

Imagine • Innovate • Create

A Passion For Learning

Annual Report
/ 2017



Imagine . Innovate . Create

A Passion For Learning

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/ 2017

Contents



Because both
the present and the
future of education
are something we
all build together

4	Letter from the CEO
6	Ideas that inspire us
10	Aspects of our educational activity
34	A year in pictures
42	Santillana in figures
52	Santillana's international footprint
56	Corporate responsibility
80	The Santillana Foundation
94	Stakeholders
98	Other data

**MIGUEL ÁNGEL
CAYUELA**

CEO



Much has been written and hypothesised about the knowledge society and the need to strengthen it, expand it and share it as a key to progress. But now, perhaps it might be more appropriate to speak of the *learning* society, one which places learning at the service of the learner, that sees learning as a lifelong endeavour and that seeks to develop genuinely motivated and committed students, who are ready to take on the challenges of the present and the future. Well, a quest for such a learning experience is precisely what inspires us as we move forward.

In 2016, Santillana created a range of educational projects that foster a new and fully integrated kind of literacy, one that is linked to teaching culture and values. This new literacy integrates content and services, and provides training in new skills and abilities. Projects such as **SET21** represent a refreshingly different approach to the classroom, providing resources and services that foster the **talent** and **skills** that students need both now and in the future. Skills such as learning to program, becoming familiar with robotics, awakening the entrepreneurial spirit, learning to think for themselves, and knowing how to manage natural resources and finances as well as how to plan and manage their time and their savings.



Other initiatives, such as **Escuela de autor** in Spain incorporate new learning methodologies and enable teachers to customise and create tailor-made projects and schedules for the classroom. This is a truly skills-based approach.

Meanwhile **maker culture** has been incorporated into **UNOi**, our integrated learning system, creating a space where the student learns by doing.

Educational systems generally value most those students who get good academic results. They evaluate based on test scores and often ignore those failing to make the grade, or act too late. Initiatives such as Pleno help diagnose, identify and develop students' cognitive skills, reading comprehension and problem-solving.

In 2016 we also took our first steps in the lifelong learning space with the roll-out of **Bejob**, an online training platform for employability in the areas of new technology and digital business.

Finally, from a business point of view, our commitment to strengthening and developing education in Latin America continues apace with the acquisition of **Carvajal Soluciones Educativas**, whose best-known brands are Norma and Kapelusz, both of which will maintain their editorial independence, personality and identity.

Perhaps it might be more appropriate to speak of the *learning society*, one that places learning at the service of the learner. Because learning is what enables one to progress in an ever-changing world.

/01.

**Ideas that
inspire us**





COMMITTED TO PUTTING
THE STUDENT
at the centre of learning

The student plays an increasingly active role in the learning process. That's why we foster their intellectual development and their involvement in building the world around them.

WE EMPOWER
THE TEACHER
as an agent of educational change

The teacher is key to improving education – and needs our recognition and support. That's why we promote training as the basis for empowerment and leadership.



WE OFFER SERVICE AND
ONGOING SUPPORT
to schools

The success of any learning system depends largely on the teaching resources that we bring to the school. We share the school's responsibility to achieve positive results.



WE INVOLVE

FAMILIES

in our projects

Education is a shared endeavour that goes far beyond the classroom. That's why the family is a vital part of improving education.



WE FOSTER

SKILLS FOR THE 21ST CENTURY

as the basis for effective citizenship

In addition to curricular materials, we help children and young people develop the skills that will enable them to deal effectively with the world around them.



COMMITTED TO INNOVATION AND

CREATIVITY

as pillars of learning

Creativity and innovation are innate human skills and are crucial to how we evolve. That's why we work on projects that both engage and stimulate.

WE SUPPORT A GREATER

PERSONALISATION

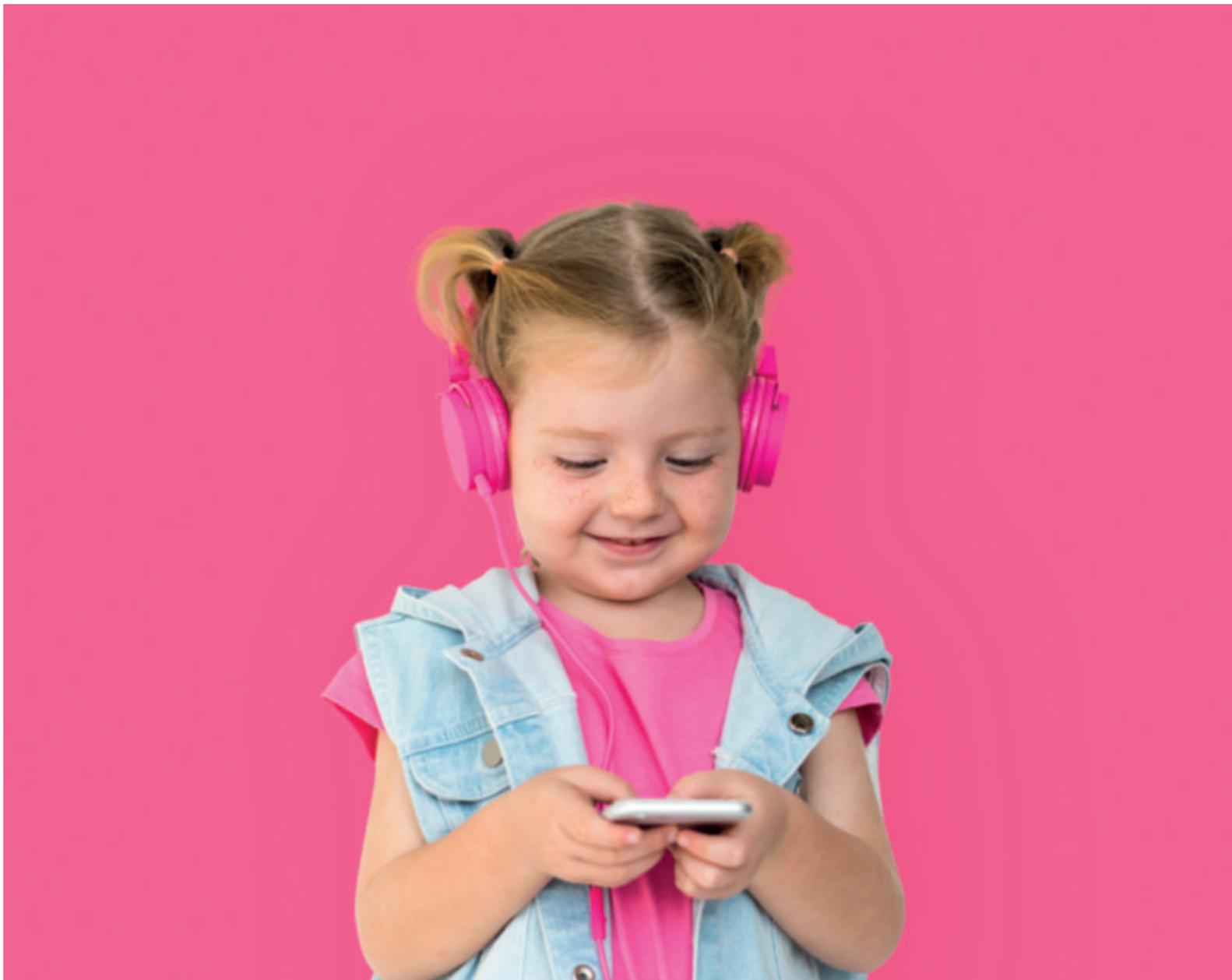
OF LEARNING

appropriate to each student's pace

Every child learns at a different pace. That's why we develop learning solutions that adapt to their individual needs as they continue to learn.

/02.

Aspects of our educational activity



Carolina is 4. She's a composer in the making.

/ 02.

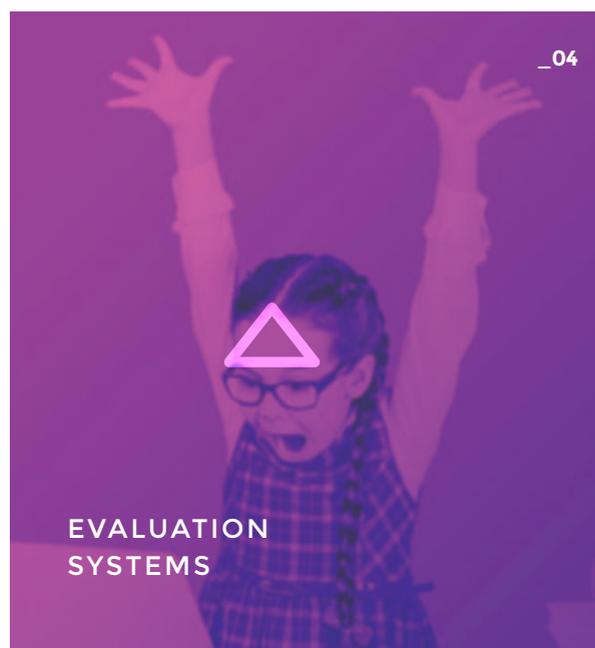
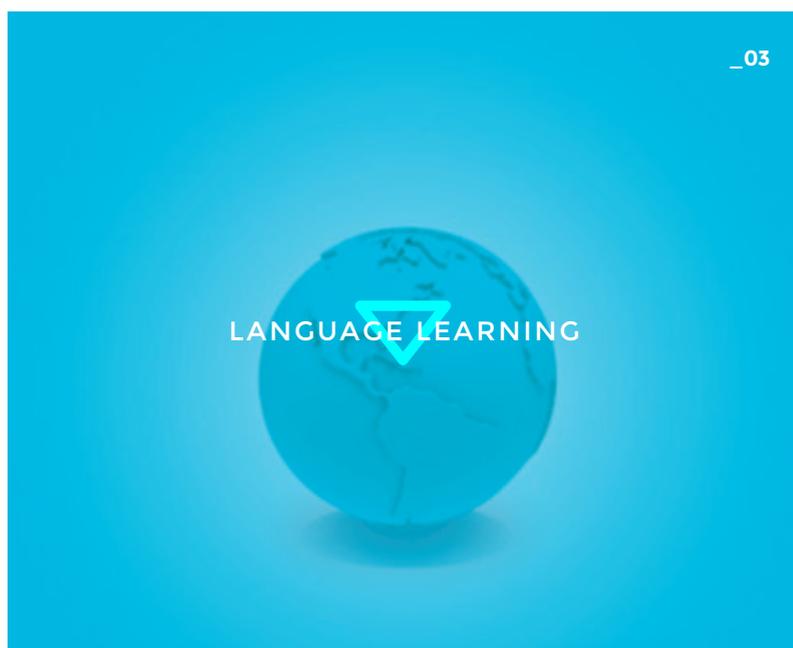
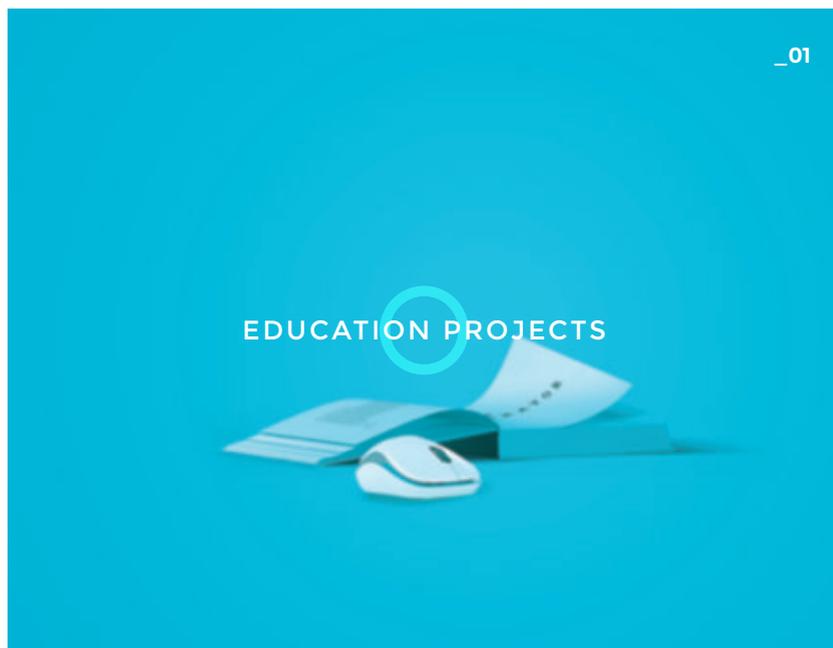
Looking forward

