

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, in terms of non-financial information and diversity. Likewise, the Non-Financial Risks of Sanoma Educación S.L.U., hereinafter referred to by its trade name "Santillana" by which the markets identify the Company, have been taken into account and the GRI Standards defined in the *Global Reporting Initiative's* Sustainability Reporting Guidelines have been taken as a reference.

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.

As the NFS is included in the Santillana Management Report as an additional section, reference will be made to the information required in the NFS which is described in other sections of the report.

5.1. Santillana.

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

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 activity is carried out nationwide, with a presence 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 Zone), with a corporate centre that coordinates and directs the strategy of the entire Business Unit.

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

Santillana is the leader in the education market with 18% market share in the last 4 years.

5.1.2. Strategic objectives

Santillana's main strategic pillars are as follows:

- ✓ Growth in the Education business thanks to continued expansion in the markets operated in 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.

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 2021 has become part of the Finnish Sanoma Group, such management has been consolidated at corporate level through a comprehensive management model, among other specific tools.

Risks have been identified 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 2021 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 work is currently underway to adapt these controls to the Sanoma Group's 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 materialisation of the risk considering the existing control environment). These risks are grouped into five broad categories in line with the areas described in Law 11/2018. Some of the risks identified for each of the categories are detailed below:

- 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 training (which includes risks derived from the shortage of training or the failure to promote training activities and programmes for all professional categories), risk in the failure to promote equality (those risks derived from the failure to comply with equal treatment and opportunities between women and men), risk in the non-promotion of equality (those risks derived from the failure to comply with 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, linked in particular to

inappropriate use or protection of consumer data), cybersecurity and information privacy risk (own staff, consumers and supply chain) (which refers to the risk of a cybersecurity breach and the risk of a third party getting hold of confidential or private information, allowing the discovery of the company's or an individual's secrets or privacy, without their consent, of their papers, letters, emails or any other documents or effects.

(e.g. the interception or interception of their telecommunications or the use of technical devices for listening, transmission, recording or reproduction of sound or images or any other communication signal) and the 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 LINF (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).

There has been no impact in the financial year 2021 in terms of identified non-financial risks, except for what might be related to the exceptional nature of the pandemic situation we are experiencing.

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.

5.2.1. 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 NFS, 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 in accordance with the GRI standards (SRS) published by the *Global Reporting Initiative* (GRI) in its guide for the preparation of sustainability reports.

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 employee per year
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
Maintenance risk to health and safety conditions	Frequency and severity rates	GRI 403-9 Injuries due to occupational 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 and data privacy risk 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 sustainable or responsible supply of raw materials	Percentage Consumption of sustainably sourced paper	GRI 301- 1 Materials used by weight or volume
Risk in waste generation and economics circular	Paper from renewable or recycled sources Tonnes per type of waste	GRI 301- 2 Recycled inputs

Finally, one of the objectives of the Sustainability Strategy applicable to Santillana during the 2021 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 commitment to the environment and this is defined in the aforementioned Corporate Social Responsibility Strategy published on the Sanoma Group website, where we act to protect the climate and raise awareness of sustainability issues.

The environmental risks associated with our activity are identified, mainly affecting the objectives of Quality Education, Decent Work and Responsible Consumption and Production. 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 the 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, not considering acoustic or light pollution to be 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 have been as follows:

- The vehicles made available to employees are *leased* from companies that are committed to the environment, which allow us to measure the CO₂ emissions of each vehicle and ensure optimal management of the duration, mileage and maintenance of the vehicles in order to comply with current regulations on air pollution and noise emissions of our fleet, with a gradual changeover to hybrid models planned.

- At the Avenida de Los Artesanos headquarters there are 2 electric vehicle charging points and the new headquarters planned to be occupied in 2022 has more than 50 charging points.

In addition, Santillana encourages the use of public and more sustainable means of transport, for example by facilitating, through the Flexible Compensation Plan, the purchase of monthly transport passes with tax advantages. In addition, at the Tres Cantos headquarters, buses are available for transport between the work centre and the suburban train station.

b) Energy efficiency buildings

All Santillana 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 optimum condition. These services include, among others, the revision of the air conditioning equipment, electrical installation, taps, fire fighting equipment, etc...

When changing or opening new branches, energy efficiency measures are taken to reduce environmental effects, such as energy-efficient lighting with the use of LED technology, efficient air conditioning equipment, insulation of ceilings, doors and windows, among other measures.

