



PROSEGUR

Prosegur ESG
Additional
Information

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1. LABOUR CONTROVERSIES RECORD

In the following table, we intend to provide Prosegur's vision and position regarding allegations against the Company existing to its knowledge from 2013 up to December 2020.

In an exercise of transparency, the table includes all allegations:

- Regardless of their severity.
- Whether echoed in the reports of Proxy Advisors or not.
- Without eliminating those which may be inaccurate, unfounded, redundant, or closed by public authorities.

Unfortunately, these superficial publications do not reflect the reality of the situation in each country. Virtually all matters are referred to the regular course of relations between employees, unions and employer (i.e. collective bargaining, salary increase negotiations, strikes, etc.) many of which have been reviewed by the relevant authorities in compliance with the regulations practiced in each country.

Prosegur has a solid model in place to manage its labour relations:

- Establishes effective working relationships between country management and local union representatives.
- Addresses local particularities since labour relations are handled by local experts with extensive knowledge of the country's social environment, sector positioning and the company's reality.
- Operates in accordance with the specific legal provisions prevailing in each country.
- Regular monitoring of compliance with local labour legislation by Corporate HR department.
- Established mechanisms at local and global level against any kind of harassment to employees.

In this context, and being certain of the effectiveness of the internal procedures and decision making process, we are open to engage and further address and disclose as many details as needed regarding any controversy raised.

