ordinary shares, all belonging to the same class and series, with a nominal value of 3 euros each and numbered consecutively from 1 to 78,335,958.

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

The largest shareholders in the company in 2016 are Amber Capital, Telefonica, Rucandio, Consorcio transportista Occher S.A, International Media Group, HSBC, Banco Santander and Caixabank, with the company's free float at around 19%



General meeting of shareholders

Over the course of 2016, PRISA reached an agreement with some of its main creditors to issue bonds mandatorily convertible into PRISA shares at 10 euros per share through the swap of financial debt. The amount of this issue has amounted to 100,742,090 euros, and conversion into PRISA shares is due to take place in 2018.

## 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.

When approving the Social Responsibility and Sustainability Report, significant shareholders are taken into account through the Board of Directors, since among its members are 4 proprietary directors who represent them.

The main communication channels are:

### Comisión Nacional del Mercado de Valores (CNMV) and other government agencies

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

### Corporate Website

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

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

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

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

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

This section of the web site provides Company financial information and presentations to analysts, indicating the share performance. Furthermore, the website contains all information submitted to the CNMV, information on Corporate statutory norms and regulations (Statutes, Regulation and Policies),

information about the Board of Directors, the Executive Delegate Committee, and all the other Committees. Information about Shareholders’ Meetings, as well as the Corporate Governance Reports issued by the Company, is also available online.

### Meetings with shareholders and investors

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

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

### Investor Relations Department and Shareholder Services Office

The Company has two permanently open and transparent communication channels with shareholders and institutional investors: the Investor

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

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

The department may be contacted at the email address [ir@prisa.com](mailto:ir@prisa.com) and telephone number +34 91 330 10 85.

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

At least once a quarter, and following the publication of the Company's financial results with the CNMV, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and

the Investor Relations department hold a conference call in which the financial results are explained in detail and all queries are addressed.

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

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

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

The office may be contacted at the email address [ia@prisa.com](mailto:ia@prisa.com) and telephone number +34 91 330 11 68

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

## Annual General Meeting of Shareholders

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

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

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

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



Shareholders may attend the General meeting, as well as conferring their representation in favour of another person, or exercise the right to vote.

The Investor Relations Department strives to maintain and improve the flow of communication with shareholders, investors and financial markets, and endeavors to increase the transparency of all information provided. This objective has been even more important during 2016, in light of the following circumstances:

- A recovery in macroeconomic conditions in Spain, against a backdrop of political uncertainty.
  - Macroeconomic difficulties in some of the countries in which the Group operates, chiefly Colombia and Chile
  - Uneven performance of Latin American currencies in those countries where the Company operates.
  - A number of changes to the Group's perimeter of consolidation.
- The repurchase of debt at discount.
  - Strategic review process of the company evaluating a range of different alternatives.

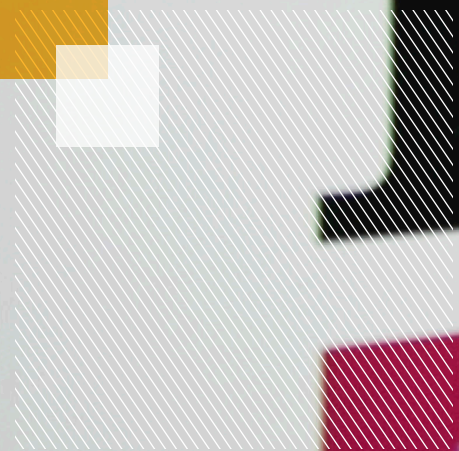
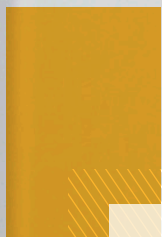
The abovementioned factors mean it is crucial to provide greater levels of attention to shareholders and investors, both debt and equity, and, consequently, greater efforts by the Investor Relations Department.

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

The above-described circumstances have also required paying special attention to financial analysts in 2016.

**EL PAÍS**

**RETINA**





3

# Commitments and future challenges

# 3 Commitments and future challenges

A commitment to the development and progress of society and citizens through quality news and information, education and entertainment is in PRISA's very DNA. A commitment to society, with which we engage through our stakeholders, both internal and external, has always been at the very core of all PRISA's operations. From the very beginning, PRISA has championed innovation and rigor as the best ways to guarantee the improvement of service to our customers across all our products. This commitment remains our priority and is our most valuable asset. The main challenge for the future is to continue working to maintain our exacting standards.

Globalization and the free-market economy have fostered the development of an extreme consumer culture that often relegates

to the sidelines the true value of institutions, knowledge and reflection. Companies involved in culture and education, such as PRISA, must bear the daily burden of responsibility in the exercise of quality journalism and education, both of which are crucial to the construction of the critical and informed public opinion that is required by future citizens. PRISA, therefore, has to take on the added challenge posed by the environment in which it operates by embracing the necessary transformation of its business model —a model that places the user at the center— while holding on to the basic values and principles of its identity as a factor that sets us apart. We are committed to our duty of safeguarding the future of responsible citizenship and a fairer, more sustainable world.



## Products

The mission and vision of PRISA, the group's values and its position, are reflected in a wide range of products that clearly set it apart from the competition.

## Sustainability

Today's consumer is looking for companies that embrace social and economic justice and a concern for the environment, in their mission, vision and values.

## Stakeholders

Staff, opinion leaders, clients, shareholders, etc.

## A recognized commitment to facing ongoing challenges

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

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

tainability. As a result, every year since 2013 we have obtained the GC Advanced level for the reporting of non-financial information, and in 2015 we launched a series of debates in partnership with the Global Compact to champion the most important issues of the year: The new Millennium Sustainable Development Goals (SDGs) and the Climate Conference (COP21). In 2016 the Global Compact invited us to join its Executive Committee in recognition of our commitment to society and our continuous improvement in CSR. From this position we will be even more proactive in promoting the Ten Principles and SDGs, both through our own projects and those we undertake with third parties.

PRISA is part of the SERES Foundation, which promotes corporate engagement to improve society. Since its inception, we have actively participated in its Steering Committee, on which we have sat since 2014 and where we work to advance the programs and projects of the Foundation. In 2016 we continued with the round of debates, which started successfully in 2015, involving senior management from those major Spanish companies who are most active in sustainability, and we will continue to forge ahead with this and other new collaborative projects in partnership with SERES. In 2016 we were also invited to join the Foundation's Communication Committee, from where we will help promote and publicize the social initiatives of companies.

Meanwhile, in 2016 we have also used our content to promote a greater awareness of the SDGs, an endeavor which was honored by the SERES Foundation when the award Premio SERES 2016, went to Planeta



FTSE4Good



Red Española

**seres**  
fundación sociedad y empresa responsable

Futuro, the *El País* portal for sustainable development.

## Progress in management and CSR reporting

In 2016 we have reached the goals we set ourselves for CSR management, renewing our materiality matrix to incorporate the 17 new Sustainable Development Goals by 2030. This has involved a thorough analysis of our map of stakeholders, as well as the communication channels we use to interact with them, in order to refine and define in detail the relevant issues or information that must be reported and take into account their impact on our value chain. At the same time, we have carried out a new market analysis to learn more about industry trends and how competi-



tors are performing in this area in order to contextualize our performance and progress. We have incorporated all of this into our system of GRI-G4 (Global Reporting Initiative) indicators in time for the preparation of this Annual Sustainability Report. This development helps us comply with the best practices of the Corporate Governance Code issued by the CNMV in 2016.

## Toyoutome. Our essential cultural transformation

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

The most prominent sustainability initiative at PRISA since 2011 has been the Toyoutome project, the Transformation Plan's framework concept for the cultural and organizational transformation of the Group. The project, which aims to change the way we work in order to become a

truly connected organization and to promote the professional development of all staff, took the important step in 2015 of fully integrating the Office of Transformation into the areas of human resources and Communication, with which it had previously collaborated closely. The degree of maturity of the tools developed in the field of knowledge management, career development, training and leadership, have been detailed every year in this report —and they have now been developed sufficiently so as to allow us to take definitive steps as

envisaged in the Transformation Plan, which calls for their complete integration into the day-to-day management of the company.

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

## Communications Master Plan 2016-2020

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

This new stage in our journey is marked by three major trends: hyper connectivity, ongoing global redesign and the creation of shared value. This means putting people at the center of all our communications and marketing activities, with a clear focus on the differential values of our company. We have redoubled our attention to the manage-

ment of the Group's brands in order to make them true guarantors of credibility and quality for all our stakeholders. The plan is aimed chiefly at constantly improving the corporate reputation of the company as a whole and at strengthening our product brands. In addition, we aim to transform Corporate Reputation and CSR into strategic assets of PRISA, and we envisage them as being seen as such, and as levers for growth, by senior management.

## Commitment to transparency and corporate governance

Since 2015, PRISA has strengthened its compliance structure through its Compliance Unit, which in 2016 has intensified its work of supervising the operation and enforcement of the Group's criminal prevention model and the promotion of ethical behavior among employees. Furthermore, it also oversees compliance with the legislation applicable to the Group's activities and the internal rules of the organization.

PRISA's Compliance Unit is made up of the Secretary General, the Director of Internal Audit and the Director of Human Resources. The Compliance Unit reports to the Audit Committee of PRISA. Other compliance units have been created at Santillana, PRISA Noticias, PRISA Radio, PRISA Brand

Solutions and Media Capital, which will together oversee all companies making up their respective business units.

One of the pillars is the new **Code of Ethics** which was revised and updated in 2016. This code, mandatory across the entire Group, sets out and defines appropriate conduct that makes our company a world leader for excellence in education, news and information, and entertainment throughout Ibero-America. We have carried out a range of awareness-building activities among our professionals to underscore its importance, aware that the reputation of prestige and quality that



Code of Ethics  
2016

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we have been building since the very beginning of our group derives from our day-to-day collective work. All of us who form part of the PRISA project are duty bound to ensure its survival. The smooth and successful running of the organization depends upon our commitment to, and individual responsibility for, these principles and values. We have therefore communicated specific items of interest to appropriate groups, such as senior management, who must demonstrate exemplary conduct, and communication and content managers on social networks, who have a constant impact on the Group's reputation and who are brand ambassadors and are responsible for direct dialogue with customers and users. By means of PRISA's intranet, and other communication channels, we have distributed informative digests that are to be taken into account when designing new policies and regulations, such as the policy of company gifts. In 2017, we will continue to inform on other policies and articles enshrined in the Code of Ethics.

### Increased transparency and accessibility of information about PRISA

In our ongoing quest to improve transparency and the access to information about PRISA, we are committed to increasing the flow of communication with shareholders and investors through all media at our disposal, as well as to improving the

information made available to the markets, in order to facilitate comprehension and understanding. The goal is to provide all necessary, timely and appropriate information to financial analysts covering our company so that they can more accurately analyse and reflect the situation of the Company and its future prospects.

We continue to work on setting up a system key performance indicators (KPIs) to measure intangibles in the Group and the return on and impact of CSR actions. This will help us to truly value what we do and will allow us to refine and improve the actions to be undertaken.

We aspire permanently to ever new and broader recognition, such as international standards including the Dow Jones Sustainability Index, that validate the progress of our commitments and good practices. In this way, our stakeholders may clearly identify us with our principles and values.

### Commitments and challenges of the business units

#### PRISA Noticias

PRISA Noticias aims to consolidate its position as the leading creator and provider of quality content in Spanish, Portuguese and Catalan, in all formats. Innovation and new narratives are the key objectives.

With a firm commitment to Ibero-America, PRISA Noticias seeks to contribute to the transformation, modernization and progress of all societies and become the media group of record in Ibero-America. To this end, the company will continue with the work of permanent adaptation of its news titles to society's new ways of consuming news and information —without losing sight of our hallmark values and the founding values of each newspaper.

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

*El País*, thanks to a unique editorial policy and quality, will seek to consolidate its relationship with increasingly global audiences. It will, therefore, continue the process of constant improvement of content, offering this across all digital media. Mobility and a greater commitment to video —with the aim of incorporating this definitively into the DNA of the newspaper— will be just two of the challenges for the newspaper in 2017. Other major challenges will be increasing audiences and boosting the presence of our content wherever our users are through the reinforcement our multi-distribution strategy.

As is set to turn 50 in 2017, and will be running special anniversary content and events over the year. It will continue its international expansion,



with a focus on the Asian market and will consolidate current expansion in Latin America.

In addition, *As* will work on the Data Football Suite project, for which it was selected by the Google DCI initiative. This new tool is focused on bringing business intelligence and data analysis to reporters.

Video, mobility, quality content and immediacy in the transmission of sports results will be key to sustaining growth and expansion of the brand. While keeping the style of the newspaper, *As* aims to be the go-to platform for Spanish sport all over the world.

*Cinco Días*, PRISA Noticias' renowned business and finance daily, will continue to forge closer links between the economy and society, making it more understandable and, above all, useful for businesses, the self-employed, investors and consumers. Furthermore, innovation, technology and joint projects with companies and a range of bodies will enable *Cinco Días* to reach out to new audiences.

In 2017, we will begin an ambitious project under the umbrella of *El País Economía*, where *Cinco Días* and *Retina* will drive all its synergies.

Chief among the goals of PRISA Revistas for 2017 is to win a minimum of six new custom publishing projects in either print or digital format. A further objective is to help increase the turnover of PRISA Brand Solutions in the area of branded content by generating innovative projects, in both content and technology, with a particular focus on fashion brands, beauty and luxury. PRISA Revistas will

also seek to consolidate *El País's* lifestyle brands, gaining advertising market share and improving its perception among readers and advertisers.

PRISA Revistas will continue to pursue strategic partnerships with inbound marketing agencies for content production on a large scale. It will also seek to enhance brand awareness of La Factoría among external customers and improve digital and video skills among content producers.

The main challenge for *El Huffington Post* is to strengthen its position as the second most-read digital native medium in Spain, and maintain and improve its ranking among the ten most visited online media in Spain. To this end, there will be a special focus on video content, and new formats and narratives from a more personal perspective. The overarching goal is to transform *Huffington's* video content into its own brand. This will be done through a redesign of the site, to be launched in the first half of 2017 and where video content will be given greater weight. Similarly, in 2017, in-house quality content will be given a boost, using new formats and online tools that enable a better understanding of the texts: infographics, data journalism and video.

For its 20th anniversary in March 2017, MeriStation will focus its efforts on consolidating and improving its position as the main gaming news channel on YouTube, promoting subscriptions and encouraging the use of the Meristation Smart TV channel. The aim is to maximize the performance of audiovisual content on the web. The new policy will foster the production of proprietary content focussed mainly on videogames, giving up on areas that

have proven ineffective or even harmful to the image of the site. The move to full responsive format will be completed to optimize loading times and SEO positioning.

## PRISA Radio

In 2017, PRISA Radio intends to maintain the leadership of its brands, consolidate the transformation plan of LOS40 to position it as a global entertainment and music brand, continue to grow in the music events market, and to position Podium Podcast as the leading global network of podcasts in Spanish.

PRISA Radio has posted excellent results in terms of its digital strategy, leading the consumption of digital audio in Latin America with over 25 million sessions initiated monthly, according to the Latam Ranker for digital audio by the Webcast Metrics Triton platform. The Us All Streams Ranker ranks PRISA Radio second, with more than 51 million sessions initiated monthly worldwide.

Creating the largest network for the production and marketing of audio content in Spanish was one of the challenges that PRISA Radio set itself for 2016. Since the launch of the Podium Podcast platform in June last year, we have created more than 23 products, all of which have reported healthy figures in a range of different Spanish-speaking countries. In 2017, we aim to further develop new narratives and new markets. With the release of the series *Bienvenido a la vida peligrosa* (Welcome to the dangerous life), an in-house production by

Podium Podcast, with an original script by Arturo Pérez-Reverte and directed by Guillermo Arriaga, our global network of podcasts has taken a qualitative leap in the creation of drama and in welcoming leading figures from the worlds of literature and cinema to the world of podcasting.

Innovation is an ongoing challenge for PRISA Radio. The HERTZ project is evidence of our commitment and is possibly the biggest innovation project in radio worldwide. Started in 2016 and funded by the Google Innovation Fund (DNI), this initiative aims to improve the Internet search for audio and increase the consumption of audio on demand.

The transformation of LOS40 was the big story of the year in 2016, with major events and initiatives being held to mark its 50th anniversary. Noteworthy milestones included the rebranding of LOS40 under the motto *Music Inspires Life*, new program schedules and styles, as well as a new approach the station's music awards, now called *LOS40 Music Awards*. In 2017, our global music brand will continue to surprise listeners with new formats and global events like *LOS40 World Dance Music Radio Awards* and *LOS40 BlackJack*. New exclusively online digital radio projects will be launched, and we will forge ahead with international expansion, after the recent addition of Nicaragua.

Tyrone Eventos, the new events company launched in 2015, has positioned itself among the two largest companies in the concerts sector in Colombia, rolling out more than 20 music events in a range of different formats with total income in excess of € 11 million. The company is also exploring expansion into new Latin markets.

PRISA's spoken-word stations continue to set the gold standard in all countries where the Group operates. Its commitment to quality news, information and entertainment, to creating new formats geared towards the younger generation, and to greater engagement and interaction with users, beyond the airwaves via digital media formats that add value for the consumer, will together consolidate our lead, enhance our brands' positions at the forefront of the market, and allow radio to offer advertisers a more attractive target, thanks to new and innovative marketing products.

Our commitment to various social causes continues to be as strong as ever. PRISA Radio has set itself the challenge of continuing to promote mobilization and social awareness in the various countries where it operates, by supporting third-party initiatives and creating initiatives of its own. One example is the campaign *Sin Respeto No Hay Juego* (No Respect, No Game), launched in early 2017

in collaboration with UNESCO and leading international football clubs. This was a widely publicized and successful initiative that aims to combat racism, discrimination and violence in football.

## Santillana

In 2017, Santillana will further consolidate its existing educational projects and forge ahead with the creation of new educational resources that offer all possible avenues of support to students, teachers, families and schools.

As a company committed to the future of education, Santillana faces the challenge of ensuring that students have a truer and deeper understanding of the future in which they will live and that they develop their full potential in the new learning environment that the digital revolution has brought to the classroom and society.

We aim to improve the quality of education. We are committed to lifelong learning, to the integration of new educational solutions in today's world and to placing the student at the center of all learning. This mission involves teaching students new skills, from entrepreneurship and creativity to response capacity to new technologies, and embraces all

the main players in the educational community, teachers and families.

Santillana will, therefore, continue investing in research to ensure the creation of initiatives that meet the needs of both teachers and students, and that provide customized learning paths based on evaluation and performance. We will also consolidate our new projects to educate citizens in the talents and skills required by the 21st century, and we will continue to reinforce the tools needed for the diagnostic and cognitive assessment of each student.

We will strive to continue offering solutions to the enormous challenge of educating and training students so that they are better equipped for the journey that their potential takes them on and to reach their goals. Santillana will thus continue tackling areas beyond mere formal education, and will address training for employment.

In an increasingly globalized and interconnected world, we will continue our dialogue with experts to learn more about the real challenges of education and tackle them from all angles. We will address the full range of key educational issues, based on collaboration as a basis for enrichment and generation of ideas.

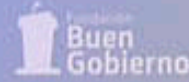
Santillana will continue to contribute to improving the quality of education in all countries where it operates, strengthening relationships and partnerships with companies and institutions in support of the educational community.

