

SANOMA EDUCACIÓN, S.L.
(Sole proprietorship)

**STATEMENT OF NON-FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR 2022**

5. STATEMENT OF NON-FINANCIAL INFORMATION

This Statement of Non-Financial Information (NFI) has been prepared in compliance with the requirements established in Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, with regard to non-financial information and diversity. Likewise, the Non-Financial Risks of Sanoma Educación S.L.U., hereinafter referred to by its trade name "Santillana", whose activity is carried out in Spain, with which the markets identify the Company, have been taken into account, and some of the GRI Standards defined in the Guide for the preparation of sustainability reports of the *Global Reporting Initiative* have been taken as a reference for guidance purposes.

In this context, through the EINF, Santillana aims to report on environmental, social, anti-corruption, anti-bribery, personnel and human rights issues relevant to the company in the execution of its business activities.

This report forms an integral part of the Management Report of Santillana's Annual Accounts for the financial year 2022.

5.1. Santillana.

5.1.1. Market and sectors, business model, business environment, organisation and structure.

In December 2020, the Sanoma Group, through its holding company Sanoma Corporation, a Finnish media company with a presence in Europe in the education and media sector, for the sale of the pre K-12 and K-12 business (a technical term used in the sector to refer to some educational systems for primary and secondary schooling) formalised the purchase of Santillana's business in Spain.

Santillana focuses its activity on the creation and distribution of educational content for all levels of education, from 3 to 18 years of age (with a special focus on K-12), in Spanish, English, French and German, in different formats, and adapted to the educational regulations and curricula of the different autonomous communities.

Santillana's commercial activity is carried out nationwide in all the autonomous communities. It is structured organisationally by geographical areas (Valencia and the Balearic Islands, Galicia, Catalonia, the Basque Country, Andalusia, and the

Central), with a corporate centre that coordinates and directs the strategy of the entire Business Unit.

The Sanoma Group, of which Santillana is part, operates in 12 countries in Europe, serving more than 25 million K-12 students, with the following distribution:

- | | |
|------------------------|---------------------|
| - Germany: 9.7M | - Netherlands: 2.8M |
| - United Kingdom: 8.7M | - Belgium: 2.0M |
| - Italy: 7.0M | - Sweden: 2.0M |
| - Spain: 6.4M | - Finland: 0.9M |
| - France: 5.5M | - Norway: 0.9M |
| - Poland: 4.7M | - Denmark 0.9M |

Grupo Sanoma has a market share of approximately 17% at European level. In the last 4 years, Santillana has achieved a market share of approximately 18% distributed between public, private and state-subsidised schools and covering the areas of Primary, Secondary and Baccalaureate.

The business model is oriented towards the creation and distribution of educational content, offering comprehensive solutions not only for students, but also for teachers.

The main factors that may affect the education business of the Sanoma Group in general and Santillana in particular are as follows:

- Political risks: government regulation that may affect our business, e.g. free educational platforms, EU accessibility directive, etc...
- Impact of digital disruption due to pressure from digital competitors, user preferences and our focus on software versus publishing.
- Impact of education reforms and market structure, including timing of implementation of reforms (especially LOMLOE in Spain), major tenders, systemic changes in product uptake.
- Protection of data or potential attacks, including our security against attacks and compliance with GDPR.
- Integration of procurement and centralisation of functions.
- Macroeconomic risk: such as rising costs as a result of the Russia-Ukraine war, inflation, supply chain disruptions and labour market pressures.

5.1.2. Objectives and strategies

The sustainability strategy of the Sanoma Group, and therefore of Santillana, focuses on maximising our positive impact on society and minimising our environmental footprint.

Santillana's main strategic pillars are as follows:

- ✓ Growth in the Education business thanks to continued expansion in the markets in which it operates, covering all the autonomous communities of Spain.
- ✓ Accelerating digital transformation in education and strengthening leadership.
- ✓ Resources directed to higher value-added businesses and ongoing efficiency plans, while preserving a sustainable debt structure.
- ✓ Alignment with the Sanoma Group's sustainable development objectives.
 - Inclusive Learning: Developing learning solutions that help all learners reach their potential;
 - Reliable Information: Using the reliable information and data we have to improve learning;
 - Valued People: Promoting equality and providing an inspiring workplace with opportunities for development;
 - Environment: Acting to reduce our climate impact and raise awareness of sustainability;
 - Responsible Business Practices: Good governance, business practices, and supply chain integrity are fundamental to us.

5.1.3. Policies and results

Santillana has developed multiple policies to regulate the different areas of action, which are described throughout this report together with the results obtained. Among them, we can highlight the following:

- Code of conduct for employees.
- Supplier Code of Conduct.
- Travel policy.
- Fair Competition.
- Donations and Sponsorships
- Privacy and Data Protection
- Bribery and Corruption

5.2. Risk management

Santillana monitors the most significant risks, including tax risks, which could affect it.

Risks and indicators have been identified which, taking into account that Santillana in December 2020 became part of the Finnish Sanoma Group, its management has been consolidated at corporate level through a comprehensive management model.

The identification of risks has been coordinated by the General Management, identifying both those responsible for managing each risk and the associated action plans and controls. The Internal Audit Department also aggregated and standardised the risks identified in order to draw up a list of Santillana's risks.

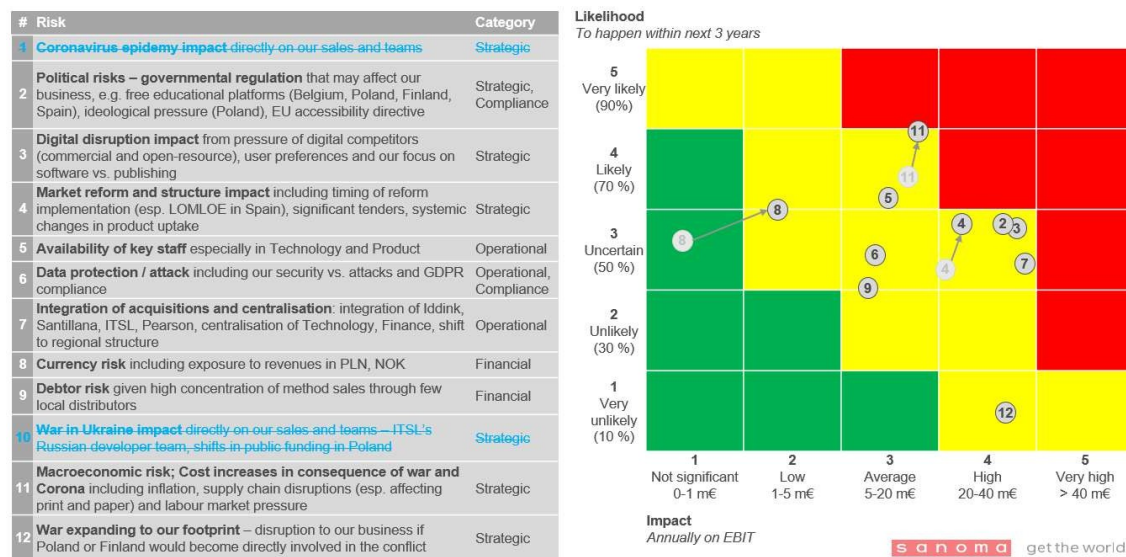
On the other hand, it should be noted that during the 2022 financial year Santillana, as an entity belonging to the Sanoma Group, has been subject to the Internal Control over Financial Reporting System (ICFR), initially developed based on the COSO 1992 methodological framework, which was adapted during the 2014 financial year to the new COSO 2013 Framework. This system is reviewed annually and the internal control system has now been implemented in accordance with Sanoma Group procedures.

All risks were identified according to their potential impact on the current business model, in order to be able to monitor their impact on the different areas of the Company (repercussions on economic results, reputation, business continuity or financing capacity) and probability of occurrence (possibility of the risk materialising considering the existing control environment).

Santillana is aligned with the sustainable development objectives of the Sanoma Group, where the risks reflected in the risk matrix below have been detected:

Sanoma Learning ERM analysis (Q3 '22, reflecting changes vs. Q1 '22)

Changes in Blue



This matrix shows, for a 3-year period, the probability of occurrence of the related risks and their impact on EBIT, with green showing a low impact, yellow a medium impact and red a significant impact.

Santillana has identified in this report the most relevant non-financial risks and makes a comparative analysis to reflect the evolution and effects of the measures adopted to achieve the sustainability objectives.