Issue	Date	Allegation	Prosegur's Comments and Outcome
1	01/01/2010 - 19/02/2018	<p>Allegations of systemic violations of labor rights over anti-union practices</p> <p>Since 2010, Prosegur Compania de Seguridad, S.A. has faced allegations of serious labor rights violations and breaches of the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinationals in its Latin American operations. Along with union leaders, activists, and local groups, UNI Global Union (UNI) filed a complaint of Specific Instance against the company at the OECD National Contact Point (NCP) in Spain.</p>	<p>In 2010 the organization UNI Global Union did indeed file a claim before the NPC of the OECD, however it is important to highlight that (i) the claim was exclusively filed by this organization, and was not seconded by any union leader, activist or local group, and (ii) Following an extensive process at the NCP, the case was closed in 2017 without any breach of labour rights violation being identified in spite of UNI Global Union continuous advocacy. The 4 years since the closure of the case, have been followed by praise from the NCP to Prosegur's approach, please find below further details:</p> <ul style="list-style-type: none"> - In July 2017, the NCP notified the parties of the conclusion of the specific instance via the FINAL REPORT ON UNI GLOBAL UNION "SPECIFIC INSTANCE" NO. 00005-E AGAINST PROSEGUR. In the document, the NCP advised UNI to refer strictly to the Guidelines in presenting specific instances, underlining that some issues presented relate to normal employment relations and collective bargaining. The NCP also stated that it doesn't issue opinions on these cases or those awaiting a court ruling. Finally, the NCP recommended Prosegur to carry out a "due diligence" exercise additional to that which has already been exercised at its subsidiaries and as a complement to the corporate social responsibility mechanisms that the company already has in place. - In 2018, Prosegur implemented a due diligence program in addition to the established mechanisms. This project, performed by two prestigious third parties, was completed based on the international guidelines and reference documents in this subject. The results were shared with the NCP, and the involvement and in-depth work of Prosegur was praised. - Follow up reviews by the NCP have been carried out and on April 2019, the NCP presented to the parties an Annex to the FINAL REPORT ON "SPECIFIC INSTANCE" NO. 00005-E. This document analyses the development of the recommendations issued by the NCP. It concludes that: "During the plenary meeting of March 21, 2019, the members of the NCP and the Advisory Council considered that PROSEGUR has followed and complied with the recommendation of the Spanish National Contact Point, properly integrating Corporate Social Responsibility into its business activity, as a process of continuous improvement and not as a separate effort." (translation is ours, document is attached). - Prosegur has identified the external Human Rights Due Diligence exercise as a best practice and, in addition to its internal and continuous Human Rights Due Diligence practice, in 2021 an external Due Diligence will also be carried out. <p>The considerable efforts and the coordinated hard work that Prosegur has made to address past labor issues has resulted in the lack of new complaints, especially from UNI Global Union, demonstrating that the company has not been implicated in any new related labor violation claim or issues.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
2	27/07/2013	<p>Prosegur Workers Protest in Paraguay (UNI Global Union)</p> <p>UNI and the Paraguay Trade Union Site Propasa staged a protest against the company's alleged intimidation of unionized workers.</p> <p>In 2012, 327 union members were dismissed for joining a strike calling for better pay and working conditions.</p>	<p>Please, take into account that the case was taken to the tribunals and the final resolution Ruling 108 form August 28, 2018 (which was not challenged and is therefore became firm and definitive) dismissed the existence of any malpractice by Prosegur:</p> <p>"no worker who is not a permanent employee of the company rendered services during the execution of the strike ... so it is necessary to issue a resolution declaring the dismissal of this case, stating that the accusation ... in no way affects the prestige or good name of the company, since it has fulfilled all legal requirements towards the workers and towards the administrative labour authority "</p> <p>In relation to the foregoing, it is proved, as evidenced in the above-mentioned resolution and the previous ones from 2012 and 2016 (Resolution 1.240 dated 16th November 2012 , and Exp. 302, 28th November 2016), that our actions and procedures have always been in accordance with the law fulfilling with all legal requirements towards the workers and the administrative labour authority.</p>
3	08/08/2013	<p>UNI Global Union meets with the FIFA 2014 World Cup Organising Committee (UNI Global Union).</p> <p>This meeting was to discuss apparent 'irregularities' on the side of Prosegur in its provision of security services during the 2013 FIFA Confederations Cup in Brazil.</p>	<p>It is highly important to note that Prosegur did not provide any services whatsoever during the 2013 FIFA Confederations Cup in Brazil, and therefore no irregularity could possibly take place on the part of Prosegur.</p> <p>These news evidence the constant magnification of controversies to which Prosegur is subject, regardless of their severity and sometimes such as this, regardless of their accuracy.</p>