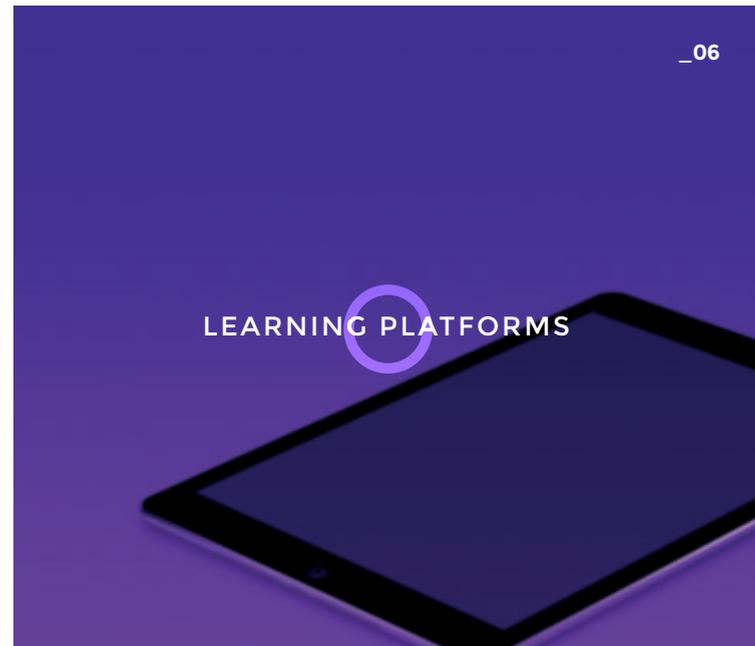
2016 was an important year for Santillana, in terms of both results and business initiatives, as well as new learning projects and training. The company reported operating revenue of 638 million euros, and EBITDA of 171 million (up 2.3% on 2015). There were noteworthy contributions to revenue from Spain, Brazil and Mexico, and excellent results from Peru, as well as overall growth in the rest of our markets. In the United States, the adoption of our materials by the state of Florida has led to a significant increase in revenue and EBITDA.

In September, SANTILLANA completed the acquisition of Carvajal Soluciones Educativas, one of the leading

companies in Latin America in the field of content development and educational technology, particularly textbooks and children's literature designed for use in the classroom. The acquisition included the brands Greenwich, Buenas Noches, Torre Papel, Zona Libre, Kapelusz, Educa Inventia and Voluntad, along with the right to use the Norma brand. With this acquisition, the company strengthens its education business in Latin America, while maintaining the identity of the acquired brands and increasing scale to better meet the educational challenges of today's world.







CREATIVITY

Our content, consistently notable for its quality and innovation, is available in a wide range of formats and delivery platforms, and seeks to ensure that students learn more effectively and develop their creativity.



_01.

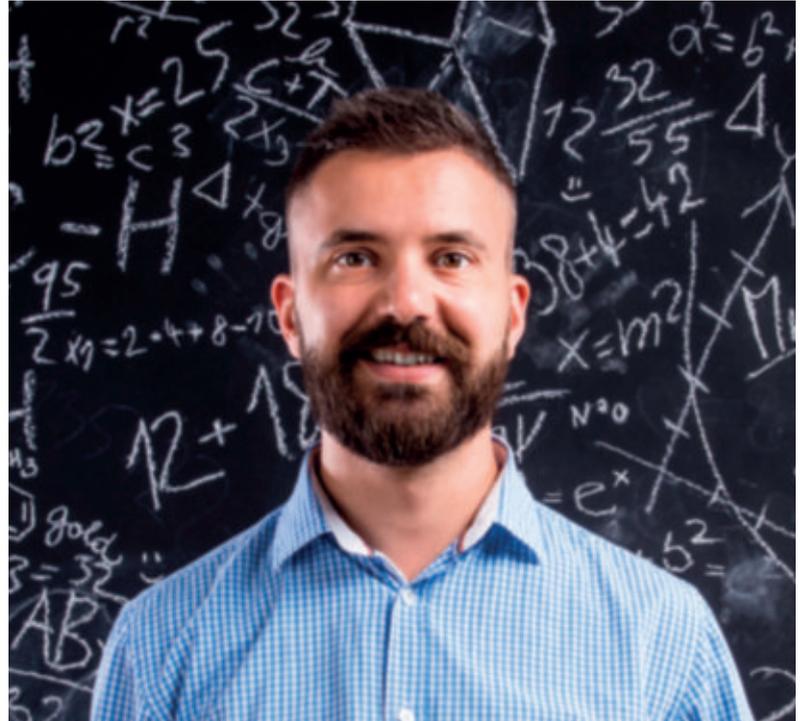
Education projects

Our highly professional editorial teams carefully interpret the curricula of each country in order to offer educational projects that ensure consistency of teaching practice, help to meet new educational challenges, and adapt to each school's distinct identity, their teachers and their new learning techniques. Our content and resources can be adapted to the needs of individual schools, enabling each to have a unique identity.

Our educational content, regardless of format, is integrated into comprehensive education projects, and is notable for both quality and innovation. All content is aimed at ensuring that students learn more effectively and that they develop creativity, reasoning, critical thought, respect for others and the environment, and the use of new technologies.

Content is adapted in Spain to the linguistic requirements of each region and includes projects such as **Saber hacer, Todos juntos, Creemos juntos, Araribá, La casa del saber, Buriti, Saberes, Santillana en línea, En Español, Caleidoscopio, Espiral del saber**. All these projects come complete with a wide and varied range of digital material which further facilitates methodological evolution in the classroom: LibroMedia, LibroWeb, LibroClick, LibroNet..., along with other models like the e-book and e-lesson, and the Aula Virtual (Virtual Classroom).

The new project **Escuela de autor**, which is being launched in Spain for the school year 2017-18, brings new methodologies to the classroom and enables each teacher to personalise ideas and content.



_02.

Integrated learning solutions

Technological transformation is changing the way we communicate and interact, and of course, how we learn and transmit knowledge, experiences and emotions. Of ever growing importance to the company, our learning solutions differ from traditional education by offering schools different learning options and new methodologies that can either be adopted institution-wide or be adapted to the needs of specific areas. Our learning systems create true digital learning environments that foster the development of 21st-century skills.

Our solutions include a pedagogical model, teacher training, equipping the institution with hardware and software, evaluation and assessment platforms, advice...

The **UNOi** and **COMPARTIR** education solutions now account for 17% of company revenue, and cater to more than 850.000 students. **UNOi** is a comprehensive

and integrated solution that closed the year with 282,000 students. In Mexico, it presented its brand new educational model at an event called "UNOi Forward" in which it set out three student-centered approaches: know, value and act. A new program DO, namely learning by making and doing, has been added to the existing two programs, SE in Spanish, and BE in English.

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



Farias Brito is yet another model of a comprehensive learning system and has been developed by Moderna in Brazil in collaboration with Farias Brito schools. These schools are highly respected in Brazil and are renowned for their high ESMS academic test scores (Exame Nacional do Ensino Médio),

and for their students' moving on to the best universities in the country. Finally, **Richmond Solution** offers flexible learning and was launched in Colombia in 2013, covering all needs related to English language learning and teaching.

_03.

Language learning

Today's children and young people will need to be able to communicate successfully in languages other than their own, and their professional and social environments will require them to interact with people from different countries and cultures. Knowledge of English is no longer merely optional. It has become an essential skill, one which improves employment prospects and opens doors to the world. Other languages, such as French in Spain or Spanish in Brazil, are also in great demand.

The Languages Division enjoyed a very good year in sales and exceptional profits.

Richmond, the company's English language learning imprint, maintained its strong position in Latin America and Spain, contributing to the digital transformation of the Group through the inclusion of its content in



both **UNOi** and **Santillana Compartir**. Meanwhile, growth in Asia underscores the international scope of Richmond's catalog. Noteworthy among the trends in the Latin American market were the increase in hours of English learning in state schools, and a growing interest in bilingualism in private schools. Richmond is actively involved in providing educational solutions for both initiatives.