## Media Capital

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

# Foro Los beneficios de la PAZ en COLOMBIA

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EL PAÍS



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Dialogue and communication with stakeholders

Materiality analysis

Our sustainability strategy:

- Creation and distribution of content
- Responsible management:
  - of our professionals
  - of our users and digital transformation
  - of communications
  - of our suppliers
  - of the environment
- Social, cultural and environmental initiatives

4

# Sustainability at PRISA



# 4 Sustainability at PRISA

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

As a media and education group, we take our responsibilities seriously, not merely in how we manage our businesses but also, and more importantly, through our operations and

content—through which we strive to raise awareness and educate, and foster and spread knowledge that will help build a fairer and more sustainable world..

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

As a media and education group, PRISA endeavors to take the lead in the field of social responsibility. To this end, the Group has its own mechanisms for dialogue with its stakeholders, making us alert to their opinions and concerns, and enabling us to appropriately address their needs and demands.

# 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.

## Employees

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

## 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.

## Regulators, Administration and Authorities

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



# MATERIALITY ANALYSIS

In 2016, PRISA adopted the Sustainable Development Goals (SDGs) with a view to integrating them into our materiality analysis, which seeks to link and align SDGs with specific material aspects.

We have renewed our materiality matrix, which has involved an in-depth analysis of our entire map of stakeholders, as well as the channels of communication which we use to interact with them. The aim is to take full advantage of all the information at our

disposal in order to qualify and define in detail all the relevant or material topics that must be reported and how they impact our value chain.

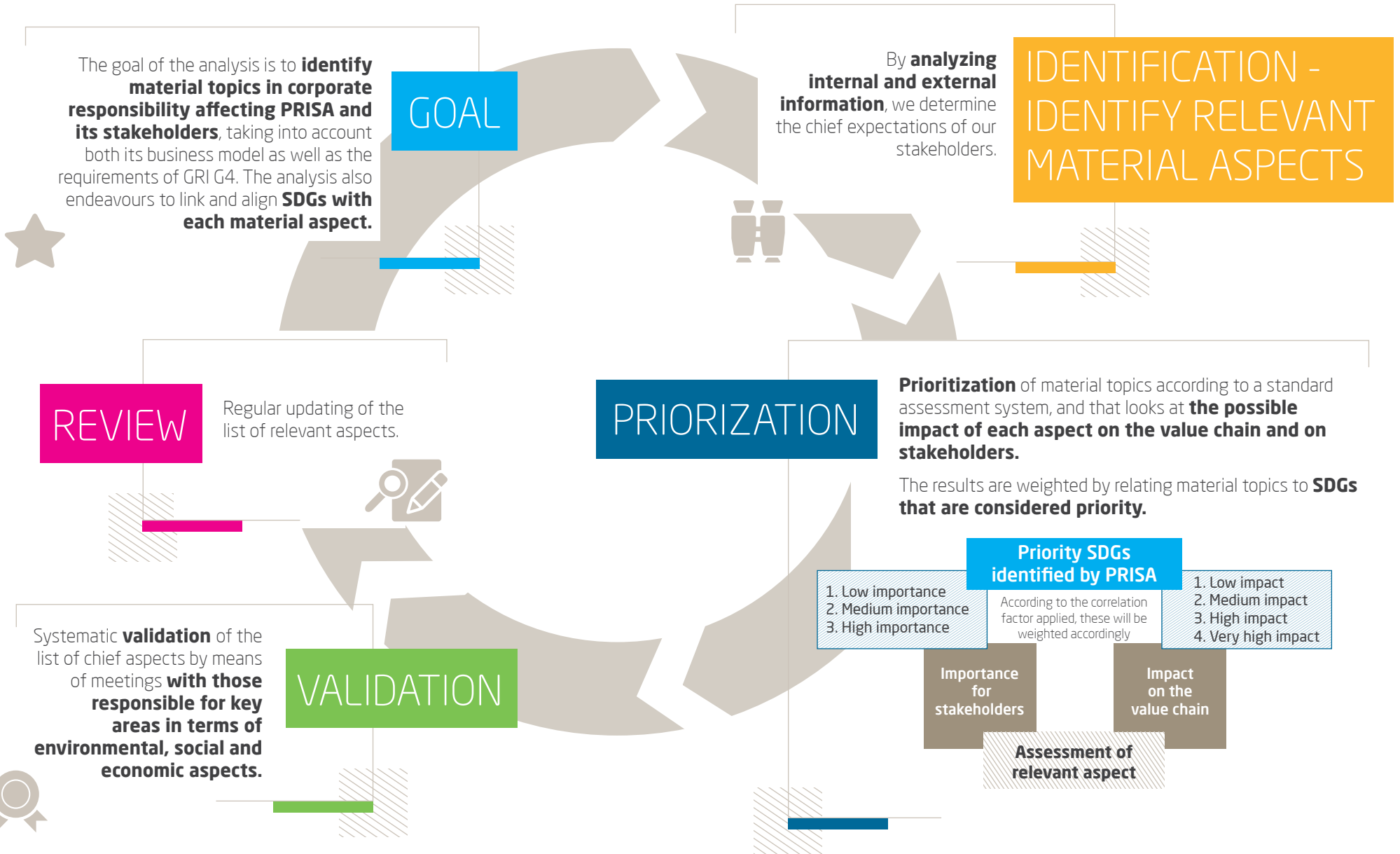
Meanwhile, we have carried out a new analysis of the market to get a feeling for the trends in the sector and learn how competitors are addressing the issues, thereby enabling us to contextualise our performance and progress.

The materiality analysis has served as the basis for the preparation of this Social Responsibility and Sustainability Report 2017 in accordance with the criteria established in the GRI-G4 (Global Reporting Initiative) guide.

The methodology followed in this analysis is detailed below.



# METHODOLOGY EMPLOYED IN THE MATERIALITY ANALYSIS



# RELEVANT AND MATERIAL TOPICS

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

**15 relevant and identified topics**, classified in terms of their relation to SDGs.



# OUR SUSTAINABILITY STRATEGY

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## OBJECTIVE

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

## STRATEGY

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

### Diferentiation

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



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

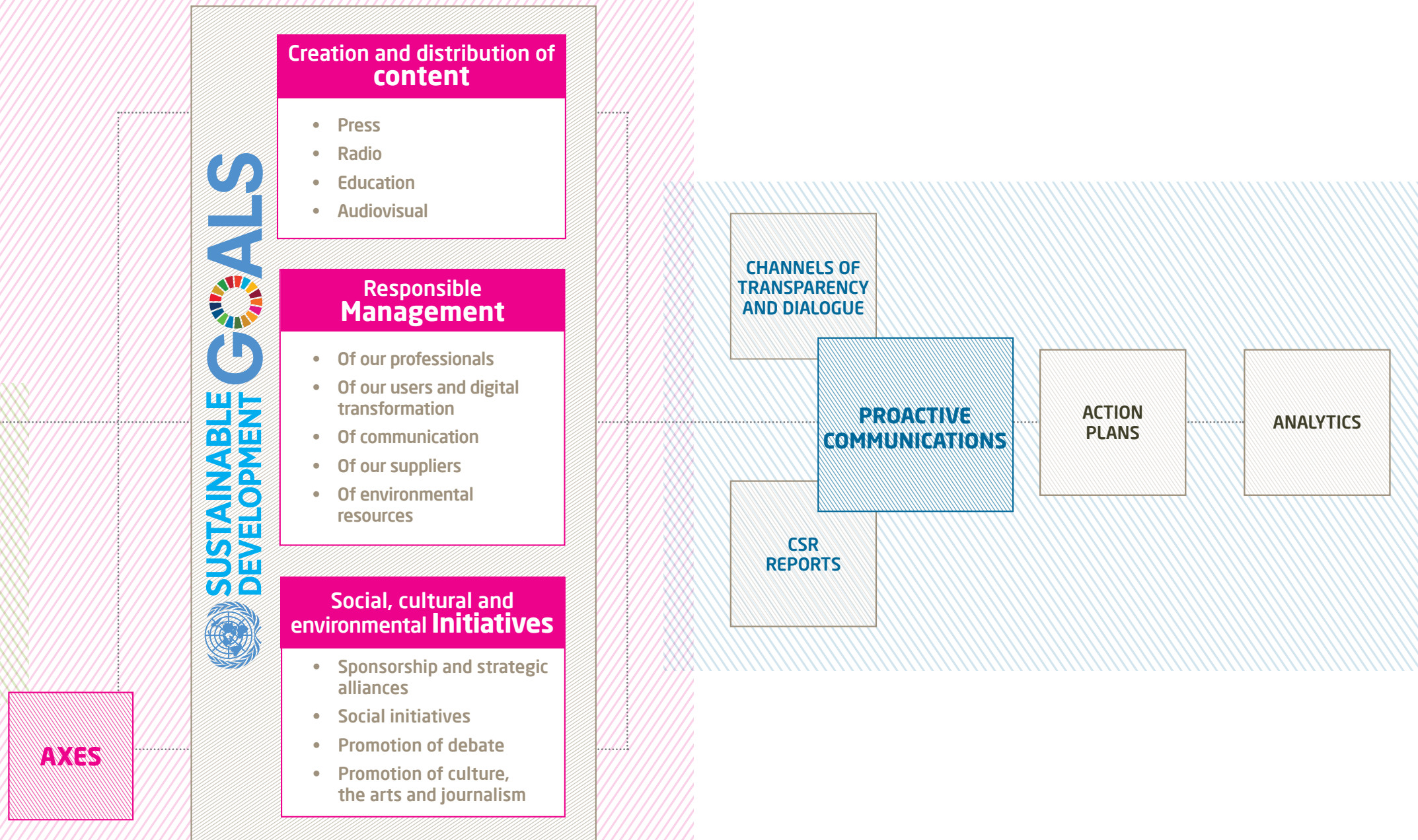
## APPROACH

TRANSVERSAL AND INTEGRATED

### Levers

Corporate governance, senior management and communications departments.





# CREATION AND DISTRIBUTION OF CONTENT

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

Our credibility and prestige are among our greatest assets, but this is not the only reason why every day millions of people read, watch, tune in, or log on to our services in search of information and news. Since the very outset, PRISA has played the role of “responsible opinion leader” and watchdog, working in defense of pluralist democracy, and creating awareness around the issues that affect us. Our media have spoken loudly and eloquently —either through special coverage or by providing free advertising spaces for NGOs— on a wide number of campaigns and in defense of human rights.

PRISA content strives to provide truthful, complete, engaging, timely and high-quality news and information on a daily basis that enable readers to understand the world around them and to form their



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

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

Every day, millions of people in Europe and Latin America choose our TV channels, read our books, and tune in to our radio stations. All too aware of the influence that our content might have on children, teenagers and adults, PRISA has set itself certain criteria governing integrity, quality and adaptation of content. PRISA is also deeply committed to promoting Spanish language and culture worldwide. We have shown that raising awareness of social and environmental issues can go hand-in-hand with entertainment, through programs that educate and inform, while also providing entertainment at the same time.

Santillana makes its textbook and general book content accessible, with versions in Braille and larger font size 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, is 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 undesirable change. In the case of digital content, publishers constantly monitor the links.

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

All our media outlets are signed up to the “Code for self-regulation of televisual content for children”. The group also adheres to the “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.

PRISA Radio, all too aware of its social impact, is fully focused on people when it comes to developing its own or third-party content, activities and initiatives, including events and social projects. Highly valued live broadcasts and programs from all kinds of physical locations where the news is happening are common, and these give a real voice to both experts and anonymous individuals involved, making radio the social medium par excellence. This standout feature of our radio model,

both spoken-word and music, constitutes a very important differentiating value in the process of digital transformation that our radio stations are undergoing, and also offers us a huge opportunity for consolidation of the brands, such as SER, Caracol, W Radio and LOS40, as public service entities in the new ecosystem.

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

The screenshot displays the Caracol Radio website interface. At the top, there is a red header with the Caracol Radio logo and a 'Escuche ahora' (Listen now) button for the '6AM Hoy por Hoy' program featuring Darío Arizmendi. Below the header is a navigation menu with categories like Programas, Ciudades, A la Carta, Deportes, Podcasts, Especiales, Blogs, and Últimas noticias. The main content area features a teal banner for the 'Foro Los beneficios de la PAZ en COLOMBIA' event, organized by PRISA and the 'Buen Gobierno' program. Below this banner is a section titled 'EL FORO EN DIEZ VIDEOS' (The Forum in Ten Videos), which presents a grid of ten video thumbnails. Each thumbnail includes a photo of a speaker and a brief caption:
 

- Martín Santos abrió el Foro 'Los beneficios de la paz en Colombia'
- La paz duradera y sostenible se construye con monitoreo de los acuerdos: Elisabeth Wood
- Confío en que este foro aclare las dudas sobre la paz: Antonio Caño
- Colombia: retos y reformas para el postconflicto
- "Construir la paz es trabajar por el territorio rural!": César Gaviria

 The bottom of the page shows a partial view of a caption: 'Media coverage of The benefits for peace in Colombia Forum'.

Media coverage of  
The benefits for peace in Colombia Forum



# RESPONSIBLE MANAGEMENT

## Responsible management of our professionals

### Objectives and policies

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

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

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

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

The Compliance Unit, set up in 2016 is a tool that facilitates communication and the fulfillment of the aforementioned objectives and policies.

## A great team of professionals

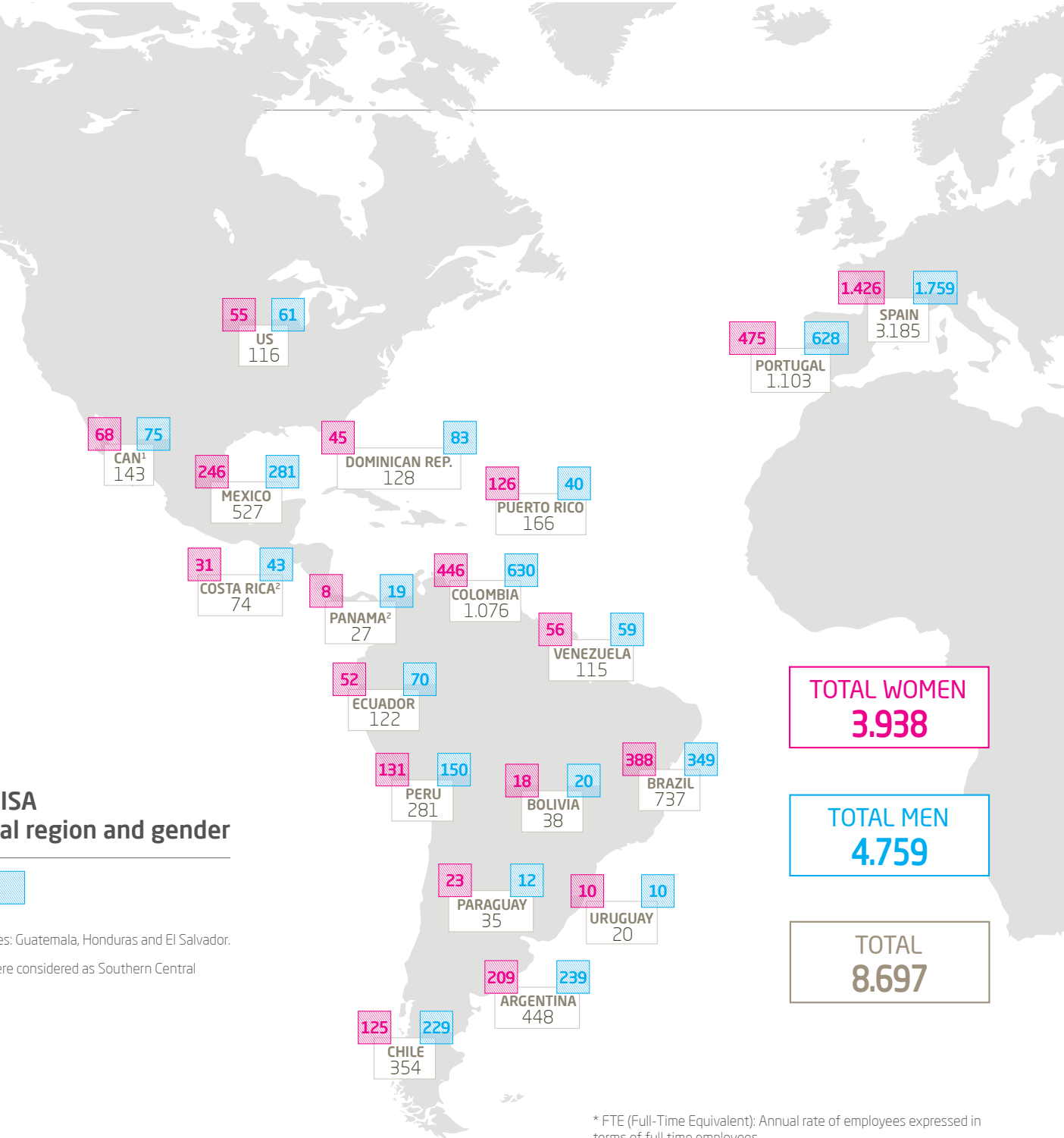
Both recruitment and training policy throughout the Group are focused on finding and training those employee profiles that are required for the digital transformation in which we are immersed. This, coupled with the commitment of our professionals, is again reflected in a voluntary turnover rate of 9.8%.

New hires represent 10% of total workforce, of which 52% are men and 48% women. The number of new hires was notable in: Spain with a rate of 9%, Chile 54%, Colombia 21% and the U.S., 19%, as a percentage of the total workforce in each country.

### Employees PRISA by geographical region and gender



<sup>1</sup>CAN: includes next countries: Guatemala, Honduras and El Salvador.  
<sup>2</sup>Costa Rica and Panama, were considered as Southern Central America in 2015.



**TOTAL WOMEN**  
3.938

**TOTAL MEN**  
4.759

**TOTAL**  
8.697

\* FTE (Full-Time Equivalent): Annual rate of employees expressed in terms of full time employees.

## Employees by type of contract

| Employees in full-time equivalent units |

	Permanent contract and PSR <sup>1</sup>		Temporary contract, and TSR <sup>2</sup>		Total	
	Men	Women	Men	Women	Men	Women
Santillana	1.729	1.736	190	251	1.919	1.987
Radio	1.406	855	67	67	1.472	922
Noticias	516	277	45	21	561	298
Media Capital	517	343	96	102	612	445
Rest	194	282	1	4	195	286
<b>Total</b>	<b>4.361</b>	<b>3.493</b>	<b>398</b>	<b>445</b>	<b>4.759</b>	<b>3.938</b>

[1] PSR Permanent Sales Representatives.

[2] TSR Temporary Sales Representatives.

(3) Northern Central America: includes next countries: Guatemala, Honduras and El Salvador.

(4) Costa Rica and Panama, were considered as Southern Central America in 2015.