4	04/03/2014	<p>Colombian union files lawsuit against Spanish security giant Prosegur (UNI Global Union).</p> <p>Sintravalores, a union of security guards, filed a complaint against Prosegur AB with the General's Office in Bogota over alleged violation of the Colombia Penal Code for utilizing a labor agreement called "Pacto Colectivo, which offers higher wages, better benefits, and improved working conditions to non-trade union workers. The court ordered the company to apply equal pay practices to both union and non-union employees.</p>	<p>Prosegur's Pacto Colectivo adoption in 2013 was supported by Colombian legislation as stated its Substantive Labor Code in articles 481 and 482.</p> <p>Moreover, Prosegur's Pacto Colectivo was submitted to the Ministry of Labor (Colombian Labour Authorities) that acknowledged its lawfulness through Resolution No. 290 of 20 March 2013. The Resolution considered the alleged discrimination to be insufficient evidenced.</p> <p>The only court ruling in the context of the Pacto Colectivo that was not won by Prosegur, was one regarding the payment of an early signing bonus to 20 employees which Prosegur initially believed didn't meet the requirements for receiving it.</p> <p>it is important to stress that this agreement (signed in 2015) has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
5	27/03/2014	<p>Workers Protest Prosegur's Systematic Violation of Human Rights (UNI Global Union). Union representatives and labour rights advocates held a protest in front of the main office of Prosegur Colombia calling for accountability and compliance with international labour standards and Colombian labour and criminal laws</p>	<p>As stated in issue 4, the controversy shows just the regular course of relations between employees, unions and employer.</p>
6	27/06/2014	<p>Arrest Order for Managers of Prosegur Colombia (UNI Global Union). A Colombian court issued an arrest warrant against two managers for not upholding a judicial order demanding they pay equal bonuses to union employees. Since 2010, the company's Colombian operations have received strong criticism for giving monetary incentives to non-union members. Prosegur allegedly paid approximately COP 4 million to non-union members for signing on to the "Pacto Colectivo" in December 2010.</p>	<p>Regarding the arrest warrant, please note that in Colombia, arrest warrants for 'tutela' actions are not imposed as a punishment for crimes, but as a way for pressuring compliance with rulings (i.e. it is very common for a warrant to be issued whenever a court case is lost).</p> <p>In this case the warrant was issued in the context of a court ruling imposing the payment of an early signing bonus to 20 employees which Prosegur initially believed that didn't meet the requirements for receiving it. In this sense, the case was lost by Prosegur and the ruling was complied with, and as such, the arrest warrant was never processed.</p>
9	27/11/2014	<p>Colombian union leaders assaulted and fired by Prosegur (UNI Global Union). The Head of Security of Prosegur's Nieva facility allegedly punched a union leader. The company also dismissed a union representative after a failed attempt to persuade him to leave the union.</p>	<p>This controversy makes reference to an alleged physical attack on an employee by the company's Head of Security.</p> <p>As soon as the allegations were raised, Prosegur conducted the pertinent investigations, however evidences were found supporting the participation of the Head of Security of the Company in the aggression, nor it taking place in the Company's premises.</p> <p>The lack of any evidence in relation with the incident was also considered by the judicial authorities that, when the worker filed a criminal charge, did not process it.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
10	05/12/2014	<p>Prosegur is suspended from the ILO's SCORE Programme in Colombia (UNI Global Union).</p> <p>The International Labour Organization suspended the company from the Sustaining Competitive and Responsible Enterprises program, a practical training and in-factory counselling program to improve productivity and working conditions, following a number of complaints of human and labour rights abuses in Peru and Colombia.</p>	<p>ILO's Sustaining Competitive and Responsible Enterprises (SCORE) is a practical training and in-factory counselling program that improves productivity and working conditions in small and medium enterprises (SMEs). It demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.</p> <p>The 2nd December 2014, the ILO's Country Office for the Andean Countries informed Prosegur of the temporary suspension of Prosegur's membership to the SCORE program since, among other things, this program focuses specifically on SMEs and both parties agreed that Prosegur did not fit in this profile..</p> <p>In this frame, Prosegur has met up various times with the ILO's Office to explore new ways of cooperation.</p> <p>Please note that this news published by UNI Global Union referring to the allegations they raised against Prosegur before the NCP of the OCDE.</p> <p>However, as mentioned in Issue 1, it is important to highlight that (i) the claim was exclusively filed by this organization, and was not seconded by any union leader, activist or local group, and (ii) Following an extensive process at the NCP, the case was closed in 2017 without any breach of labour rights violation being identified in spite of UNI Global Union continuous advocacy. The 4 years since the closure of the case, have been followed by praise from the NCP to Prosegur's approach towards Human Rights.</p>
11	26/01/2015	<p>Continued alleged human rights violations in Peru and Colombia by multinational security company Prosegur (UNI Global Union).</p> <p>UNI Global Union stated that the company still engages in union busting practices in Peru and Colombia and refuses to set up meetings with the union group to discuss the labour violations. The labour union also argued that the company's internal investigation did not result in any conclusions even after conducting a series of interviews with union leaders.</p>	<p>Please note that this news published by UNI Global Union referring to the allegations they raised against Prosegur before the NCP of the OCDE.</p> <p>However, as mentioned in Issue 1, it is important to highlight that (i) the claim was exclusively filed by this organization, and was not seconded by any union leader, activist or local group, and (ii) Following an extensive process at the NCP, the case was closed in 2017 without any breach of labour rights violation being identified in spite of UNI Global Union continuous advocacy. The 4 years since the closure of the case, have been followed by praise from the NCP to Prosegur's approach towards Human Rights.</p>