In 2017, the **Richmond Solution** project is being expanded throughout Latin America. It offers an innovative service to teachers and evaluations for students which can be tailor-made for each school and complement textbooks and online content.

The acquisition of the English language imprint **Greenwich**, belonging to Carvajal Soluciones Educativas, complements

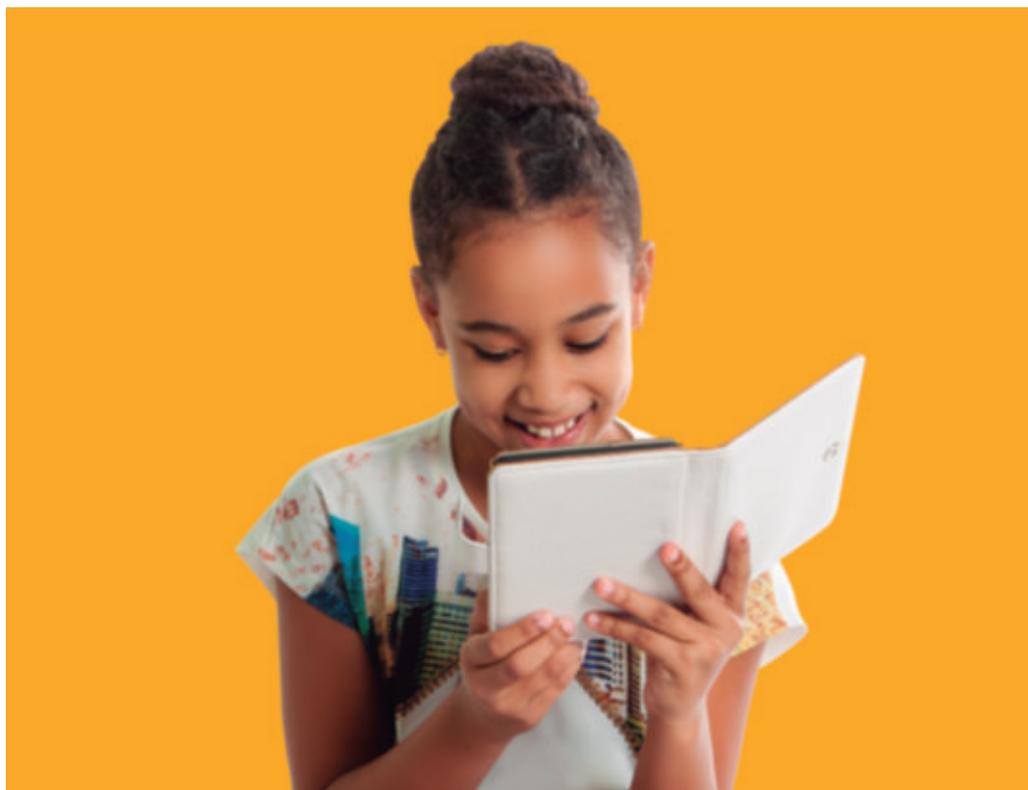
Richmond's catalog and contributes to the company's market expansion for English language learning.

The most significant growth occurred in French language learning in Spain, where **Santillana Français** is the market leader.

_04.

Evaluation systems

With current learning systems, evaluation is key if we are to ensure compliance with the learning outcomes targeted in each country and enhance learning in the classroom. For Santillana, evaluation is not simply about getting results but, rather, it means taking into account the whole process, from diagnostic tests to generating more personalised learning paths. That's why we've developed platforms and evaluation tools that allow teachers and users to follow the academic performance of each and every student and diagnose, train and strengthen their basic cognitive abilities.



For curriculum evaluation, Santillana offers users **Pleno**, an online platform aimed at students, teachers, school and guidance counselors, and management. Pleno generates highly useful progress reports for each student in order to identify strengths and weaknesses, and manage learning in the classroom. Over 400,000 students in nine countries use this tool.

2016 saw the creation of the program **LOGROS** (ACHIEVEMENTS), a platform for the reinforcement of core learning skills, reading comprehension and mathematical reasoning. It also assesses what has been learned by using real-world situations, as well as the emotional characteristics of each student and

their relationships within the classroom. It includes the platforms **Habilmind** (diagnostic assessment of schools and the cognitive and emotional characteristics of students), **Aprendizaje Eficaz** (Effective Learning – a portal for the training of basic cognitive, math and reading skills) and a collection of **practical notebooks** that allow students to develop learning in real-world situations.

Other evaluation systems, such as **Avalia** in Brazil or English-language certifications via an alliance with the prestigious **Cambridge English Language Assessment** or **ETS** (TOEFL), allow users to analyse student performance and thereby improve learning outcomes.

_05.

Encouraging reading

Reading provides both information and culture. It fosters the development of empathy, stimulates the imagination and concentration, and is an exercise in freedom of expression. Indeed the act of reading is part of the very act of living. Santillana contributes to the promotion of reading with prestigious catalogs of titles by both classic and contemporary authors that really connect and engage with children and young people and their lives today.

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





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

One of the chief challenges for the coming years is to strengthen the global appeal of the list by including well-known authors from each country.

The children's and young people's series such as us from **Norma** (for example, **Torre de Papel**), are highly renowned in countries such as Colombia, Argentina and Mexico.

Along with **Moderna** and **Salamandra** in Brazil, Santillana boasts the biggest catalog of children's and young adult literature in Latin America.

“
*The act of reading is part
 of the very act of living”.*
 —



_06.

Learning platforms

Santillana offers flexible and fully configurable platforms which allow the institution and its teachers to customise their classroom activities and enhance communication between teachers, students and parents. Our platforms offer full digital content for each subject, authoring tools for creating interactive activities and for generating tests and newsletters, plus messaging, calendars, statistics, reports... as well as a wide and varied range of features and services depending on whether it's a Learning Management System (LMS), such as **e-stela**, which provides analytics and more advanced integration, or a Virtual Learning Environment (VLE).

**Flexible and fully configurable,
our platforms allow the institution
and its teachers to customise their
classroom activities and enhance
communication between teachers,
students and parents.**





e-stela is a Virtual Learning Environment available for the COMPARTIR and UNOi education solutions, which operate in 16 countries, reaching 1.1 million students in more than 2,500 institutions.

It's an easy, intuitive, friendly and social solution that integrates digital content, evaluation tools and academic management. It allows users to manage, distribute, monitor, evaluate and support all classroom activities in a more personalised way, and it encourages and improves communication between teachers, students and families. It also provides and generates analytics and usability reports, which are highly useful for teacher decision-making.

Other virtual learning environments, such as the **Aula Virtual** (Virtual Classroom) in Spain, provide a library stocked with digital versions of books and complementary materials, as well as access to assessment tests, and allow teachers to organise students in groups. They work with or without an Internet connection.

Richmond Spiral is an environment for learning and practising English aimed at students and teachers. It features interactive activities, cartoons, tests, games and resources that teachers can assign students in order to promote collaborative work.



_07.

21st-century skills

Today's world demands a kind of education that will equip students for an ever-changing world. We must teach children and young people to think and act in a constantly changing environment, providing them with knowledge that refuses to fit neatly into any one field of study. In addition to acquiring knowledge, they must learn how to cooperate, work in teams, communicate, solve problems, develop critical thinking, creativity and curiosity, be enterprising, and be respectful of the world around them.

SANTILLANA maintains its commitment to educational innovation with new projects such as **SET VEINTIUNO**, the program that provides resources and services to nurture the talents and skills required by citizens of the 21st century. It is structured into four areas: Activate,

Think, Experience and Communicate, and is based on project work that tackles different challenges. It includes the programs: "Programming things", "Learning to get ahead", "Learning to think", "The value of things" and "Browse and program". Its commercial launch will take place in 2017 in Spain, Colombia and Mexico.

SmartLab provides interactive applications and content to optimize the use of IT labs and multipurpose classrooms to develop extra-curricular activities which reinforce curriculum learning as well as develop other skills not included in the curriculum, such as programming, robotics, digital citizenship... SmartLab is developed in collaboration with major companies from the educational and technological sector.



Knewton's tech-based adaptive learning project, **A20**, has been tested on 1,250 algebra students at Secondary level (ages 12-13) in nine countries, demonstrating its ability to design individualised learning pathways in real time and provide information to teachers on the performance of each student.

All these new projects reflect a dynamic Santillana that is more than capable of interpreting the educational demands of a changing society and of offering new ideas, approaches and options. We promote spaces for reflection and analysis of new educational trends with formats such as **SantillanaLab**, a platform and meeting point for experts from different educational areas, specialising

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

_08.

Teacher training

Teachers are a key part of educational change in today's world and their mission goes way beyond merely mastering their own specialty. Indeed, teachers are being seen increasingly as mentors and guides. The digital and methodological transformation sweeping through schools requires trained teachers who are able to implement interdisciplinary pedagogies and practices that encourage teamwork. For Santillana, it is essential that we work alongside teachers and school management teams to support their professional development with programs and workshops to update and renew their knowledge and skills.



_09.

Adult education

The pace of change in society is such that people now require training throughout their lives, both inside and outside the education system, if they are to acquire, update, complete and extend their skills, knowledge, abilities and aptitudes for their personal and professional development. Santillana meets the needs of the labour market with training for employability in IT and digital marketing. This is the purpose of **BeJob**, the new platform for online learning and training that responds to the very real needs of the current labour market, and offers training for new professions in high demand, especially in the field of information technology and digital marketing strategy (web programming, robotics, 3D graphics, programmatic media buying, big data, digital analytics ...).

The goal is “to contribute to improving the employability of our users and better match them to the jobs market,” explained Mariola García, director of the platform, at its launch in Spain. The portal provides real-time information on jobs related to each course, offers university certification and provides access to Amazon’s cloud learning program, through its AWS Educate division.

Richmond offers English language teaching courses for adults and young adults, with a wide range of print and digital materials suitable for both private language schools and institutions of higher education. This highly successful catalog includes The Big Picture, English ID and @Work.



Lucía, 18. About to study Video Game Development.

**Everything
starts with
a dream**

/03.

A year in
pictures



Lucas, 6. A future news journalist.



JANUARY / The event ¡Grandes Profes! (Great Teachers!) was a great success, with more than 2,000 teachers participating from all over Spain. It was an opportunity for SANTILLANA, the ATRESMEDIA Foundation and the Telefónica Foundation to pay tribute to the teaching community.