The 5 main areas of focus of the report are:

- Environmental management: sustainable or responsible raw material supply risk (understood as the risk arising from the consumption of scarce raw materials that may pose a future constraint to the activity or that the materials consumed come from an activity whose sustainability is questioned (paper consumption)), and waste generation and circular economy risks (understood as the risk arising from contravening laws or other general provisions, collecting, transporting, recovering, processing, disposing of or exploiting waste, or failing to adequately control or monitor such activities, in a way that causes or is likely to cause substantial damage to air, soil or water quality, or to animals or plants, death or serious injury to people, or is likely to seriously damage the balance of natural systems).
- Social and personnel management: risk in the capacity to attract and retain talent (understood as the risk derived from the inability to recruit or retain employees with professional profiles necessary for the achievement of strategic objectives) risk in the development of talent and the

training (which includes the risks derived from the shortage of training or the non-promotion of training activities and programmes for all professional categories), risk in the non-promotion of equality (those risks derived from the non-compliance of equal treatment and opportunities between women and men), risk in the non-promotion of equality (those risks derived from the non-compliance of equal treatment and opportunities between women and men.), risk of corruption and bribery (which would be the risk derived from the potential occurrence of cases of corruption in the organisation or related to related third parties), risk of non-compliance with human rights (understood as the risk of violation or non-respect of human rights derived from the activity or commercial relations of the company), health and safety risk (the risk arising from the occurrence of occupational accidents as a result of a lack of implementation of Occupational Risk Prevention policies and programmes, as well as the risks arising from the lack of implementation of prevention and safety measures in the face of the pandemic caused by Covid 19 and its subsequent variants).

- Society: risk of affecting consumers (understood as the risk of incurring an increase in complaints and claims, especially linked to inadequate use or protection of consumer data), cybersecurity risk and privacy of information (own staff, consumers and supply chain) (which refers to the risk of having a cybersecurity breach and of a third party getting hold of confidential or private information, allowing secrets to be discovered or privacy to be breached by a third party), consumers and supply chain) (which refers to the risk of having a cybersecurity breach and of a third party getting hold of confidential or private information, allowing the discovery of the secrets or breach of privacy of the company or an individual, without their consent, of their papers, letters, e-mails or any other personal documents or effects, or intercept their telecommunications or use technical devices for listening, transmitting, recording or reproducing sound or images or any other communication signal) and risk of non-contribution to society (understood as the risk that civil society or local communities perceive that the company is alien to their expectations and does not contribute to local, regional or national development).
- CSR performance: risk of lack of transparency in the accountability process (understood as the risk derived from the total or partial omission of the contents and/or breakdowns of the information requested by the LINP (Law 11/2018)).
- Supply chain: risk of linkage to third parties without an approval process (which refers to the risk of actions in the supply chain contrary to the Code of Conduct, or to its commitments in social or environmental matters, as well as the risk of not including environmental, social or conduct criteria in the approval of suppliers, or of contracting suppliers without approval).

In the financial year 2022 there has been no relevant impact in terms of identified non-financial risks, taking into account the pandemic situation we have experienced and the ongoing Russia-Ukraine war.

In order to monitor the evolution of risks, a list of performance indicators has been identified. Further information on the indicators for monitoring and assessing the risks themselves is set out in each chapter of this report.

About this report

Santillana's EINF preparation procedure is based on a standardised information report for all business areas, which includes the reporting of the performance indicators mentioned above.

In addition, in order to develop this FSIA, Non-Financial Risks have been considered, on the basis of which the criteria and information reporting models have been defined, which include the management indicators required by Law 11/2018. These information reporting models have been prepared taking as a reference, as a guideline, the GRI standards (SRS) published by the *Global Reporting Initiative* (GRI) in its guide for the preparation of sustainability reports.

The main indicators used are detailed below:

Social and personnel management		
Title	Monitoring indicator	Source or origin of the monitoring indicator/GRI related to the monitoring indicator
Risk in promoting equality	Percentage of the workforce covered by equality plans	Royal Decree 901/2020 on Equality Plans
Risk in the ability to attract and retain talent	Involuntary turnover rate	GRI 401-1 New employee hires and staff turnover
Risk in talent development and training	Average hours of training per year per employee Courses completed	GRI 401-1 Average hours of training per year per employee
Corruption and bribery risk	Number of complaints received in relation to cases of corruption and bribery	GRI 205-3 Confirmed cases of corruption and actions taken
Risk of non-compliance with rights humans	Number of complaints received relating to cases of human rights violations	Non-Financial Reporting and Diversity Act 11/2018
Risk of maintenance of health and safety conditions	Frequency and severity rates	GRI 403-9 Injuries due to industrial accidents Non-Financial Reporting and Diversity Act 11/2018
Society		
Title	Monitoring indicator	Source or origin of the monitoring indicator/GRI related to the monitoring indicator
Risk to consumers	Number of complaints and grievances received during the period of report	Non-Financial Reporting and Diversity Act 11/2018
Risk of non-contribution to society	Total amount of monetary contributions (€) to foundations and non-profit organisations and percentages by type of contribution	Non-Financial Reporting and Diversity Act 11/2018
Cybersecurity risk and privacy of information (own staff, consumers and supply chain)	Number of risk events that could potentially lead to leaks of private information.	GRI 418- 1 substantiated complaints regarding breaches of customer privacy and loss of customer data

Supply chain risk		
Title	Monitoring indicator	Source or origin of the monitoring indicator/GRI related to the monitoring indicator
Risk of linkage to third parties without an accreditation process	% payments to approved suppliers	GRI 308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria*. GRI 414-1 New suppliers that have passed screening according to social criteria
CSR performance risk		
Title	Monitoring indicator	Source or origin of the monitoring indicator/GRI related to the monitoring indicator
Risk of lack of transparency in the process of accountability	No. of qualifications identified in the external audit process of the EINF	Non-Financial Reporting and Diversity Act 11/2018
Environmental management		
Title	Monitoring indicator	Source or origin of the monitoring indicator/GRI related to the monitoring indicator
Risk of unsustainable or irresponsible sourcing of raw materials	Percentage Consumption of sustainably sourced paper	GRI 301- 1 Materials used by weight or volume
Risk of abnormal waste production	Tonnes per type of waste	GRI 306- Waste
Risk of increased greenhouse gas emissions greenhouse effect	Tons of CO2 emissions	GRI 305 - Emissions

Finally, one of the objectives of the Sustainability Strategy applicable to Santillana during the 2022 financial year is to achieve its sustainable development and promote social interest, promoting a culture of ethics and compliance, accompanying the development of the social environments in which it operates and using the resources necessary for its activity in a sustainable manner from an approach of creating shared value with all its stakeholders.

5.3. Responsible environmental management

Our responsible business model and its link to the United Nations Sustainable Development Goals lay the foundations for our sustainability strategy focused on maximising our positive impact on society and minimising our environmental footprint. The Group's Sustainability Report for 2022, which defines actions to protect the climate and raise awareness of sustainability issues, is published on the Sanoma Group's website. In addition, our Sanoma Code of Conduct and Supplier Code of Conduct set out our environmental principles, committing us to the Ten Principles of the United Nations Global Compact, including the environment.

The environmental risks associated with our activity are identified, mainly affecting the objectives of Responsible Production and Consumption. At Santillana we have established and share practices that help to reduce the environmental effects of our activity, thus contributing to sustainable development, such as the existence of procedures, training courses and human resources dedicated to ensuring the optimisation of all the measures taken to achieve sustainability objectives.

5.3.1. Air pollution and energy efficiency

a) Pollution

Due to the type of activity carried out by Santillana, the use of our employees' vehicles is the main element with a direct impact on atmospheric pollution, and acoustic or light pollution is not considered relevant for its evaluation and reporting, as we do not have facilities that generate this type of pollution.

The main measures Santillana has taken to reduce the carbon emissions linked to this consumption are as follows:

- Making vehicles available to employees through *leasing contracts* with companies that are committed to the environment, which allow the CO₂ emissions of each vehicle to be measured, as well as ensuring the management of the duration, mileage and maintenance of the vehicles in order to comply with current regulations on air pollution and noise emissions from our fleet, implementing a gradual change to

hybrid models, with 55% of the fleet to be hybrid models by 2022.

- Moving the Santillana headquarters in April this year to Ronda de Europa 5 (Tres Cantos), which has meant an increase in the number of charging points for electric vehicles to 80, compared to the 2 that the previous office in Avenida de los Artesanos (Tres Cantos) had. In addition, suppliers that meet the necessary standards of quality and commitment to the environment have been selected for the refurbishment of the new offices.
- Encourage the use of public transport by facilitating the purchase of monthly transport passes with tax benefits through the Flexible Compensation Plan, which is communicated by e-mail to all employees. In addition, the new headquarters in Tres Cantos is very close to the local train station, which has made it possible to eliminate the use of the shuttle bus from the previous location.

b) Energy efficiency buildings

All Santillana's premises are located in rented facilities where we promote the rational and efficient use of energy to reduce greenhouse gas emissions and help mitigate their effects.

In addition, maintenance services are contracted for the facilities to keep them in good condition. These services include, among others, the revision of air conditioning equipment, electrical installation, taps, fire fighting equipment, etc..., ensuring that the suppliers we contract subscribe to our Code of Conduct, which can be found on our website and where our environmental principles are set out.