At the Tres Cantos central offices, quarterly meetings are held with a representative of the lessor where the incidents that occur with the maintenance of the building are raised so that the necessary resources can be used to solve them.

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:

- Recyclable business cards, which, once used, can be made to germinate as they are made of a paper made from waste cotton containing seeds.
- Responsible office printing, raising awareness among employees to discriminate what printing is really necessary and the effective reduction of consumption.
- 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.

c) Waste management

Santillana's efforts are aimed at reducing waste and improving waste segregation for subsequent recycling. Measures being taken to reduce waste include production processes with shorter print runs and publications in digital format. With regard to waste segregation measures, individual waste bins are being eliminated at the Company's head offices and coloured bins have been installed in common areas to facilitate the selective collection of waste.

The volume of waste generated in the years 2021 and 2020 is shown in the table below:

Type of waste	2021	2020
Paper	177 Tn	122 Tn
Cardboard	51 Tn	47 Tn
Plastics	5 Tn	15 Tn

*Data obtained from our contracted waste manager

The effects of the above-mentioned waste reduction measures are not reflected in 2021 for two main reasons:

- Because they are recent measures whose effects will appear in the coming years.
- Because this year we have had to destroy a larger number of books due to the new education law for the 2022/2023 school year, which has forced us to reduce the stock in the warehouse.

5.3.3. Sustainable use of resources

a) Water consumption and supply

2021	2020
4.278 m3	4.184 m3

The consumption recorded by Santillana in 2021 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.

b) Raw material consumption

	2021		2020	
Type of material	Total material consumption (tn)	% Renewable and sustainable material	Total material consumption (tn)	% Renewable material and sustainable
Total paper consumption	2.323	100%	3.204	100%
Paper from recycled origin	0	0,00%	1	0,03%
Sustainably sourced paper	2.323	100,00%	3.203	99,97%
Cardboard		100%	59	100%

c) Electricity

	2021	2020
Renewable Origin	1,863 MWh	681 Mwh
Origin Non-renewable	163 Mwh	1,503 MWh
Total Consumption	2,026 MWh	2,184 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 increase in consumption from renewable sources in 2021 was mainly due to the agreement reached with the electricity supply company for our branches, which includes a guarantee of renewable sources.

d) Other fuels

Natural Gas		Diesel	
2021	2020	2021	2020
39.312 m3	35.598 m3	151,096 litres	79,480 litres

*Data obtained from gas and diesel suppliers.

An increase is seen in general in the year 2021 due to the return to activity after the major stop due to covid in 2020, more relevant in the case of diesel used by commercial network vehicles.

5.3.4. *Climate change*

a) Use of renewable energies

Santillana consumes 92% of its energy from renewable sources (31% in 2020). The entire consumption of the central offices is renewable and the consumption of the delegations is 100% renewable from June 2021 according to the agreement reached with the supply company.

b) Important elements of greenhouse gas emissions

The calculated direct greenhouse gas emissions from Santillana's activity due to the direct consumption of fuels (natural gas and diesel) and energy were as follows:

	Emissions year 2021 (t CO ₂ eq)	Emissions year 2020 (t CO ₂ eq)
Scope 1 (natural gas and diesel)	82	
Scope 2 (electricity)	709	841

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 2021 (Tn CO ₂ eq)	Total emissions year 2020 (Tn CO ₂ eq)
Aircraft	Short-haul flights	1	
	Medium-haul flights	8	
	Long-haul flights	-	-
Train			
Car	Diesel	365	186
	Petrol		29
Paper		1.250	1.543
Total Scope 3		1.681	1.777

5.3.5. Action on climate change

As indicated above, in 2021, 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 2021 expressly states, among other measures, the need to consider replacing any travel with telematic communication methods such as videoconferences or calls. In the 2021 financial year, this has been the most common channel of communication, 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.

5.4. Information on social issues concerning staff

5.4.1. Employment

The number of active people at 31 December 2021 who have carried out the activity of Santillana amounts to 501 people (459 people at 31 December 2020) 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
2021	1			253	240	493	0	5	5	254	247	501
2020	1			237	216	453	1			239	220	459

(*) 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 99.00% of Santillana's total workforce has a permanent contract and 1.00% has a temporary contract (compared to 99.35% and 0.65% in 2020). Men represent 50.70% of the total workforce compared to 49.30% of women (compared to 52.07% and 47.93% in 2020).

There has been an increase in staff compared to the previous year 2020 of 42 employees (15 Men and 27 Women).