A year in pictures



FEBRUARY / The Third National Santillana COMPARTIR Convention “Trends in Education” was held in Mexico. The world’s leading expert in Multiple Intelligences, Howard Gardner, spoke to 400 school directors about identity and imagination in the digital world.



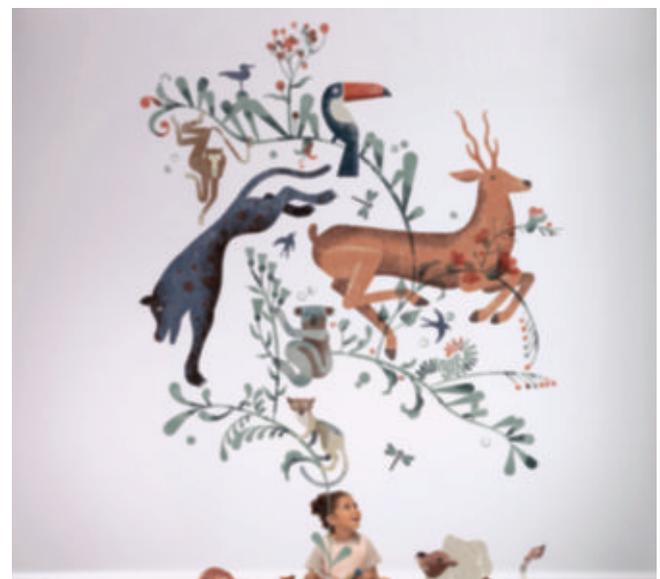


MARCH / Santillana strengthened and reinforced its presence in Spanish-language education with the **acquisition of CARVAJAL SOLUCIONES EDUCATIVAS**, one of the leading companies in educational publishing in Latin America.

MARCH / The Riviera Maya hosted the **UNOi Collaborative Culture Convention**, bringing together school directors and owners to reflect on educational change and the paradigm shift sparked by open access digital content.



FEBRUARY-APRIL / **Loqueleo**, Santillana's new children's and young adult literature brand, **launched in Spain** with a presentation which brought together hundreds of guests at the Canal de Madrid Theater in February. April saw the launch of the Catalan-language version of the imprint, **Jolibre**, at the Library of Catalunya.





APRIL / Santillana opened its Leadership Academy in Brazil, showing a clear commitment to training educational leaders in the performance of their duties.



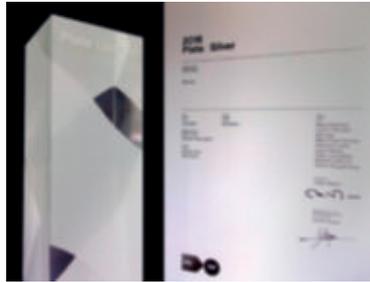
APRIL / During the **Tenth National Congress of State Language Schools**, held in Valencia (Spain), our author Paul Seligson offered practical advice on language teaching and shared suggestions for improvement.



APRIL / First Ibero-American Festival of Children's and Young Adult Literature (organised by The Santillana Foundation)



JUNE / Santillana won the silver medal at the Learning Impact Awards 2016 for technological innovation, in Texas. The winning project was Español Santillana eLearning Center, a program for learning Spanish powered by Santillana's WICCO platform.



JUNE / Loqueleo, Santillana's new children's and young adult literature imprint, won the **Silver Laus 2016** for best corporate name and identity in the category of graphic design.

JUNE / SANTILLANA, the ATRESMEDIA Foundation and SAMSUNG gave out the **Grandes Profes, Grandes Iniciativas** (Great Teachers, Great Initiatives) **Awards**, which honour the best projects developed by teachers and schools.



JULY / Santillana was honored with two top Marketing & Advertising awards:

At the Chupete Advertising Awards, in Spain, the company receives an award for its graphics campaign for the Educatividad Awards.

JULY / At the Cannes Lions Festival, the company was honored for its social marketing campaign "Paper Glasses" in collaboration with Grey Mexico and Save the Children.

AUGUST / In Argentina, the 5th National Santillana COMPARTIR Congress 'Educating in the Digital Age' was held in Cardales. Teachers were encouraged to share their educational experiences in the digital age. Participants included Montserrat Pozo, a Spanish pioneer in the theory of multiple Intelligences, and Diego Golombek, an Argentine scientist.



SANTILLANA
compartir

AUGUST / The UNOi Innovators' Introductory Training Convention 2016

brought together nearly 2,000 teachers in Mexico, with special guest Julia Borbolla, a renowned psychologist, who explored the challenges facing teachers in the 21st century. Attendees also immersed themselves in the management of teaching and technological resources, accompanied by UNOi academic coaches.



SEPTEMBER / To mark the launch in Peru of the Loqueleo series 'Growing Together', **Santillana held the event *Infinitas historias de talento que cambian vidas*** (Neverending stories of talent that change lives) which allowed more than 1,000 attendees to explore the best strategies for developing student talent and prepare them for a society in constant change.

SEPTEMBER / Representatives of 135 Colombian schools met on the island of San Andrés to celebrate the **Third Congress on Management for Transformation and Educational Innovation** organized by Santillana COMPARTIR. Participants included experts like Mike Thiruman, President of the Singapore Teachers Union, who stressed the importance of encouraging students' curiosity.

NOVEMBER / Santillana launched **BeJob**, an online training platform created to respond to labour market demand for new professions linked with technology.



NOVEMBER / **Second Festival of Children's and Young Adult Literature**, (developed by The Santillana Foundation).



NOVEMBER / The now traditional **UNOi meeting with parents** took place in Texcoco. Leonardo Kourchenko presented the event, which encouraged parents to be the drivers of change when it comes to the education of their children.



/04.

Santillana in figures



Gonzalo, 9. A future mathematician.

Our students

/30 mill.



students

use Santillana content or educational services

Publishing

850+
editors

develop more than

3,000

new publications every year

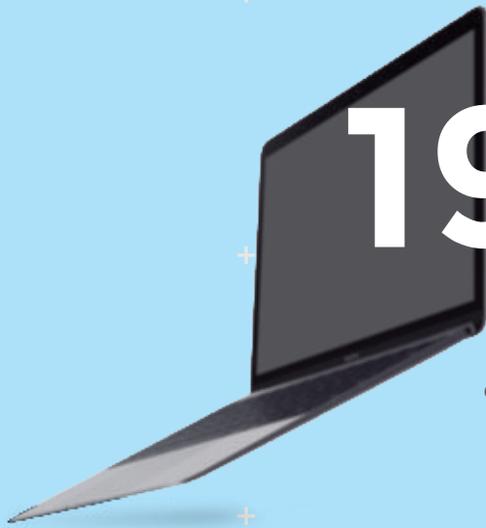


textbooks sold

Digital activity

1.2 mill.
users

use our Learning Management System **e-stela**



19.5 K
classrooms

equipped with digital solutions
in Latin America

850 K+
students

study with our learning systems
UNOi and **COMPARTIR**

Online community

Santillana
ecosystem

2.6 mill.
fans

Facebook



Loqueleo

2 mill.+
fans

Social media



Santillana
ecosystem

134,000
followers

Twitter



Social and cultural commitment

11,400+

attendees
at events

28

publications

The Santillana Foundation



55

activities

in 7 countries

(Argentina, Brazil, Chile, Colombia,
Spain, Mexico and Peru)

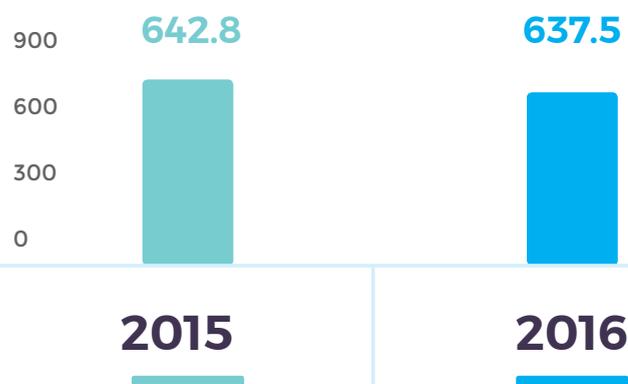
590+

mentions

in the media

SALES

(million euros)



*In 2015 the figure does not include Trade publishing in those countries with a dedicated Trade Company.

SALES BY REGION

(million euros)

	2015	%	2016	%
SPAIN	139.4	21.68%	135.3	21.23%
LATIN AMERICA AND REST OF WORLD	503.4	78.32%	502.2	78.77%

SALES BY BUSINESS LINE

(million euros)

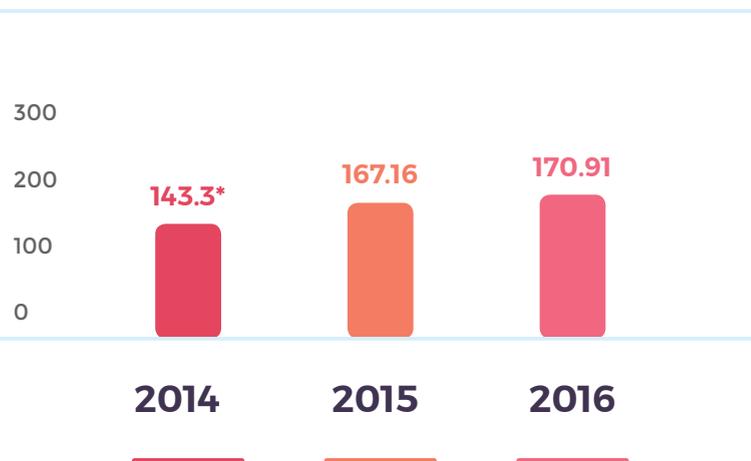
	2015	%	2016	%
CURRICULUM EDUCATION	414.7	67.19	430.9	67.59
COMPARTIR	48.8	7.91	54.6	8.57
SYSTEMS (UNOi)	63.3	10.26	55.6	8.73
LANGUAGES	90.4	14.64	86.5	13.57
OTHERS*	25.6	3.98	9.9	1.55
TOTAL	617.2	100	637.5	100

*Includes English as a Second Language and Spanish as a Foreign Language in the USA, non-content sales, and adjustments.

EBITDA

(million euros)

(Excludes Trade publishing)



/05.