## Employees by type of contract

| Equivalent employees by country |

	Permanent contract and PSR <sup>1</sup>		Temporary contract, eventual contract and TSR <sup>2</sup>	
	Men	Women	Men	Women
Argentina	228	170	11	39
Bolivia	20	18	0	0
Brazil	349	388	0	0
Northern Central America (3)	58	50	17	19
Costa Rica (4)	32	30	11	1
Panama (4)	13	8	7	0
Chile	219	124	10	1
Colombia	610	437	20	9
Ecuador	70	52	0	0
España	1.643	1.307	116	119
Mexico	281	246	0	0
Paraguay	12	23	0	0
Peru	72	72	78	59
Portugal	537	376	92	99
Puerto Rico	17	33	23	93
Dominican Republic	75	43	8	1
Uruguay	10	10	0	0
US	61	55	0	0
Venezuela	53	54	6	3
<b>Total</b>	<b>4.360</b>	<b>3.494</b>	<b>399</b>	<b>444</b>

## Turnover rate

| Number of voluntary redundancies for men and women as a percentage of the total average workforce in each country. |

	Men	Women	Total
Argentina	4,2	8,6	6,3
Bolivia	9,8	0,0	5,2
Brazil	7,2	7,0	7,1
Northern Central America	6,7	8,8	7,7
Costa Rica	9,4	6,5	8,1
Chile	5,1	24,1	10,8
Colombia	9,6	12,8	10,7
Ecuador	10,5	18,0	13,6
Spain	8,6	15,5	11,5
Mexico	3,1	2,6	2,9
Panama	7,1	5,7	6,4
Paraguay	16,4	13,2	14,3
Peru	12,0	27,5	19,2
Portugal	3,2	4,4	3,7
Puerto Rico	2,5	1,6	1,8
Dominican Republic	3,6	8,9	5,5
Uruguay	0,0	0,0	0,0
US	11,4	3,6	7,7
Venezuela	6,8	10,7	8,7
<b>Total</b>	<b>5,7</b>	<b>7,2</b>	<b>6,4</b>

## Rate of new hires

| Number of new hires for men and women as a percentage of the total average workforce in each country. |

	Men	Women	Total
Argentina	16,3	16,7	16,5
Bolivia	19,6	5,6	13,1
Brazil	20,1	11,9	15,7
Northern Central America	8,0	8,8	8,4
Costa Rica	7,0	3,2	5,4
Chile	30,9	108,3	54,1
Colombia	19,3	23,9	20,9
Ecuador	12,7	22,0	16,6
Spain	8,6	9,7	9,1
Mexico	7,1	6,8	7,0
Panama	9,2	11,8	10,4
Paraguay	16,4	30,9	25,8
Peru	5,3	9,9	7,5
Portugal	0,6	0,8	0,7
Puerto Rico	2,5	4,8	4,2
Dominican Republic	6,0	20,1	10,9
Uruguay	9,7	0,0	5,0
US	19,6	18,2	18,9
Venezuela	3,4	1,8	2,6
<b>Total</b>	<b>9,3</b>	<b>10,3</b>	<b>9,8</b>

<sup>1</sup> Standard initial salary offered to employees by PRISA in contrast to minimum local salary.

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

	Initial starting salary <sup>1</sup>
<b>Argentina</b>	1,90
<b>Bolivia</b>	2,08
<b>Brazil</b>	1,00
<b>Northern Central America</b>	1,43
<b>Costa Rica</b>	1,00
<b>Panama</b>	1,00
<b>Chile</b>	1,10
<b>Colombia</b>	1,12
<b>Ecuador</b>	1,00
<b>Spain</b>	1,79
<b>Mexico</b>	2,06
<b>Paraguay</b>	1,03
<b>Peru</b>	1,00
<b>Portugal</b>	1,38
<b>Puerto Rico</b>	2,35
<b>Dominican Republic</b>	1,00
<b>Venezuela</b>	1,34

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

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

In each of these countries, the initial starting salary for new workers at PRISA exceeds the local minimum wage. We also encourage not only the hiring but also the promotion of locally sourced managers so that all countries where we operate boast a high percentage of local team leaders and managers.

Many our staff (64%), except for senior management, are subject to collective labor agreements in each of their companies. Above and beyond these collective labor agreements, the Group's companies substantially improve conditions and thus provide our professionals with an attractive and competitive working environment, financial and job security, independence, and cutting-edge technology.

<sup>1</sup> By senior management we mean the first and second level top managers of the business at each country.

<sup>2</sup> By local worker we mean an employee who is working in his or her country of origin (where they were born or where they live legally).

<sup>3</sup> The ratio of local senior management to total senior management of PRISA, that is, local + PRISA.

	Percentage of senior management <sup>1</sup> from local area <sup>2-3</sup>
Argentina	100
Bolivia	100
Brazil	89
Northern Central America	95
Costa Rica	75
Panama	0
Chile	86
Colombia	79
Ecuador	80
Spain	100
Mexico	72
Paraguay	25
Peru	82
Portugal	97
Puerto Rico	60
Dominican Republic	60
Uruguay	100
US	74
Venezuela	100
<b>Total</b>	<b>91</b>

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

## Employee training

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

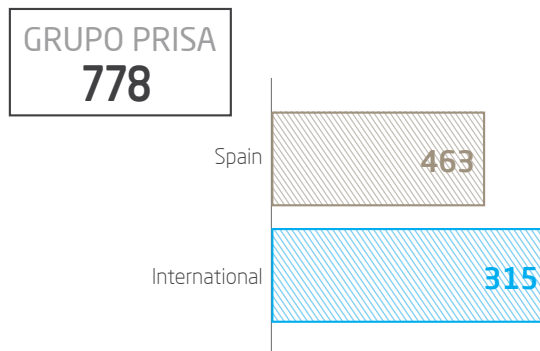
PRISA employees have access to a wide range of training opportunities, which are made available and are structured through different tools and formats, both classroom based and online (Campus PRISA).

Training costs, as reflected in the income statement, were 778 millions of euros, with Spain accounting for 60% of this figure and the remainder spread out internationally. This has translated into 39,284 hours of training over the year.

With regard to face-to-face classroom training in 2016, an effort was made to coordinate all initiatives transversally in order to optimize all training plans across the business units and thereby improve both satisfaction and results. As a result, the number of classroom students grew from 499 in 2015 to a total of 788 students in 2016, a 36.7% increase. At the qualitative level, satisfaction rates at the group level increased from 7.89 in 2015 to 8.12 in 2016 (Meanwhile, the satisfaction rates among students regarding the teaching staff rose from 8 in 2015 to 8.3 in 2016).

## Employees Training

| thousands of euros |



As a result of these coordination efforts, intensive courses on digital marketing were created for PRISA Noticias and for different teams at PRISA Technology. All training was geared towards increased productivity and the implementation of new ways of doing things to boost the performance of the businesses. Meanwhile, between September and December, there was a course on *Digital Transformation Strategy*, attended by 42 students from all PRISA universities in Spain. Students were asked to submit, as final coursework, prototypes in Virtual Reality and Augmented Reality. This course garnered the highest degree of

satisfaction of all the training initiatives run by the group in 2016. As an added bonus, the course succeeded in establishing ties of trust and a sense of belonging to the organization among all the attendees.

**Campus PRISA** is an online training portal for all Group employees and is focused on developing employees' skill sets, and complements the process of sectoral professional retraining that is demanded by the dramatic metamorphosis of the traditional media economy into a digital one.

In 2016, there was a total of 1,690 registered students, representing an increase of 32.6% compared to 2015. In total, 486 students completed some of the courses and modules offered. New courses on offer included the following: Introduction to project management, Introduction to innovation and creativity, Introduction to Scrum and Scrum Master, and the Masters in Advanced Digital Skills (2nd Edition), which once again was the most popular course (with a total of 142 students). Courses that were first launched in 2015 also remained in high demand, including: Corporate Management of Social Media, Basic SEM, Negotiation Techniques and Conflict Management, and the Introduction to Video for Journalists. Meanwhile, an effort was made to integrate Caracol Radio, with the station enrolling 76 students on different courses offered by Campus PRISA.

The target set for 2017 is, once again, to increase the number of courses to meet the most urgent and strategic needs detected in the organization, with a focus on three areas:

- L1, developing management skills and teamwork.
- L2, cross-corporate digital transformation.
- L3, retraining of specific professional groups.

**Mi idea!** This is an open innovation platform aimed at getting all employees more involved by making suggestions, sharing ideas for improvement projects and even intellectual property patents. The number of users during the year was 4,701 and the number of spontaneous ideas proposed was 340. This tool is designed to identify both individual talent as well as any groundbreaking or disruptive new ideas that may emerge from any part of the organization. Moreover, the innovation departments and the agents of change of each business unit set challenges to encourage participation and thereby gather the seeds of ideas for projects that will improve all Group businesses.

**Factoría de Experiencia (FEX).** The Experience Factory is yet another initiative to boost the development of the collective intelligence of the Group through the identification of Technology and Competitive Intelligence Experts, who are responsible

for providing crucial knowledge to employees throughout the organization. There is an online platform to which all employees have access. This platform hosts all the experience and knowledge gained from the most significant business, organizational and technology projects. The number of users has already reached 2,546 (and the number of knowledge items published is 85).

### 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 2016, the percentage of employees subject to performance appraisal was 36%.

### Managing equality and diversity

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

It is worth reiterating that PRISA has adopted a Code of Ethics, mandatory for all employees, in which pluralism and respect for all ideas, cultures

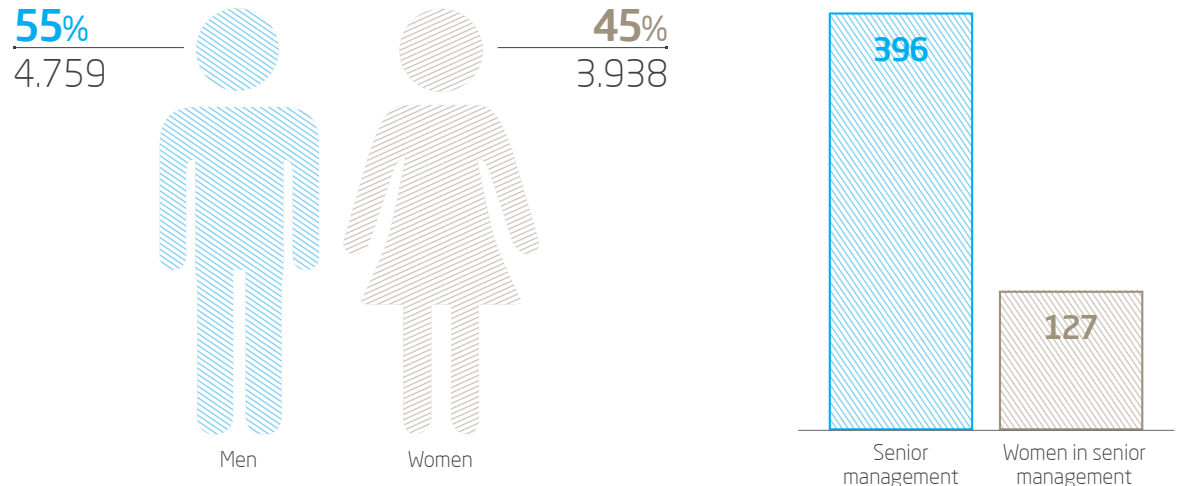
and people, are set out as the company's core values. PRISA is committed to respecting and protecting human rights and civil liberties, with the chief objective being respect for human dignity.

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

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

- Compliance with the principle of equal treatment at work.
- Rejection of any discrimination on grounds of sex, marital status, age, race or ethnicity, religion or belief, disability, sexual orientation, political beliefs, trade union membership, etc.

### Distribution of employees by gender





## Distribution of staff by category (%)

| in number of people |

	Senior management		Middle management		Qualified technical personnel		Other personnel	
	Men	Women	Men	Women	Men	Women	Men	Women
Argentina	12	8	21	30	15	48	190	124
Bolivia	2	3	2	6	12	7	4	2
Brazil	15	9	30	34	231	252	74	92
Northern Central America	12	6	25	20	34	42	4	0
Costa Rica	1	3	1	0	21	21	20	6
Panama	1	0	0	0	8	5	11	3
Chile	11	3	30	23	139	83	48	17
Colombia	23	11	83	59	130	99	394	277
Ecuador	3	2	13	13	0	0	54	37
Spain	103	45	359	203	1.060	915	237	263
Mexico	18	6	43	23	201	199	20	19
Paraguay	2	3	0	2	8	16	3	2
Peru	5	1	12	18	87	94	46	18
Portugal	42	17	26	21	538	402	22	35
Puerto Rico	3	2	5	16	31	107	1	1
Dominican Republic	4	1	11	6	46	35	23	2
Uruguay	2	2	2	1	4	4	2	3
US	10	3	13	11	19	22	20	18
Venezuela	1	4	9	11	18	27	32	15
<b>Total</b>	<b>270</b>	<b>127</b>	<b>684</b>	<b>498</b>	<b>2.601</b>	<b>2.381</b>	<b>1.204</b>	<b>933</b>

## Absenteeism rate (%)

<sup>1</sup> Total number of days lost due to absenteeism (hours worked/8). Media Capital is not included here.

	Absenteeism rate <sup>1</sup>
<b>Argentina</b>	0
<b>Bolivia</b>	0
<b>Brazil</b>	7
<b>Northern Central America</b>	0
<b>Costa Rica</b>	0
<b>Panama</b>	1
<b>Chile</b>	0
<b>Colombia</b>	0
<b>Ecuador</b>	0
<b>Spain</b>	2
<b>Mexico</b>	1
<b>Paraguay</b>	0
<b>Peru</b>	1
<b>Portugal</b>	12
<b>Puerto Rico</b>	5
<b>Dominican Republic</b>	1
<b>Uruguay</b>	3
<b>US</b>	8
<b>Venezuela</b>	0
<b>Total</b>	<b>2</b>

- Special attention to the implementation of equal opportunities between men and women in access to employment, promotion, training, job security and pay equity.
- What's more, we all share 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, the average number of PRISA employees in 2016 was 8,697, of whom 3,938 (45%) were women, and 4,759 (55%) were men.

Also, of the total 396 executive/management positions, 32% were held by women.

## Workplace health and safety

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

In 2016, the Joint Prevention Service focused on the identification of psychosocial risk factors that may pose a risk to the health of workers. Regulatory audits in the area of prevention were carried out satisfactorily, where required. Quarterly meetings with all health and safety committees have continued, and evacuation measures in case of emergencies have been implemented.

Specifically, 85% of the Group's employees in Spain are represented in formal health and safety committees, while 100% are covered by the joint prevention service

The number of work-related accidents, throughout 2016, was 94 (39 men and 55 women) and there were no fatalities. The rate of absenteeism at Grupo PRISA is 2%.

## 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 22 countries. Each market in which it operates has special characteristics to which human resource management policy must be sensitive and thereby be in a position to offer an appropriate response to both the needs and the expectations of the professionals joining these companies.

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

Within this framework, the flexible benefits and remuneration program, first rolled out in 2012, remained in place throughout Group companies in Spain in 2016 with a broad range of products offered. Portugal has also seen the completion of the implementation of a similar system.

In the case of Latin America, due to the varying legislations of each country, there are a wide range of different situations throughout each of the

## Rate of return to work<sup>1</sup>

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

Men	Women	Total
100%	98%	<b>99%</b>

Group companies. In general terms, in these cases there are differences in social benefits between those employed full and part-time and those on permanent and temporary contracts.

## Work / life balance

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

Additionally, in Spain, during 2016, these measures aimed at favoring a balance between work and personal life have been maintained, with the plan consisting of five elements, and likely to be extended in future years:

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

Thanks to the various work/life balance policies and initiatives implemented across the group, 99% of employees have returned to their posts after maternity or paternity leave.

## Responsible management of our users and digital transformation

Digital technology has definitively placed people at the center of each and every company's strategy. Digital technology brings us closer to users and allows us to learn more about their habits — thereby enabling us to offer personalized products that will improve their user experience.

The responsible management of our users must first start with focussing on and preparing our professional teams to face the challenge of digital transformation — a transformation that requires us to develop new skills, new procedures, new products and new ways of working. To this end, over recent years, PRISA has been energetically pursuing an ambitious transformation plan to provide us with the organizational and corporate culture necessary to take full advantage of the opportunities offered by technology and the digital world for our business group. This plan includes training and development programs that will enable our professionals to adapt to this new reality.

Never before in history, have media organizations had this opportunity to listen to and dialogue directly with their readers and users. Digital technology has exponentially multiplied the audiences of traditional media. In the case of PRISA, the Spanish and Portuguese languages have allowed us to cross borders by removing all barriers to communication. Users increa-



Retina, the technological and Ibero-American forum of *El País*

singly want to participate in the construction of collective opinion, express themselves and feel part of the content.

There is a broad range of controls and procedures aimed at addressing and properly managing processes and procedures across the entire

value chain of our content, allowing us to strike and maintain the perfect balance between digital technology as a source of added value and the traditional strengths of our brands.

Our content is provided with systems for encouraging participation via comments that are

constantly addressed and moderated on each of our media. In the case of Santillana, as well as using corporate customer service channels, our sales team visits a daily average of 8000 schools in order to maintain a close and ongoing relationship with clients. This allows us to hear their views and convey any resulting input to the publisher.

With a frequency of between one and three years, except for where very specific issues are concerned, we conduct studies to gauge the opinion of our direct and indirect clients and customers, as well as potential customers. The frequency depends on each of our companies and products, as well as on the methodology and sector to be analyzed. *El País*, for example, has enhanced its brand image, according to a perception survey carried out this year. The survey highlighted the brand's prestige, leadership, professionalism, independence and entrepreneurial strength, all the result of recent changes. This positive effect has allowed us to reach out to younger and more prime-age readers, who value the newspaper as a more complete editorial product, and who appreciate new supplements and sections, both print and digital. However, it should be borne in mind that these new audiences may have less attachment to the editorial line and our promotions.

PRISA Noticias' news media maintain a close relationship with their readers through social networks, which are fully integrated into the day-to-day work of the newsrooms and also, and increasingly

so, into the departments of Communications and Marketing. Journalists are also engaged in a constant conversation with readers through their social media profiles. This generates a greater diversity and plurality of views, and greatly adds value to the brands.

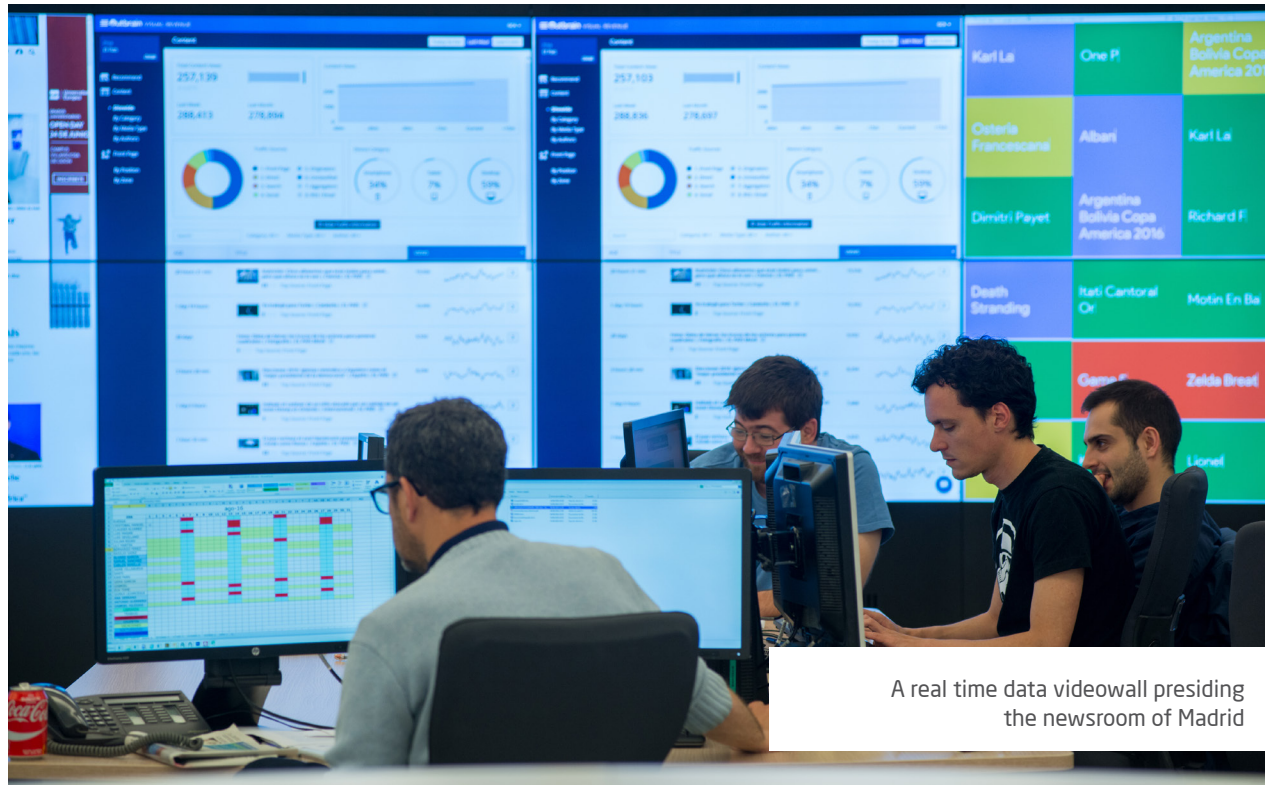
Another important channel of communication between readers and *El País* is the Readers' Editor, which was established to address complaints, comments and suggestions from readers regarding the contents of *El País*, as well as any of the products or collections that sometimes accompany the paper. The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

Newspapers are now just one among many players on a crowded global stage in which multiple voices participate and in which millions of data intersect. *El País* aims to ensure that this great, diverse conversation becomes more civilized, closer to each of our readers, more useful, better, more fairly moderated and more balanced. The newspaper is an open space for reflection and it fosters an open and inclusive dialogue, based on information, analysis, tolerance, democracy and the pursuit of progress.