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12	26/02/2015	<p>“Consulta Incidente de Desacato, Juzgado 17 Penal del Circuito con Función de Conocimiento” [Query on Contempt Incident] Arrest Order for Legal Representatives of Prosegur Colombia (UNI Global Union).</p> <p>A Bogota court issued an arrest warrant against Prosegur's legal representative, Alejandro Agudelo, for not complying with a definitive court ruling from 2014 requiring the company to reinstate a fired worker. The company allegedly dismissed the worker without paying her salary and social security contributions when she was out of work. The company appealed for the withdrawal of the arrest warrant, but the court denied its motion. After days of court dialogues, Prosegur agreed to compensate the plaintiff with unpaid salary and social security payments.</p> <p>The arrest order was also lifted following the settlement. Agudelo, however, still faces potential investigation over “procedural fraud” for failing to comply with the court ruling.</p>	<p>Bear in mind that in Colombia, arrest warrants for ‘tutela’ actions are a way of pressuring compliance with rulings, not a punishment for crimes.</p> <p>The warrant was issued ahead of a settlement reached with the employee (as referred in the controversy itself) and therefore it was never processed.</p>
13	01/04/2015	<p>In April 2015, a Colombian court issued arrest orders against Prosegur's legal representative and its Human Resource Director for violating the 2012 court ruling which demands the company compensate 21 unionized workers COP 6 million (EUR 2,040) for paying non-union members higher wage premiums. The alleged higher pay acted as an inducement to workers to give up their union membership.</p>	<p>Please refer to issue 6, where we explain that, regarding the arrest warrant, please note that in Colombia, arrest warrants for ‘tutela’ actions are not imposed as a punishment for crimes, but as a way for pressuring compliance with rulings (i.e. it is very common for a warrant to be issued whenever a court case is lost).</p> <p>In this case the warrant was issued in the context of a court ruling imposing the payment of an early signing bonus to 20 employees which Prosegur initially believed that didn't meet the requirements for receiving it. In this sense, the case was lost by Prosegur and the ruling was complied with, and as such, the arrest warrant was never processed.</p>
14	28/04/2015	<p>Unions challenge human rights abuses at Prosegur AGM (UNI Global Union).</p> <p>Trade unionists from several countries across Europe including Spain, UK, Germany, Sweden, and Switzerland convened in the company's annual general meeting to call for the resolution of human rights abuses in Latin America.</p>	<p>Transcripts of the AGM show a specific intervention of UNI's representative, Mrs. Alice Dale, that raised a question to Prosegur's CEO asking only about the reasons Prosegur does not want to sign the agreement.</p> <p>No challenge to human right abuses were raised in the intervention, nor any direct reference to employees' conditions.</p> <p>In this sense, it should be recalled that Prosegur is committed to exercising a clear and unflagging leadership in the area of Human Rights, complying with prevailing laws in each of the jurisdictions in which it operates.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
15	12/05/2015	<p>Prosegur and Brinks workers in Chile on indefinite strike (UNI Global Union).</p> <p>Around 600 Prosegur and Brinks employees rallied in front of the two companies' offices to hold an indefinite strike, demanding higher compensation and improvement in working conditions including cessation of union-busting practices. Authorities allegedly used water cannon and tear gas on the protesters to break up the demonstration. The UNI Americas in Chile stated that it was closely tracking the progress of the strike and had contacted the union representing the employees to get a closer look into the situation.</p>	<p>The article refers to the 2015 collective bargaining agreement negotiations in Chile that were later successfully signed by all parties.</p> <p>Incidents occurred during the days of the strike due to the striking workers choosing to riot in the streets with public authorities having to get involved.</p> <p>In the context of collective negotiations, it is not unusual for employees and unions to pressure for their interests through strikes. This is actually a human right, and as such Prosegur understands it and respects it. However, the violence showed during the strikes was concerning as Prosegur's intention is always to maintain a peaceful working environment as well as fluid, stable and solid relations with employees and unions.</p> <p>Therefore, this issue was addressed within the negotiation and both parties agreed that violence was off limits. Negotiations continued from then, finalizing by successfully reaching an agreement beneficial for both parties which was ratified and signed.</p>
16	20/05/2015	<p>Prosegur workers injured during strike action in Chile (UNI Global Union).</p> <p>Two union member employees reportedly suffered injuries after a clash between the union, CIT Prosegur, and the company's security.</p>	<p>In the context of the controversy 15 already addressed, among other things during the riots, striking employees chose to also block vans from leaving Prosegur's main plant. This issue was resolved by Police as they were already taking part in controlling the situation, and thus, no further involvement from Prosegur was required.</p>
17	21/05/2015	<p>Unions step up against Prosegur human rights abuses (UNI Global Union).</p> <p>The company reportedly continued to refuse negotiation on the wage demands by cash and transit workers in Chile.</p>	<p>Please refer to controversy 15, as it refers to the same collective negotiation. These news reflect an excerpt of the ongoing negotiation of the collective bargaining agreement, and without pointing out any specific circumstance other than the normal bargaining happening in a negotiation between the parties we believe that there is a misuse of the human rights abuse concept which we believe should not be used lightly.</p> <p>As already mentioned, an agreement was successfully signed by all parties as a result of said negotiations and this agreement (signed in 2015) has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>
18	04/06/2015	<p>Prosegur Chile ofrece sindicato en huelga menos aumento de salario [Prosegur Chile offer union members on strike lesser increase in salary] (UNI Global Union).</p> <p>In the fourth week of the strike, Prosegur's striking workers received an offer of salary adjustments from Prosegur. The proposal entailed an adjustment of 2% for 2015 and 1% for 2016.</p>	<p>Please refer to controversy 15, as it refers to the same collective negotiation. These news reflect an excerpt of the ongoing negotiation of the collective bargaining agreement, as already mentioned an agreement was successfully signed by all parties as a result of said negotiations and this agreement (signed in 2015) has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>