Of which 40 are permanent jobs and 2 are temporary. The increase in permanent staff represents an increase of 10.14%, compared to the 4.32% increase in permanent employment in Spain according to INE data comparing data from the 4th quarter of the years 2021 and 2020.

Distribution of the working day

96.01% of the workforce at year-end 2021 is working full-time (compared to 95.21% in 2020).

	Full Time			Part-time			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
2021	252	229	481				254	247	501
2020	237	200	437				239	220	459

Breakdown 2021, by type of contract, professional group, sex and age

	Men			Female		
Active workforce	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
PA 2021 - Indefinite Contract		111	134			
PA 2021 - Temporary Contract, Eventual	0	0	0			1
	Men			Female		
Active workforce	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
PA 2021 - Full Day		110	133		106	111
PA 2021 - Part-time	0	1	1	0		
	Men			Female		
Active workforce	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
PA 2021 - Directors	0			0		
PA 2021 - Middle management	0		35	0		
PA 2021 - Technicians		103	87		106	103

Breakdown by occupational classification and area

Disaggregated by Area

year 2021	Contents	Production Technology and Logistics	Commercial and Marketing	Administration, Direction and Management	Grand total
Executives				8	
female		0	0		
male					
Controls intermediates		1			
female		0	1		
male		1			
Staff Technician	160		209		420
female	109	8	88		

male	51	8			199
Grand total	194		231		501

year 2020	Contents	Technical Production and Logistics	Commercial and Marketing	Administration, Direction and Management	Grand total
Executives	8	1			
female		0	0	1	5
male		1		5	
Controls intermediates		1		5	52
female		0	1	1	
male		1			
Staff Technician			208	25	389
female		5	87		201
male					188
Grand total			230		459

There has been an increase in the workforce, mainly in the areas of "Content" of 15 employees (due to the transfer to the workforce of personnel who were contracted through temporary employment agencies) and "Administration, Management and Administration" of 21 employees (due to the new organisation following the sale of Santillana). The rest of the Areas have increased their staff in: "Commercial and Marketing" by 1 employee and "Technical Production and Logistics" by 5 employees.

Age distribution

The comparison of average ages by gender between 2021 and 2020 is as follows:

	Men	Women	Total
Average age 2021	49		
Average age 2020	49	48	48

The average age of men is 1.02% higher than the average age of women. 4.19% of the employees are under 30 years old, 45.71% are between 30-50 years old and 50.10% are over 50 years old.

The distribution by sex and age is as follows:

	YEAR 2021			YEAR 2020		
	Less than 30 years	Between 30- 50 years	More than 50 years	Less than 30 years	Between 30- 50 years	More than 50 years
female			108	8	109	103
male					103	125
Grand total	21	246	234		212	228

The distribution by occupational classification and age is as follows:

	YEAR 2021			YEAR 2020		
	Less than 30 years	Between 30- 50 years	More than 50 years	Less than 30 years	Between 30- 50 years	More than 50 years
Executives	0			0		
female	0			0	1	
male	0			0		
Middle management	0			0		42
female	0			0		
male	0	8		0		
Technical Staff	21		175		199	
female		115	94	8	104	
male		109	81		95	82
Grand total	21	246	234		212	228

The distribution of age brackets by Area and gender

Area and age	Year 2021			Year 2020		
	female	male	Grand total	female	male	Grand total
Contents	125	69	194	113		
<30	8			5		
<50	69		106			93
>50		30			30	
Technical Production and Logistics	8			5		
<30	0	0	0	1	0	1
<50			5	0	1	1
>50		8			8	
Commercial and Marketing			231	88		230
<30						5
<50			107	42		106
>50	45				75	
Administration, Direction and Management	25					
<30	1		5	-		
<50						
>50				8		
Grand total	247	254	501	220	239	459

Staff movements:

Entry 2021 Squad 2021

2021 Area and Occupational Classification	Age brackets			
	<30	<50	>50Total	
Administration, Direction and Management				
Executives	0	1	1	
female	0	1	0	1
male	0	0	1	1
Middle management	0		0	
female	0		0	
male	0	1	0	1
Technical Staff				
female	1		1	
male			1	
Commercial and Marketing	1	5	1	
Technical Staff	1	5	1	
female	1	1	1	
male	0		0	
Contents			0	
Technical Staff			0	
female			0	
male	0		0	
Grand total	8			