Santillana's international footprint





North America

Mexico
United States

Europe

Portugal
Spain
United Kingdom

Caribbean

Dominican Republic
Puerto Rico

Central America

Costa Rica Honduras
El Salvador Nicaragua
Guatemala Panama

South America

Argentina Colombia Uruguay
Bolivia Ecuador Venezuela
Brazil Paraguay
Chile Peru

Corporate Directors

President (non-executive)

Ignacio Santillana

CEO

Miguel Ángel Cayuela

COO

Julio Alonso

Director of Education

Francisco Cuadrado

Director of R&D&I

Miguel Barrero

Director of Languages

Christopher West

Director of Santillana Compartir

Luis Guillermo Bernal

Director of Sistema UNOi

José Enrique del Castillo

Director of Human Resources

Francisco Lorente

Director of Communications

Rosa Junquera

YEAR FOUNDED	COUNTRY	DIRECTOR
1963	ARGENTINA	José Liñán
1994	BOLIVIA	Carola Ossio
2001	BRAZIL	Sergio Quadros
1995	CENTRAL AMERICA (NORTH)*	Luis Alonso González
1993	CENTRAL AMERICA (SOUTH)**	María Jesús Abad
1968	CHILE	Mauricio Montenegro
1988	COLOMBIA	Alberto Polanco
1994	DOMINICAN REPUBLIC	Pedro Luis Ayuso
1993	ECUADOR	Carmen Ureña
1971	MEXICO	David Delgado
1997	PARAGUAY	José Miguel Pereda
1981	PERU	Javier Laría
1989	PORTUGAL	Alberto Muñoz
1991	PUERTO RICO	Ignacio Romero
1960	SPAIN	Javier Caso
1972	UNITED STATES	Miguel Tapia
1992	URUGUAY	Fernando Rama
1977	VENEZUELA	María Jesús Abad

*El Salvador, Guatemala, Honduras

**Costa Rica, Nicaragua, Panama

/06.

Corporate responsibility

“
*Education is the
most powerful weapon
you can use to change
the world”.*

Nelson Mandela



/ 06.

Santillana's commitment to the community

UNESCO states that everyone has the right to lifelong, quality education. Santillana shares this conviction. We want to help shape a more peaceful world where children and adults can become whatever they want.

We provide learning materials for children, classrooms and families, and for each stage of a student's life.

For six decades, Santillana has developed products and services that have helped instill values in students that are designed to create fairer societies.

We want to continue to help develop a passion for learning among students, and contribute to their education in values. We want teachers, school leaders and families to know that they can count on our contribution for a better, brighter future, filled with talent.



Corporate governance



As part of our mission to ensure best practice in corporate governance and corporate social responsibility, Santillana adheres to Grupo Prisa's Code of Ethics and other policies in the area of regulatory compliance. The company is also bound by the Prisa Internal Rules of Conduct on matters relating to the securities markets. (Santillana is owned by Prisa).

Santillana's Board has established two Committees: the Audit Committee and the Appointments and Remuneration Committee, which together contribute to strengthening the dynamics of the Board in its task of overseeing the management of the Company.

Santillana has reinforced regulatory compliance through its Compliance Unit, which ensures ethical and responsible behavior

As part of our commitment to transparency, Santillana has reinforced regulatory compliance through its Compliance Unit, an autonomous body with the power to instigate and implement its actions. This unit reports to the Board of Directors and is subordinate to the Audit Committee and Prisa's Compliance Unit. The Compliance Unit has redoubled its efforts in overseeing and ensuring compliance with the Group's crime prevention model, as well as promoting ethical behavior among employees and compliance with legislation and internal company rules. All policies and procedures approved by the Compliance Unit

are applicable to all Santillana companies, regardless of their activity or geographical location. Santillana has made available a compliance channel to receive and deal with complaints concerning possible irregularities or breaches of both external and internal regulations that might affect the group, its employees or its activities. There is also an anonymous mailbox which can also receive complaints from third parties.

The content of the books published by Santillana worldwide is determined by the curricula that the government or other relevant education authority in each country sets for

each school subject. In all countries where Santillana operates, corporate, global and national committees are active in decision-making throughout the editorial process and will be asked to give frequent input on all the details concerning content, writing, illustration and production, always guided by the company's Style Book. Santillana's corporate center coordinates these committees, ensuring compliance with the official curricula of each country, whether the content is designed for the public or the private sector.

Responsibility towards people

Vital to SANTILLANA's culture and business strategy is our conviction that education is the main driving force of the future. That's why we are committed to the full development of human potential everywhere we operate. And we understand that this transformative force starts from within, with our company's responsibility towards our own employees.

Employee policy

TRAINING / Our professionals work in a culture that encourages ongoing learning. SANTILLANA invests in training, and provides employees with all the tools necessary to develop their professional skills.

In 2016, almost 36,000 hours of training were given with a focus on the digital development of employees. In Spain, 4,813 hours of training were offered, focussed on the technological and digital transformation of the company.

SANTILLANA runs fourteen active intern training programs as part of its Human Resources policy in Spain. This initiative, which began five years ago with Secondary Schools, centres specialising in design and publishing, universities and postgraduate courses, has allowed a total of 38 students

to work as interns in a business environment for about 400 hours on average.

Furthermore, the online platform Campus PRISA offers classroom and online courses taught by colleagues in the following areas:

- *Master in Digital Skills*
- *Introduction to Digital Marketing*
- *Introduction to Innovation and Creativity - Scrum*
- *Introduction to Project Management*

One of the most innovative ideas in training is the **Mi idea!** platform for innovation and trends, open to all Prisa employees and where they are encouraged to make suggestions, share projects for making improvements and share ideas in the area of intellectual property that could lead to potential patents. This tool is designed to help identify individual talent and recognise disruptive ideas from anywhere in the organisation

Another initiative for the promotion and development of collective intelligence in the group is the **Factoría de Experiencia**, or Experience Factory (FEX), an online platform, started four years ago, that brings together the experience and knowledge garnered from the most meaningful business projects. FEX identifies skilled employees who can share their knowledge across the entire organisation.



PROFESSIONAL DEVELOPMENT / At Santillana we are committed to fostering greater equality of opportunity and recognition of achievements. The company has therefore implemented a performance evaluation system to enable us to identify, develop and retain talent.

Through effective evaluation, company goals are better aligned with the needs of each employee, each of whom is provided with a roadmap for their development

within the company. In many cases, we are able to take advantage of Santillana's consolidated international presence to facilitate exchanges among professionals. As a global enterprise, Santillana is in a position to offer its professionals internal vacancies and to encourage job rotation among the departments of the company and among other Prisa business units.

WORK-LIFE BALANCE / The company's policies ensure equal opportunities for all and guarantee a work-life balance which fosters the access of women to positions of responsibility, training opportunities and professional development.

INTERNAL COMMUNICATION / The company's global internal communication intranet, Toyoutome, serves as a meeting point for all employees and as a source of information on the company. This project seeks to create an entrepreneurial culture, and SANTILLANA contributes to its internal newsletter, providing monthly updates on its top social commitments and business achievements.

Santillana's daily enews, AL DÍA, launched two years ago, is another tool that helps readers understand the scope of our business plan and ensures that our employees fully identify with our goals. The enews is updated daily with more than 20 new items of content, reporting on our achievements and events, sharing our market expectations, and communicating the most significant industry news and company goals.

OCCUPATIONAL HEALTH AND SAFETY / SANTILLANA safeguards the health of its employees and offers free medical check-ups as well as private and subsidized health coverage.

A positive culture of occupational health and safety at work is further reinforced with advice and specific preventive programs for employees.

SOCIAL BENEFITS / From its corporate HQ, SANTILLANA stipulates the basic guidelines on social benefits to be applied locally. These depend on labor and tax regulations in each country. All Santillana employees, depending on the country, enjoy a range of benefits that may include life and accident insurance, health insurance, and support for families.

The implementation in Spain of the Flexible Compensation Plan, initially rolled out four years ago, has been extremely well received by employees, with some of the measures subsequently being expanded to include the entire workforce.

“At Santillana we keep our professionals up to date with all the most disruptive trends”.

In 2016, Santillana professionals were able to explore new educational approaches in partnership with tech companies such as BQ and Microsoft. This is a great way to learn, firsthand, more about new trends in the Spanish and Latin American education sectors.



Santillana's innovation team organized a program of workshops and demos where all of our publishing professionals were able to explore new educational approaches and research, thanks to the input of the innovation and education teams from BQ – the tech firm behind the popular robot Zowi, better known as the robot from Clan. This formed part of a wider plan to learn about the challenges and opportunities posed by educational robotics and programming. The workshops were a real hands-on experience – the ideal framework in which to learn more about trends in the education sector and the development of

these new pedagogies in the Spanish and Latin American educational system, and to share concerns in a fun and inspiring way.

Enjoy the video

<https://vimeo.com/159472672>

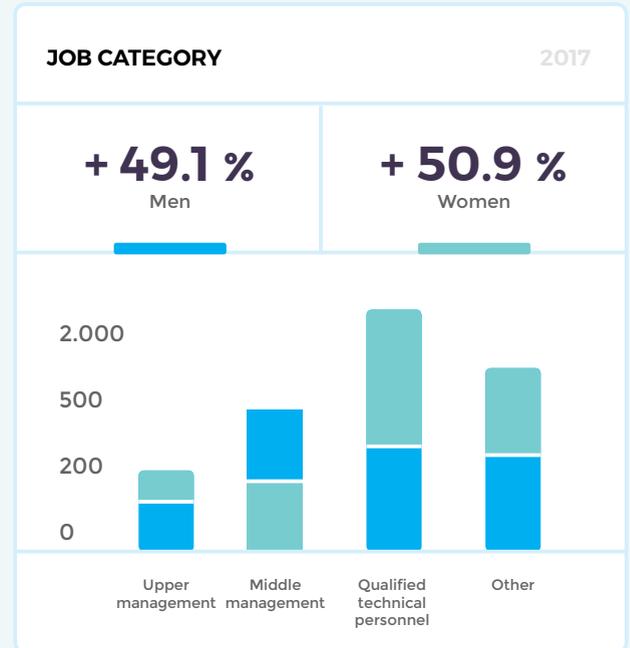
Watch more

<https://vimeo.com>

Minecraft Day

More than 80 Santillana employees in Spain participated in the Minecraft workshop, an initiative that seeks to encourage synergies with important tech companies, such as Microsoft. Human Resources supported this initiative, which enabled our professionals to learn and develop new skills.