*El País* has effectively become a total media environment, which offers its readers news in all possible formats, from text and photography to video, and from social media to audio. It has restructured its newsroom and created a new, modern, comfortable, flexible, functional and multidisciplinary space that is a significant step forward in adapting to the new reality of multimedia work environments. There is an open-door policy, which this year has reached out to new audiences. The paper had traditionally organized guided tours of its facilities for schools, associations and colleges, but now subscribers and customers are also being made welcome, and can see firsthand how the newspaper is produced. In 2016 PRISA Noticias's newsrooms received more than 5.000 visitors.

In 2016, the new *El País* website rolled out a new design that is adapted to any device and adheres to the plan 828, a strategy that adapts news to the demands of readers and involves a change to the usual rhythms of producing content to better respond to the global digital challenge.

*El País* is committed to new language and narratives, and the paper has innovated with the move towards immersion journalism represented by the special 'Fukushima, Contaminated Lives', the first ever virtual reality app made by a Spanish media outlet. This coincided with the release of the new *El País* app. In the area of events, there was intense activity on the channel on Facebook live, with a comprehensive daily schedule of live TV that



multiplies newspaper content and leverages the talent of its professionals in the form of interviews, analysis and discussion of everything in the newspaper. We also launched Retina, a major event on digital transformation that embraces all Ibero-America. Though the event made its debut his year in Madrid, it is envisaged as an ongoing and nomadic event that will visit different countries. We

also continue to explore branded content with new on-demand digital products, such as #talentodigital to drive the digital transformation in all sectors and give voice to entrepreneurs.

Participation and plural dialogue offered by new technologies and platforms have enhanced the social function of Radio. Traditional radio broadcasts,

which constantly give a voice to people, have been joined by new systems and channels of interaction with the audience, increasing and enabling greater participation through comments on websites and social media. All the stations' and programs' official profiles on social networks serve to dynamize the live broadcasts and special initiatives of each brand (concerts, conferences, awards, etc.) and allow the departments of Communication and Marketing to amplify our messages. This approach has become an essential tool for the digital operation of radio: not only does it provide an opportunity to revitalize the audience in terms of participation, but it also forms part of the commercial offer in the dissemination of content and the enhancement of advertisers' campaigns. In some cases, these tools generate up to 60% of traffic from very active users.

In 2016, PRISA Radio intensified its efforts to position its products as leaders in the digital media ecosystem, seeking to lead the development of online audio in all its markets. The company's stations already broadcast more than 48 million hours of live listening via digital media, boast more than 12 million monthly on-demand audio downloads, and have surpassed 30 million unique browsers for their stable of web and mobile products. PRISA Radio also has a solid 38-million-strong fan base across the different social networks.

The main lines of work this year have been the redesign of the American sites to boost digital audio consumption and increase traffic. We have increased the number of responsive live audio players,

implementing tools for advertising sales and analytics to improve results. We have also updated the main apps in Spain and created 7 new such apps in the Americas. New projects include the launch of Podium Podcast, the global network of podcasts in Spanish, and which comes with its own website and app, as well as distribution across digital audio aggregators. We also started the HERTZ project, funded by Google's Digital News Initiative, aimed at boosting the consumption of on-demand audio.

With regard to our professionals, in 2016 we continue to promote initiatives within the framework of the overall project of transformation and restructuring of the organizational model. The general aim is to establish a new organizational culture capable of thriving in the digital economy, and that will lead to an increasing yield in the production of value for the Group, and that will cultivate a real feeling of belonging.

The main lines of action are:

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

crease the production of value and to foster competitive versatility in the sector. (Mi idea! and Innovation Workshops).

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

**Design and execution of an advanced training program in strategic digital transformation, developed in coordination with the School of Industrial Organization.** We selected 42 talented professionals from all of the Group's units to attend this advanced training course, the goal of which was to increase digital productivity in the field of strategic thinking, and to develop final projects focused on virtual reality and augmented reality (innovation products prioritized by business development). This course garnered the highest degree of satisfaction of all the training initiatives run by the group in 2016. As an added bonus, the course succeeded in establishing ties of trust and a sense of belonging to the organization among all the attendees.

**Design and partial implementation of a talent index to measure and identify high-potential profiles within the Group.** In 2016, this index was successfully deployed in the Group Technology unit, and it is planned to implement the same index in PBS and PRISA Video in 2017, while it will continue to run in the Technology unit. The talent index enables us to gauge the creative potential and learning

agility of each employee, based on methodologies that identify all those gifted individuals who match the organizational culture of PRISA.

**Design of Microsoft 365 Project.** In 2016 we began the process of migrating to and adopting Microsoft's suite of collaborative digital tools. This allows us to work from anywhere via the cloud with hardly any storage restrictions, and improves the agility, communication and productivity of all teams. This project will be deployed definitively during 2017. To facilitate the transition, a program has been put in place for both internal communication and training to thereby encourage the use of the tools which will contribute enormously to the transformation of the way of working, and that is in keeping with the strategy of becoming more competitive from a digital perspective.

The range of digital courses offered by Campus PRISA was consolidated with the addition of certification from the ICEMD-ESIC (in the area of digital marketing). This new certification for students completing courses joins that already offered by the EOI (in digital skills).

Other measures we have implemented have included a greater focus on innovation and R&D with more high-level resources allocated to projects that are critical to the transformation of the Group. We encourage our own professionals, directly and with other partners, to drive the innovation that is required by education and information.

## Responsible management of communications

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

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

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

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

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

Alongside the work of the communications and marketing departments of the business units, we have redoubled our attention to the management of the Group's brands, to ensure that these are true



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

In 2016, PRISA developed a new corporate website under the premises of usability, indexability, sociability, accessibility and compatibility, as the main tool of digital communications.

## Responsible management of our suppliers

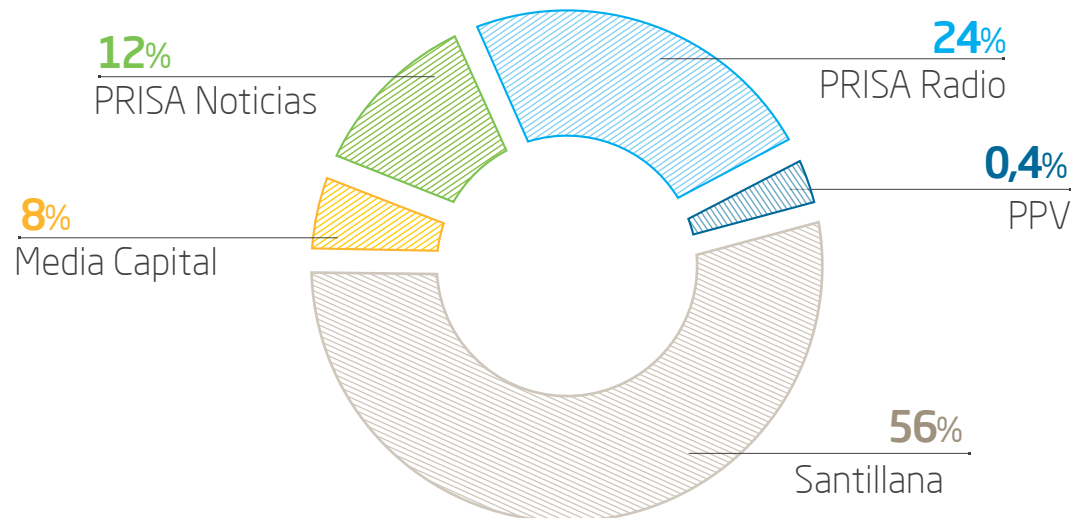
### Objectives and Policies

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 by principles of objectivity, transparency, non-exclusivity and equal opportunities, 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.

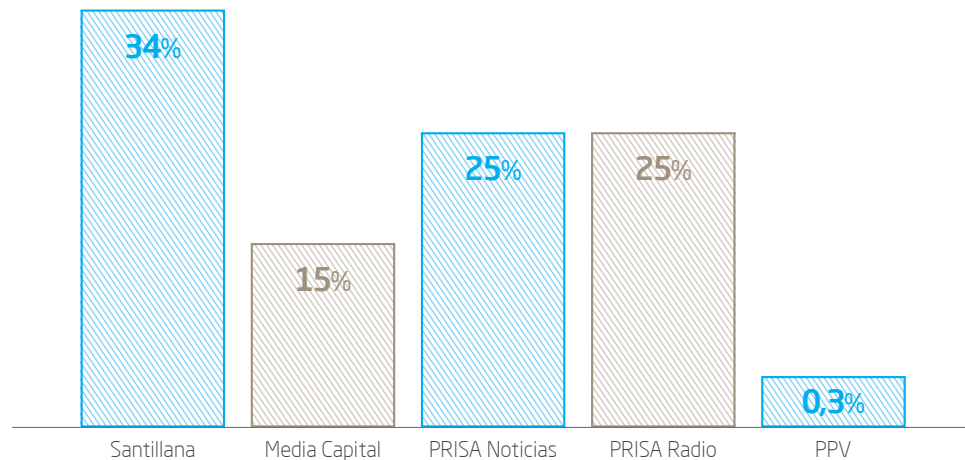
Number of suppliers by Business Unit



### The impact of our procurement

Over the course of the year, we have done business with over 37,000 suppliers, for a total of more than 1,000 million euros, which highlights the importance of managing both our supply chain and any associated indirect impact.

## Total Spending



PRISA bets for the local development of their suppliers in countries in which it operates, in such a way that 91.2% of its procurement budget is earmarked for local suppliers, that is, they have their fiscal domicile in the country where the purchase and payment of the product and/or service is performed.

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

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

PRISA has not identified via its communication channels any significant impacts on social or human rights in its supply chain, although, from an environmental point of view there is undoubtedly an impact particularly with regards to the consumption of paper by Santillana and PRISA Noticias, who together account for 68% of our suppliers. To mitigate these effects, the Group carries out initiatives described in the section “consumption control”, which operate in tandem with the process of conversion to digital content that is sweeping the sector.

In 2016, there were some changes in our value chain: in Chile, Santillana has outsourced the distribution chain, while in Argentina the outsourcing of suppliers was renewed. In Venezuela and Peru, however, all production was local.

## 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

## Number of suppliers by country

COUNTRY	Number of suppliers	Total local expense (millions of €)
Argentina	946,00	18.790.135,00
Bolivia	47,00	548.055,00
Brazil	6.325,00	95.464.995,78
Chile	1.163,00	20.120.909,00
Colombia	2.919,00	32.436.241,62
CAS (Costa Rica, Panama and Nicaragua)	165,00	4.475.125,92
Ecuador	1.160,00	11.027.085,77
CAN (Guatemala, Honduras and El Salvador)	3.310,00	13.167.127,08
España	10.319,00	417.604.710,30
US	744,00	14.751.769,00
Mexico	2.132,00	53.053.909,81
Paraguay	767,00	1.005.819,75
Peru	3.026,00	23.669.232,52
Portugal	3.046,00	114.697.610,00
Puerto Rico	11,00	3.029.758,82
Dominican Republic	465,00	2.157.534,96
Uruguay	96,00	645.628,75

Corporate website. This is the channel that manages the Group's relationships with its collaborators, facilitates the processes of registration and certification, and carries out any subsequent monitoring and evaluation.

During 2016, PRISA did business with 37,394 suppliers, of whom 3,546 are certified suppliers of the Group. 158 new suppliers were duly approved over the year.

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

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

## Evaluation and monitoring of suppliers

In Spain, some of the most significant suppliers are subject to regular monitoring and evaluation with regards to 11 key performance areas, including ethics and good governance, environmental and quality management, and the prevention of occupational hazards, among others. During 2016, such evaluations were carried out under these criteria for a total of 158 suppliers, including 46 new suppliers certified during the year, with the following noteworthy results:

- 54% have a CSR policy.
- 75% have an ethical code that applies to all employees.
- 61% have mechanisms in place to assess their CO<sub>2</sub> emissions.

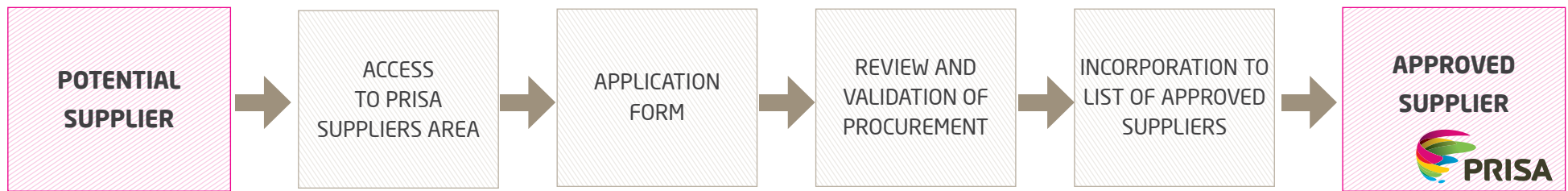
- 34% are signatories to the Global Compact.
- 71% have plans to combat fraud and adopt the appropriate measures.

## Responsible management of the environment

### Objectives and Policies

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

The Group's Environmental Security Policy includes a series of basic principles with the aim of providing safe products and services that respect



the environment throughout their entire life cycle. These principles state that:

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

This policy is divided into three levels of action:

## 1. Consumption control

### 1.1. Consumption of material

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

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

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

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

PRISA ensures responsible management at all stages of the lifecycle of paper. In Spain and Portugal, the management of paper is centralized and, as shown in the chart illustrating the paper lifecycle,

## Consumption

<sup>1</sup>Paper purchased directly by PRISA.

<sup>2</sup> Paper: Consumption in all countries.

<sup>3</sup> Cardboard: Consumption in Argentina, Brazil, Spain and Portugal.

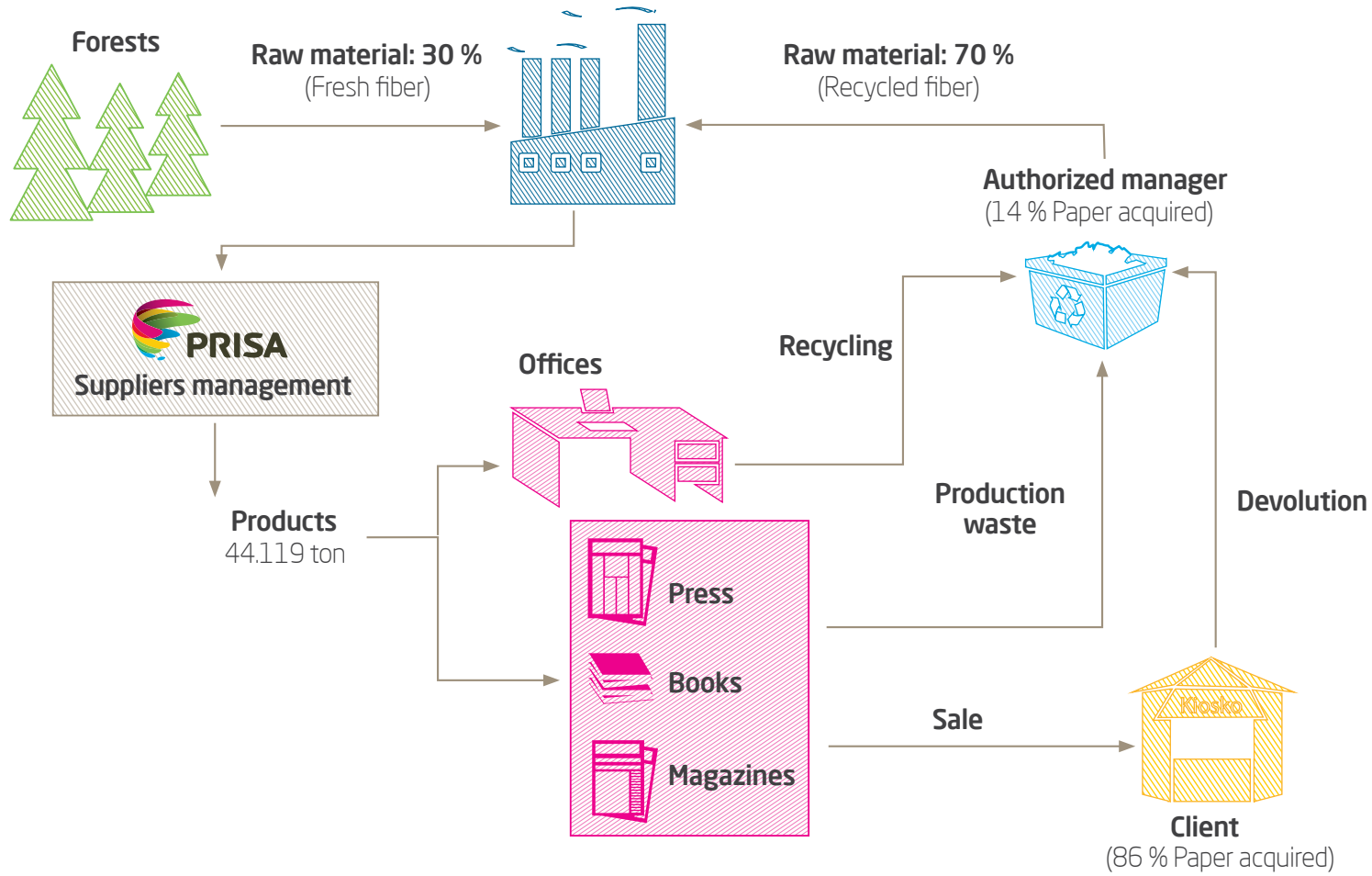
<sup>4</sup> Ink: Consumption in Peru, Portugal, Dominican Republic and the rest of business units.

<sup>5</sup> Aluminum plates: Consumption in Spain.

<sup>6</sup> Adhesives: Consumption in Brazil.