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19	18/06/2015	<p>Prosegur: Trabajadores rechazan propuesta de la empresa [Prosegur workers reject company proposal] (UNI Global Union).</p> <p>Chile: Union members rejected the company's new wage offer of a 1% increase in 2015 and another 1% boost in 2016. The new proposal was less than the previous and caused disappointment among union members.</p>	<p>Please refer to controversy 15, as it refers to the same collective negotiation. These news reflect an excerpt of the ongoing negotiation of the collective bargaining agreement, as already mentioned an agreement was successfully signed by all parties as a result of said negotiations and this agreement (signed in 2015) has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>
20	22/06/2015	<p>Informe junio 2015 [June Report 2015] (UNI Global Union).</p> <p>A union member wrote a letter to union group Sindicato Nacional De Trabajadores de Empresa Prosegur Chile S.A. detailing a "brutal attack" whilst on service duty at the company's plant in Chile. According to the employee, he was assaulted by two strangers with an iron bar and beaten until he lost consciousness. The employee, who suffered heavy external and internal bleeding, claimed that the company did not submit any police complaint after the incident.</p>	<p>Back in 2015 one of our employees did indeed suffer an attack by two delinquents while on duty, the assault protocol was activated, and the employee was properly evacuated and received due medical care. Protocolary actions were taken in front of police and courts to denounce the fact (in our name and in the name of the client owning the premises where the attack took place). At the time of publication of these news we hadn't heard of any complaint of any sort by the employee, whose intention was to denounce the aggression he received without complaining about the process followed by Prosegur in supporting his defense against the attack.</p>
21	31/07/2015	<p>Fired workers from Prosegur Paraguay protest at BBVA (UNI Global Union).</p> <p>The 327 unionized workers held a 3rd anniversary protest in front of Prosegur's office in Asuncion to evoke the alleged oppression by the company against union members. The fired workers criticized the company's decision to retain its country manager following the mass dismissal</p>	<p>Please, take into account that the case was taken to the tribunals and the final resolution Ruling 108 form August 28, 2018 (which was not challenged and is therefore became firm and definitive) dismissed the existence of any malpractice by Prosegur:</p> <p>"no worker who is not a permanent employee of the company rendered services during the execution of the strike ... so it is necessary to issue a resolution declaring the dismissal of this case, stating that the accusation ... in no way affects the prestige or good name of the company, since it has fulfilled all legal requirements towards the workers and towards the administrative labour authority "</p> <p>In relation to the foregoing, it is proved, as evidenced in the above-mentioned resolution and the previous ones from 2012 and 2016 (Resolution 1.240 dated 16th November 2012 , and Exp. 302, 28th November 2016), that our actions and procedures have always been in accordance with the law fulfilling with all legal requirements towards the workers and the administrative labour authority</p>