Total employees 3,906



JOB ROLES

2017



1,776
45.5%

Sales and
Marketing

866
22.2%

Content
creation

522
13.4%

Production
/Logistics

742
19%

Administration
/Management



Responsibility towards the community

BOLIVIA / Santillana signed an interagency agreement with the Bolivian Academy of Language to cooperate on projects promoting the correct use of language, and contributing to the continuous updating of the rules of the Royal Spanish Academy (RAE). Textbooks on Communication and Language in Bolivia for courses 4, 5 and 6 in the new 'Saberes' Primary series, have followed these revised rules.

As in previous years, Santillana contributed to the "Bolivia Lee" (Bolivia Reads) program with a donation of 30,000 books which were handed over at the launch ceremony of the campaign at the Ministry of Education. The program, now in its fifth edition, has exceeded 50% of its target.

BRAZIL / In Brazil the *Trilhas da Cidadania* (Pathways to Citizenship) project completed another successful year. The initiative promotes the social inclusion of immigrants and refugees through free Portuguese language and culture courses. The publication of the third volume of the collection "Territorios Educativos" addresses the current situation of displaced persons and refugees both in Brazil and worldwide, as well as the challenges facing a city like São Paulo in guaranteeing the rights of citizens.

Editorial Moderna continued its support for social initiatives run by the NGO "Mestres da Obra", aimed at construction workers. Since 2012, about 2,400 workers have availed themselves of educational and cultural activities in different regions, and have received economic aid as well as books.

NORTHERN CENTRAL AMERICA / We supported the Honduran Red Cross campaign “que pinta donar una pinta”, helping them publicize the need for hospital blood banks.

SOUTHERN CENTRAL AMERICA / About \$300,000 worth of books were donated to the Public Library of Upala, affected by Hurricane Otto, through the Ministry of Culture, Youth and Sports of Costa Rica.

CHILE / Santillana’s commitment to encouraging healthy lifestyles in classrooms and among families has led to the launch of a book written by the teachers themselves with the support of the Chile Vive Sano Foundation. The book “Manual: Active Teachers! Towards a culture of healthy lifestyles” includes more than 50 classroom activities that promote healthy habits.

COLOMBIA / The quarterly education magazine Ruta maestra celebrated its fourth anniversary. With some 17,000 downloads for the digital edition and 122,400 page views, the publication has become a benchmark in the education sector thanks to its critical content and excellent articles.

In Colombia, Santillana inaugurated the Santillana Plus Virtual Forums, which were an enormous success. 8,000 teachers followed the event live, with a total of 31,641 views.

Coinciding with the Rio Olympic Games 2016, Santillana Colombia launched the interactive platform “Santillana Olympics 2016” to encourage teachers, parents, students and the entire education community to share the spirit of sportsmanship and to highlight the values of sport. 3,207 people from 26 departments and 136 cities took part.



Fi, a new Editora Moderna learning project for secondary education in Brazil.

SPAIN / Santillana supports a wide and varied range of training initiatives aimed at management teams, teachers and families, all with the goal of addressing the problems and challenges facing education today. Examples include the Saber Hacer Forums, organized by Santillana, the conferences held by ACADE, *Educational keys to the digital society*, in collaboration with the Telefónica Foundation, and the CECE conference, *Education, a necessary pact*.

The annual event ¡Grandes Profes! (Great teachers!), organized in collaboration with the ATRESMEDIA Foundation, the Telefónica Foundation and Microsoft, revived the aim of the previous two editions to help and motivate teachers in their daily lives. This year, the event enjoyed the participation of outstanding professionals who presented their motivational and voice techniques for use in the classroom.

The Santillana Foundation, the ATRESMEDIA Foundation and SAMSUNG are behind the educational awards *¡Grandes Profes, Grandes Iniciativas!* (Great Teachers, Great Initiatives!) which pay tribute to the best projects promoted by teachers and schools during the school year.

Santillana collaborates with the ATRESMEDIA platform PONLE FRENO, creating and publishing *Viaja con nosotros. Los medios de transporte* (Travel with us. Means of transport), a new project for students of 1st and 2nd grade which integrates into the curriculum issues such as road safety, heritage conservation, recognition and acceptance of diversity, etc.

In collaboration with Madrid's Complutense University, Santillana publishes an Active Framework for Innovative Teaching Resources, a guide to educational places and resources in Madrid (institutions,

cultural centers, research centers, parks, libraries ...) which is extremely useful for teachers who seek to broaden the range of activities outside the classroom and offer more meaningful and inclusive educational experiences.

The collection *The Role of Women in Today's Society* can be used in the classroom to address issues of gender equality. Each issue centers on a leading woman in her field, thereby raising awareness among secondary-level students of the role of women in different fields. The collection was launched in 2015 with *The role of women in science and technology*, written by Francisca Puertas, CSIC Research Professor. In 2016, we published *The role of women in today's society* by Professor Helena Rausel of the University of Valencia.



"Infinitas historias de talento que cambian vidas" (Perú).

MEXICO / In Mexico, employees collected plastic bottle tops for the AMANC institution. This NGO helps care for children with cancer, offering a wide range of services for young patients so they can continue with their treatments.

The campaign *Lentes guía* (Paper Lenses) worked to alleviate the problems of poor eyesight among children; this is one of the main causes of school dropouts in Mexico, especially in rural areas where it is more difficult to carry out eye tests in schools. To help children realize for themselves that they may have eyesight issues, Save The Children joined forces with Santillana to include some practical paper lenses with each school book.

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



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

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

VENEZUELA / In Venezuela, where we mark our 40th anniversary in 2017, highlights included a partnership with the Escuela de Educación de la Universidad Central de Venezuela, where we participated in both the Educational Research Seminar and the International Education Congress.

DOMINICAN REPUBLIC / Santillana sponsored the Ninth Congress of the Spanish Language, UNAPEC 2016, providing a space for reflection on the process of learning Spanish. The company also collaborated with the Caribbean Biodiversity Congress, welcoming experts from around the world who are interested in learning about and protecting the diversity of the Caribbean.

Responsibility towards the environment

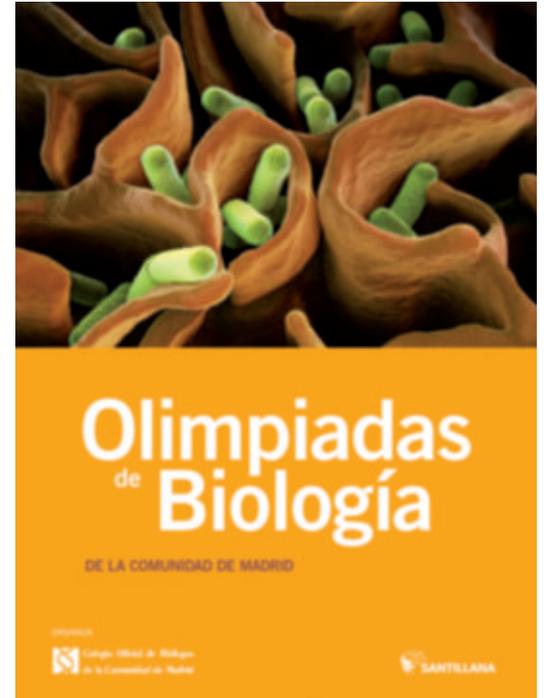
At Santillana we are proud of our support for teachers and classrooms when it comes to fostering knowledge of science and raising awareness to help us to better understand the world around us, our place in it, and the care we owe it.

SPAIN / SEO BirdLife

In June 2016, we worked with SEO BirdLife to publish a range of materials (two murals and a mini field guide) for students from the 5th and 6th grades of primary school and 1st and 2nd of secondary school, aimed at raising awareness among teachers and students in areas where the Spanish imperial eagle lives. The Spanish Ornithological Society (SEO / BirdLife) was the first conservation association created in Spain for the protection of wild birds and their habitats.



Also in partnership with SEO, we created and published the material "We protect nature. Ecosystems", a multidisciplinary project for students in 5th and 6th grade, which includes content on the Red Natura 2000 network.



Proceedings of the IV Congress of Teachers of Natural Sciences

Santillana Spain organizes the Congress in collaboration with the Professional Education Association of the Community of Madrid (CDL), the Faculty of Biology at Madrid's Universidad Complutense, and the UCM's research group EPINUT. The publication of the Proceedings offers science teachers a useful reference tool while also promoting the exchange of experiences among teachers.

Biology Olympics

In collaboration with the Association of Biologists of the Community of Madrid, we published the proceedings of the tenth, eleventh and twelfth Biology Olympics of the Community of Madrid, to foster an interest in biology and its advances among secondary and upper secondary students.



SANTILLANA GLOBAL / Earth Hour campaign

Once again, we lent our support to the WWF initiative Earth Hour, the largest global movement in defense of the environment, which began in 2007 in Sydney (Australia) as a symbolic gesture. This year saw the participation of millions of citizens in 178 countries. With the tagline “Now is the time. The climate is changing”, the theme for this year’s event was the urgency of fighting climate change and the need to make the December 2015 Paris Agreement, a reality if we are to prevent global warming.

HONDURAS / JUNE 2016. Campaign “REFORESTING EL PICACHO”

The pine forests in and around Tegucigalpa have been devastated by the ravages of the bark beetle and high pollution levels.

We were eager to make a difference so we made a commitment to the environment and went to Tegucigalpa’s “lung” to plant trees. Thanks to our open invitation, employees and their families joined in and helped plant about 1000 trees.



**Before you
create, you
have to
imagine.**



/07.

The Santillana Foundation



María, 9. Future international aid worker.

/ 07.

The global standard for education

Education has come to occupy a privileged position in the social policies and budgetary considerations of Ibero-American countries – both at a time when these were emerging economies and in times of crisis. All countries in the region have made a remarkable effort but much remains to be done. They may have achieved significant quantitative targets but, even so, the quality of learning systems can be improved upon, as evidenced by the results of international education assessments and the poor competitiveness of the economies in the region. Indeed, Inter-American Dialogue has concluded that improving the quality of education makes all the difference between stagnation and development.