Material	Consumption (ton)	% recycled or recovered	Renewable
	2016	2016	
Paper <sup>1,2</sup>	78.860,10	53	Si
Cardboard <sup>3</sup>	352,04	100	Si
Ink <sup>4</sup>	681,8	-	No
Aluminum plates <sup>5</sup>	161	35	No
Adhesive <sup>6</sup>	33	100	Si

### Paper cycle in PRISA



## Energy consumption

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

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

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

Material	Consumption GJ <sup>1, 2</sup>		Energy intensity (GJ/MME) <sup>3</sup>	
	2015	2016	2015	2016
<b>Electricity Consumption</b>	276.870	179.385	201	132,1
<b>Fossil Fuels</b>	<b>Natural gas</b>	118.025	86	0,001
	<b>Diesel</b>	47.196	116.724	34

60% 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.

According to information provided by different suppliers, carbon intensity as measured in tons of CO<sub>2</sub> per ton of paper consumed in Spain is 1,904.42, and 23,800.755 for the whole of Grupo PRISA, taking into account the different characteristics of the activity and the paper consumed in each case.

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

### 1.2. Water consumption

Water consumption at PRISA for the year 2016 was of 158,253 m<sup>3</sup>, principally via the consumption of water supplied by municipal mains networks.

### 1.3. Energy consumption

Total energy consumption for the Group in 2016 was 298,022 GJ. Energy consumption at PRISA is associated chiefly with the use of fuels and electricity, with the following breakdown:

## 2. Emissions control

PRISA measures and monitors emissions arising from all its activities. In this regard, and in order to expand the scope of the measurement of such emissions, in 2010, Corporate Procurement began to gather information on employee travel, this be-

ing a significant source of emissions, given the activities of PRISA.

Information on emissions for the financial year 2016 is submitted taking into account the scope of emissions as defined by the GHG Protocol standard.

The figures for direct emissions in 2016 for the Scope 1 and Scope 2 are significantly lower than in 2015. This is chiefly due to the reduction in activity in some key countries and the energy efficiency measures carried out in 2015. The emission intensity for 2016 is 33.38 tons of CO<sub>2</sub> per million euros of turnover.

Details relating to Scope 3 emissions, obtained from data provided by travel agencies, included.

## 3. Waste management

Of all PRISA operations, printing is the activity that generates most waste, with plates, inks and

## Emissions CO<sub>2</sub> (PRISA: Spain & Portugal)

		Distance traveled in km	GEI Emissions (Ton CO <sub>2</sub> e)
Plane	Short haul	12.626.739,46	3.762,14
	Medium haul	7.478.839,51	1.269,31
	Long haul	65.798.017,00	13.036,56
Train		4.836.846,00	217,93
Car		30.564.360,46	5.572,49

varnishes, and paper and cardboard, being the most significant sources, as can be seen in the following table:

The increase that may be observed in the generation of waste with respect to the previous year is due to the increase in the scope of the information supplied.

### PRISA: committed to the fight against climate change

Throughout 2016, PRISA has sought to play an active role in environmental protection and has supported a range of initiatives to halt climate change.

As a media and education group, we take our responsibilities seriously, not merely in how we manage our businesses, but also by putting our power to lead public opinion and spread knowledge at the service of the global community. In this way, and through our content and operations, we mobilize society and give a voice to all those who champion concrete actions against climate change.

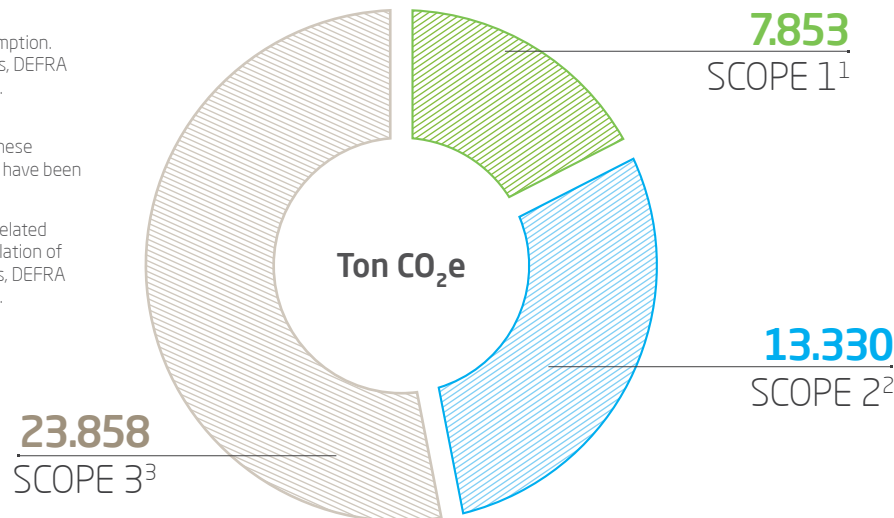
For the eighth consecutive year, the Group participated in the WWF's Earth Hour, the world's largest global mass movement for environmental protection which was launched 10 years ago with the simple gesture of turning off the lights for one hour.

PRISA has been supporting this global project since the outset, using its media to urge participation in all countries where it operates and on all its platforms: radio, newspapers and the Internet. *EI*

<sup>1</sup> Scope 1: Emissions from fuel consumption. For the calculation of these emissions, DEFRA conversion factors have been applied.

<sup>2</sup> Scope 2: Emissions from electricity consumption. For the calculation of these emissions, DEFRA conversion factors have been applied.

<sup>3</sup> Scope 3: Emissions from transport-related activities of employees. For the calculation of transport and travel related emissions, DEFRA conversion factors have been applied.





## Waste control

| Waste generated by PRISA<sup>1</sup> |

<sup>1</sup>Dates for Bolivia, Brazil, Chile, Colombia, Guatemala, El Salvador, Spain, Honduras, Mexico, Portugal, Peru, Uruguay, US, Dominican Republic, Venezuela.

	Tons 2015	Tons 2016	Treatment
<b>Inks and varnishes</b>	107,7	17,77	Authorized agent
<b>Paper and cardboard</b>	3.300	11.143,50	Recycling
<b>Electronic equipment</b>	1,72	8	Recycling
<b>Plate developer</b>	47	41,1	Authorized agent

*País*, *Cinco Días*, *As*, *El Huffington Post*, Cadena SER programs and all PRISA Radio stations work to raise awareness and offer coverage of this social mobilization. Santillana, meanwhile, promotes the initiative in schools and other educational institutions. In addition, PRISA encourages the participation of its almost 9,000 employees through the company’s internal communication channels and corporate websites.

In April, *El País* organized the Sustainable Urbanism Forum, a one-day seminar which brought together architects and experts to analyze the urban designs of the future. In May, *El País* organized Retina, the Ibero-American forum on technology which explored how the Internet is transforming all areas of society and which discussed the keys to

meeting the Paris agreements on climate change as well as the challenge of sustainable energies and Smart Cities.

Once again, *Cinco Días*, along with 20 other international business and finance newspapers, collaborated with Sparknews and its Solutions & Co alliance. This alliance was formed with the aim of creating a common narrative style on Climate Change in the media. Cincodias.com offered extensive coverage, posting more than fifty stories on how to tackle this threat.

Cadena SER addresses environmental issues in a transversal fashion and across all its programs and, in particular, on programs such as *El Viajero Cuántico* (The Quantum Traveler), which airs on

Fridays within “La Ventana”, and *Punto de Fuga*. In collaboration with Ecoembes, the network airs short snippets on the importance of recycling on the shows Hoy por hoy, La Ventana and Hora 25.

In Mexico, the initiative LOS40 Solidarios organized a reforestation day, during which more than 900 trees were planted in Guadalajara.

Santillana also develops content and materials to enable students from an early age to better understand the value of sustainability and to raise their awareness on climate issues and the misuse of available resources.

# SOCIAL, CULTURAL AND ENVIRONMENTAL ACTION

Since the very outset, PRISA has worked with a firm commitment to promoting cooperation and global solidarity in order to build together a better world. This commitment is fully in line with the new Sustainable Development Goals (SDGs) for 2030. We constantly strive to establish strategic alliances and build bridges that allow us to leverage the very best of our organization. In 2016, we signed two important agreements with the United Nations agencies UNESCO and FAO, partnerships which will enable us to meet the 17 SDG objectives. These partnerships underscore our firm commitment to promoting news on sustainable development and education. We believe that the world is best understood by sharing knowledge, promoting debate and 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, climate change, global health and education as engines for development. We foster awareness on all these issues in Spanish and thereby foster greater awareness in Latin America, the region to have made the greatest progress in the fight against hunger over the past ten years.

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

In 2016 PRISA has continued to receive wide recognition for its social initiatives, both for how it conducts its business activities as well as for company management. The Group was chosen by the Global Compact of the United Nations to serve on the Steering Committee of the Spanish Network, from where we will be able to more actively harness the potential of our company to contribute to sustainable development and act as a socially responsible company. In the area of content, we have been honored by the SERES Foundation with the award Premio SERES 2016 going to Planeta Futuro, the *El País* portal for sustainable development, for its efforts to raise awareness in this area.

PRISA is committed to the defense of freedom of expression, freedom of conscience, and human rights. We see social responsibility not as a mere supplement to our endeavours, but as an essential part of the Group.

PRISA's media have long championed campaigns as promoted by bodies and NGOs such as the FAD (Foundation Against Drug Addiction), of which we are founding sponsors and where we work actively on its Media Committee to promote its activity. We also work with Unicef, WWF, Intermón Oxfam, Ayuda en Acción, Red Cross, Manos Unidas, Médicos sin Fronteras, Save the Children and the Unhcr. Support is offered through habitual reporting and specific sponsorship or promotion deals, placing our media at the service of the global community as part of our commitment to raising awareness and mobilizing society.

In the field of innovation, research and development, PRISA is a founding patron and active collaborator of the Fundación Pro CNIC, whose main objective is to raise awareness about the vital work in research and

prevention of cardiovascular disease being carried out by CNIC, the National Center for Cardiovascular Research, led by Valentin Fuster, and that has put Spain at the forefront of such research.

PRISA is part of the group of companies constituting the Fundación SERES, a Foundation that promotes corporate engagement and commitment to improve society through

socially responsible actions that are aligned with company strategy and the policy of creating value for all. As part of this collaboration, PRISA sits on its steering committee, the communications committee and is a member of the jury for the Awards for Corporate Innovation and Social Commitment. The Group has also participated in the development of the series of forums, the CEO Talks, on CSR and the crea-



Planeta Futuro team receives the Premio SERES award

tion of shared value by the leadership of the company, and on companies and social innovation.

In the field of education and culture, PRISA and the Fundación Santillana have signed a range of agreements with cultural, educational and scientific institutions both in Spain and in Latin America, including the Organization of Ibero-American States, the Inter-American Development Bank, the Ro-

yal Spanish Academy, the Instituto Cervantes, the Miguel de Cervantes Virtual Library Foundation, the Royal Theatre Foundation, the National Museum Centro de Arte Reina Sofía, MACBA, Casa de América, the Fundación Carolina, the Brazilian Hispanic Cultural Foundation, Fundación Conocimiento y Desarrollo (Knowledge and Development Foundation), Fundación Empresa y Crecimiento (Business and Growth Foundation), the European

Institute of Design (IED) and the Princess of Asturias Foundation. In the field of innovation, research and development, the Group works with the Fundación COTEC for Technological Innovation. Between 2016 and the end of 2018, the Group will be sponsoring the bicentenary of the Royal Theater, an event of widespread public interest.

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



Manuela Carmena and Pepa Bueno at the conference *Civil society and global change*

## PRISA Noticias

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

*El País* has made it its editorial duty to inform readers of all social initiatives that are undertaken, not only internally but also globally. The section *Planeta Futuro* makes an enormous contribution to informing readers on environmental issues and equality, and is committed to raising awareness on the Sustainable Development Goals of the Global Compact. The section's good social practices were honored with the SERES Award, given to companies in recognition of their efforts to create value in society. *Mujeres*, the newspaper section on women's issues, was honored with the award *Generating Art* by the Association of Women Artists.

PRISA Noticias once again lent its support to the World Wildlife Foundation (WWF) in promoting the campaign *Earth Hour*. *El País*, *Cinco Días*, *As* and *El Huffington Post* all encouraged mass participation and gave widespread coverage to the largest global movement in defense of the environment.

In April, *El País* organized the Sustainable Urbanism Forum, a conference sponsored by BBVA and Castellana Norte District, and at which architects and urban design experts analyzed the future of urban planning.

El País con tu Futuro



Once again, *Cinco Días*, along with 20 other international business and finance newspapers, collaborated with Sparknews and its Solutions & Co alliance. This alliance was formed with the aim of creating a common narrative style on Climate Change in the media. *Cincodias.com* offered extensive coverage, posting more than fifty stories on how to tackle this threat. Likewise, in partnership with Ferrovial, the newspaper dedicated one of its breakfast debates to exploring the concept of corporate social responsibility as a new model of business management.

The Paralympics was discussed at a breakfast meeting organized by the sports daily *As*, which explored the power of sport to integrate the issue of disability into everyday life.

The refugee crisis, the Islamic State and Brexit were just some of the issues to have occupied the news agenda in 2016. In addition to coverage through the usual channels, *El País* organized jointly with the producer Casa Limón and Berklee College of Music, a collection of four music book-albums called *Refugio del Sonido*, featuring performers

such as Alejandro Sanz, Mario Vargas Llosa and Isabel Coixet, among others. The proceeds went to Doctors Without Borders, while Berklee College awarded a scholarship.

PRISA Noticias titles also collaborated actively in the development of sponsorship agreements between PRISA with NGOs and foundations.

## El País con tu futuro

*El País*, in collaboration with the Santillana Foundation, held for the second consecutive year **El País con tu futuro** at Kinopolis. This is motivational career guidance event aimed at helping young people choose their academic and professional path. 3,000 attendees and 78 speakers from a

wide range of different sectors participated in the event, which garnered 16 million hits on social media. Given the success of the event, it was decided to launch an edition in Mexico City, where more than 30 experts from different sectors gave guidance to young people.

Once again this year, *El País* organized a number of journalism workshops for children in hospitals in the Madrid region, at the Niño Jesus Hospital, at schools in Puerto Rico and Mexico, at foundations, and at the Madrid Book Fair. Children thus get to learn more about the profession of journalism, they get used to navigating a newspaper and develop their creativity in designing the cover of their very own paper.

*El País* also held a short story competition, with the theme of diversity for 12-16 year olds, called *Un País de Capacidades*.

## El País de los Estudiantes

**El País de los Estudiantes** is a widely acclaimed, pioneering free school newspaper project, with both recreational and educational value, and aimed at teachers and students alike, with a focus on those students in the 2nd cycle of ESO, Bachillerato, Vocational Training and Intermediate Vocational Training. It promotes multidisciplinary learning, teamwork and the personal development of each student.

In 2016, *El País* celebrated the 15th edition of the competition. The program was created in 2001 and over the past 15 years has involved more than



El País de los Estudiantes winners

471,500 students, 77,300 teachers and 15,600 newspapers, thereby awakening an interest in journalism among many young people.

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 format. This learning tool helps students to develop a range of skills, such as critical thinking, writing, analysis and structure, and creativity, all in a natural way.

As well as vying for the top prizes, the student teams can take advantage of valuable resources and content related to journalism and current affairs, material that can be used in everyday classroom work, regardless of the subject and educational level, as well as used as a resource and starting point for generating debate.

## The UAM-*El País* School of Journalism

The UAM-*El País* School of Journalism belongs to a non-profit foundation made up of the Universidad Autónoma de Madrid (UAM) and the newspaper *El País*. Founded in 1986, it celebrated its 30th anniversary last year.

The School's main initiative is the Masters in Journalism, the oldest such postgraduate degree for quality journalism in Spanish. The degree is awarded by the Universidad Autónoma de Madrid upon successful completion of the course, which lasts 22 months —12 of which are remunerated work experience at any one of PRISA's media outlets. The rest of the time, students receive training at

the School, where they work in small newsrooms and learn in a practical way.

For the past few years, the School has also offered workshops on journalism to the general public.

Over the past 30 years, the school has been privileged to welcome García Márquez, as well as other Nobel laureates, such as Mario Vargas Llosa and Jose Saramago, as well as a wide range of professors and lecturers. The School has now trained about 1,200 students (10% of them from Latin America) and many of its alumni are now professionals either working inside (21%) or outside

(40%) PRISA. A total of 38% work in the communications sector.

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



Photojournalism Workshop in *El País*

## The *El País* School of Journalism TILDE Awards

The new TILDE Awards were held on the occasion of the 30th anniversary of the UAM-*El País* School of Journalism.

Video, audio, photography, comics, new data visualization formats... Any of these tools, either on their own or combined, allows journalists to build stories for online publication. All too aware that this aspect of digital journalism is in a continuous process of transformation, the School decided to pay tribute to the best work each year using these new digital narratives.

The award is aimed at journalists aged between 18 and 35 who have developed their stories in Spanish or Portuguese. Judges are looking for not just good journalism, but also originality in presenting the story and the journalistic use of tools that may not necessarily have been originally created for the profession.

## PRISA Radio

PRISA Radio sees CSR policy as at the very core of its business operations – focussed chiefly on news and entertainment – and is all too aware of the impact of said policy on the process of social transformation. PRISA Radio endeavors to be a responsible and sustainable company, and be seen as such, and our reputation and how we are

seen by society are key when it comes to planning our activities, whether these be our own initiatives or those we undertake in partnership with third parties.

Among PRISA Radio's initiatives in **Spain** over the past year, special mention should be made of the LOS40 Music Awards gala, the proceeds of which went to the AIDS NGO Fundación Lucha contra el Sida. The Cadena Dial Awards gala, meanwhile,

gave part of the proceeds to the Fundación Canaria CESICA and its Proyecto Hombre Foundation, which runs programs in the areas of addiction and social exclusion. Finally, proceeds from the Radiolé Awards Gala were donated to APASCIDE, a Seville association that helps the deaf and blind.

Generally speaking, all PRISA Radio stations in Latin America ran social, charitable and cultural initiatives.



Primavera Pop Festival,  
at the Plaza Mayor in Madrid



In **Colombia**, our stations ran projects and activities, aimed not only at listeners, customers and advertisers, but also to get employees involved in social causes.

In the year that brought peace to Colombia, Caracol Radio acted not only as a media outlet but as peacemaker itself by providing full support and cooperation for this event of global importance: news programs, analysis, open mics, participation in forums, campaigns and national government projects such as the National Peace Prize, among others.

Caracol Radio and its spoken-word and music stations ran internal campaigns to raise awareness among employees on the importance of protecting natural resources, and promoting water, energy, paper and cardboard conservation. It has also worked with various government organizations and nonprofit entities on child protection campaigns, as well as initiatives on respect for diversity and gender, and health promotion, education and culture.

Throughout the year, W Radio has led several charitable campaigns and partnerships with a range of organizations and companies in the country. These included the traditional fundraising for residents of Chocó, one of the country's most disadvantaged regions.

As well as supporting educational institutions, as in previous years, Tropicana, Oxígeno, Radioactiva and LOS40 teamed up for their traditional

Christmas concerts and collected gifts for children in need.

In **Mexico**, through the initiative *LOS40 Solidarios*, reforestation initiatives were conducted in the metropolitan area of Guadalajara over a weekend. And family values were promoted among young people through the short film competition, *LOS40 en corto*. Support was also given to the protocol Amber Alert, which is activated immediately after the disappearance of a child or adolescent. The station also supported campaigns to fight breast cancer and against gender violence, as well as the nationwide collection for Mexican Red Cross.