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22	08/08/2015	<p>80 armoured Prosegur vehicles take letter to Presidential Palace in Chile (UNI Global Union).</p> <p>Unionised workers at Prosegur Chile drove 80 armored vehicles to the office of the country's president, to forward a letter complaining of the constant assaults and violence against security guards in cash-in transit vehicles between January and October 2014. The union called for a tripartite discussion with the government and security companies to address security issues and safety concerns in the industry.</p>	<p>The demonstration was carried out by security guards of the company and other companies of the industry in Santiago, due to the death of an employee in a shooting the previous week. The crime rate in Chile had increased from 23% to 27% i, private security transport companies being an attractive target.</p> <p>It is vital to note that this protest was primarily a show of respect from the company and its workers.</p> <p>While having the lowest casualty ratio of the industry in this geography, Prosegur is aware of its operational risks and addresses them by providing employees with specific training, action protocols and all relevant protections. In this regard, we have continuously increase the specific training on health and safety, (from the 49.000 hours of training provided in 2018, we have raised to 135.000 hours in 2019 and 151.000 hours in 2020) and moreover technological innovations have been implemented to address external threats.</p> <p>Unfortunately, we must consider that this is a risk that is difficult to avoid entirely on the part of the company, given that it depends on an external human factor, but Prosegur doesn't cease to procure resources to avoid them in the first place, and to protect its employees if these situations ever happen again. Despite all these efforts the end of these attacks is a reflection of the violence on the streets, and ending it requires not only individual actions by the companies but the support of governmental actions too hence why we understood the demonstration.</p>
23	13/08/2015	<p>UNI Global Union demands official probe into causes of Prosegur security guard deaths (UNI Global Union).</p> <p>UNI called for an investigation into the death of a Prosegur security guard in Chile while on cash-in transit duty. The guard was reportedly a victim of an armed robbery. According to UNI, the company continues to refuse improvement and adoption of existing safety procedures in the industry to prevent such incidents. The union representing the security guards attributed the incident to the company's cost-cutting strategy, which required the guards to continue making stops in the town for about seven hours despite already picking-up a million worth of transaction in Banco de Chile.</p>	<p>Please refer to controversy 22, as it refers to the same circumstances.</p> <p>It is of the outmost importance for Prosegur to set the record straight on the wellbeing of its employees being the priority.</p> <p>As already mentioned, being aware of its operational risks the investment in providing employees with specific training, action protocols and all relevant protections is never questioned, we actually strive to continuously increase it. In this regard, we have continuously increased the specific training on health and safety, (from the 49.000 hours of training provided in 2018, we have raised to 135.000 hours in 2019 and 151.000 hours in 2020) and moreover technological innovations have been implemented to address external threats.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
24	07/09/2015	<p>Death threat against Prosegur union leader (UNI Global Union). A union leader in Medellin disclosed he had received a death threat from an anonymous caller following alleged "defamatory statements" against the company during a protest. Prosegur filed a lawsuit against eight unionized workers, including the union leader, over the alleged defamation and sought USD 500,000 in damages. The accused workers maintained that unknown individuals, claiming to be working at the General Prosecutors Office, infiltrated their homes without prior notice to check if they were capable of paying the damage claims by owning USD 500,000 worth of assets.</p>	<p>The Company was indeed forced to file a lawsuit against a group of its employees after they caused damages to the company's facilities in Medellin at the time of its inauguration. The steps followed by the authorities in the context of said due process are exogenous to Prosegur.</p> <p>Regarding the harassment claimed, the case was raised to the public courts, and in this sense, it should be taken into account that <u>Ruling from April 18, 2017</u> closes the preliminary investigation over Prosegur after no evidences were found.</p> <p>It should be noted that the company resolved the situation with the employees in January 2016.</p>
25	08/09/2015	<p>Prosegur due diligence - failing on safety procedures? (UNI Global Union). UNI has expressed profound concerns at the effectiveness of health and safety procedures at Prosegur, the Spanish multinational security giant, after a series of attacks on Prosegur Cash-in-Transit vehicles in South America. The latest incident occurred at an airport in Peru.</p>	<p>It is important to highlight that since January 2019 no employee of Prosegur has been injured in any attack.</p> <p>Regarding attacks occurred in the past, please, bear in mind that the company considers this type of risks as one of its priorities and addresses them by providing employees with specific training, action protocols and all relevant protections. In this regard, from the 49.000 hours of training provided in 2018, we have raised to 135.000 hours in 2019 and 151.000 hours in 2020 on specific health and safety training, and moreover technological innovations have been implemented to address external threats especially in risks related to attacks on armored vehicle crews and cash custody bases.</p> <p>Unfortunately, we must consider that this is a risk that is difficult to avoid entirely on the part of the company, given that it depends on an external human factor, but Prosegur doesn't cease to procure resources to avoid them in the first place, and to protect its employees if these situations ever happen again.</p>
26	22/09/2015	<p>Serious concerns over Prosegur conduct raised at union meeting in Madrid (UNI Global Union). Prosegur unions from Latin America shared evidence of the company's brutality against unionised workers and serious neglect of safety standards during a meeting with European counterparts in Madrid. Unions from Colombia, Brazil, Uruguay, Peru and Chile presented details of anti-union campaigns by Prosegur that threatens workers lives and flagrantly flouts national labour laws in Latin American countries.</p>	<p>Please bear in mind that the issue referred in the controversy were raised in the context of Prosegur's constant and paramount dialogue with the legitimate representatives of workers.</p> <p>To manage the concerns raised, Prosegur decided to deploy a corporate Employee Relations manager to Colombia and Peru in order to conduct interviews and address the alleged intimidation.</p> <p>The results obtained showed that the accusers did not sustain their claims, no laws were breached and no neglect of the safety standards was proved.</p>