Departures from the workforce year 2021

2021	Age brackets				Type of leave				
Area and Occupational Classification	<30	<50	>50	Total	Volunteer	Dismissal	Agreement	Leave of absence	Incapacity
Administration, Direction and Management	1	0	0	1	1	0	0	0	0
Female	0	0	0	0	0	0	0	0	0
Male	1	0	0	1	1	0	0	0	0
Technical Production and Logistics	1	0	0	1	1	0	0	0	0
Female	1	0	0	1	1	0	0	0	0
Male	0	0	0	0	0	0	0	0	0
Commercial and Marketing	0		0		1		0	0	1
Female	0		0		0	1	0	0	1
Male	0		0		1	1	0	0	0
Grand total			0				0	0	1

Santillana's final headcount variation between 2021 and 2020 is 8.38%. The voluntary turnover rate (measured as voluntary departures over total staff) is 0.60% while the redundancy rate (involuntary turnover) is 0.40% compared to 0.65% in 2020 (measured as compensated departures over total staff), mainly associated with departures due to

staff turnover.

Dismissals measured as severance payments were 50.00% men and 50.00% women, 100.00% of which were employees between 30-50 years of age. 0.00% corresponds to management and middle management while 100.00% corresponds to the rest of the staff.

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

Remuneration

The average fixed remuneration, without considering the Seniority Bonus in Santillana, by sex and considering all full-time salaries is 39 thousand euros, being that of men 43 thousand euros (+10% with respect to the average) and that of women 35 thousand euros (-10% with respect to the average).

Sex	Average Wage	
	2021	2020
female	34.846	34.010
male	42.671	42.690
TOTAL	38.813	38.530

year 2021	PA 2021	AVERAGE 2021	PA 2020	AVERAGE 2020
Executives		100.512		101.302
female		89.465	5	84.803
Less than 30 years	0	0	0	0
Between 30-50 years		73.608	1	65.217
More than 50 years		97.394		89.700
male		105.246		107.648
Less than 30 years	0	0	0	0
Between 30-50 years		81.375		80.542
More than 50 years		109.224		112.576
Middle management		59.970	52	59.762
female		58.368		55.584
Less than 30 years	0	0	0	0
Between 30-50 years		56.059		42.851

More than 50 years		60.677		60.677
male		60.751		61.301
Less than 30 years	0	0	0	0
Between 30-50 years		58.817		54.578
More than 50 years		61.083		62.562
Technical Staff	420	32.802	389	32.787
female		31.234	201	31.244
Less than 30 years		24.061	8	26.213
Between 30-50 years	106	31.286	104	30.976
More than 50 years	103	32.017		32.010
male	199	34.544	188	34.436
Less than 30 years		30.098		25.954
Between 30-50 years	103	31.086	95	31.349
More than 50 years	87	39.097	82	39.150
Grand total	501	38.813	459	38.530
Total female	247	34.846	220	34.010
Total male	254	42.671	239	42.690

Wage Gap

In 2021, a Remuneration and Salary Audit study was carried out in order to analyse the salary gap between men and women, with the data analysis period from 01/01/2021 to 31/05/2021. This study is currently being reviewed by the Equality Plan Negotiating Committee.

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

Unadjusted Wage Gap

The data obtained were as follows:

- ✓ 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.

Brecha salarial no ajustada – Visión General

	Media	
	Real	Teórico
Retribución Total Anual (RTA): RFA + Otras Complementos + Retribución Variable + Beneficios sociales	RTA (Retribución Total Anual) 27,0 %	RTA (Retribución Total Anual) 25,0 %
Retribución Fija Anual (RFA) Salario Base o Fijo + Complementos Fijos	RFA (Retribución Fija Anual) 19,9 %	RFA (Retribución Fija Anual) 17,8 %
Retribución Variable	RVA (Retribución Variable ponderada) 5,1 %	RVA (Retribución Variable ponderada) 7,2 %

Salary Audit

Santillana's salary audit in 2021 reflects an unadjusted salary gap in favour of men of 26.9% in notional salaries. We cannot compare with other years, as 2021 is the first year of the audit. These differences are due to:

- Differences in Variable Remuneration. On average, the pay gap is higher, with men's higher pay weighing heavily.
- Concentration of more than 60% of the workforce in the lower levels (5 and 6), with lower average salaries and a higher female presence. This points to a possible segregation that has a direct impact on these overall differences in favour of men.
- Concentration of men at the highest seniority levels, as well as at the highest levels of responsibility.
- The main pay groups that explain the unadjusted gap are Fixed Allowances, especially the Job Allowance and Variable Remuneration.
- For new recruits, the pay gap is in favour of men as they occupy positions with higher specialisation and higher market references.
- The overall analysis of pay increases by promotion shows the largest pay gap in favour of women, with 8.9% in their favour.