In **Argentina**, Continental, LOS40 and their web platforms supported the WWF's Earth Hour, the biggest global campaign in defense of the environment. Continental also lent its support to the campaign "Argentina Vision 2020", run by the NGO Bisblick, which grants scholarships to young people with high potential and low income. All year round, LOS40 and its social media ran the campaign *LOS40 Solidarios*, aimed at promoting and garnering support for the activities of a wide range of NGOs and charities.

In **Chile**, participation was encouraged in a wide range of activities throughout the year. A partnership was signed with the foundation Desafío Levantemos Chile, dedicated to rebuilding schools and areas affected by natural disasters, and caring for low-income sectors. In addition, commitment

to social causes has been maintained through agreements with América Solidaria, which seeks to eradicate poverty on the continent, and Teletón (a telethon event), the annual campaign for the construction and support of the Children's Rehabilitation Institutes (IRI), which treat children with motor disabilities. There was also support, via on-air mentions or online banners, for: campaigns for the protection of the environment (Earth Hour); citizenship (Educación 2020, Crece Chile, Bomberos de Chile Servicio País, América Solidaria, Techo); children (Protectora de la Infancia, Patronato Madre Hijo, Fundación San José, Leche para Haití); and health (Teletón, Pequeño Cottolengo, Fundación Paréntesis, Fundación Debra Niños Piel de Cristal, Fundación Arturo López Pérez, Coaniquem, Coanil).

In **Panama**, the initiative of giving airtime to NGOs was continued. In addition, every week a group of low-income children was invited to the LOS40 stand located in the children's theme park Divercity. With regards to content, a section called "Good News" was added to the Radio Panama news, highlighting the positive events of the day. Similarly, the "Lo Positivo" was added to Ya Párate, the LOS40 morning show, with the aim of providing educational content in a fun way, and with the collaboration of young entrepreneurs from Ayudinga. The LOS40 team also made presentations at major universities in Panama, offering their knowledge and experience on topical issues such as *The impact of radio on social networks*.

## Santillana

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

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

Our commitment to reading as a key tool for social improvement culminated in Peru with the launch of the educational project for primary and secondary schools 'Let's grow together'. Meanwhile, the initiative *Infinitas historias de talento* (Neverending stories of talent that changes lives) showed how students can overcome challenges and develop their talents to transform their lives and the lives of their families

Santillana contributed to the fifth edition of "Bolivia Lee" (Bolivia Reads) program with a donation of 30,000 books during the presentation ceremony for the campaign at the Ministry of Education. The company also signed an agreement with the Bolivian Academy of Language to cooperate on projects that promote the correct and appropriate use of language, and to work together on the continuous updating of the regulations of the SAR.

Books worth nearly \$300,000 were donated to the Upala Public Library, an area affected by Hurricane Otto, via the Ministry of Culture, Youth and Sports of Costa Rica.

Other projects in favor of reading brought books to children. *Ruta Maestra*, Santillana Colombia's educational magazine, celebrated its fourth anniversary. With some 17,000 digital publishing downloads and 122,400 visits to the content of its pages, the publication has positioned itself as a benchmark in its sector. In Colombia, Santillana launched the Santillana Plus Virtual Forums, which are followed live by 8,000 teachers. There was a total of 31,641 views.

During the celebration of the 2016 Olympic Games in Rio, Santillana Colombia launched the interactive platform "Santillana Olympics 2016" to encourage students and the whole education community to share and appreciate the values of sport. This initiative involved 3,207 people from 26 departments and 136 cities throughout the country.

Providing knowledge and analysis on the educational process has also been one of Santillana's chief goals. In 2016, the company supported a wide range of educational initiatives aimed at management teams, teachers and families in order to address the challenges of education today. The *Saber Hacer* (Know How) Forums, organized by Santillana, and the conference held by ACADE, *Educational keys for the digital society*, in collaboration with the Telefonica Foundation, as well as the CECE conference, *Education, a necessary pact*, are just some examples.

The *Grandes Profes!* (Great Teachers!) annual event, organized jointly with the Atresmedia Foun-

ation, Fundación Telefónica and Microsoft, rekindled the spirit of support and encouragement to teachers in their daily lives. The event included the awards 'Great Teachers, Great Initiatives', which pay tribute to the best projects promoted by teachers and schools during the school year.

In Brazil, the sixth edition of the project *Trilhas da Cidadania* (Pathways to Citizenship) lent support to the free Portuguese language course for immigrants and refugees, with the publication of the third volume of the collection *Educational Territories*. This initiative fosters the inclusion of migrants. Editorial Moderna has continued its support for the NGO 'Mestres da Obra' aimed at construction workers and which, since 2012, has benefited around 2,400 workers with educational and cultural activities in different regions of the country.

In Chile, Santillana's commitment to encouraging healthy lifestyles in classrooms and among families has prompted the launch of a book written by the teachers with the support of the Chile Vive Sano Foundation. The "*Manual: Active Teachers! Towards a culture of healthy lifestyles*" includes more than 50 activities for promoting healthy habits in the classroom.

The campaign *Lentes guía* endeavored to alleviate sight problems among children, one of the leading causes of school dropout in Mexico, especially in rural areas. Save the Children joined forces with Santillana to include some practical paper lenses in every textbook.

To promote and coordinate efforts in development initiatives in the country, as well as new academic projects, Santillana Puerto Rico celebrated its 25th anniversary with two important partnerships. The

company will coordinate with the State Historic Preservation Office on the preservation of historical heritage. Another agreement with the University of Turabo seeks to improve education in the country, through the exchange of experiences, methodologies and content. Finally an alliance with UNESCO helped with the implementation of the program Coaches.

In the Dominican Republic, Santillana sponsored the Ninth Congress of the Spanish Language, UNAPEC 2016, in order to provide a space for reflection on the process of learning Spanish. The company also collaborated with the Caribbean Biodiversity Congress, a space that welcomes experts from around the world who are interested in learning about and protecting the diversity of the Caribbean.

## ■ The Fundación Santillana

Every year since its creation in 1979, the Fundación Santillana, with its wide and varied program of activities, has consistently set the standard for initiatives in the fields of education, culture, journalism and governance by creating spaces for reflection and dialogue, thus enabling the organization to consolidate its institutional presence.

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

## Culture

### Masters in Governance and Human Rights Graduation ceremony

*With the Jesús de Polanco Chair for Ibero-American Studies  
Madrid, Spain. March 30*

47 students from twenty different nationalities, the majority Latin American but also French, Swedish and Australian, were enrolled on the fifth edition of the Masters. The UNAM lawyer and

former president of the Inter-American Court of Human Rights, Sergio Garcia Ramirez, gave the commencement address at the graduation ceremony. He began his address by remembering Francisco Tomas y Valiente, killed by ETA twenty years ago and who is commemorated in the name of auditorium of the Faculty of law at the UAM, where the event was held. Other participants included José M. Sanz, Rector of the UAM; Ignacio Polanco, president of the Santillana Foundation; Juan Luis Cebrian, PRISA executive chair; and Antonio Rovira, co-director of the Masters, among others.



Master in Governance and Human Rights graduation ceremony



Closing ceremony of the Creative Industries Network 3rd Edition

## Borders and Human Rights

*With the Autonomous University of Mexico (UNAM) and the Jesús de Polanco Chair for Ibero-American Studies (Autonomous University of Madrid and Santillana Foundation). (Madrid) Madrid, Spain. March 30 and 31*

Addressing human rights in the area of borders, migration, displaced persons and refugees, this event brought together experts from different countries such as Laura Thompson, Deputy Director General of the International Organization for Migration (IOM); Juan Luis Cebrian, PRISA executive chair; Francesca Friz-Prguda, Unhcr representative; Jorge Bustamante Fernandez, a lawyer

and former UN Special Rapporteur for the rights of migrants; Douglass Cassel, a professor at the University of Notre Dame (USA); and Jaime Ordóñez, director of the Central American Institute of Governance, among others.

## Creative Industries Network. Business incubator

*With the Instituto Europeo de Design of Madrid (IED) Madrid, Spain. April 8 to July 16 / October 28 2016 to January 2017*

The Creative Industries Network (RIC) was launched in 2014 as a business incubator, aimed at

supporting the creative and cultural industries, offering an advice and design program for companies, as well as acting a role model for growing businesses.

After the success of the first and second editions, the RIC found that there was an increasing demand, which is why two editions were held in 2016: the third and fourth editions, which brought together 40 companies in the creative and cultural sector to explore the best methodology for innovation and growth.

## CULTURAL LABORATORY: MEXICO-SPAIN Bookstores, 400 years later

*With the Embassy of Mexico and the Instituto Cultural Mexico-Spain Madrid, Spain. May 12*

The seminar “Bookshops, 400 years” later, organized by the Santillana Foundation’s Laboratorio Cultural México-España, brought together industry representatives to discuss and address a range of current issues related to the world of books.

Among the invited professionals from both sides of the Atlantic were: Paulina Vieitez, coordinator of the Círculo Sanborns de México; Silvia Clemares, Senior Publisher Relations at Kobo Inc.; Pepe Verdes, director of Librotea; Antonio Ramírez, director of the bookstore La Central; and Arantza Larrauri, managing director of Libranda.

## Cultural Journalism Congress *The new cultural engineering*

*With the Botín Foundation, the city of Santander and the Menendez Pelayo International University (UIMP)  
Santander, Spain. June 16 and 17*

Managers and creators gathered in Santander to discuss a wide range of issues, including the latest trends in new forms of artistic expression

The Santillana Foundation, with the collaboration of Santander Creativa and the Botin Foundation, among others, brought together dozens of managers and creators for panel discussions and debates at the Second Cultural Journalism Congress, held at the Menendez Pelayo International University.

## Formentor Literary Conversations *Spirits, ghosts and souls in pain. Tales from the other world in literature*

*With the Hotel Barceló Formentor  
Mallorca, Spain. September 16, 17 and 18*

The ninth edition of the Formentor Literary Conversations, was titled *Spirits, ghosts and souls in pain. Tales from the other world in literature*. It brought together in Mallorca thirty writers, essayists and philosophers from Spain and Latin America. The event, organized by the Santillana Foundation and sponsored by the Hotel Barceló Formentor, opened with the presentation of the sixth Formentor Prize for Literature to the Italian Roberto Calasso.

## Library of Governance and Human Rights Presentation of the book *Animal Rights (Marcial Pons, 2015)*

*With the Central American Institute of Governance  
San Jose, Costa Rica. November 8*

In coordination with Marcela Guerrero of the Legislative Assembly of Costa Rica, and the Faculty of Law of the University of Costa Rica, the book *Animal Rights* (Marcial Pons, 2015) from the Library of Governance and Human Rights was presented. The book deals with arguments for and against animal rights, and looks at the international scientific community's current debate on animals.

## Presentation of the First Festival of Philosophy and Philosophy Workshops

*With La Térmica  
Malaga, Spain. November 23*

Organized by the Santillana Foundation and La Térmica, the Festival of Philosophy and Philosophy Workshops was one of the year's biggest novelties. Held at various museums in the city of Malaga, the initiative seeks to reveal the practical side of philosophy, how it relates to our most personal needs and how every human being can join the great endeavor of thinking about the world. Outstanding philosophers, thinkers and cultural critics spoke to the public about the validity of a discipline that is the very basis of our civilization.



Formentor Literary Conversations

## Cultural Industries Forum *Warning! Save Culture! For a new cultural model*

*With the Fundación Alternativas  
Madrid, Spain. December 13*

The eighth edition of the Cultural Industries Forum brought together professionals, guilds and associations from the world of culture to define the new cultural model that Spain so urgently needs. The event also saw the presentation of the report “The French example. How France protects Culture”, a document commissioned by the forum in order to analyze the existing model of public cultural policies in France. The Forum closed with the reading of a letter addressed to the Spanish Parliament covering the main points to be addressed in the current legislature.

## Library of Governance and Human Rights Presentation of the book *Latin America and the Global World* (Marcial Pons, 2016)

*Madrid, Spain. December 15*

This fourth volume of the Library of Governance and Human Rights reflects on the current situation in Latin America. It shows how social contracts are characterized by a combination of implicit and explicit agreements that determine what each social group should contribute to the state and what they can expect to receive from it.

Participants included: Ignacio Polanco, president of the Santillana Foundation; Rebeca Grynspan,

Secretary General of the Secretaría General Iberoamericana (SEGIB); Rosa Conde, sociologist; Joaquin Estefania and Pedro A. Martinez Lillo, co-directors of the Jesús de Polanco Chair for Ibero-American Studies.

## New agreements signed

### Iberoamerican Television (TEIB)

*Madrid, Spain. February 23*

The Santillana Foundation and Iberoamerican Television (TEIB) signed a wide ranging collaboration agreement. The first initiative will see the TEIB promote and cover all of the Foundation’s relevant activities (Culture) in Latin America. The TEIB is present in 21 countries through 114 television associated channels, and its content is distributed by satellite in America, Europe, Asia and Africa through the TVE Internacional and online at [www.atei.es](http://www.atei.es).

### Instituto Centroamericano de Gobernabilidad

*Madrid, Spain. March 31*

The Santillana Foundation and the Instituto Centroamericano de Gobernabilidad signed an agreement for the development of academic programs and joint publications. From Costa Rica, the Institute will promote the activities that the Santillana Foundation organizes through its Masters in Governance and Human Rights. The network of Central American universities that are integrated into

the Institute will contribute its academic staff to the research programs of the Foundation.

### La Térmica. Center for Contemporary Culture of Malaga

*Malaga, Spain. November 11*

The specific framework agreement foresees an annual joint initiative dedicated to the dissemination of philosophy as cultural heritage, to intellectual exercise and civic training. The project will include a festival of philosophy and philosophy workshops on a monthly basis in 2017. The aim is to bring together leading thinkers for a series of debates and talks in the city of Malaga.

## Education

Education figures prominently in the social policies and budgetary projections of Latin American countries. They have all made a remarkable effort and have achieved significant quantitative targets. Even so, the quality of our learning systems can be improved upon, as evidenced by the results of international education assessments and the low competitiveness of the economies in the region.

The activity of the Santillana Foundation seeks to support, promote and expand the improvement of education through seminars, conferences, forums for discussion and the exchange of information. We are committed to the promotion, publication and dissemination of studies, evaluations and re-

search; and all those activities that support governmental and non-governmental entities, including the identification and dissemination of successful experiences and best practices.

As well as bringing together members of the public for our activities, our initiatives have a notable presence on social media and throughout the Foundation's virtual spaces. We set the global standard for education, a position we could not have achieved without the trust and collaboration of international organizations such as UNESCO, OECD and IDB, governments throughout the region, a wide range of universities, other foundations, all of PRISA's companies, experts and, above all, the heroes of educational improvement: teachers.

### Presentation of the report: *Spanish education at the crossroads*

SPAIN. Madrid, February 17 and 18. *Círculo de Bellas Artes*

The report by the sociologist and education expert, Mariano Fernández Enguita, reviews the past of education, analyses the current state of education, and looks to the future in order to open up the educational debate.

The report was presented at a press conference and to the general public with a talk between the author and the journalist Marta González Novo, anchor of Cadena SER's program *Hoy por hoy* Madrid.



30th Education Week

### 30th Education Week

*With the Ministry of Education, Culture and Sport of Spain, UNESCO, the Fundación Telefónica, El País and Banco Santander*  
SPAIN. Madrid, March 8, 9 and 10

The Santillana Foundation organized the 30th Education Week titled *New Challenges, pacts and initiatives to improve education*. Discussion ranged across three areas:

1. The challenges of institutional education. Mariano Fernández Enguita.
2. Education pact / pacts. Victoria Camps, Luis Garicano, Francisco López Rupérez and Ángel Gabilondo debated both the need and conditions for education agreements.
3. The teaching profession. José Antonio Marina, in conversation with Pilar Álvarez and Olga Rodríguez Sanmartín.

## Second International Seminar on Education of Chile

*With the Telefonica Foundation and Radio ADN CHILE. Santiago de Chile, April 17 and 18*

With the participation of experts Ricardo Cuenca, Marcelo Fontecilla, Rosario Navarro, Ernesto Treviño, Patricio Meller and Mario Martín Bris, among others, under the title *Quality Education for All: Leadership and Educational Inclusion*.

The seminar provided updated information and successful experiences to share knowledge regarding the priorities of Latin American education. These included strengthening school leadership to improve the management of schools, quality, equity and educational reforms, as well as how to achieve inclusive education and the transformation of education.

## Second Education Week Lima

*With the Ministry of Education of Peru, OECD, Fundación Telefónica and El País PERU. Lima, April 20 and 21*

Under the title *Educational skills for better opportunities*.

The inaugural keynote speech was given by Andreas Schleicher, director for Education and Skills at the OECD and director of the PISA study, who presented the latest OECD report entitled *Skills in Ibero-America: Analysis of PISA 2012* to more than two hundred attendees, primarily education authorities, school principals and education experts.

The report, which is a first for the region, addresses the weaknesses of educational systems in Ibero-America, particularly with regard to the impact of student socioeconomic backgrounds on their learning outcomes.

## VivaLectura Award

*With the Ministry of Education of Argentina and OEI ARGENTINA. Buenos Aires, May 5*

In this ninth edition of the awards, there were 480 submissions and 300 projects on the best educational experiences from all provinces. In selecting the winning entries, the jury evaluated the promotion of reading comprehension, creativity and dynamism of the initiatives, the relevance of such action to the target community and its results, among other criteria.

## Seminar Education for Global Citizenship

*With UNESCO and El País BRAZIL. Sao Paulo, May 12*

What education is required for the twenty-first century? What exactly is education for global citizenship? Experts, education managers and teachers debated these issues, and others, by analyzing citizenship skills, the importance of comprehensive training and the development of public policies that promote learning. Other issues such as training for the labour market, social inclusion, public policy and the role of the school and educator to face these new challenges were also discussed.

## First Ibero-American Festival of Children's and Youth Literature

*With the Miguel de Cervantes Virtual Library Foundation, the President of the Republic of Colombia, Ministry of Education, Ministry of Culture, Embassy of Spain in Colombia, Castilla y Leon Regional Government, OIJ, Unicef, CAFAM, Caracol Radio, El País, Best Western, Santillana and Loqueleo Colombia. Bogota, May 31 and June 1*

The Santillana Foundation and the Miguel de Cervantes Virtual Library Foundation are behind the Ibero-American Festival of Children's and Youth Literature, an initiative that aims to contribute to the promotion of this specific sector of literary creation, and which can make valuable cultural, educational and social contributions.

This first edition was an enormous success. Held in the city of Bogota, it was attended by President Juan Manuel Santos

## 11th Latin American Education Forum

*With the OEI ARGENTINA. Buenos Aires, August 23*

The 11th Latin American Education Forum, with the title *The construction of scientific and technological thinking in children aged 3 to 8*, provided a space for reflection and debate on the current situation of the education system, and the political and educational challenges it faces.





The President of Colombia opening the First Ibero-American Festival of Children's and Youth Literature

## Presentation of the report *Building quality education: a pact for the future of Latin America*

*Institutions: Inter-American Dialogue and OEI  
ARGENTINA. Buenos Aires, August 26*

The former President of Chile, Ricardo Lagos, presented, in Buenos Aires, the report published by Inter-American Dialogue and the Santillana Foundation *Building quality education: a pact for the future of Latin America*. The report looks at the lacklustre quality of education in the region and the need to address this challenge to ensure the future. The report was coordinated by former Presidents Ricardo Lagos of Chile and Ernesto Zedillo of Mexico. Contributors included some of the most important Latin American experts and researchers.