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27	14/10/2015	<p>S. America: Unions concerned over alleged death threats against Prosegur union members & unsafe working conditions (Business & Human Rights Resource Centre).</p> <p>BHR Resource Centre disclosed that it had approached the company to respond over accusations of anti-union practices and health and safety breaches in Latin America.</p>	<p>At the time of these allegations, Prosegur decided to deploy a corporate Employee Relations manager to Colombia and Peru in order to conduct interviews. The results showed that no neglect of labour rights or safety standards were found, nonetheless the investigation was useful to interact with local unions and bring best practices from other countries.</p> <p>Regarding the alleged death threats against union members, please refer to issue 24.</p> <p>Please notice Prosegur's has kept working on its commitment with a safe and healthy working environment and the protection of the legitimate representatives of their workers. In this regard, following an extensive process, the NCP did not identify any breach of labour rights violation and has since praised Prosegur's approach to Human Rights.</p>
28	26/10/2015	<p>Victory in Colombia: SINTRAVALORES signs agreement with Prosegur (UNI Global Union).</p> <p>Prosegur and Sintravalores have reached an agreement resolving claims on the company's alleged violation of human rights. The new collective bargaining agreement settles the 7-year long dispute with the company over biased incentives given to non-union workers, prevention of union representation, and hostile working conditions.</p> <p>Further, the company agreed to set up a Labour Committee to handle dialogues between the company and the workers in order to prevent labour disputes and litigation.</p>	<p>Reaching an agreement is indeed a victory to both parties, and it reflects on the one side the willingness of Prosegur to negotiate in good will and on the other, how there are many initiatives that can be carried out in common with the unions, such as the labour committee for a continuous dialogue.</p> <p>In this sense, it is important to stress that this agreement (signed in 2015) has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>
29	22/03/2016	<p>Prosegur faces public sector contract ban for anti-union violations (UNI Global Union).</p> <p>The Chilean Court of Appeal found that the company's decision to replace the striking workers in May 2015 over anti-union practices breached the existing collective bargaining agreement. The strike lasted 54 days with the employees demanding higher pay, improvements in working conditions and end of anti-union activities.</p> <p>The Ministry of Labour was also forced to act on the situation. The company could face a 2-year ban from public sector contracts as penalty.</p>	<p>Please refer to controversy 15, as it refers to the same collective negotiation.</p> <p>During the strike and riots addressed in controversy n°15 the Company made every effort to maintain its operations. In this sense, as regards the employees claims on inappropriate substitution of employees during the strikes, it is important to mention that the company won in the first judicial incidence, but lost before the Court of Appeals, (which shows that it wasn't a straight forward case) after this, the withdrawal of the case was negotiated with the union and the Labour Directorate accepted the agreement and withdrew the case.</p> <p>In this sense please note that the referred ban never actually took place since the company and workers eventually reached an agreement.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
30	20/04/2016	<p>UNI mourns Prosegur union member killed in Columbia. (UNI Global Union)</p> <p>A security guard of Prosegur in Columbia was killed in the city of Santa Marta during preparations for restocking of a Bancolumbia ATM.</p>	<p>The loss of this employee was a hard blow for Prosegur as every other fatality.</p> <p>Prosegur is deeply sorry about his decease. In this sense, the company always stands in solidarity with the families of the deceased employees, to whom we provided support and accompaniment beyond the legally required.</p> <p>Please bear in mind that the employee received the Merit Medal of Honor, and in such difficult moments Prosegur accompanied the family, as they received additional economic aid (6x times what legally established) and costs were covered they were helped in the arrangements needed to request pensions.</p>
31	27/06/2016	<p>Sintravalores denounces new attacks by Prosegur in Colombia (UNI Global Union).</p> <p>Sintravalores accused the company of renewed conflict with the union after one of its leaders was allegedly dismissed unjustifiably.</p>	<p>This article makes reference to a process that sought to obtain an authorization for the dismissal with just cause of a union official from Neiva, since the defendant presented false documents to enter the company more than 10 years ago.</p> <p>The judge did not consider the dismissal justified and today the worker continues employed.</p>
32	17/10/2016	<p>More Acts of Retaliation Against Prosegur Workers in Peru (UNI Global Union).</p> <p>A Prosegur employee was allegedly harassed verbally and physically after expressing opposition to alleged intimidation and discrimination in their workplace. The president of the local union was also allegedly attacked outside his home.</p>	<p>Once this situation was raised, Prosegur carried out the corresponding investigation, and it was concluded that there was no evidence of any type of discrimination.</p> <p>Regarding the harassment claimed, the case was raised to the public courts, and in this sense, it should be taken into account that <u>Ruling from April 18, 2017</u> closes the preliminary investigation over Prosegur after no evidences were found.</p>
33	13/01/2017	<p>Update: UNI Global Union complaint against Prosegur failure to address workers' rights abuses in South America (UNI)</p> <p>On January 13, 2017, UNI Global Union filed a complaint against Prosegur to the National Contact Point (NCP) of Spain. In this complaint, UNI alleges that the company has not resolved the issues that were identified in its initial filing of November 2013, which involved human rights violations in Brazil, Colombia, Paraguay and Peru and violations of provisions of the OECD Guidelines. Indeed, these actions continue to occur in South America. Additionally, Prosegur appears to be violating national law which protects workers in India, in violation of the OECD Guidelines too.</p>	<p>Please note that the second Instance referred in this controversy presented by the Organization UNI Global Union in 2017 regarding Colombia Perú and India, was not accepted by the Spanish National Point of Contact.</p> <p>In the communication sent to both parties (which cannot be disclosed without prior consent of the sender, this is the NCP), the NPC stated that "There is no evidence supporting the alleged facts and negligent conduct or infringement by the Company that could result in a violation of the Guidelines."</p> <p>Moreover, the original 2013 case was also closed with no breach of guideline or labour right violation being acknowledged by the NPC.</p> <p>Please refer to Issue 1 for further update on the UNI GLOBAL UNION "SPECIFIC INSTANCE" NO. 00005-E AGAINST PROSEGUR.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
34	16/01/2017	<p>UNI files new OECD Case on Prosegur's systemic failure to address anti-union behavior (UNI Global Union).</p> <p>UNI has filed a fresh complaint against Prosegur with the Spanish government because of the Spanish security company's systemic failure to uphold the rights of its employees in Latin America and India. In the new case, UNI describes how Prosegur has continued to engage in conduct that violates the OECD Guidelines for Multinationals, following an earlier case filed in 2013.</p>	<p>Please note that the second Instance referred in this controversy presented by the Organization UNI Global Union in 2017 regarding Colombia Perú and India, was not accepted by the Spanish National Point of Contact.</p> <p>In the communication sent to both parties (which cannot be disclosed without prior consent of the sender, this is the NCP), the NPC stated that "There is no evidence supporting the alleged facts and negligent conduct or infringement by the Company that could result in a violation of the Guidelines."</p> <p>Moreover, the original 2013 case was also closed with no breach of guideline or labour right violation being acknowledged by the NPC.</p> <p>Please refer to Issue 1 for further update on the UNI GLOBAL UNION "SPECIFIC INSTANCE" NO. 00005-E AGAINST PROSEGUR.</p>