In this context, the Santillana Foundation has sought, over the past few years, to support, promote and expand the improvement of education. Every year we undertake a wide and varied range of initiatives, through seminars, conferences, forums for discussion and the exchange of information. We are committed to the promotion, publication and dissemination of studies, evaluations and research, and all activities that support governmental and non-governmental entities, including the identification and dissemination of successful experiences and best practices. Noteworthy among these initiatives are the Ibero-American Festival of Children's and Youth Literature, and the event "El País con tu futuro", organized jointly with the newspaper El País.



As well as bringing together thousands of members of the public for our activities, our initiatives have a notable presence and following on social media and throughout the Foundation's virtual spaces. This has led to the emergence of an active Ibero-American virtual educational community, that sometimes crosses borders and welcomes

participants from the United States and other European countries as well.

We set the global standard for education, a position we could not have achieved without the trust and collaboration of international organizations such as UNESCO, OECD and IDB, governments throughout the region, a

wide range of universities, other foundations, all of PRISA's companies, leading experts and, above all, the heroes of educational improvement: teachers.

Mariano Jabonero Blanco

Director of Education
SANTILLANA FOUNDATION

Presentation of the report:

Spanish education at the crossroads

The presentation of the book *Education at the Crossroads* by Mariano Fernández Enguita took place over two days: on February 17, the Círculo de Bellas Artes hosted a press conference for the media: Europa Press, El País, Público, Cadena SER, etc.; and on February 18 the report was presented to the general public with a talk between the author and the Cadena SER journalist Marta González Novo.

According to the author, *Education at the Crossroads* seeks to review the past of education, analyse the current state of education, and look to the future in order to open up the educational debate.

SPAIN. Madrid, February 17 and 18.

30th Education Week

The Santillana Foundation organized the 30th Education Week titled *New Challenges, pacts and initiatives to improve education*. Discussions covered three main areas.

Firstly, Education at the crossroads. Mariano Fernández Enguita reflected on the institutional educational challenges of today's world.

Secondly, Reflections on education pacts. Victoria Camps introduced this session on the ethical framework of pacts, while Luis Garicano, Francisco López Rupérez and Ángel Gabilondo debated both the need and conditions for education agreements.

Finally, The teaching profession. In this session José Antonio Marina, Pilar Álvarez and Olga Rodríguez Sanmartín discussed the chief – and most widely debated – aspects of the teaching profession.

SPAIN. Madrid, March 8, 9 and 10.

Institutions: the Ministry of Education, Culture and Sport of Spain, UNESCO, the Fundación Telefónica, El País and Banco Santander.

Second International Seminar on Education in Chile

The Second International Seminar on Education in Chile was held with the participation of experts Ricardo Cuenca, Marcelo Fontecilla, Rosario Navarro, Ernesto Treviño, Patricio Meller and Mario Martín Bris, among others, under the title: *Quality Education for All: Leadership and Educational Inclusion*.

The seminar covered various priorities of Latin American education. Participants shared knowledge, up-to-date information and successful experiences in areas like strengthening school leadership to improve school management, quality, fairness and educational reforms, and the goals of inclusive education and the transformation of education.

CHILE. *Santiago de Chile, April 17 and 18.*

Institutions: *the Telefónica Foundation and Radio ADN.*

Second Education Week Lima

Santillana's Second Education Week was held in Lima under the title *Educational skills for better opportunities*.

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

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

PERU. Lima, April 20 and 21.

Institutions: the Ministry of Education of Peru, OECD, Fundación Telefónica and El País.

VivaLectura Award 2016

In this ninth edition of the awards, there were 480 submissions and 300 projects on the best educational experiences from all provinces. As in previous years, submissions were notable for their high quality.

In selecting the winning entries, the jury evaluated the promotion of reading comprehension, the creativity and dynamism of the initiatives, their relevance to the target communities and their results, among other criteria such as the ease of successful replication by others.

ARGENTINA. Buenos Aires, May 5.

Institutions: the Ministry of Education of Argentina and OEI.



Seminar

Education for Global Citizenship

What education is required for the twenty-first century? What exactly is education for global citizenship? How should we integrate it into school programs? Experts, education managers and teachers debated these issues and others, by analyzing citizenship skills, the importance of comprehensive training and the development of public policies that promote lifelong learning. This debate formed the centerpiece of the International Seminar on Education for Global Citizenship.

Other issues such as training for the labor market, social inclusion, public policy and the role of the school and educator in facing these new challenges were also discussed.

BRAZIL. Sao Paulo, May 12.

Institutions: UNESCO and El País.



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

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

This first edition was an enormous success. Held in the city of Bogotá, it was attended by more than 2,000 people and was inaugurated by President Juan Manuel Santos, along with former president Belisario Betancur and the Ministers of Education and Culture.

COLOMBIA. Bogotá, May 31 and June 1.

Institutions: the Miguel de Cervantes Virtual Library Foundation, the President of the Republic of Colombia, Ministry of Education, Ministry of Culture, Embassy of Spain in Colombia, Castilla y Leon Regional Government, OJJ, UNICEF, CAFAM, Radio Caracol, El País, Best Western, Santillana and Loqueleo.

11th Latin American Education Forum

The 11th Latin American Education Forum, with the title *The construction of scientific and technological thinking in children aged 3 to 8*, was a well-attended event.

The forum provided a space for reflection and debate on the current situation of the education system, and the political and educational challenges it faces.

Participants included local and international specialists, who shared their perspectives on the topic of the Basic Document produced by Dr. Melina Furman: *Educating curious minds: The construction of scientific and technological thinking in children*.

ARGENTINA. *Buenos Aires, August 23.*

Institutions: *the OEI.*

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

The former President of Chile, Ricardo Lagos, presented in Buenos Aires the report published by Inter-American Dialogue and the Santillana Foundation: *Building quality education: a pact for the future of Latin America*. The report looks at the lackluster quality of education in the region and the need to address this challenge to guarantee the future.

The report was coordinated by former Presidents Ricardo Lagos of Chile and Ernesto Zedillo of Mexico. Among the contributors were some of the most important Latin American experts and researchers.

ARGENTINA. *Buenos Aires, August 26.*

Institutions: *Inter-American Dialogue and OEI.*

22nd Santillana Prize 2016

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

Finalists included schools in El Bagre and Itagui in Antioquia, Fuente de Oro in Meta, and Bucaramanga in Santander.

A wide range of different formats has been used in an effort to incorporate innovative reading and writing practices: travel notebooks, videos, digital content, forums...

COLOMBIA. Bogotá, , October 20.

Institutions: *Ministry of Education of Colombia.*

Seminar

Technology and the transformation of education

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

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

BRAZIL. Sao Paulo, May 31 to June 1.

Institutions: *Editora Moderna, SmartLab, UNESCO, Google For Education and Avalia Educacional.*

Educating for the Future

Participants at this major event included institutional representatives such as José María Sanz Magallón, Emiliano Martínez, Jorge Rivera and Rafael van Grieken Salvador.

The first of two roundtable debates was titled *More and better education for different jobs*. Here, Javier Fesser, Mariano Fernández and Carlos Bertrán Enguita shared their experience on the challenges of the new environment, and looked at how to integrate the needs of the labor market into current training. The discussion was moderated by María Jabonero.

The second debate, *In search of an education that is relevant to our young people* featured Jorge Arévalo, Carlos Andradás, Adela Cortina and Emilio Ontiveros, and was chaired by Marta González Novo.

SPAIN. Madrid, 2 November.

Institutions: El País, Fundación Telefónica and the Madrid regional government.



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

The Festival featured music and theater-related cultural activities, debates among experts, presentations of successful experiences and talks by leading specialists. Participants included writers, illustrators, researchers, journalists and librarians from different Ibero-American countries (Spain, Ecuador, Argentina and Chile), such as writers Javier Cercas, Maite Carranza, María Fernanda Heredia, Fernando J. López, Violeta Monreal, Rafael Ordóñez and BookTuber Sebastián García Mouret. The first day was devoted to the teenage audience (around 300 students from eight high schools), and the second focused on children's literature (nearly 200 third to sixth grade students from six elementary schools).

SPAIN. Valladolid, November 22 and 23.

Institutions: the Miguel de Cervantes Virtual Library Foundation, Castilla y Leon regional government, Loqueleo, PRISA Radio, El País and OJ.

“El País con tu futuro”

Santillana and *El País* organized the second edition of this event in response to the challenge of educating young people for the future, of the need to equip them with the skills they'll need to deal with a world of uncertainties, change and new opportunities, and to make them aware of all their options.

This event aims to motivate, inspire, expand young people's possibilities, place them in innovative professional scenarios, show them examples to increase their expectations and show them the strength of their skills. We are convinced that this is an excellent way to achieve success for them and for the future of the country.

SPAIN. Madrid, December 20 and 21.

Institutions: El País, Santander, Telefónica, Lidl, UAX, Sun Media, UEM, TAI, Bayer, Ford, Puleva, Ray Human Capital, IE University, Madrid, FUNDAE, OJJ.



Publications

We produced a total of 28 publications, 42% more than 2015. Our publications in Spanish included: *Color ¿qué color?* (Color, what color?), *Education at the crossroads*, *School Leadership: Key investment for educational improvement*, *Education Panorama 2016*, *Skills in Ibero-America: analysis of PISA 2012*, *Building quality education: a pact for the future of Latin America*, *Education, supranationality and citizenship*, and *Educational skills for better opportunities*, among others.

Publications in Portuguese included: *Projeto Político Pedagógico: orientações para o gestor escolar entender, criar e revisar Educação para a Cidadania Global Educação no século 21*, *Tendências, ferramentas e projetos para inspirar*.

Skills in Ibero-America: the latest PISA results

Skills in Ibero-America: the latest PISA results was the title of a talk given by Andreas Schleicher, Director for Education and Skills at the OECD.

The latest PISA results, which were published worldwide on December 6, also provided an update on the state of basic skills in the Ibero-American countries participating in this evaluation, including Spain.

The latest data also provide us with a historical perspective dating back to the initial implementation of PISA and offer us valuable insights when compared to the findings from PISA 2012.

SPAIN. Madrid, December 13.

***Institutions:** the Casa de América and the Ministry of Education, Culture and Sport.*

/08.

Stakeholders



María, 6. Future chemist.