## 22nd Santillana Prize

*Institutions involved: Ministry of Education of Colombia  
COLOMBIA. Bogotá, October 20*

This year's theme was *Reading to write, education and life*. The award went to the teachers Diana Isabel Pérez Vivas and Daniel Ortiz Díaz, from the school Jorge Soto Colegio del Corral IED Bogota, for their initiative "Little citizens count". The initiative was lauded for its commitment to developing innovative and active promotion strategies for reading and writing as crucial life processes.

Finalists included schools in El Bagre and Itagui in Antioquia, Fuentedeoro in Bucaramanga, and Meta in Santander.



Andreas Schleicher presents  
The latest PISA results

### Seminar *Technology and the transformation of education*

With Editora Moderna, SmartLab, UNESCO, Google For Education and Avalia Educacional BRAZIL. Sao Paulo, October 20

This event brought together principals, managers and teachers from public and private schools to share experiences in the area of incorporating new technologies in teaching, and to discuss changes in learning.

César Nunes, a researcher at Unicamp, presented the results of a study conducted by the expert Francesc Pedró, Chief of Section - Sector Policy Advice and Information and Communication Technology (ICT) in Education at UNESCO. The paper discusses the ways in which technology is contributing to the transformation of education, with special emphasis on Latin America, as well as factors for success and recommendations to all those involved in learning.

### Teaching for the future

With *El País*, Fundación Telefónica and the Madrid regional government  
SPAIN. Madrid, 2 November

A major event with two round tables:

1. *At More and better education for different jobs*, Javier Fesser, Mariano Fernández and Carlos Bertrán Enguita shared their experience on the challenges of the new environment, and looked at how to integrate the needs of the labor market into current training.
2. *In search of education that is relevant to our youth* was the title of the second discussion which featured Jorge Arévalo, Carlos Andradás, Adela Cortina and Emilio Ontiveros, chaired by Marta González Novo.

The event was also attended by José María Sanz Magallón, Emiliano Martínez, Jorge Rivera and Rafael van Grieken Salvador.

### 2nd Ibero-American Festival of Children's and Youth Literature

With the Miguel de Cervantes Virtual Library Foundation, Castilla y Leon regional government, Loqueleo, PRISA Radio, *El País* and OIJ  
SPAIN. Valladolid, November 22 and 23

The Festival featured music and theater related cultural activities, as well as debates among experts, and the presentation of successful experiences and talks by leading specialists. Participants included writers, illustrators, researchers, journalists and librarians

from different Ibero-American countries, such as writers Javier Cercas, Maite Carranza, María Fernanda Heredia, Fernando J. López, Violeta Monreal, Rafael Ordoñez and the booktuber Sebastián G. Mouret.

### Skills in Ibero-America: the latest PISA results

*With the Casa de América and the Ministry of Education, Culture and Sport  
SPAIN. Madrid, December 13*

Andreas Schleicher, Director for Education and Skills at the OECD, gave a talk on the results of the PISA Report. The new findings, which were published worldwide, also provided an update on the state of basic skills in the Ibero-American countries participating in this evaluation, including Spain.

### El País con tu futuro

*With El País, Santander, Telefónica, Lidl, UAX, Sun Media, UEM, TAI, Bayer, Ford, Puleva, Ray Human Capital, IE University, Madrid, FUNDAE, OIJ  
SPAIN. Madrid, December 20 and 21*

The Santillana Foundation was co-organizer with *El País* of the second edition of this event. Well aware of the challenge of educating young people for a future full of uncertainties, this event aims to motivate, inspire, expand their possibilities, put them in innovative professional scenarios, show them examples that can broaden their expectations, and show them the strength of their skills.

## Promotion and dissemination of culture and the arts

From the very outset, PRISA has worked actively to promote the arts, culture and journalism by honoring excellence with some of the world's most prestigious prizes and awards. In the field of journalism, PRISA holds both the Ondas Awards and the Ortega y Gasset Awards for Journalism, that pay tribute to the best professionals and productions in radio, television, online, in music and in advertising. In the area of innovation, PRISA is behind the Cinco Días Awards for Business Innovation, with a specific category for Corporate Social Responsibility.

## Ondas Awards

The Ondas Awards gala, organized by PRISA's Radio Barcelona, has been celebrating the magic of media every November for more than 60 years.

Winners at the 2016 gala, held at the Gran Teatre del Liceu in Barcelona, included the singers Miguel Bosé, Manuel Carrasco and Dani Martín, comedian Juan Carlos Ortega, the LOS40 presenter Tony Aguilar, the online broadcast platform Podium Podcast (PRISA Radio), the programs *La Voz* (Telecinco), *Tabú* (#0, Movistar +) and *El foraster* (TV3). The gala, presented by Uri Sabat and Raquel Sanchez Silva, featured performances by Miguel Bosé, who won the lifetime achievement



Tony Aguilar is awarded with the Premio Ondas for Del 40 al 1 (LOS40)

award, and Dani Martín, winner of the artist of the year award. There was also plenty of humor, thanks to Llum Barrera and El Mundo Today.

## Ortega y Gasset Journalism Awards

The Ortega y Gasset Awards for Journalism were created in 1984 by the newspaper *El País*, and are named after the Spanish philosopher and journalist José Ortega y Gasset. The prizes honor work published in Spanish-language media worldwide over the year, paying tribute to work that champions independence and rigor – the hallmarks of excellent journalism.

The Ortega y Gasset Awards 2016 paid tribute to socially aware journalism with prizes going to Joseph Zárate Salazar for his report *La dama de la laguna azul versus la laguna negra* (The Lady of the Blue Lagoon versus the Black Lagoon), published in the magazine *Etiqueta Verde*, Peru. The prize for best digital work went to Lilia Saúl and Ginna Moreno for *Desaparecidos* (Disappeared) published in *El Universal de México* and *El Tiempo de Colombia*. The prize for the best work of photojournalism went to Samuel Aranda for one of his pictures in the series *Llegando al paraíso* (Arriving in Paradise) published in the newspaper *ARA*. The photo, in black and white, shows a mother hugging her son in the waters off the coast of Lesbos.

The award for outstanding career in journalism went to Adam Michnik, who started in the profession in 1965 and is founder and editor of the newspaper *Gazeta Wyborcza*.



All the awardees in the XXXIII Ortega y Gasset Journalism Awards

## Cinco Días Awards for Business Innovation

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

NH Hoteles was awarded the Best Initiative in the field of Corporate Social Responsibility for its program *Hoteles con Corazón* (Hotels with a Heart), which provides hotel rooms to needy families of children with serious illnesses and gives them a place to stay when they have to travel for medical treatment.

Blendhub was awarded the prize for Most Innovative Business Initiative in the field of New Technologies for its engineering solution that has successfully enabled the creation of the world's first portable factory to produce high quality food powder blends.

Finally, the prize for the Most Innovative Business Initiative in Association with a University went to Emite Ingeniería, a spin-off of the University of Cartagena, for its development of multiple-input and multiple-output analyzers and 4G wireless devices.



The 9th Cinco Días Awards for Business Innovation award ceremony

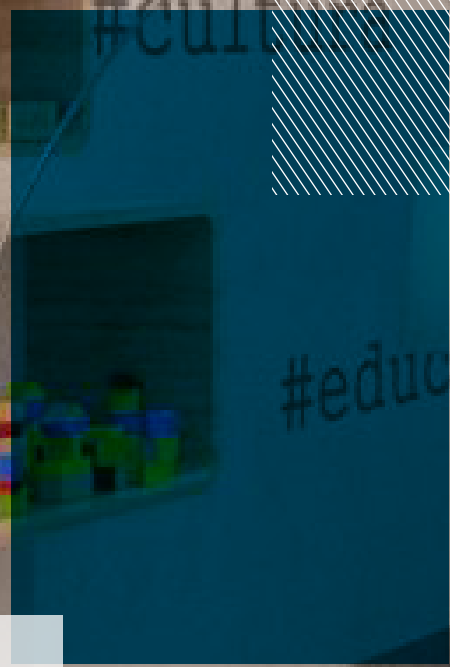


#culture

#educational



#smartlab



# 5

# Appendix

Application and scope of this report  
Correlation of indicators with GRI-G4  
guidelines and UN Global Compact  
Contact information

smartlab

# 5 Appendix

## APPLICATION AND SCOPE OF THIS REPORT

This Social Responsibility and Sustainability Report 2017 provides a faithful and transparent overview of the degree of development of the actions and commitments of Grupo PRISA in economic, social and environmental areas over the course of 2016, and builds on those reports of the past nine 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 2017 contains information on the Group's business units: PRISA Noticias, PRISA Radio, PRISA Audio-visual and Santillana in all those markets where they operate.

Just as in previous years, in producing this Report, we have taken into account the guiding Principles of the Global Compact, and we have followed the recommendations of the *Guide for the Creation of Sustainability Reports* from the Global Reporting Initiative™, for the presentation and drafting of this report. In 2015 and 2016, the report was made in accordance with the guidelines established in the new guide GRI G.4 at a Comprehensive level, which guarantees that all content deals with the most important aspects of interest to stakeholders.

In order to determine the contents of the Social Responsibility and Sustainability Report 2017, and following the GRI G4 guidelines, we have used as a base the results of the materiality analysis carried out in 2016, which has, in turn, given rise to a new materiality matrix for the Group .

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 process for determining these aspects, as well as the results thereof, are described in detail in Chapter 4, "Sustainability at PRISA".



## Guiding principles behind the Sustainability Report

This 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 substantially influence the assessments and decisions of stakeholders.

To meet this objective, the Group carried out a new materiality analysis, with the methodology explained in detail in Chapter 4, "Sustainability at PRISA".

### Stakeholder Inclusiveness

Stakeholders are entities or individuals that can reasonably be expected to identify or be linked with PRISA's activities. The company should endeavor to satisfy the demands and concerns of these groups through the improvement and maintenance of the quality of its products and activities. The reasonable expectations and interests of stakeholders are a basic point of reference for many of

the decisions taken when drafting this report. (For further information, see Chapter 4, "Sustainability at PRISA: Dialogue and communication with our stakeholders").

### Sustainability Context

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

### Completeness

The Report's coverage of the material topics and Indicators and the definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts over the course of 2016.

### Balance

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

### Comparability

The information is presented in such a way so that the stakeholders can analyze the evolution of or-

ganizational 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 comprehend it.

### Reliability

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

## Significant changes during the period covered by this Social Responsibility and Sustainability Report in the size, structure and ownership of the organization

- PRISA revenues grew by 2.6% and EBITDA was up by 3.6% in constant currency. Net bank debt of the Group decreased by 173 million and stands at € 1.486 million as of December 2016. Financial expenses were brought down by reducing debt.
- Changes to the Board of Directors of PRISA with the addition of independent external directors: Blanca Hernández, president of Fundación Ebro Foods; Elena Pisonero, President of Hispasat; Alfonso Ruiz de Assin, a legal expert in the field of radio; and Dominique D'Hinnin, an outstanding media professional in France; as well as the new external director representing significant shareholdings, Waleed Alsa'di, a leading professional in Qatar.
- Santillana formalizes the purchase of Carvajal Soluciones Educativas, whose best-known publishing houses are Norma and Kapelusz. They have a long track record in publishing in Argentina, Colombia, Chile, Mexico, Peru, Guatemala and Puerto Rico. The acquisition complements and reinforces Santillana's international commitment.
- PRISA announces the start of the sales process of Santillana, due to take place in 2017.
- Major appointments: Ignacio Soto, new Chief Revenue Officer of PRISA, Carina Pardavila, new managing director of PRISA Video, and Jon Ruiz, new general manager of Caracol Radio and PRISA Radio in Colombia.
- PRISA celebrates two big anniversaries in 2016, with major initiatives that have strengthened brand perception, and boosted audiences and revenues: 40 years of *El País* and 50 years of Los 40 Principales.
- The SERES Foundation honors PRISA with SERES 2017 Award, which went to *El País*'s Planeta Futuro project. The jury lauded the promotion of CSR throughout the contents and the clear commitment to offering news on sustainable development.
- The United Nations Food and Agriculture Organization (FAO) and PRISA signed a framework cooperation agreement to promote news and awareness on sustainable development in Ibero-America, focusing on issues of poverty, food security and climate change in the *El País* section Planeta Futuro.
- PRISA joins the Steering Committee of the Spanish Global Compact Network.
- PRISA reached an agreement with some of its main creditors to issue bonds mandatorily convertible into PRISA shares at 10 euros per share through the swap of financial debt. The amount of this issue has amounted to 100,742,090 euros, and conversion into PRISA shares is due to take place in 2018.

# CORRELATION OF INDICATORS WITH GRI-G4 GUIDELINES AND UN GLOBAL COMPACT

This PRISA Sustainability Report 2016 has been prepared in accordance with the guidelines established in the GRI G.4 guide at a **Comprehensive** or complete conformity level. All GRI G.4 indicators are detailed in the following table.

GRI-G4 GENERAL STANDARD DISCLOSURES		
GRI (G4)	Area	Page
<b>Strategy and analysis</b>		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	We include a statement from Juan Luis Cebrián, Executive Chairman of PRISA, at the beginning of this Report.
G4-2	Key impacts, risks, and opportunities.	56-57,84,85
<b>Organizational profile</b>		
G4-3	Report the name of the organization.	14
G4-4	Report the primary brands, products, and services of the organization.	18-39
G4-5	Report the location of the organization's headquarters.	165
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	14
G4-7	Report the nature of ownership and legal form.	62, Cuentas Anuales (pág. 1), IAGC (pág. 2)



Red Española



G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	14, 18-53
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> <li>• Total number of employees.</li> <li>• Total number of operations.</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations).</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations).</li> <li>• Quantity of products or services provided.</li> </ul>	14, 40-53, 90
G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers.</p>	90,91,93
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	93
G4-12	Describe the organization's supply chain.	105-108
G4-13	Significant changes during the reporting period regarding size, structure, ownership, or its supply chain.	106,138
<b>Commitments to external initiatives</b>		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	15-16, 54-59
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	60-61,69,114-133
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees.</li> <li>• Provides substantive funding beyond routine membership dues.</li> <li>• Views membership as strategic</li> <li>•</li> </ul>	60-61,114-133

Material aspects and boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	136-137 IG (pág. 1-4)
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	136-137
G4-19	List all the material Aspects identified in the process for defining report content.	80-83, 136-138
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	80-83, 136-138
G4-21	For each material Aspect, report the Aspect Boundary within the organization.	80-83, 136-138
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	80-83, 136-138
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	136-138
stakeholder engagement		
G4-24	Provide a list of stakeholder groups engaged by the organization.	70-72, 78-81, 137
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	78-81, 137
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	78-81, 137
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	70-72, 78-82
Report profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	136
G4-29	Date of most recent previous report (if any).	136
G4-30	Reporting cycle (such as annual, biennial).	136-138

G4-31	Provide the contact point for questions regarding the report or its contents.	165
<b>GRI Content index</b>		
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</p>	136-138
<b>Assurance</b>		
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	136-138
<b>Governance</b>		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	<p>54-57</p> <p>Section C ACGR</p> <p>Regulations of the Board of Directors (Articles 5, 11, 14, 15, 17, 26, 27, 28, 29 and 30)</p> <p>The Chairperson of the Board is granted executive powers detailed in Art.11 of Regulations of the Board and is assisted by a CEO who is responsible for the ordinary management of business. Both the Chairperson and the Chief Executive have been delegated all the powers of the board, except those not delegable by law.</p> <p>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 Committee, Corporate Governance Committee, Appointments and Remuneration Committee, and the Technological Transformation Committee.</p>

G4-35	<p>Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.</p>	<p>Regulations of the Board of Directors (Articles 5, 11, 14, 15, 17, 26, 27,28, 29 and 30).</p> <p>The Board of Directors does not delegate its powers and authority in the strict sense to either senior management or other employees.</p> <p>Senior management is understood as including members of the Business Management Committee, which consists of: i) the CEOs of the Business Units of the Group, whom have been delegated powers by the respective board of the unit to which they belong and ii ) top executives from the corporate center and some business units.</p> <p>Additionally within each business unit, and according to the organization chart of each unit, top executives have specific powers necessary for the performance of their duties.</p>
G4-36	<p>Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.</p>	<p>ACGR Section C.</p> <p>Regulations of the Board of Directors (Articles 5, 11, 14, 15, 17, 26, 27,28, 29 and 30)</p> <p>The Board of Directors has an Executive Delegate Committee which is granted all the powers and duties of the Board subject to delegation, without prejudice to the powers delegated to the President and CEO.</p> <p>Senior managers and executives are appointed by the Board - subject to a report from the Appointments and Remuneration Committee – and report directly to the Board, the Chairperson or the CEO, and also have responsibility for economic, social and environmental issues.</p>

G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	<p style="text-align: center;">54-59</p> <p>The Group's different media provide institutional channels to receive suggestions, criticisms and complaints, and organize visits to their facilities in order to engage different social groups and remain attentive to the concerns of the different stakeholders and to enrich society as a whole.</p> <p>In addition, stakeholders can send their inquiries, suggestions and complaints to the corporate center, through the Department of Communications, the Office of Investor Relations and the Shareholder Services Office. PRISA has a "policy of communication with shareholders, institutional investors and proxy advisors", which regulates the general principles and general information and communication channels for relations between the Company and these groups.</p> <p>PRISA is also a member of the Spanish issuers' association, Emisores Españoles, a body representing listed companies. Its main objectives include the promotion of communication between companies and their shareholders, and dialogue and cooperation with the Administration, and in particular, with the National Securities Market Commission (CNMV).</p>
G4-38	Report the composition of the highest governance body and its committees.	<p style="text-align: center;">54-57</p> <p style="text-align: center;">ACGR (Section C)</p>



G4-39	<p>Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization’s management and the reasons for this arrangement).</p>	<p>The President of the Board is granted executive powers which are detailed in Article 11 of the Board Regulations. and is also delegated all the powers of the board, except those not delegable by law.</p>
G4-40	<p>Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.</p>	<p>Articles of Association (Art.19)  Regulations of the Board of Directors (arts. 20, 21, 22, 23, 24 and 25)  Section C of the ACGR</p> <p>The procedures for the selection and appointment of directors are regulated in the Statutes and in the Regulations of the Board of the Company, and can be found in the ACGR (section C of the report). In 2015 a “policy for the selection of directors” was approved that ensures the screening process is based on a preliminary analysis of the needs of the Board and takes into account diversity of knowledge, experience and gender.</p> <p>In compliance with recommendation 14 of the Code of Good Governance of the Comisión Nacional del Mercado de Valores (CNMV), the Appointments and Remuneration Committee has verified that, during the year 2016, all proposals for ratification, re-election and / or appointment of directors have followed the principles, objectives and procedures stipulated in the Policy for the Selection of Board Members. These proposals have been preceded by a preliminary analysis of the needs of the Board, while promoting the diversity of knowledge, experience and gender.</p>

G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	ACGR (Annex to section D) Regulations of the Board of Directors (Articles 37, 38 and 39) PRISA Code of Ethics (Article 10 and 14.5) Internal Code of Conduct regarding the securities markets (Art.22)
<b>Highest governance body's role in setting purpose, values, and strategy</b>		
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	54-58 Annual Report of Corporate. Governance Board Regulations.
<b>Highest governance body's competencies and performance evaluation</b>		
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Strictly speaking, in 2016 there was no specific training in economic, social and environmental issues for Board members.  The Board of Directors carries out an annual evaluation of the functioning of the Board and its Committees to identify areas for improvement.
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.  b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	ACGR (Section C1.20 bis)  The Board carries out an annual assessment of the way it functions and the way its Committees function. It oversees organizational aspects as well as all things concerned with corporate governance, and those related to strategic, operative and financial strategy.  The Corporate Governance Committee presents the Board with a report for this assessment and, if necessary, a plan of action to correct any deficiencies it may find.