When changing or opening new branches, energy efficiency measures are taken to reduce environmental impacts, such as energy-efficient lighting with the use of LED technology, efficient air conditioning equipment, insulation of ceilings, doors and windows, among other measures, although we have not opened any new branches in 2022, beyond the change of our main office.

At the Tres Cantos headquarters, quarterly meetings are held with a representative of the lessor, where incidents occurring in the maintenance of the building are raised so that the necessary resources can be used to solve them. Likewise, the owner of the head office was asked for the measures adopted to achieve an improvement in energy efficiency, which included the implementation of the following control measures

presence lighting in toilets and vending rooms and programmed switching off of office lighting at the end of the working day.

5.3.2. *Circular economy, waste prevention and management*

a) Preventive measures

Santillana controls the waste it generates both in the activities linked to the paper-based business (from sourcing with suppliers who comply with responsible and sustainable management standards, to recycling) and those that are carried out on a daily basis in our own work centres, promoting, through our code of conduct published on our website, awareness of the reduction, reuse and recycling of waste. Various measures have been taken to this end, such as the contracting of authorised waste recycling managers, explanatory posters for the correct use of recycling resources such as waste bins with selective waste identification.

b) Paper recycling and reuse

In addition to the recovery of unsold publications or books that Santillana has been carrying out to ensure a second use within the economic circuit, the optimisation of production processes or product design and the reduction in the purchase of resources from the forest environment, the following initiatives have been implemented with the specific aim of reducing paper consumption in other areas:

- Responsible office printing, raising awareness among employees to discriminate what is really necessary to print and achieve an effective reduction in consumption. To this end, individual printers have been eliminated and collective printers have been reduced by half.
- Progressive implementation of digitalisation of processes in different areas, especially in those linked to financial administration due to the volume of invoices and other documentary supports, such as the contract management tool (M-Files) implemented in 2022 in Santillana, which archives and processes all the contracts that Santillana and all the companies have signed.

Sanoma's educational institutions sign with their customers and suppliers.

c) Waste management

Santillana's efforts are aimed at reducing waste and improving its segregation for subsequent recycling. Measures being adopted to reduce waste include production processes with shorter print runs and publications in digital format, which have doubled their turnover, from 2% in 2021 to 4% in 2022.

In the Company's head offices, individual waste bins have been eliminated and coloured bins have been installed in communal areas to facilitate the selective collection of waste.

The volume of waste generated in the years 2022 and 2021 is shown in the table below:

Type of waste	2022	2021	% Change
Paper	183 Tn	177 Tn	3%
Cardboard	45 Tn	51 Tn	(12%)
Plastics	4 Tn	5 Tn	(20%)

*Data obtained from our contracted waste manager

Of the 183 Tn of paper waste generated, 177 Tn come from those treated by an authorised manager and 7 Tn from the consumption of printing paper in the offices.

The effects of the aforementioned measures aimed at reducing waste, which began to be implemented in 2021, have begun to be reflected in this financial year, with cardboard and plastic waste being reduced by 12% and 20% respectively.

However, paper waste has increased significantly in 2021 and 2022 compared to 2020 because obsolete books had to be destroyed due to the entry into force of the new Education Law (LOMLOE), the implementation of which takes place over two consecutive years.

5.3.3. *Sustainable use of resources*

a) Water consumption and supply

2022	2021
2.981 m³	4.278 m³

The consumption recorded by Santillana in 2022 has been obtained through the relevant local public network. Santillana does not have its own supply points.

Awareness-raising for proper water consumption is also carried out by means of posters in the toilets.

The reduction in water consumption has been achieved mainly thanks to the new hybrid working method implemented at the head office and the reduction of m2 needed at the head office, which allows remote working 3 days a week.

b) Raw material consumption

Type of material	2022		2021	
	Total consumption of material (tn)	% Renewable material and sustainable	Total consumption of material (tn)	% Renewable material and sustainable
Total paper consumption	4.761	100%	2.323	100%
Paper from recycled origin	23	0,49%	0	0,00%
Sustainably sourced paper	4.738	99,51%	2.323	100,00%
Cardboard	125	100%	54	100%

The increase in paper consumption has been due to the need to print a larger number of books because of the new education law for the 2022/2023 school year.

c) Electricity

	2022	2021
Renewable Origin	1,307 MWh	1,863 MWh
Origin Non-renewable	0 Mwh	163 Mwh
Total Consumption	1,307 MWh	2,026 Mwh

The data for the central offices have been provided by the owner of the building, by sending the invoices from their electricity distributor, and the data for the branches distributed throughout Spain have been provided by the electricity company we have contracted.

The reduction in the use of electricity was mainly due to the implementation of a hybrid working model, which optimised and reduced the number of square metres required at the new headquarters.

The increase in consumption from renewable sources in 2022 is mainly due to the agreement reached with the electricity supply company for our branches, which includes the guarantee of renewable sources in 100% of our facilities.

d) Other fuels

Natural Gas *		Petrol and Diesel	
2022	2021	2022	2021
22.534 m3	39.312m3	172,800 litres	151,096 litres

*Data obtained from gas suppliers

In natural gas, there is a reduction in consumption due to the non-use of gas at the new headquarters; however, there is a slight increase in petrol and diesel due to the return to activity after the major stoppage by Covid in 2020/21, which is mainly used by the vehicles of the commercial network.

5.3.4. Climate change

a) Use of renewable energies

Santillana consumes 100% of its energy from renewable sources, both in the central offices and in the delegations, from June 2021, according to an agreement reached with the supply company.

b) Important elements of greenhouse gas emissions

The calculated direct emissions of greenhouse gases derived from Santillana's activity due to the direct consumption of fuels (natural gas and diesel) and energy, according to tables available on the website of the Government of Aragon, were as follows:

	Emissions year 2022 (t CO ₂ eq)	Emissions year 2021 (t CO ₂ eq)
Scope 1 (natural gas and diesel)	49	82
Scope 2 (electricity)	503	709

Those relating to indirect energy consumption, in accordance with Scope 3 of the GHG Protocol, which in our case come from business trips in vehicles not owned by Santillana (aeroplane, rental cars, trains, etc.) and paper consumption are as follows:

		Total emissions year 2022 (Tn CO ₂ eq)	Total emissions in 2021 (Tn CO ₂ eq)
Aircraft	Short-haul flights	12	1
	Medium-haul flights	32	8
	Long-haul flights	-	-
Train		4	2
Car	Diesel	52	365
	Petrol	273	55
Paper		2.381	1.250
Total Scope 3		3.029	1.681

The increase in paper emissions is due to the need to print more books because of the new education law for the 2022/2023 school year.

5.3.5. Action on climate change

As indicated above, in 2022, energy efficiency measures have been implemented which have contributed to the reduction of the carbon footprint of our activity related to fuel and energy consumption for our activity.

But it is in the ordinary activity and in the development of our businesses where the carbon footprint generated has a greater relative weight and the main measures taken to cushion the resulting emissions are:

- Paper: Santillana is immersed in a process of digitalisation of content that will lead to a progressive reduction in paper consumption.
- Travel: Santillana's activity is deployed in multiple locations throughout Spain. In view of this situation and Santillana being fully aware of the environmental impact that its travel generates, the Representation and Travel Expenses Policy applicable to Santillana in 2022 expressly states, among other measures, the need to consider replacing any travel with telematic communication methods such as videoconferences or calls. In the 2022 financial year, this has been the most common communication channel, largely due to the global pandemic situation caused by Covid-19.

Santillana's activity has no relevant implications and therefore has no negative impact on biodiversity and natural areas. In addition, as Santillana is not considered an entity of public interest, it is not obliged to make a declaration on green taxonomy.

5.4. Information on social issues relating to staff

5.4.1. Employment

The number of people active at 31 December 2022 who have developed Santillana's activity amounts to 513 people (501 people at 31 December 2021) and the breakdown by gender and type of contract is as follows:

	Out of Agreement* (Senior Management + RCF)			Indefinite contract			Temporary Contract, Temporary			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
2022	1	2	3	255	252	507	1	2	3	257	256	513
2021	1	2	3	253	240	493	0	5	5	254	247	501

(*) Outside the Collective Bargaining Agreement: Personnel who are not subject to the Collective Bargaining Agreement of the sector, because they have an Indefinite Senior Management Contract (1) and/or permanent Commercial Representative contracts (2).

The above breakdown shows that 99.42% of Santillana's total workforce has a permanent contract and 0.58% has a temporary contract (compared to 99.00% and 1.00% in 2021). Men represent 50.10% of the total workforce compared to 49.90% of women (compared to 50.70% and 49.30% in 2021).

There has been an increase of 12 employees (3 men and 9 women) compared to the previous year 2021, of which 14 are permanent employees and 2 temporary employees have been reduced. The increase in permanent staff represents an increase of 2.75%,

compared to the data for 2021, maintaining the line of increase in the workforce and close to the increase of 3.6% according to the data of the Bank of Spain in its report on the increase in permanent contracts in 2022.