Disconnection from work

The company currently has a draft digital disconnection policy that will be negotiated with the Negotiating Committee of the new Equality Plan, as this policy is one of the measures approved in the previous 2020-2024 plan.

However, during the pandemic situation, Human Resources has been sending all staff communications aimed at looking after the health of workers, with the following being of particular note: "Guidelines for disconnecting at Easter", "Some recommendations on good habits in teleworking" and "Preventive Recommendations: Teleworking Posts" by the Prevention Service.

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, through the incorporation of 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 (cleaning) as well as other collaboration mechanisms established in our legal system (donations to special employment centres). In addition, Santillana has hired 5 people with a disability equal to or greater than 33%, up to September of this year there were a total of 6 people.

The application for a declaration of exceptionality for the adoption of the authorised alternative measures is currently being submitted to the State Public Employment Service, due to the change in the number of employees in the company, following the sale of Santillana to Sanoma.

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 RLT in the centres that have trade union representation and signed by the workers in those centres that do not. 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 working model is also being negotiated with the LTR with the aim of implementing it this year.

There are 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, which are included in the document "Measures for the reconciliation of 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.
- Flexitime: Each workplace will be able to take advantage of the approved flexitime in their work schedules.

In 2020, 3 persons benefited from these measures, while in 2021, 7 persons benefited from these measures, according to the following breakdown:

	2020		2021	
	Men	Women	Men	Women
Reduced working hours	1		1	
Voluntary Leave		1		
Free Days Enlargement			1	5
Extension Legal guardianship		1		
Total	1			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 Más vida Red.
 - o Grupo Empresa.
 - o Club de ofertas.
 - o Discounts on Santillana and Loqueleo books.
 - o Partial subsidies granted 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 allowances. In general terms, Santillana does not distinguish between full-time and part-time or between permanent and temporary contracts for access to 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:

	2021	2020
Absenteeism rate (1)	4,20%	3,44%
Total days lost	4.601	3.288

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

The increase in absenteeism is due to the incidence of COVID and the higher number of parental leave days.

5.4.3 Health and safety

Fostering a preventive culture at Santillana remains a key objective. The commitment to integrate risk prevention and occupational health and safety into the company's general management system stands out.

Santillana has an Occupational Risk Prevention department and manages the identification of psychosocial risk factors that may pose a risk to staff health.

- In December 2020, the statutory prevention audit was carried out in a satisfactory manner. This audit is valid for four years.
- Quarterly meetings with the health and safety committees have continued, with the participation of management and workers.
- Registration of defibrillators in the workplaces and emergency evacuation measures required by regulations have been implemented.

In this way, the continuous improvement of working conditions has been ensured at all times, with the majority of employees being represented by formal health and safety committees and covered by the Prisa Group's joint prevention service, to which Santillana will continue to be linked in 2021.

This year, marked by the pandemic, all efforts have been focused on preventive measures and Covid advice to our employees.

In the face of this unprecedented Coronavirus pandemic, all the measures, policies, procedures and recommendations already implemented in 2020 aimed at safeguarding the health of all employees and collaborators have been monitored and reinforced during 2021. A major effort has been made to continue Santillana's activities as normal, providing employees with the necessary means to carry out most of their professional work from their homes.

This new way of working has forced the company to establish new forms of interrelation with its workers in order to maintain the sense of belonging to the company and to optimise remote work. All these new communications have been framed and fostered, mainly through the following:

- the use of collaborative work tools such as Teams,
- communication channels through the "RRHHComunitaT" e-mail,
- the Intranet with a variety of content ranging from company news, recommendations for health prevention, company activities, online training pills (Studytube, Wistec), applications and tools that promote the well-being of our staff (break pro), activities to promote family reconciliation and the dissemination of projects with high employee participation (happiness week, walk challenge) as well as newsletters updating the integration process of Santillana in Sanoma, among others.

In addition to these activities, a large part of the Company's efforts have focused on promoting health prevention, establishing safety and isolation policies in the workplace, control questionnaires and employee tests, monitoring of those affected, etc., optimising processes through digital tools. In 2021, Santillana carried out 115 medical check-ups at national level.

In the financial year 2021, there were 6 accidents at work (2 men; 4 women) compared to 3 accidents in 2020 (2 men and 1 woman), and 3 accidents in 2019 (2 men and 1 woman), all of them in itinere.