Stakeholders



Competitors and Industry Associations

Book publishers' Associations and Guilds



Governments and Public Administrations

Legislators, authorities



Clients and consumers

Students, teachers, families, schools,
readers and book stores



Suppliers

Technological, content, marketing...



Educational and cultural institutions

NGOs, cultural centers, schools and universities, libraries, religious groups, business associations, student unions, parent associations



Media

Opinion leaders, social networks



Partners, shareholders, and financial institutions



Employees

Trade union committees



Authors

/09.

Other
data



Diego, 7. Future architect.

/ 09.

Strategic alliances

In this interconnected age, we are committed to robust, open and sustainable relationships with our suppliers and partners, based on trust and quality, as we undergo a process of constant innovation and improvement.

We constantly seek out models that foster cross-sector cooperation with companies and public bodies, international organizations and educational institutions in order to achieve our goal of sustainable development.



International organizations



The agreement between the Santillana Foundation and the Organization for Economic Cooperation and Development (OECD) is expressed through collaboration on the translation, publication and distribution throughout Latin America and Spain of OECD education reports and assessments on learning and skills, both in Spanish and Portuguese, and in print and digital formats. The agreement remains in effect for the next five years.



An agreement between the Inter-American Development Bank (BID) and the Santillana Foundation aims to develop activities designed to improve the quality of education in Latin America and increase the competitiveness and development of their regions. In addition, the Santillana Foundation participates in the Latin American awards organized by the ALAS Foundation and the BID to identify, honor and disseminate successful Latin American educational initiatives.



An educational cooperation agreement between the Santillana Foundation and Cooperación Española has the common goal of improving the quality of education and, in particular, of strengthening school leadership leading to more qualified managers for more effective and efficient schools in Ibero-America. The Santillana Foundation belongs to the coordinating board, convened by the General Secretariat for International Cooperation for Development (SGCID) and the Spanish Agency for International Cooperation for Development (AECID).



A cooperation agreement between the Santillana Foundation and the Telefónica Foundation, focuses on the processes of pedagogical and methodological change generated by the use of technology in education, as well as on strengthening school leadership.

The agreement covers Spain and those Latin American countries where both institutions have offices and carry out initiatives.



A joint organization and participation in forums and conferences in Spain and Latin America and participation in the development of projects and initiatives in the area of educational and cultural cooperation and social action.



The Global Foundation for Democracy and Development, Funglode, and the Santillana Foundation have signed an educational cooperation agreement with a view to formulating public policies that contribute to better outcomes in the area of education.

The aim of this agreement is the exchange of information, the drafting and dissemination of reports, and the organization of seminars, conferences and other related activities.



An alliance signed with the Regional Office of Education for Latin America and the Caribbean. OREALC-UNESCO Santiago provides advice and technical assistance to Sistema UNOi and SANTILLANA Compartir. It also participates in other activities organized by Santillana.



The International Youth Organization for Ibero-America (OIJ) and the Santillana Foundation have signed a collaboration agreement which commits both parties to improving opportunities for young people in Ibero-America.

Both institutions have agreed to improve and promote cultural, educational and entrepreneurial initiatives, to share information and knowledge, and to encourage the participation of young people in the region.

Companies



Agreement that sees the distribution of iPads in schools using the Sistema UNOi.



An agreement between Santillana and Twig, a British film producer, for the distribution of over 1,000 science videos created using the educational criteria of the publisher.



A framework agreement between HP and Santillana to provide comprehensive and integrated solutions for digital education services.



Our agreement with ETS enables us to provide solutions for the teaching and assessment of English for Sistema UNOi in Brazil, Mexico and Central America. It includes the TOEFL® Primary™ and TOEFL® Junior™ exams, as well as interactive tools on multiple platforms, including tablets.



Our strategic alliance with Lexium, leaders in optimizing learning skills, allows us to reach more than 800 educational centers with 500,000 users in Latin America.



Neoris provides development and software maintenance services and is a key collaborator on our educational platforms (Aprendizaje eficaz) and communication portals (Compartir en Familia).



With our partners Knewton, the leading technology company in adaptive learning, we are creating digital materials that enable the personalization of education for primary and secondary school students.



Our partnership with Discovery Education allows us to supply and provide digital content to Sistema UNOi in Mexico. The objective is to improve teaching and learning through the use of video.



A collaboration agreement for pilot projects involving active learning spaces in schools using Sistema UNOi and Santillana Compartir.



An agreement to promote initiatives paying tribute to the work of teachers, such as the “Grandes Iniciativas, Grandes Profes” awards that honor inspiring projects in different categories, and the event ¡Grandes Profes!.



An agreement which sees Everis undertake the role of consulting, infrastructure management and project maintenance for UNOi and Santillana Compartir, and the development and ongoing maintenance of *Saber y más* and WicCO, as well as implementation of global CRM.



A technology partner for the improvement of Santillana operations through the global implementation of Microsoft Dynamics CRM system and the use of business intelligence and analytics tools such as Microsoft BI and Power BI.



A framework agreement between PRISA and the World Wide Fund for Nature (WWF) to promote the Earth Hour campaign across all its business units. Thanks to the support of Santillana, this initiative is promoted among schools in all countries where the publishing company operates.



With Epson we promote innovation in education in two areas:

- In the case of Sistema UNOi and Santillana Compartir, Epson distributes hardware to classrooms in Latin America.
- Schools acquiring an Epson projector may access the learning tool *Saber y más*, Santillana's learning solution that offers interactive content fostering new ways of learning in the classroom.



A collaboration aimed at developing and implementing a learning management system in 16 countries using Sistema UNOi and Santillana Compartir. We work with NETEX on developing state-of-the-art digital educational content.



Through our agreement with BQ, we develop learning experiences in the fields of programming, robotics and 3D printing.



As a partner on the Logros program developed by Santillana Compartir, Habilmind offers a platform for tracking pedagogical and cognitive skills in order to plan training and improve basic learning skills.



Our agreement with Myon allows access to an extensive library of graded readers in English from kindergarten to secondary education in schools using Santillana Compartir.



Thanks to this partnership, Santillana Compartir schools have access to a platform which improves language levels through entertainment.



A framework agreement signed with PRISA providing access to the basic Getty Images catalog for all group companies.



A cloud hosting service for the entire Santillana digital ecosystem

Universities and educational institutions



A Masters in Publishing and an MBA in Cultural Industries and Institutions are offered through the Center for Advanced Studies in Management, in collaboration with Santillana.



The University of Salamanca, through its international courses, and Santillana USA have signed a collaboration agreement with the aim of promoting the teaching of Spanish in the United States.



In collaboration with the organization that represents Catholic schools in the Americas, Santillana publishes and distributes an educational magazine and participates in a range of educational events, such as congresses at a local and continental level.



Postgraduate courses for teachers and directors of education in collaboration with the Universidad Don Bosco.



Offers the Masters in Governance and Human Rights, in partnership with the Santillana Foundation and the Jesús de Polanco Chair.



Santillana USA and the University of Alcalá have signed a cooperation agreement to promote the teaching of Spanish language and culture in the United States through specialized training of US-based teaching staff.



An agreement that fosters the learning experience and professional development of teachers and students.



Both institutions have created an Education Training Center that offers several diplomas related to Education Sciences.



The Anahuac University Mexico Norte and the Santillana Foundation have signed an agreement for academic collaboration and cooperation with the goal of creating a Chair for Research on Digital Skills.



Our partnership aims to jointly develop a program to strengthen school leadership and to measure the management of school institutions and educational projects, in collaboration with the University of Panama.

Ministries and governmental educational institutions

The Santillana Foundation and Santillana maintain open and transparent relations with practically all Ministries of Education and public administrations in the area of education and curricular development.

The company regularly organizes a wide range of activities, including forums, conferences and seminars, at which reports, studies and innovative initiatives are presented. The publisher fosters and promotes the sharing and exchange of information about these, encourages debate on education, organizes competitions on school experiences, good teaching practice and projects – all aimed at improving the quality of and equal access to education.

The process of identification, formulation and implementation of these activities is always conducted via direct dialogue and agreement with those responsible for each organization or body and with absolute respect for the principle of educational independence and in line with their individual needs and interests.



GRI indicators

Santillana's initiatives and commitments in 2017

The following table shows where GRI G4 guidelines have been reported at Core level. Other specific indicators may be consulted in PRISA's Social Responsibility and Sustainability Report 2017, www.prisa.com

GRI	GRI-G4 General Standard Disclosures	Page
STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4
G4-2	Key impacts, risks, and opportunities	4

GRI	GRI-G4 General Standard Disclosures	Page
ORGANIZATIONAL PROFILE		
G4-3	Report the name of the organization.	4-5
G4-4	Report the primary brands, products, and services.	14-31, 116-117
G4-5	Report the location of the organization's headquarters.	54-55
G4-6	Report the number of countries where the organization operates, and names of countries where the organization has either significant operations or that are specifically relevant to the sustainability topics covered in the report.	60-61
G4-7	Report the nature of ownership and legal form.	60-61
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	14-31, 54-55
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided 	44-53, 68-69
G4-10	<ul style="list-style-type: none"> a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers. 	68-69
G4-12	Describe the organization's supply chain.	61
G4-13	Significant changes during the reporting period regarding size, structure, ownership, or its supply chain.	37, 44-49

GRI	GRI-G4 General Standard Disclosures	Page
COMMITMENTS TO EXTERNAL INITIATIVES		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	60-61
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	60-61
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	84-92, 102-103, 108-109
STAKEHOLDER ENGAGEMENT		
G4-24	Provide a list of stakeholder groups engaged by the organization.	96-97

GRI	GRI-G4 General Standard Disclosures	Page
REPORT PROFILE		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	50-51
G4-29	Date of most recent previous report (if any).	50-51
G4-30	Reporting cycle (such as annual, biennial).	50-51
G4-31	Provide the contact point for questions regarding the report or its contents.	118
GRI CONTENT INDEX		
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</p>	112-115
GOVERNANCE		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	60-61
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	60-61
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	24-27
GRI G4 GUIDELINES REPORTED AT CORE LEVEL.		
Other specific indicators are detailed in the PRISA Sustainability Report 2017		

Brands and products







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This Annual Report 2017 is also available at www.santillana.com.

We would like to thank all the departments
who contributed to this report.



A Passion For Learning

Annual Report / **2017**