<https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/InformesBoletinesRevistas/BoletinEconomico/23/T1/Fich/be2301-art19.pdf>

Distribution of the working day

97.08% of the workforce at the end of 2022 is working full-time (compared to 96.01% in 2021).

	Full Time			Part-time			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
2022	255	243	498	2	13	15	257	256	513
2021	252	229	481	2	18	20	254	247	501

Breakdown 2022, by type of contract, professional group, sex and age

	Men			Female		
	Under 30 years old	Between 30-50 years old	More than 50 years	Under 30 years old	Between 30-50 years old	More than 50 years
Active workforce						
PA 2022 - Indefinite Contract	8	121	127	9	125	120
PA 2022 - Temporary Contract, Eventual	0	1	0	1	0	1
	Men			Female		
	Under 30 years old	Between 30-50 years old	More than 50 years	Under 30 years old	Between 30-50 years old	More than 50 years
Active workforce						
PA 2022 - Full Day	8	121	126	10	117	116
PA 2022 - Part-time	0	1	1	0	8	5
	Men			Female		
	Under 30 years old	Between 30-50 years old	More than 50 years	Under 30 years old	Between 30-50 years old	More than 50 years
Active workforce						
PA 2022 - Directors	0	2	10	0	3	4
PA 2022 - Middle management	0	11	34	0	10	11
PA 2022 - Technicians	8	109	83	10	112	106

Breakdown by occupational classification and area

Disaggregated by Area

year 2022	Contents	Technical and logistic al production ca	Commercial and Marketing	Administration , Direction and Management	Grand total
Executives	6	2	4	7	19
female	4			3	7
male	2	2	4	4	12
Middle management	22	2	23	19	66
female	11		3	7	21
male	11	2	20	12	45
Technical Staff	168	17	202	41	428
female	115	8	86	19	228
male	53	9	116	22	200
Grand total	196	21	229	67	513

year 2021	Contents	Technical Production and Logistics	Commercial and Marketing	Administration, Management and Management	Grand total
Executives	7	2	3	8	20
female	4	0	0	2	6
male	3	2	3	6	14
Controls intermediates	27	1	19	14	61
female	12	0	1	7	20
male	15	1	18	7	41
Technical Staff	160	16	209	35	420
female	109	8	88	16	221
male	51	8	121	19	199
Grand total	194	19	231	57	501

There is a net increase in staff, mainly in the areas of "Administration, Management and Administration" of 10 employees (due to the new organisation following the sale of Santillana). The rest of the areas have increased their staff in: "Contents" by 2 employees and "Technical Production and Logistics" by 2 employees. On the other hand, the staff in the area of "Sales and Marketing" has been reduced by 2 employees due to pending sick leave.

Age distribution

The average age comparison by gender between 2022 and 2021 is as follows:

	Men	Women	Total
Average age 2022	50,04	48,66	49,35
Average age 2021	48,94	47,77	48,36

The average age of men is 1.03% higher than the average age of women. 3.51% of the employees are under 30 years old, 48.51% are between 30-50 years old and 48.34% are over 50 years old.

The distribution by sex and age is as follows:

	YEAR 2022			YEAR 2021		
	Under 30 years old	Under 30 years old	Under 30 years old	Under 30 years old	Between 30-50 years old	More than 50 years
female	10	125	121	12	127	108
male	8	122	127	9	119	126
Grand total	18	247	248	21	246	234

The distribution by occupational classification and age is as follows:

	YEAR 2022			YEAR 2021		
	Under 30 years old	Between 30-50 years old	More than 50 years	Under 30 years old	Between 30-50 years old	More than 50 years
Executives	0	5	14	0	4	16
female	0	3	4	0	2	4
male	0	2	10	0	2	12
Middle management	0	21	45	0	18	43
female	0	10	11	0	10	10
male	0	11	34	0	8	33
Technical Staff	18	221	189	21	224	175
female	10	112	106	12	115	94
male	8	109	83	9	109	81
Grand total	18	247	248	21	246	234

The distribution of age groups by Area and sex is as follows:

Area and age	Year 2022			Year 2021		
	female	male	Grand total	female	male	Grand total
Contents	130	66	196	125	69	194
<30	6	3	9	8	2	10
<50	72	35	107	69	37	106
>50	52	28	80	48	30	78
Technical Production and Logistics	8	13	21	8	11	19
<30	0	0	0	0	0	0
<50	1	4	5	2	3	5
>50	7	9	16	6	8	14
Commercial and Marketing	89	140	229	89	142	231
<30	3	1	4	3	3	6
<50	35	63	98	41	66	107
>50	51	76	127	45	73	118
Administration, Direction and Management	29	38	67	25	32	57
<30	1	4	5	1	4	5
<50	17	20	37	15	13	28
>50	11	14	25	9	15	24
Grand total	256	257	513	247	254	501

Staff movements:

New staff year 2022

2022 Area and Occupational Classification	Age brackets			
	<30	<50	>50	Total
Administration, Direction and Management	3	13	2	18
Executives	0	1	0	1
female	0	1	0	1
male	0	0	0	0
Middle management	0	5	0	5
female	0	0	0	0
male	0	5	0	5
Technical Staff	3	7	2	12
female	1	3	1	5
male	2	4	1	7
Commercial and Marketing	1	2	2	5
Technical Staff	1	2	1	5
female	1	0	2	3
male	0	2	0	2
Contents	6	4	2	12
Technical Staff	6	4	2	12
female	2	3	2	7
male	4	1	0	5
Grand total	10	19	6	35

Departures from the 2022 squad

2022	Age brackets				Type of leave					
Area and Occupational Classification	<30	<50	>50	Total	Volunt	Dismissal	Fin Contrato	Jubilac	Excedenc	Incapac
Administration, Direction and Management	2	4	2	8	4	4	0	0	0	0
Female	0	2	0	2	1	1	0	0	0	0
Male	2	2	2	6	3	3	0	0	0	0
Commercial and Marketing	1	3	3	7	2	2	1	0	1	1
Female	0	1	1	2	1	0	1	0	0	0
Male	1	2	2	4	1	2	0	0	1	1
Contents	2	2	4	8	3	1	2	2	0	0
Female	1	2	0	3	1	0	2	0	0	0
Male	1	0	4	5	2	1	0	2	0	0
Grand total	5	9	9	23	9	7	3	2	1	1

Santillana's final headcount variation between 2022 and 2021 is 2.34%. The voluntary turnover rate (measured as voluntary departures over total staff) is 1.75% while the redundancy rate (involuntary turnover) stands at 1.36% compared to 0.40% in 2021 (measured as compensated departures over total staff), mainly associated with departures due to staff turnover.

The Randstad employment portal has published a report analysing this characteristic in companies in Spain over the last year, which confirms the increase in turnover in this period, placing the national average at 17%.

Dismissals measured as severance payments were 85.71% men and 14.29% women, with 14.29% in employees under 30 years of age, 28.57% in employees between 30-50 years of age and 57.14% in employees over 50 years of age. 28.57% corresponds to management and middle management while 71.43% corresponds to the rest of the staff.

Voluntary departures have a component of 66.67% men and 33.33% women, with 33.33% of them in employees under 30 years of age, 55.56% in employees between 30-50 years of age and 11.11% in employees over 50 years of age.

Remuneration

The average fixed salary, without considering the Seniority Bonus in Santillana, by sex and considering all full-time salaries is 40 thousand euros, with men's salary being 44 thousand euros (almost 10% more than the average) and women's salary being 36 thousand euros (almost 10% less than the average).

Sex	Average Wage	
	2022	2021
female	36.299	34.846
male	43.845	42.671
Average Total	40.095	38.813

	PA 2022	AVERAGE 2022	PA 2021	AVERAGE 2021
Executives	19	106.624	20	100.512
female	7	100.665	6	89.465
Under 30 years old	0	0	0	0
Between 30-50 years old	3	103.729	2	73.608
More than 50 years	4	98.366	4	97.394
male	12	110.100	14	105.246
Under 30 years old	0	0	0	0
Between 30-50 years old	2	79.961	2	81.375
More than 50 years	10	116.128	12	109.224
Middle management	66	62.741	61	59.970
female	21	58.744	20	58.368
Under 30 years old	0	0	0	0
Between 30-50 years old	10	57.579	10	56.059
More than 50 years	11	59.803	10	60.677
male	45	64.606	41	60.751
Under 30 years old	0	0	0	0
Between 30-50 years old	11	68.403	6	58.817
More than 50 years	34	63.378	35	61.083
Technical Staff	426	33.619	420	32.802
female	226	32.220	221	31.234
Under 30 years old	10	23.293	12	24.061
Between 30-50 years old	112	32.147	106	31.286
More than 50 years	104	33.158	101	32.586
male	200	35.199	199	34.544
Under 30 years old	8	27.700	9	30.098
Between 30-50 years old	109	32.902	103	31.086
More than 50 years	83	38.938	103	32.017
Other Staff	2	0	2	0
female	2	0	2	0
More than 50 years	2	0	2	0

Wage Gap

During the year 2022, the study of Remuneration and Salary Audit has been analysed together with the Negotiating Committee of the Equality Plan in order to analyse the salary gap between men and women. The period of analysis of the data is from 01/01/2021 to 31/05/2021. The Negotiating Committee of the 2022 Equality Plan approved the salary audit data set out below.