Highest governance body's role in risk management		
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	<p>54, 56-57 ACGR (Sections E and F) Annual Activity Report of the Audit Committee.</p>
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Regulations of the Board of Directors (Art.5)
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	
Highest governance body's role in sustainability reporting		
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	<p>54-57 PRISA's Annual Report is approved by the Board of Directors following a proposal by the Corporate Governance Committee.. Regulations of the Board of Directors (Art. 29).</p>
Highest governance body's role in evaluating economic, environmental and social performance		
G4-49	Report the process for communicating critical concerns to the highest governance body.	<p>54-57, 59, 63-65, 70-72, 78-79 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 and the Executive Chairman, who submit it to the consideration of the Executive Delegate Committee or the Board of Directors.</p>
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	54-57, 59, 63-65, 70-72, 78-79

Remuneration and incentives		
G4-51	<p>a. Report the remuneration policies for the highest governance body and senior executives</p> <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	<p>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 IAGC. In 2015 at the last Stakeholders Meeting, the remuneration policy was voted on (in a merely consultative vote). The policy approved will be in place for three years.</p>
G4-52	<p>Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.</p>	<p>With regards to senior management, the remuneration consists of fixed, variable short-term (bonus) in cash and long-term variable (ILP), which is partly in cash and partly in PRISA shares. The cash bonus perceived depends on business variables as well as qualitative achievements determined by a Performance Evaluation system. Both the bonus and the ILP are ruled by a reglament.</p>
G4-53	<p>Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.</p>	
G4-54	<p>Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	<p>This indicator is not covered in this Sustainability Report. Nevertheless, PRISA publishes the remuneration of its Directors and Senior Management in its Annual Report on Good Remuneration Practices.</p>
G4-55	<p>Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	

**Ethics and integrity**

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	<p style="text-align: center;">57-58</p> <p>During 2016, the process of reviewing the Company's criminal prevention model (MPD) has been completed and, within the framework of this process and in the development of the Code of Ethics, the following internal regulations have been approved: Guidelines On Money Laundering, Gifts Policy, Anti-Corruption Policy and Antitrust Policy, with these last two standards being finally approved in 2017.</p>
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	<p style="text-align: center;">57-59</p> <p>In 2016, 18 complaints were received (9 in 2015), of which:</p> <ul style="list-style-type: none"> <li>• 11 have been addressed during the year.</li> <li>• 9 have been resolved in the year.</li> <li>• 7 complaints were not relevant or no action was required.</li> </ul> <p>The main complaints were related to irregularities in the recording of revenue in a branch of a Group company and were submitted by employees of that company. Likewise, complaints have been received from third parties linked to the Group, regarding the broadcast of inappropriate content during times when children might be listening or watching or improper use of social networks by employees. Following an analysis of the complaints, new control procedures have been established and the corresponding disciplinary measures have been taken in the workplace.</p>
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	<p style="text-align: center;">57-59</p> <p>In 2016, 18 complaints were received (9 in 2015), of which:</p> <ul style="list-style-type: none"> <li>• 11 have been addressed during the year.</li> <li>• 9 have been resolved in the year.</li> <li>• 7 complaints were not relevant or no action was required.</li> </ul> <p>The main complaints were related to irregularities in the recording of revenue in a branch of a Group company and were submitted by employees of that company. Likewise, complaints have been received from third parties linked to the Group, regarding the broadcast of inappropriate content during times when children might be listening or watching or improper use of social networks by employees. Following an analysis of the complaints, new control procedures have been established and the corresponding disciplinary measures have been taken in the workplace.</p>

## SPECIFIC STANDARD DISCLOSURES GRI G4

Identified Material Aspects	Material Aspects Boundary	Indicator GRI (G4)	Description	Page/Omission	Scope
<b>Category: Economic</b>					
<b>Economic performance</b>					
Creation of sustainable value for our stakeholders.	Mixed	G4-EC1*	Direct economic value generated and distributed.		Group
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	108-113	Group
		G4-EC3	Coverage of the organization's defined benefit plan obligations.	99	Group
		G4-EC4	Financial assistance received from government.	PRISA offers free training to employees in Spain.	Group
		M1	Significant funding and other support received from non-governmental sources.	Annual Accounts (CCAA) (pages 22, 36-55)	Group
<b>Market presence</b>					
Responsible management of our professionals.	Internal	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	93	Group
		G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	93-94	Group
<b>Indirect economic impacts</b>					
Contribution to the cultural development and progress of society.	External	G4-EC7	Development and impact of infrastructure investments and services supported.	114-133	Group
		G4-EC8	Significant indirect economic impacts, including the extent of impacts.	114-133	Group

\* G4-EC1 PRISA Indicator

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

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

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

Millions	2016	2015
<b>Economic value generated</b>	<b>1.387,48</b>	<b>1.449,65</b>
Operating revenues. <sup>(a)</sup>	1.358,04	1.374,06
Financial revenue.	25,56	74,12
Results using the equity method of accounting for investments, and other investments.	4,18	4,16
Profit after tax from discontinued operations.	-0,30	-2,68
<b>Economic value distributed</b>	<b>1.130,30</b>	<b>1.321,05</b>
Operating Costs. <sup>(b)</sup>	720,02	712,35
Employee wages and benefits.	388,71	412,77
Financial costs.	108,68	170,60
Corporation tax. <sup>(c)</sup>	-87,11	25,32
Dividends.	-	-
<b>Economic Value Retained (economic value generated less economic value distributed)</b>	<b>257,19</b>	<b>128,60</b>

Procurement practices					
Contribution to the cultural development and progress of society.	External	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	105-107	Group
Category: Environmental					
Materials					
Responsible management of environmental resources.	Mixed	G4-EN1	Materials used by weight or volume.	109-111	Group
		G4-EN2	Percentage of materials used that are recycled input materials.	109-111	Group
Energy					
Responsible management of environmental resources.	Mixed	G4-EN3	Energy consumption Internal	111	Group
		G4-EN4	Energy consumption External.	No material	N.A.
		G4-EN5	Energy intensity.	111	Group
		G4-EN6	Reduction of energy consumption.	111	Group
		G4-EN7	Reductions in energy requirements of products and services.	No material	N.A.
Water					
Responsible management of environmental resources.	Mixed	G4-EN8	Total water withdrawal by source.	111	Group
		G4-EN9	Water sources significantly affected by withdrawal of water.	No material	N.A.
		G4-EN10	Percentage and total volume of water recycled and reused.	No material	N.A.
Biodiversity					
No material.		G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	No material	N.A.
		G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	No material	N.A.
		G4-EN13	Habitats protected or restored.	No material	N.A.
		G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	No material	N.A.

Emissions					
Responsible management of environmental resources.	Mixed	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	111-112	Group
		G4-EN16	Indirect greenhouse gas (GHG) emissions (scope 2).	111-112	Group
		G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3).	111-112	Group
		G4-EN18	Greenhouse gas (GHG) emissions intensity.	112	Group
		G4-EN19	Reduction of greenhouse gas (GHG) emissions.	111-112	Group (2)
		G4-EN20	Emissions of ozone-depleting substances (ODS).	No material	N.A.
		G4-EN21	NOX, SOX, and other significant air emissions.	No material	N.A.
Effluents and waste					
Responsible management of environmental resources.	Mixed	G4-EN22	Total water discharge by quality and destination.	No material	N.A.
		G4-EN23	Total weight of waste by type and disposal method.	111-113	Group
		G4-EN24	Total number and volume of significant spills.	No material	N.A.
		G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention <sup>2</sup> annex i, ii, iii, and viii, and percentage of transported waste shipped internationally.	No material	N.A.
		G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	No material	N.A.
Products and services					
Responsible management of environmental resources.	Mixed	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	108-113	Group (2)
		G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	During 2016, no initiatives have been identified in this regard.	Group
Compliance					
Regulatory compliance	Mixed	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	There have been no fines or significant penalties for non-compliance with environmental regulations.	Group



Transport					
Responsible management of environmental resources.	Mixed	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	111-112	Group
Environmental expenditures and investments					
No material.	-	G4-EN31	Total environmental protection expenditures and investments by type.	No material	N.A.
Supplier environmental assessment					
Responsible management of environmental resources.	Mixed	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	108	Group
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	105-108	Group
Environmental grievance mechanisms					
No material.	-	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	No material	N.A.
Category: Social					
Labor practices and decent work					
Employment					
Responsible management of our professionals.	Internal	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	90, 92	Group
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	99	Group
		G4-LA3	Return to work and retention rates after parental leave, by gender.	99	Group (1)
Labor/management relations					
Responsible management of our professionals.	Internal	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	94	Group

Occupational health and safety					
Responsible management of our professionals.	Mixed	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	98	Group (3)
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	98	Group (1)
		G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	No material	N.A.
		G4-LA8	Health and safety topics covered in formal agreements with trade unions.	No material	N.A.
Training and education					
Talent management.	Internal	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	94-95 The average hours of training are 5 hours / person.	Group
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	90	Group
		G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	96	Group
Diversity and equal opportunity					
Equal opportunities.	Internal	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	90-91, 96-98	Group
Igualdad de retribución entre mujeres y hombres					
Equal opportunities.	Internal	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	The base salary is determined in the different collective agreements applied in Group companies and there is no difference between men and women.	Group (2)
Supplier assessment for labor practices					
Risk control and management.	Internal	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	108	Group
		G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	105-108	Group

**Labor practices grievance mechanisms**

Control y gestión de los riesgos.	Internal	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	<p>PRISA promotes respect and equal opportunities for its workers through article 5 of its Code of Ethics and Conduct. It also rejects any physical, sexual or psychological harassment, abuse of authority, defamation or any other form of aggression and hostility.</p> <p>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.</p> <p>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.</p>	Group (2)
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**Human rights**

**Investment**

Ethical management.	Mixed	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	No material	N.A.
		G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	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.	Group

Non-discrimination					
Equal opportunities.	Mixed	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	96	Group (2)
Freedom of association and collective bargaining					
Respect for Human Rights.	Mixed	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	106-108	Group
Child labor					
Respect for Human Rights.	Mixed	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	No material	N.A.
Forced or compulsory labor					
Respect for Human Rights.	Mixed	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	No material	N.A.
Security practices					
Respect for Human Rights.	Mixed	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	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.	Group
Indigenous rights					
No material.	-	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	No material	N.A.
Assessment					
No material.	-	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	No material	N.A.
Supplier human rights assessment					
Respect for Human Rights.	Mixed	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	No material	N.A.
		G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	No material	N.A.

**Human rights grievance mechanisms**

Respect for Human Rights.	Mixed	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	<p>PRISA promotes respect and equal opportunities for its workers through article 5 of its Code of Ethics and Conduct. It also rejects any physical, sexual or psychological harassment, abuse of authority, defamation or any other form of aggression and hostility.</p> <p>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.</p> <p>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.</p>	Group (2)
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**Society**

**Local communities**

Contribution to the cultural development and progress of society.	Mixed	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	114-133	Group (2)
		G4-SO2	Operations with significant actual and potential negative impacts on local communities.	No material	N.A.

Fight against corruption					
Regulatory compliance.	Mixed	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	<p>54-55, 57-59</p> <p>Compliance and Code of Ethics</p> <p>During the year there were no significant incidents of corruption or significant risks in the area.</p> <p>During 2016 we worked on an Anti-Corruption Policy that was finally approved in early 2017 and that is applicable to all Group companies. Additionally, it should be noted that the Board of Directors in 2016 has approved a Gifts Policy that has been communicated to employees by the Human Resources Departments.</p>	Group (2)
		G4-SO4	Communication and training on anti-corruption policies and procedures.	<p>Meanwhile, during 2016 the PRISA Compliance Unit has issued Guidelines on money laundering, also applicable to all companies in the Group, whose purpose is to reinforce measures to companies to prevent and avoid money laundering arising from criminal or illicit activities. These Guidelines have been communicated to the main financial controllers and to the members of the Group's compliance units so that they can be divulged among the groups to which they apply.</p>	Group (2)
		G4-SO5	Confirmed incidents of corruption and actions taken.	<p>Finally, during this year, the Group has reviewed Crime Prevention Models. The risk of bribery and the risk of corruption in the businesses associated with the various activities and operations of the Group in Spain have been analyzed, identifying the potential risks of such activities.</p>	Group (2)

Public policy					
Regulatory compliance.	Mixed	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Relations with authorities and Public Administrations are included in the Group's Code of Ethics. During 2016 PRISA has not made any political contributions, whether monetary or in kind.	Group
Anti-competitive behavior					
Regulatory compliance.	Mixed	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	CCAA (pag. 89-93)	Group
Compliance					
Regulatory compliance.	Mixed	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	CCAA (pag. 89-93)	Group
Supplier assessment for impacts on society					
Contribution to the cultural development and progress of society.	Mixed	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	108	Group
		G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	105-108	Group

**Grievance mechanisms for impacts on society**

Regulatory compliance.	Mixed	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	<p>PRISA promotes respect and equal opportunities for its workers through article 5 of its Code of Ethics and Conduct. It also rejects any physical, sexual or psychological harassment, abuse of authority, defamation or any other form of aggression and hostility.</p> <p>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.</p> <p>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.</p>	Group
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**Product Responsibility**









**Customer health and safety**

No material	-	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	No material	N.A.
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	No material	N.A.



Product and service labeling					
Honest and rigorous communication.	Mixed	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	86-88	Group
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	56-59	Group
		G4-PR5	Results of surveys measuring customer satisfaction.	PRISA and its business units regularly conduct satisfaction surveys among users and listeners.	Group (2)
Marketing communications					
Regulatory compliance.	Mixed	G4-PR6	Sale of banned or disputed products.	PRISA does not market any prohibited or litigated products.	Group
		G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	CCAA (pag. 89-93)	Group
Customer privacy					
Regulatory compliance.	Mixed	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	CCAA (pag. 89-93)	Group
Compliance					
Regulatory compliance.	Mixed	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CCAA (pag. 89-93)	Group
Content creation					
Honest and rigorous communication.	Mixed	M2	Methodology for assessing and monitoring adherence to content creation values.	86-88	Group
		M3	Actions taken to improve adherence to content creation values, and results obtained.	86-88	Group

<b>Content dissemination</b>					
Honest and rigorous communication.	Mixed	M4	Actions taken to improve performance in relation to content dissemination issues and results obtained.	86-88, 100-104	Group
		M5	Number and nature of responses (feedback/complaints) related to content dissemination and processes for addressing these responses.	56-59	Group
<b>Audience interaction</b>					
Digital transformation.	Mixed	M6	Methods to interact with audiences and results.	43-53, 78-79	Group
<b>Media literacy</b>					
Honest and rigorous communication.	Mixed	M7	Actions taken to empower audiences through media literacy skills development and results obtained.	117-133	Group

PRINCIPLE OF THE GLOBAL COMPACT			
Principles	 <b>Pacto Mundial</b> Red Española		
1. Businesses should support and respect the protection of internationally proclaimed human rights.   HUMAN RIGHTS		G4-HR1, G4-HR7, G4-HR8, G4-HR9, G4-HR12, G4-SO1, G4-SO2	15-17, 54-57, 66-73, 80-81, 112-131
2. Businesses should make sure that they are not complicit in human rights abuses.   HUMAN RIGHTS		G4-HR1, G4-HR10, G4-HR11	15-17, 54-57, 80-81
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.   LABOUR		G4-11, G4-HR4, G4-LA4,	80-81, 87-97, 104-106
4. Businesses should eliminate of all forms of forced and compulsory labour.   LABOUR		G4-HR6	80-81, 87-97, 103-106
5. Businesses should promote the effective abolition of child labour.   LABOUR		G4-HR5	15-17, 54-57, 66-73, 80-81, 112-131

<p>6. Businesses should promote the elimination of discrimination in respect of employment and occupation.</p> <p><b>LABOUR</b></p>	<p>G4-10, G4-EC5, G4-EC6, G4-LA1, G4-LA3, G4-LA9, G4-LA11, G4-LA12, G4-LA14, G4-HR3</p>	<p>66-68, 80-81, 88, 89, 91</p>	<p>1, 3, 5, 8, 9, 10, 16, 17</p>
<p>7. Businesses should support a precautionary approach to environmental challenges.</p> <p><b>ENVIRONMENT</b></p>	<p>G4-E2, G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-EN27, G4-EN31</p>	<p>66, 80-81, 103-111</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>8. Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p><b>ENVIRONMENT</b></p>	<p>G4-EN1, G4-EN2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN9, G4-EN10, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21, G4-EN22, G4-EN23, G4-EN24, G4-EN25, G4-EN26, G4-EN27, G4-EN28, G4-EN29, G4-EN30, G4-EN31, G4-EN32, G4-EN33, G4-EN34</p>	<p>80-81, 103-111, 112-120, 129-131</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>9. Businesses should encourage the development and diffusion of environmentally friendly technologies</p> <p><b>ENVIRONMENT</b></p>	<p>G4-EN6, G4-EN7, G4-EN19, G4-EN27, G4-EN31</p>	<p>80-81, 103-111, 115-120, 129-131</p>	<p>2, 6, 7, 9, 11, 12, 13, 14, 15, 17</p>
<p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p> <p><b>ANTI-CORRUPTION</b></p>	<p>G4-56, G4-57, G4-58, G4-SO3, G4-SO4, G4-SO5, G4-SO6</p>	<p>57-59, 80-81</p>	<p>3, 10, 16, 17</p>



# CONTACT INFORMATION

## PRISA

### Promotora de Informaciones, S.A.

[www.prisa.com](http://www.prisa.com)

Gran Vía, 32  
28013 Madrid  
(España)

Tel: +34 913 301 000

Fax +34 913 301 038

[facebook.com/prisa](https://facebook.com/prisa)

[twitter.com/prisa](https://twitter.com/prisa)

[linkedin.com/company/prisa](https://linkedin.com/company/prisa)

### Communications Department

Tel.: +34 913 301 079 / 093

Fax: +34 913 301 038

e-mail: [comunicacion@prisa.com](mailto:comunicacion@prisa.com)

### Investor Relations Office

Tel.: +34 913 301 085

Fax: +34 913 301 088

e-mail: [ir@prisa.com](mailto:ir@prisa.com)

### Shareholder Relations Office

Tel.: +34 913 301 168

Fax: +34 913 301 070

e-mail: [ia@prisa.com](mailto:ia@prisa.com)

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### Santillana

Avda. de los Artesanos, 6  
28760 Tres Cantos. Madrid (España)  
Tel: +34 917 449 060

### PRISA Radio

Gran Vía, 32  
28013 Madrid (España)  
Tel: +91 913 477 700

### PRISA Noticias

Miguel Yuste, 40  
28037 Madrid (España)  
Tel: +34 913 378 200

### PRISA Audiovisual

Avda. de los Artesanos, 6  
28760 Tres Cantos. Madrid (España)  
Tel: +34 917 367 000

Direction: PRISA

Design and layout: Edamel ([www.edamel.com](http://www.edamel.com))



[www.prisa.com](http://www.prisa.com)

Gran Vía, 32

28013 Madrid

(España)

Tel: +34 913 301 000

Fax: +34 913 301 038

[Facebook.com/prisa](https://www.facebook.com/prisa)

[Twitter.com/prisa](https://twitter.com/prisa)

[Linkedin.com/company/prisa](https://www.linkedin.com/company/prisa)