On the other hand, no occupational diseases have been declared in 2021.

Santillana's main health and safety measurement indices are the severity index and the frequency index, which have been found to be zero, as no accidents related to the calculation of these indices have been recorded.

Índice de frecuencia

En este índice debe tenerse en cuenta que

$$:I.F. = \frac{N^{\circ} \text{ acc}}{N^{\circ} \text{ horas t}}$$

Índice de gravedad (I.G.)

Representa el número de jornadas perdidas por cada mil horas trabajadas. §

5.4.4 Social relations

The collective agreement applicable to Santillana was published this year, on 25 November 2021. However, it does not entail any improvement in working and employment conditions with respect to the previous agreement, in relation to the minimum legal minimums required by current legislation. The procedures for information, representation and consultation with workers are set out and regulated in the collective agreement in accordance with the provisions of Chapter 13, "Representative activity and trade union rights" and are articulated through the labour representation bodies regulated therein.

In 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 impact on the activity due to collective bargaining and no ERE or ERTE had to be presented in the year 2021.

The Tres Cantos workers are represented by the Santillana Works Council, which is made up of 10 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, 2021, 9 meetings were held with the LTRs, while 4 meetings were held in 2020. This increase is mainly due to the process of integration of Santillana into Sanoma, where workers' representatives have been informed in a timely manner of the organisational changes that are taking place.

5.4.5 Training

One of the company's greatest commitments to its employees and to its employees is to

The main objective of this analysis is to enhance their professional skills and abilities, taking into account the needs of the moment and the context that surrounds us. During the year 2021, the factors that we have mainly taken into account in this analysis have been:

- Sanoma's acquisition of the company
- The situation of telework in the face of the pandemic

As a result of the above factors, the measures that have been taken with regard to the training of Santillana's workforce are as follows:

- During 2021, the largest part of the training budget has been allocated to promoting **language** learning, specifically English, given that this has been one of the major concerns of the workforce following Sanoma's acquisition of the company. In this sense, the company has made every effort to promote these training actions in online mode. Despite the difficulties posed by the Pandemic, more than 3,900 hours of language training have been provided, particularly in English. This is a new programme, so there is no data available for comparison with other years.
- o In addition, the different **corporate training platforms** of Sanoma in Spain have been made available to employees: **Skill Program Room**. The aim of the skills programme is to help develop the necessary skills to support the creative processes and for the future of the staff's work. Room helps to maintain a healthy work-life balance, to be self-directed, to feel better, to be more creative, to work smoothly and to succeed in your job role. These are the different skills into which the programme is divided:
 - Digital and technical skills (Wistec)
 - Cognitive skills (Studytube)
 - Social and collaborative skills (Studytube)
 - Well-being and Resilience Skills (Break Pro)
- One of Santillana's priorities since the confinement has been to take care of the staff, both physically and emotionally. We have insisted that the staff be aware of **the safety protocols in the area of Occupational Risk Prevention**, especially for attendance at the Office where it is compulsory to follow the covid-19 safety and prevention protocols. To this end, a manual was drawn up for the safe return to the workplace, providing information on the measures to be taken into account during the journey to the workplace, during entry and stay at the offices, as well as the handling of COVID cases and possible occupational contacts. This manual was sent to each employee by email and also published on the intranet. Preventive messages have also been reinforced with timely reminders according to the COVID situation at that time.

at the time, in each workplace.

- Communication and training are based on a correct management of priorities closely related to risk, because in the end it is the risks that can prevent the achievement of business objectives and contribute to the company's social interest. In this sense, 2021, with teleworking, has been a year in which one of the most relevant risks identified, as stated above, is that of Information Security Breaches (cybersecurity attacks that could also lead to a breach in data protection). Likewise, the use of collaborative tools such as TEAMS, ONE DRIVE and SHAREPOINT has been promoted in order to share documents securely without having to access them through a VPN.
- 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.
- The table below shows the number of training hours by area and category that have taken place in the Company over the last three years. As can be seen, during this year 2021 there has been a great boost in the training of the entire workforce if we take into account the effect that the pandemic had in this regard during 2020. Santillana's commitment is to promote the training and development of its workforce and this is reflected in the results for the year under analysis:

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
Man	292,00	484,00	238,00	46,00	1.060,00
Woman	133,00		328,00		461,00
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%Management	15,52%Management		15,52%
Man	12,05%				12,05%
Woman	3,47%				3,47%
Man	6,33%	10,49%	5,16%	1,00%	22,97%
Woman	2,88%	0,00%	7,11%	0,00%	9,99%
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, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
Management	2,11%	4,22%	2,11%	0,00%	8,44%
female	0,00%	0,00%	2,11%	0,00%	2,11%
male	2,11%	4,22%	0,00%	0,00%	6,33%
Mando Interm.	3,64%	0,00%	7,32%	2,52%	13,49%
female	3,31%	0,00%	4,72%	0,00%	8,03%
male	0,33%	0,00%	2,61%	2,52%	5,46%
Qualified Technician	6,33%	8,36%	58,67%	4,72%	78,07%
female	4,22%	4,14%	39,53%	2,98%	50,87%
male	2,11%	4,22%	19,14%	1,74%	27,20%
Grand total	12,08%	12,58%	68,10%	7,24%	100,00%

Training hours 2019

	Administration, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
Management	52,00	127,00	55,50	20,00	254,50
Female			37,00		37,00
Male	52,00	127,00	18,50	20,00	217,50
Female	30,00	20,00	132,00		182,00
Male	32,00	80,00	100,00	48,00	260,00
Female	212,00	373,00	1.003,00	96,00	1.684,00
Male	141,00	266,00	760,00	122,00	1.289,00
Grand total	467,00	866,00	2.050,50	286,00	3.669,50

	Administration, Direction and Management	Commercial and Marketing	Contents	Technical Production and Logistics	Grand total
Management	1,42%	3,46%	1,51%	0,55%	6,94%
Female	0,00%	0,00%	1,01%	0,00%	1,01%
Male	1,42%	3,46%	0,50%	0,55%	5,93%
Female	0,82%	0,55%	3,60%	0,00%	4,96%
Male	0,87%	2,18%	2,73%	1,31%	7,09%
Female	5,78%	10,16%	27,33%	2,62%	45,89%
Male	3,84%	7,25%	20,71%	3,32%	35,13%
Grand total	12,73%	23,60%	55,88%	7,79%	100,00%

Performance evaluation

At Santillana, performance appraisals are carried out for all employees who receive variable remuneration as part of their salary. There is no formal procedure, but interviews are held with this group in order to carry out the assessment.

In the financial year 2021, 260 evaluations have been carried out as follows:

Category	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Executives			5			
Middle management		30		30		
Technicians						
qualified	75			131		
Total	92		90	174	86	174

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 social differences and identities. Treating all people equally and promoting equality in the workplace 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 four-year Equality Plan was approved.

In October, new legislation associated with 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 has to face the negotiation of a new Equality Plan that includes the legal requirements of these new Royal Decrees:

- Job evaluation
- Remuneration Register
- Salary Audit

In addition, we need to update the composition of the current companies in the company following Sanoma's purchase of the business, by drawing up a new diagnosis.

For this reason, in October 2021, the negotiating committee for the second gender equality plan was set up and is currently in the negotiation phase with the RLT and the trade union representatives (CCOO).

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

5.5.1 Compliance: Codes of Conduct.

Santillana and the professionals who make up the entity are fully committed to respecting Human Rights and to fighting 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 2021, no complaints have been received in Spain, as in 2020.

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 work 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 set out 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 the principles and rules that should govern our daily work activities in a didactic and visual way. At the end of the course, an evaluation test must be taken and a score of at least 80% must be obtained. The percentage of participation in this training has been 100% 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 has been done in the past years, in the process of editing our materials, the definitions of concepts in the textbooks that by their nature could discriminate against persons or groups of persons, related to, among others: racism, religion, gender, illness, disability, etc., are reviewed in order to promote the

respect and awareness of Human Rights. To this end, all our editors use 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. At present, we not only have Codes of Conduct which contain basic general principles on internal and external control and corruption prevention, 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. This training was attended by 99% of Santillana's workforce. 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 corruption prevention 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 corruption complaints have been received in 2021, just as they were not received in 2020.

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.

Coinciding with the Christmas season, a reminder of our gift policy (including the internally established rules for accepting gifts) was launched via the corporate intranet to all employees, as well as a personal reminder to senior management to reinforce the commitment of all Santillana Professionals to comply with our Code of Conduct. Likewise, two personalised communications were sent to them by corporate email reminding them of the relevance of our gift policy and reminding them of the process for requesting authorisation for gifts, if necessary.