The method of calculation to obtain the pay gap indicator has been:

Unadjusted Wage Gap

- ✓ Difference between average total, fixed, bonus and variable compensation between women and men, regardless of position or role, expressed as a percentage of men's pay.
- ✓ Justification and action plan in case of differences above 25%.

Adjusted Wage Gap

- ✓ Difference between average total, fixed, supplementary and variable compensation between women and men in positions or roles of relatively equivalent value, also expressed as a percentage of men's pay.

RETRIBUCIONES SOCIALES							
Retribución Fija Anual (RFA) Salario Base o Fijo + Complementos Fijos	RFA (distribución fija anual)	RFA (distribución fija anual)			RFA (distribución fija anual)	RFA (distribución fija anual)	
	30,8 %	17,8 %			41,8 %	15,9 %	
Retribución Variable RV Target y Ponderada de toda la plantilla	RVA (distribución variable ponderada)	RVA (distribución variable target)			RVA (distribución variable ponderada)	RVA (distribución variable target)	
	59,8 %	60,5 %			100,0 %	100,0 %	
Retribución Variable elegibles RV Target y Ponderada solo de las personas que han tenido estos conceptos, excluyendo al resto	RVA elegibles (distribución variable ponderada)	RVA elegibles (distribución variable target)			RVA elegibles (distribución variable ponderada)	RVA elegibles (distribución variable target)	
	23,5 %	26,3 %			20,7 %	35,9 %	

Salary Audit

During 2022, work has been done within the Equality Commission with the salary audit for the year 2021. As a result of this work, we found a gap of 37.1% of the actual salary, but if we look at the theoretical gap where the entire workforce works during the same period of time, the total or unadjusted salary gap of the workforce is 25.1% (26.9% in the year 2021).

In overall terms, there is a pay gap in favour of men, both in terms of fixed and variable remuneration:

The difference is intensified as men have more seniority and, at the same time, are concentrated at the highest levels of responsibility.

The most significant differences are to be found in Variable Remuneration. This is due to a higher number of men with this type of remuneration, as well as a higher presence of men in positions of responsibility. This difference is reduced in the analysis only with the inclusion of people who have been eligible for Variable Remuneration.

A priori, the concentration of more than 60% of the workforce in Levels 5 and 6, with lower average salaries and a higher female presence, points to a possible segregation that directly affects these overall differences in favour of men.

Telework

In March 2022, and after several meetings, a Teleworking Agreement was formalised with the Tres Cantos Centre Committee. This agreement establishes the possibility of working 60% of the working week without being present.

As compensation measures, the company will pay the amount of €1.5 gross per day of teleworking. In order to avoid individual calculations, the annual amount will be calculated taking into account the number of telework days in the approved annual calendar. This annual amount is averaged over 11 monthly payments, excluding August.

Similarly, during the days of on-site work, the company shall compensate the worker with €11 gross per day of on-site work as a meal allowance, with restaurant vouchers. In order to avoid individualised calculations, the annual amount shall be calculated taking into account the days of full-time on-site work in the approved annual calendar. This annual amount is averaged over 11 monthly payments, with the exception of August.

The number of workers who took advantage of this measure was 298 out of a total of 306, which represents 97.38% of the workforce, i.e. the acceptance of the plan has been a success.

Employees with disabilities

All Spanish companies, public or private, must comply with the General Law on the Rights of Persons with Disabilities and their Social Inclusion, abbreviated as LGD, by incorporating 2% of employees with a disability certificate in their workforce.

Santillana has signed collaboration agreements with Special Employment Centres for the provision of certain services as well as other collaboration mechanisms established in our legal system (donations to special employment centres) to comply with the Resolution of the Directorate General of the State Public Service dated 24 March 2022, by virtue of which the declaration of exceptionality of Sanoma Educación, S.L. was upheld.

5.4.2 Work organisation

The company has a time recording system in accordance with the provisions of Royal Decree-Law 8/2019, of 8 March, on urgent measures for social protection and the fight against precariousness in the working day.

A working timetable is established annually, negotiated with the legal representation of the workers in the centres with trade union representation and signed by

workers in those centres that do not have it. The maximum number of hours per year is 1,768 as established in the Labour Agreement.

Employees may adjust their working hours according to the needs of family reconciliation, provided that the monthly working hours are as established in the work schedules.

The company has a working day registration agreement negotiated with the Works Committee through which the company makes a declaration of principles in which it discourages people from working overtime or unnecessarily extending their working day. The company also contemplates that there may be occasional work peaks and therefore incorporates in its work schedules the non-recoverable and paid leave of 11 working days for the Commercial group and 5 for the rest of the employees.

A hybrid work model has been implemented. There are also initiatives to attract and retain the best professionals, as well as Human Resources policies aimed at establishing measures to reconcile work, personal and family life and co-responsibility. These include the following measures, which are included in the document "Measures for reconciling personal, family and working life. Co-responsibility".



- Days off: The possibility is established of requesting additional unpaid days off up to a maximum of 10 per year for any member of staff to attend to any situation that may require it.
- Reduction of the working day: A reduction of the working day is established without the need for legal guardianship. A reduction in the working day of a minimum of one eighth and a maximum of half the length of the daily working day is permitted.
- Special Voluntary Leave of Absence: Special Voluntary Leave of Absence is established with guaranteed reinstatement in the same job for a minimum period of 2 months and a maximum of 12 months.
- Training leave: This leave is available to all employees who are interested in attending a training course related to their job.

- Breastfeeding leave: Breastfeeding leave may be accumulated in full working days. The number of hours for breastfeeding gives rise to 14 working days.
- Extension of reduced working hours for legal guardianship: The right to reduced working hours for legal guardianship for the care of descendants will be extended to 13 years of age.
- Leave to accompany minors, dependents or family members up to the second degree to medical visits: The possibility of requesting paid leave to accompany minors, dependents or family members up to the second degree to primary care and/or specialist medical visits is established.
- Leave to attend to exceptional family situations: The possibility of requesting recoverable and paid leave to attend to exceptional family situations is established. The hours lost shall be made up within three months of the end of the leave period.
- Flexible working hours: Each work centre will be able to take advantage of the approved flexible working hours in their work schedules.

In 2022, 10 persons availed themselves of these measures, while in 2021, 7 persons availed themselves of these measures, according to the following breakdown:

	2022		2021	
	Men	Women	Men	Women
Reduced working hours	1	-	1	-
Voluntary Leave	-	1	-	-
Free Days Enlargement	-	7	1	5
Extension Legal guardianship	1	-	-	-
Total	2	8	2	5

The company also provides for all its employees:

- Flexible remuneration plan. With services that facilitate the reconciliation of family, personal and work life. This programme has been in force since 2012 with the catalogue of products permitted by regulations.
- Social benefits policy, some of which have already been discussed, such as:
 - o More life Red.
 - o Corporate Group.
 - o Offer Club.
 - o Discounts on Santillana and Loqueleo books.
 - o Partial subsidies provided by the company (50 % subsidy for the canteen and co-payment for physiotherapy treatment, only in Tres Cantos).
- Life and accident insurance, disability and invalidity cover and maternity and paternity supplements. In general terms, Santillana does not distinguish between

full-time or part-time or between permanent or temporary contract to access social benefits.

- The applicable collective agreement includes working hours that are below the maximum legal working hours (40 hours per week).
- Moreover, the distribution of the working day includes flexible start and finish times, as well as the adaptation of working hours and intensive working hours at certain times of the year (summer, Christmas and Easter). This irregular distribution of working time is established by agreement between the different departments and/or the legal representatives of the employees.

The hours and rate of absenteeism in Santillana are as follows:

	2022	2021
Absenteeism rate (1)	3,11%	2,57%
Total days lost	3.555	2.817

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

5.4.3 *Health and safety*

The main milestone in 2022 in terms of health and safety in Sanoma España was the creation of its own Prevention Service, whose main objective is to guarantee the health and safety conditions of all Santillana employees, to promote a culture of prevention throughout the hierarchical structure of the organisation and to integrate risk prevention and occupational health into the company's general management system.

The most noteworthy activities that have been carried out during 2022 include:

- The introduction of self-assessment questionnaires on working conditions at home as a consequence of the formalisation of hybrid work.
- The monitoring of the general conditions of the new head office in Tres Cantos.
- Specific training for members of the emergency team at Santillana's new headquarters in Tres Cantos.
- Quarterly meetings with the health and safety committees have continued, with the participation of management and workers.

In the year 2022, at national level, 125 medical examinations have been carried out, and there was 1 accident on the way to work (1 woman). On the other hand, no occupational illnesses were declared this year.

5.4.4 Social relations

At Santillana there is freedom of association, and the social dialogue necessary for the development of the business is encouraged, complying with the applicable labour regulations, and there are currently no labour disputes or sanctions in progress.

In Spain, 99.40% of employees are subject to the agreement, with only senior management (1 person) and trade representatives (2 persons) remaining outside the agreement.

There have been no incidents, no activity has been affected for collective bargaining reasons and no ERE or ERTE has had to be presented in the year 2022.

The Tres Cantos workers are represented by the Santillana Works Council, which is made up of 16 people who, at the request of either party, convene meetings to be informed of the annual accounts and any changes that may occur.

In the last year, 2022, 10 meetings were held with the workers' legal representatives, while in 2021, 9 meetings were held. This increase continues to be due to the process of integrating Santillana into Sanoma and to the meetings to monitor the agreed teleworking agreements, where workers' representatives have been promptly informed of the organisational changes that are taking place.

5.4.5 Training

One of the company's greatest commitments to its employees is to enhance their professional skills and abilities, taking into account the needs of the moment and the context that surrounds us. During 2022, the main factor around which this analysis has been taken into account is the integration of Santillana into Sanoma.

As a result, the measures that have been taken concerning the training of Santillana's staff are as follows:

- In 2022, the largest item in the training budget was earmarked for promoting **language** learning, specifically English, as this was one of the main concerns of the workforce following Sanoma's acquisition of the company. In this regard, during 2021, the company made every effort to promote these training actions in online mode. Despite the difficulties posed by the Pandemic, some 3,900 hours of language training were provided, particularly in English. During 2022, we will continue to promote these training actions. Managers have one-to-one sessions and staff who are directly related to Sanoma's equipment are within

a programme of online group sessions. The hours of training in English during 2022 exceed 5,400 hours. In addition, employees have access to various Sanoma corporate training platforms:

- **Eduhouse:** The training available on this page is designed to help employees develop their digital skills in the areas that really interest them, with basic and advanced courses and videos. It also offers virtual classroom training on specific dates and at specific times. The training courses that staff can find are divided into the following categories:
 - Office 365 microlearnings
 - Microlearning Microsoft applications
 - Graphic design, UX and UI training
 - Social media training
- **Studytube: a platform that offers programmes** to develop the skills needed to disseminate and train in company policies, support creative processes and foster the professional development of the workforce.
- The company continues to provide staff with the opportunity to undertake training through the **Flexible Remuneration Plan**.
- Santillana also has a section in its Work-Life Balance Plan where all employees can request unpaid leave for a period of 3 to 9 months to take a training course related to their job.
- Santillana's commitment is to foster the training and development of its workforce and this is reflected in the results for the year under review in accordance with the new grading and classification in force in the Company (the analysis provided in previous years is attached):

Training hours 2022

Etiquetas	USINESS TECHNOLOGY	LEARNING TECHNOLOGY	PRODUCT	SANTILLANA BUSINESS SUPPO	RT FUNCTIONS	Tc	such a
N1				171,94		113,95	general
female				13,75		71,48	85,23
male				158,19		42,47	200,66
N2				238,36		138,06	376,42
female				74,66		5,70	80,36
male				163,70		132,36	296,06
N2A		9,68		641,45			651,13
female				486,35			486,35
male		9,68		155,10			164,78
N3	245,32	328,64		1.349,27		493,12	2.416,35
female	2,90	164,23		578,77		87,49	833,39
male	242,42	164,41		770,50		405,63	1.582,96
N4	0,00	0,40	10,23	733,95		261,49	1.006,07
female	0,00		3,25	448,20		11,43	462,88
male		0,40	6,98	285,75		250,06	543,19
N5		209,25		575,85		491,75	1.276,85
female		100,25		402,48		166,69	669,42
male		109,00		173,37		325,06	607,43
N6				313,94		95,45	409,39
female				307,61		88,19	395,80
male				6,33		7,26	13,59
Grand total	245,32	547,97	10,23	4.024,76		1.593,82	6.422,10

Etiquetas de fila	BUSINESS TECHNOLOGY	LEARNING TECHNOLOGY	PRODUCT	SANTILLANA BUSINESS	SUPPORT FUNCTIONS	Total general
= N1	0,00%	0,00%	0,00%	2,88%	1,77%	4,45%
femenino	0,00%	0,00%	0,00%	0,21%	1,11%	1,33%
masculino	0,00%	0,00%	0,00%	2,46%	0,66%	3,12%
= N2	0,00%	0,00%	0,00%	3,71%	2,15%	5,88%
femenino	0,00%	0,00%	0,00%	1,16%	0,09%	1,25%
masculino	0,00%	0,00%	0,00%	2,55%	2,06%	4,61%
= N2A	0,00%	0,15%	0,00%	9,89%	0,00%	10,14%
femenino	0,00%	0,00%	0,00%	7,57%	0,00%	7,57%
masculino	0,00%	0,15%	0,00%	2,42%	0,00%	2,57%
= N3	3,82%	5,12%	0,00%	21,01%	7,88%	37,83%
femenino	0,05%	2,56%	0,00%	9,01%	1,36%	12,98%
masculino	3,77%	2,56%	0,00%	12,00%	6,32%	24,65%
= N4	0,00%	0,01%	0,16%	11,43%	4,07%	15,67%
femenino	0,00%	0,00%	0,05%	6,98%	0,18%	7,21%
masculino	0,00%	0,01%	0,11%	4,45%	3,89%	8,46%
= N5	0,00%	3,28%	0,00%	8,97%	7,68%	19,88%
femenino	0,00%	1,56%	0,00%	6,27%	2,80%	10,42%
masculino	0,00%	1,70%	0,00%	2,70%	5,06%	9,46%
= N6	0,00%	0,00%	0,00%	4,89%	1,49%	6,37%
femenino	0,00%	0,00%	0,00%	4,79%	1,37%	6,16%
masculino	0,00%	0,00%	0,00%	0,10%	0,11%	0,21%
Total general	3,82%	8,53%	0,16%	62,67%	24,82%	100,00%

Training hours 2021

	Administration, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
Management	716,00				716,00
Man	556,00				556,00
Woman	160,00				160,00
Mando Interm.	425,00	484,00	566,00	46,00	1.521,00
Man	292,00	484,00	238,00	46,00	1.060,00
Woman	133,00		328,00		461,00
Qualified Technician	865,00	1.174,00	242,00	96,00	2.377,00
Man	481,00	734,00	142,00	72,00	1.429,00
Woman	384,00	440,00	100,00	24,00	948,00
Grand total	2.006,00	1.658,00	808,00	142,00	4.614,00

	Administration, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
Management	15,52%				15,52%
Man	12,05%				12,05%
Woman	3,47%				3,47%
Mando Interm.	9,21%	10,49%	12,27%	1,00%	32,96%
Man	6,33%	10,49%	5,16%	1,00%	22,97%
Woman	2,88%	0,00%	7,11%	0,00%	9,99%
Qualified Technician	18,75%	25,44%	5,24%	2,08%	51,52%
Man	10,42%	15,91%	3,08%	1,56%	30,97%
Woman	8,32%	9,54%	2,17%	0,52%	20,55%
Grand total	43,48%	35,93%	17,51%	3,08%	100,00%

Training hours 2020

	Administration, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
	146,00	152,00	823,00	87,50	1.208,50
Management	25,50	51,00	25,50		102,00
female			25,50		25,50
male	25,50	51,00			76,50
Mando Interm.	44,00		88,50	30,50	163,00
female	40,00		57,00		97,00
male	4,00		31,50	30,50	66,00
Qualified Technician	76,50	101,00	709,00	57,00	943,50
female	51,00	50,00	477,75	36,00	614,75
male	25,50	51,00	231,25	21,00	328,75
Grand total	146,00	152,00	823,00	87,50	1.208,50

	Administration, Management, Sales and Marketing	Contents	Technical Production and Logistics	Grand total
Management	2,11%	4,22%	2,11%	8,44%
female	0,00%	0,00%	0,00%	2,11%
male	2,11%	4,22%	0,00%	6,33%
Mando Interm.	3,64%	0,00%	7,32%	13,49%
female	3,31%	0,00%	4,72%	8,03%
male	0,33%	0,00%	2,52%	5,46%
Qualified Technician	6,33%	8,36%	58,67%	78,07%
female	4,22%	4,14%	39,53%	50,87%
male	2,11%	4,22%	19,14%	27,20%
Grand total	12,08%	12,58%	68,10%	100,00%

Performance evaluation

At Santillana, performance appraisals are carried out for all employees whose salaries include variable remuneration.

In the financial year 2022, 304 evaluations have been carried out, with the following breakdown:

Category	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Executives	5	13	6	14	3	7
Middle management	13	30	12	32	9	30
Qualified technicians	72	131	68	128	109	146
Total	90	174	86	174	121	183

5.4.6 *Universal accessibility for people with disabilities.*

Santillana is committed to promoting physical accessibility for employees in the different work centres. For example, the building in Tres Cantos, Madrid, complies with building regulations and is accessible even though there is no protocol or procedure in place. The company also promotes digital accessibility.