5.5.4 Contributions to foundations and non-profit organisations

Santillana has made contributions to foundations and non-profit organisations in 2021 amounting to EUR 472 thousand (EUR 307 thousand in 2020).

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

Some of these foundations and entities are listed in section 5.6.1 of this report.

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.

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 2021 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, since 2014 Santillana has signed an agreement with the Atresmedia Foundation for the collaboration of Santillana in the organisation of the "Great Teachers" event, which consists of a meeting specially designed to pay tribute to teachers, a necessary recognition that provides value and serves as inspiration and motivation for teachers, while offering strategies that can facilitate their day-to-day work in the classroom.

Furthermore, through its main activity, Santillana has a great impact on local development, as it has a positive effect 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.

Santillana also contributes to society through various social action initiatives by collaborating with NGOs through the e-vocation programme *Help us to help*.

5.6.2 Subcontracting and suppliers (Responsible Supply Chain Management)

5.6.2.1 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 2021.

5.6.2.2 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.

5.6.2.3 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.

5.6.2.4 Impact on local development

Payment to suppliers in 2021 has risen to 35 million euros compared to 40 million euros in 2020. Santillana's commitment to development and the generation of local impact maintains in 2021 an allocation of 75% of this expenditure to suppliers with tax domicile in Spain, 78% in 2020.

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 regarding incidents in the delivery of products. The sale of educational book licences to the end consumer through the Familia website shop is residual (4%).

Throughout 2021, 281 contacts were received through the family contact channel, all of which have been closed. This figure marks a notable decrease in requests, incidents and contacts compared to 2020, when 377 cases were dealt with.

In terms of response times, 244 requests were answered within 24-48 hours, 5 requests within 3 days, 5 requests between 4 and 6 days, and the rest more than 7 days given their complexity.

The contacts are about the most varied topics, ranging from requests for classroom material (3 requests), to requests for commercial information, requests for discounts (13) or requests for free digital books, but the vast majority refer to doubts in relation to physical books, commercial information about them and doubts in relation to digital products, technical problems with the digital shop.

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 adequate cybersecurity. For this reason, during this financial year Santillana has trained all its employees on the

personal data protection management and the relevance of information security, as mentioned above. This training was carried out via an online platform, with 100% participation by Santillana employees.

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 2021, no requests for the exercise of rights have been received in Santillana.

From the point of view of cybersecurity, the new information security director is working 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 2021 amounts to EUR 6,038 thousand and in 2020 to EUR 5,297 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 2021 and 31 December 2020 are shown below:

SANOMA EDUCACIÓN, S.L.U.

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEARS 2021 AND 2020

(in thousands of euros)

	2021	2020
(A) CONTINUING OPERATIONS		
1. Net turnover	104.138	118.074
a) Sales	98.224	103.010
(b) Provision of services	1.914	223
c) Dividends	4.000	14.841
2. Change in stocks of finished goods and work in progress	(3.794)	758
3. Work carried out by the company on its assets	6.410	-
4. Procurement	(13.904)	(18.286)
a) Consumption of goods	(293)	82
b) Consumption of raw materials and other consumables	(2.371)	(2.787)
(c) Work carried out by other companies	(11.740)	(15.327)
d) Impairment of merchandise, raw materials and other supplies		(254)
5. Other operating income	528	667
(a) Ancillary and other current operating revenue	528	667
6. Staff costs	(28.852)	(15.866)
(a) Wages, salaries and similar	(22.951)	(13.231)
b) Social charges	(5.901)	(2.635)
7. Other operating expenses	(31.103)	(50.672)
(a) External services	(31.097)	(50.640)
b) Taxes	(32)	(5)
c) Losses, impairment losses and changes in provisions for trading operations	26	(27)
8. Depreciation of fixed assets	(5.175)	(6.395)
9. Impairment and gains or losses on disposals of fixed assets	78	(8)
a) Impairments and losses <i>(Note 5)</i>	78	(8)
A.1) OPERATING PROFIT (1+2+3+4+5+6+7+8+9)	28.326	28.272
10. Financial income		
(a) Marketable securities and other financial instruments		
a1) From Group companies and associates	5	
(a2) From third parties	5	
11. Financial expenses	(684)	(2.198)
a) Payable to Group and associated companies	(368)	(86)
(b) For debts owed to third parties	(316)	(2.112)
12. Exchange rate differences	(8)	1.556
A.2) FINANCIAL RESULT (10+11+12)	(682)	(629)
A.3) PROFIT BEFORE TAX (A.1+A.2)	27.644	27.643