The existing measures are as follows:

- Websites accessible to all
- VPN for network and application access for staff who need to be connected outside the workplace.

Santillana, following Sanoma's diversity and inclusion policy, is committed to a safe and positive environment to achieve great results by people working towards common goals. The motivation of our employees throughout Europe is the key to our success. We seek to build a working environment and culture that inspires and engages all staff. As a company, we have zero tolerance for any form of discrimination, harassment or bullying in the workplace. Sanoma values diversity and promotes a culture of inclusion, as we are committed to ensuring equal opportunities. Diversity is found in all social identities, such as gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs and sexual orientation, among other attributes. Inclusion is the process of engaging, accepting and valuing all people in the workplace regardless of their differences and social identities. Treating all people equally and promoting equality at work is a fundamental component of Sanoma's sustainability.

Sanoma's Code of Conduct sets out the general principles of ethical conduct and the company's responsibilities as an employer.

The policy is addressed to all Sanoma staff and management and aims to achieve the following objectives:

- Ensure fair treatment and equal opportunities for all employees in recruitment, terms and conditions of employment, remuneration, working conditions, training and development and internal appointments.
- Promote the principle of non-discrimination and celebrate diversity.
- Adopt common objective criteria for setting wages irrespective of gender and other forms of diversity.
- To promote a gender-neutral experience and ensure representation of all genders in management and staff.
- Attracting the right talent and improving retention strategies.
- Create an inclusive culture where all people feel accepted, welcomed and treated equally.

5.4.7 *Equality Plan.*

In February 2020, Santillana's first Equality Plan was approved for a period of four years. In October, new legislation associated with the Equality Plans was approved:

- Royal Decree 901/2020 of 13 October regulating equality plans and their registration and amending Royal Decree 713/2010 of 28 May on the registration and deposit of collective bargaining agreements.
- Royal Decree 902/2020 of 13 October on equal pay for women and men.

As a consequence of this legislation, the company took the decision to negotiate a new Equality Plan that would include the legal requirements of these new Royal Decrees:

- Job evaluation
- Remuneration Register
- Salary Audit

As a result, the negotiating committee for the second gender equality plan was set up in October 2021. In 2022, the company carried out the job evaluation, the pay register and the salary audit. At the end of 2022, the negotiations of the 2nd Equality Plan continue.

5.5 Respect for Human Rights and the Fight against Corruption and Bribery

5.5.1 Compliance: Codes of Conduct.

Santillana takes action to engage its professionals in the respect for human rights and in the fight against any corrupt practices. Honesty, integrity and ethical conduct are the basis of all our interactions with customers, suppliers, consumers, business partners, employees, authorities, shareholders and competitors.

Following the incorporation of Santillana into the Sanoma Group, the company has strengthened its *compliance* programme. In particular, Sanoma now has an internal Code of Conduct, a Code of Conduct for suppliers and a catalogue of policies that seek to deepen and emphasise the understanding of certain principles and obligations in this area, which apply to all Santillana employees. The content and approach of these new codes is described below.

- The internal Code of Conduct contains the catalogue of principles and rules of conduct that must govern the actions of all professionals of the Sanoma Group and therefore of Santillana, in order to ensure ethical and responsible behaviour in the development of their activity. It is accessible in Spanish and English both on the local Santillana intranet and on the Sanoma Group intranet.
- The Supplier Code of Conduct aims to ensure that companies contractually linked to Santillana are governed by the same principles and rules that govern our day-to-day business, thus guaranteeing and promoting a fair, ethical and legal business relationship. This Code is included as an annex to all contracts that Santillana signs with its suppliers.

Both codes contain general ethical principles of respect for human rights and civil liberties, professional development, equal opportunities, non-discrimination and respect for people, health and safety at work and the protection of the environment.

Santillana has a Compliance Team, responsible, among other functions, for ensuring and promoting the ethical behaviour of employees, suppliers, associates and members of the group and for identifying, managing and mitigating compliance risks. All Santillana professionals have already received training on the content of the new internal Code of Conduct, the group's policy against bribery and corruption, the relevance of information security and the management of personal data protection.

The Company has an internal and external whistle-blowing channel (Whistle Blowing - <https://report.whistleb.com/es/Sanoma>). This is a confidential and anonymous communication channel for employees or third parties accessible from the corporate and local intranet or through the company's website. Complaints received in relation to Santillana are managed by the Sanoma Compliance Team, which reports them to the Management Body and the local compliance team.

In 2022, two complaints have been received in Spain that were handled in accordance with the protocol established by Whistle Blowing.

5.5.2 Respect for Human Rights, Diversity and Inclusion

The internal Code of Conduct applicable to Santillana includes, among others, the general ethical principles of coexistence and respect for human rights. People are the epicentre of our work as a Group. The Company works to create a working environment and culture that inspires its employees, that values and encourages diversity, that accepts all points of view and, above all, that respects their individual rights. The Company is committed to respecting and protecting human rights and civil liberties. Respect for human dignity is a key objective of this commitment.

In this context and in favour of the fight against child labour and forced labour, Santillana contractually requires all its suppliers to commit to the ten principles of the United Nations Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work. These principles, among others, are included in the Supplier Code of Conduct which is attached as part of the contract signed with all these third parties.

In addition, Santillana has a new policy that seeks to promote tolerance, respect and diversity in the workplace: the Diversity and Inclusion Policy.

Both the new internal Code of Conduct and the Diversity and Inclusion Policy are published on the Santillana intranet and have been given to all Santillana employees. These policies form part of the information and training pack for new employees.

All employees are required to take an online course on the internal Code of Conduct, which explains in a didactic and visual way the principles and rules that should govern our daily work activities. At the end of the course, an evaluation test must be taken and a score of at least 80% must be obtained. The participation rate in this training has been 99% of the staff. The company has the necessary evidence to prove that this training has been carried out.

Moreover, Santillana's activity in Spain is governed by the Graphic Arts Agreement, which includes the rights of collective and trade union representation of workers, their representatives and their functions and the functions of the Works Councils to respect human rights.

As we have been doing for years, in the process of editing our materials, we review the definitions of concepts in the textbooks that by their nature could discriminate against people or groups of people, related, among others, to: racism, religion, sex, illness, disability, etc., in order to promote respect and awareness of Human Rights. To this end, all our editors have a Santillana style manual when editing our books.

5.5.3 *Fighting corruption and bribery*

The company's commitment to the fight against corruption and bribery is real. Currently, we not only have Codes of Conduct that include basic general principles in terms of internal and external control and prevention of corruption, but we also have two specific policies: Anti-Bribery and Corruption Policy and Donations and Sponsorship Policy, which regulate the obligations of transparency, truthfulness and reliability of information and control of records, bribery and anti-corruption measures, prevention of money laundering and irregularities in payments.

In order to raise awareness of the Anti-Bribery and Corruption Policy and to ensure understanding of the restrictions, a general online training has been conducted for all employees. Ninety-nine percent of Santillana's workforce participated in this training. Aware that the most relevant area for these purposes is the commercial network, the training work has been reinforced by hiring a law firm that has carried out more specific training, through the Zoom platform, aimed primarily at the commercial actions that may or may not be carried out by the commercial network in their visits and contacts with public and private clients.

On the company's intranet there is a specific section on Compliance where all employees have direct access to all relevant policies in this area, including the Code of Conduct and the aforementioned policies.

The principles of internal control and prevention of corruption are reinforced by other policies such as the Procurement Policy, the Travel Policy and the Fair Competition Policy, which establish guidelines, precautions and procedures that must be observed by all Santillana professionals in the exercise of their business activity.

Another basic standard is the Guidelines issued to strengthen measures to prevent and deter the laundering of the proceeds of crime and illicit activities.

The Group's basic rules also include a Gifts Policy, which is intended to guide Sanoma's professionals and bodies responsible for making the right decisions when accepting and offering gifts, services or other services, within the framework of their business relations.

As a key indicator to assess the risk of corruption and bribery, reference is made to the number of complaints received and substantiated in the different years. In this regard, no allegations of corruption were received in 2022, just as they were not received in 2021.

In order to exercise control over the actions of employees, a prior authorisation process has been established so that any initiative that could pose a risk in this area is subject to the knowledge and approval of the employee's hierarchical superior. This authorisation process is accessible at all times on the Santillana employees' intranet.

In addition, the whistleblowing channel and the compliance mailbox are made available to employees and third parties; furthermore, in the case of employees, they are encouraged to consult their hierarchical superior and/or Human Resources, promoting "whistleblowing without fear", as the Code of Conduct itself prohibits any type of reprisal against employees who report breaches or potential misconduct in good faith.

5.5.4 Contributions to foundations and non-profit entities (Review by financial)

Santillana has made contributions to foundations and non-profit organisations in 2022 amounting to EUR 155 thousand (EUR 472 thousand in 2021). The Sanoma Group's policy is to centralise donations from the corporate level, so in 2022 Santillana has reduced these contributions.

95% of the amount has been allocated to associations or guilds directly related to the book sector and 5% to donations to NGOs or non-profit organisations for educational purposes, compared to 2021, when 26% of the amount was allocated to associations or guilds directly related to the book sector, 15% to collaboration agreements with organisations committed to education and 59% to donations to NGOs or non-profit organisations for educational purposes.

5.6 Social information

5.6.1 *Company commitments to sustainable development*

Commitment to society is the essence of Santillana. Its mission is to contribute to the development and progress of people and society by offering quality education, as is reflected in detail in our group's sustainability report available at <https://www.sanoma.com>.

Ongoing dialogue with society allows us to learn about the expectations and interests of the communities in which we operate and become involved in their development. The different forms of dialogue are set out in the Sanoma Group's *Sustainability Policy* and *Code of Conduct*, as well as in more detail in the *Social Responsibility and Sustainability Report* published by the Sanoma Group each year, all of which is applicable to Santillana in the 2022 financial year.

As a sign of this, Santillana promotes human rights, the fight against corruption, labour rights and care for the environment.

In the field of Education and through its main activity, Santillana has a great impact on local development, since with more than 8 million units of books published in 2022, it has a positive impact on the printing industry and printing presses, on sales channels (*bookshops/e-commerce*), on the logistics and distribution sector and on the digital industry (platforms), as well as on the employability of other freelance professionals, such as authors, designers, editors, proofreaders, illustrators, etc. Around the congresses or training actions that it organises, it also contributes to the dynamisation of all the industries that revolve around this type of events.

5.6.2 *Subcontracting and suppliers (Responsible Supply Chain Management)*

Inclusion of social, gender equality and environmental issues in procurement processes

Santillana maintains its commitment to social issues that indirectly and through its supplier base have an impact in this area. To this end, through the Purchasing Department, guidelines are established from the start of negotiations in this regard, which are also included in the General Contracting Conditions that the Sanoma Group has published on the supplier portal and which have been applicable to Santillana in 2022.

Relations with suppliers and subcontractors of your social and environmental responsibility

Santillana has a supplier approval platform for the evaluation and control of the main suppliers that identifies possible non-compliance by third parties and includes controls on human rights, anti-bribery, corruption, sanctions and due diligence. We also have a Code of Conduct available on the Santillana website which covers aspects ranging from social responsibility, labour and tax equality to those related to the prevention of occupational risks, fraud, corruption, as well as the environmental management systems that suppliers are required to have in place.

Monitoring and audit procedure

Due to the type of supply Santillana demands (increasingly focused on service delivery), the high percentage of local suppliers it works with and the fact that the platform has evaluation monitoring mechanisms in place, no significant risks have been identified that would require further inspection.

Impact on local development

Payment to suppliers in 2022 has risen to 42 million euros compared to 35 million euros in 2021. Santillana's commitment to the development and generation of local impact maintains in 2022 an allocation of 83% of this expenditure to suppliers with tax domicile in Spain, 75% in 2021.

5.6.3 Consumers, users and readers

Santillana's businesses, activities and investments in the field of education are subject to a regulatory framework specific to the sector in which they are carried out. The distribution of Santillana's materials may take place directly with the consumer and/or user, whose relationship is regulated through ad hoc legal terms and conditions, or through Santillana's various distribution channels: schools, distributors and bookstores.

In relation to consumer complaint systems, there are specific channels for dealing with any queries and/or incidents. These channels are an e-mail (caudigital@santillana.es), a free telephone line (900101189) and a form available at all times in our online shop (<https://www.santillanatiendaonline.es/FamilyStore/RecommendSantillana.do>).

Likewise, any incident that may be brought to the attention of our sales representatives is dealt with and passed on to the support team, who are responsible for resolving it.

Santillana's book sales activity is mainly aimed at schools, bookshops and distributors. There are communication channels with these customers through which complaints are received, mainly of a logistical nature in terms of incidents in the delivery of books.

delivery of products. The sale of educational book licences to the end consumer via the Familia webshop is residual (4%).

Throughout 2022, 429 contacts have been received through the family contact channel, of which all are closed (281 cases were dealt with in 2021).

In terms of response times, 296 requests have been answered within 24-48 hours, 10 requests within 3 days, 18 requests between 4 and 6 days, and the rest more than 7 days due to their complexity or lack of response from the client.

The contacts are about the most varied topics, ranging from requests for classroom material to requests for commercial information, requests for discounts (9) or requests for free digital books, but the vast majority refer to doubts in relation to physical books (20), commercial information about physical books and doubts in relation to digital products (125), technical problems with the digital shop (231).

5.6.3.1 Cybersecurity and information privacy (Consumers, own staff and supply chain)

The protection of personal information has been and continues to be one of the organisation's priorities. Following the entry of the Sanoma Group, Santillana has strengthened its privacy and security area. Since 2021, Santillana has had a lawyer specialising in data protection and an information security manager who are jointly responsible for compliance assessment and technical updating of tools and processes.

Personal data has become a valuable asset and attacks on security breaches can cause considerable damage, which is why one of the basic requirements for a digital society is to have adequate cybersecurity. For this reason, during this financial year Santillana has once again trained all its employees on the management of personal data protection and the relevance of information security, as mentioned above. This training has been carried out through an online didactic platform and has counted with almost 100% participation of Santillana's employees. In addition, during 2022, the data protection lawyer provided personalised training to all Santillana teams that deal with personal data in their day-to-day work. In particular, to the Human Resources, Customer Service, Sales, Purchasing, Marketing and IT teams. The training materials are available to employees on the Santillana intranet at all times.

In order to exercise their rights, users and persons whose personal data are processed by Santillana may submit their complaints or contact Santillana's Data Protection Officer at the mailbox dpo.spain@sanoma.com, as well as at the postal address of the head office.

In 2022, two requests for the exercise of rights in Santillana have been received by post and have been dealt with appropriately by post.

From the point of view of cybersecurity, the information security manager works to minimise the risks of cybercrime inherent to the digital world, in order to prevent any type of attack, information leakage, identity theft, etc. Santillana is immersed in an IT transformation process in order to guarantee and improve the security of our tools, data and processes.

5.6.4 Fiscal and financial information.

The amount of income taxes paid by Santillana in 2022 amounts to EUR 8,555 thousand and in 2021 to EUR 6,038 thousand.

The Company is up to date with all its tax obligations.

Finally, Santillana has not received any official subsidies in the last 4 years.

Details of profit before tax for the years ended 31 December 2022 and 31 December 2021 are shown below:

SANOMA EDUCACIÓN, S.L. (Sole Proprietorship)

**PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR
2022**

(in thousands of euros)

	2022	2021
(A) CONTINUING OPERATIONS		
1. Net turnover (Note 13.1)	113.760	104.138
a) Sales	110.632	98.224
(b) Provision of services	2.128	1.914
c) Dividends	1.000	4.000
2. Change in stocks of finished goods and work in progress	2.173	(3.794)
3. Work carried out by the company on its assets (Note 5)	9.947	6.410
4. Procurements (Note 13.2)	(24.133)	(13.904)
a) Consumption of goods	(297)	(293)
b) Consumption of raw materials and other consumables	(4.743)	(2.371)
(c) Work carried out by other companies	(19.196)	(11.740)
d) Impairment of merchandise, raw materials and other supplies (Note 10)	103	500
5. Other operating income	1.728	528
(a) Ancillary and other current operating revenue	1.728	528
6. Staff costs (Note 13.3)	(32.539)	(28.852)
(a) Wages, salaries and similar	(26.063)	(22.951)
b) Social charges	(6.476)	(5.901)
7. Other operating expenses	(35.393)	(31.103)
a) External services (Note 13.4)	(35.193)	(31.097)
b) Taxes	(34)	(32)
c) Losses, impairment and changes in trade provisions (Note 8.1.c)	(166)	26
8. Depreciation of fixed assets (Note 5 and 6)	(6.867)	(5.175)
9. Impairment and gains or losses on disposals of fixed assets	3	78
a) Impairment and losses (Notes 5)	3	78
A.1) OPERATING PROFIT (1+2+3+4+5+6+7+8+9)	28.679	28.326
10. Financial income	1	10
a) Marketable securities and other financial instruments		
a1) Of Group companies and associates (Note 16)	-	5
(a2) From third parties	1	5
11. Financial expenses	(402)	(684)
a) Payable to Group companies and associates (Note 16)	(158)	(368)
b) For debts owed to third parties	(244)	(316)
12. Exchange rate differences	(5)	(8)
A.2) FINANCIAL RESULT (10+11+12)	(406)	(682)
A.3) PROFIT BEFORE TAX (A.1+A.2)	28.273	27.644

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