35	14/04/2017	<p>Empleados de Prosegur reclaman derechos laborales. [Employees of Prosegur reclaim labour rights] (El Colombiano).</p> <p>Prosegur employees in Medellin conducted a protest against the company over alleged labour and human rights violations related to extended working hours, low salaries, and poor working conditions. The workers also raised concerns related to their right to form unions as Colombia's Ministry of Labour has intervened.</p>	<p>During the protest referred, the claims of employees did not related to salary or working hours, but centered around the Company's implementation of a countrywide work scheme called 'Bipulaciones' that implies two men per vehicle instead of the three men that used to be part of the crew. This work scheme had been previously implemented by the country's main competitors and was validated by the authorities.</p> <p>This change in the composition of the crew did not affect the employees' working hours or salary, however, several workers refused to work under this scheme, not showing up to work, which caused some sanctions and dismissals.</p> <p>The Ministry of Labour was involved in order to review whether the advice of refusing to work was given to the employees by the Union which would imply a breach of its duty (as the advice was not based in any lawful right and therefore was counterproductive to the employees).</p>
36	26/04/2017	<p>Paraguay robbery: Huge Brazilian gang mounts multi-million dollar raid on armoured car firm, four dead (ABC News).</p> <p>Dozens of attackers used explosives to blast their way into the vault of an armoured car company in a volatile Paraguayan border town, with the aim of escaping with nearly \$US50 million in cash. The audacious raid sparked a gunfight, which left a street littered with burning vehicles, 3 suspects dead, 10 more in custody, and Prosegur, counting its losses.</p>	<p>The effectiveness of Prosegur's protective equipment, measures, and procedures in case of attack, was evidenced during the tragic event, since, among the casualties which sadly occurred in the attack, there were no Prosegur employees.</p> <p>Please bear in mind that Prosegur is a cash management company, and therefore, its sensitive activities have risks associated with their operational own nature. Attempted robbery in cash-in-transit operations is one of them.</p> <p>The company focuses on this type of risks and addresses them by continuously improving its means of protection, action protocols and specific training of its employees to minimize risks of this type as far as possible.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
37	17/05/2017	<p>UNI calls on Prosegur to enter constructive dialogue (UNI Global Union). UNI Management Committee pledges to continue efforts on worker rights at Prosegur The UNI Management Committee supports the continued efforts to hold Prosegur accountable for its poor record on worker rights and calls upon the company to enter constructive dialogue for the good of all.</p>	<p>From Prosegur's side we consider that the statement concerning the lack of collective dialogue within Prosegur, the following data must be taken into account, since it shows the actual existence of an adequate collective dialogue within the Group:</p> <ul style="list-style-type: none"> - Almost 20% of employees are members of one of its 200 unions (OECD average rate is 13.9%). - 180+ collective bargaining agreements in force, covering more than 79% of the total number of employees. - 3,500+ union delegates. - Prosegur has an established and running European Works Council.
38	10/08/2017	<p>The testimony of Prosegur workers 5 years later (UNI Global Union). The workers continued to raise complaints against the company.</p>	<p>Please, take into account that the case was taken to the tribunals and the final resolution Ruling 108 form August 28, 2018 (which was not challenged and is therefore became firm and definitive) dismissed the existence of any malpractice by Prosegur:</p> <p>"no worker who is not a permanent employee of the company rendered services during the execution of the strike ... so it is necessary to issue a resolution declaring the dismissal of this case, stating that the accusation ... in no way affects the prestige or good name of the company, since it has fulfilled all legal requirements towards the workers and towards the administrative labour authority "</p> <p>In relation to the foregoing, it is proved, as evidenced in the above-mentioned resolution and the previous ones from 2012 and 2016 (Resolution 1.240 dated 16th November 2012 , and Exp. 302, 28th November 2016), that our actions and procedures have always been in accordance with the law fulfilling with all legal requirements towards the workers and the administrative labour authority</p>
39	26/02/2018	<p>Trabajadores Prosegur Peru denuncian violacion de DD.HH. [Workers of Prosegur Peru Denounce Human Rights Violations]. (Uniglobal)</p> <p>In February 2018, approximately 300 union members of Prosegur Peru held a demonstration denouncing the continued human rights violations of the company and the failure of a collective bargaining negotiation.</p>	<p>These news reflect an excerpt of the ongoing negotiation of the collective bargaining agreement, and without pointing out any specific circumstance other than the normal bargaining happening in a negotiation between the parties we believe that there is a misuse of the human rights abuse concept which we believe should not be used lightly.</p> <p>In the context of collective negotiations, it is not unusual for employees and unions to pressure for their interests through strikes. This is actually a human right, and as such Prosegur understands it and respects it.</p> <p>Regarding this negotiation in particular, note that an agreement was reached between the parties and has been renewed since, and it is just one of the more than 180 collective bargaining agreements signed across the Company every year.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
40	03/04/2018	<p>Another one from Prosegur Peru. (UNI Global Union)</p> <p>In April 2018, Prosegur had allegedly refrained from renewing the contracts of 40 workers who joined union protests in February.</p>	<p>Prosegur seeks to provide employment stability and therefore always tries to minimize the impact of necessary departures.</p> <p>Regarding the facts described in the controversy, notice that, in April 2018 Prosegur was not renewed as provider of one of the services provided in the country.</p> <p>As a direct consequence of this, Prosegur, in compliance with Peruvian labour legislation, did not renew the temporary contracts, not only of the 40 workers mentioned, but also of the rest of the workers associated with the service regardless of whether their union affiliation.</p>
41	20/08/2018	<p>The National Union Prosegur Limited denounces irregularities. (UNI Global Union)</p> <p>In August 2018, the local union in Chile raised complaints against Prosegur over alleged irregular pay and allegedly incomplete security contributions. The union had met with the company with no resolution.</p>	<p>This controversy refers to an isolated case regarding a person whose required contributions to the Chilean social security fund did not reach the necessary minimum.</p> <p>In this sense, the social security lack of contribution regarding this employee was due to a mistake which had taken place 10 or 15 when the employee had been identified as a pensioner.</p> <p>Prosegur assumed the cost of regularizing the situation for the employee and carried out a revision confirming that no other employee was affected by this bizarre situation.</p>
42	20/08/2018	<p>Security unions promote social dialogue in Peru. (UNI Global Union)</p> <p>The General Confederation of Workers of Peru had organized a dialogue with security companies in Peru including Prosegur.</p>	<p>Prosegur is actually a promoter of social dialog between all stakeholders of the private security industry in all the territories in which it operates.</p> <p>The reunions with the General Confederation of Peruvian Workers are an example of the initiatives which Prosegur supports and promotes across competitors, authorities, unions and other companies of the industry in order to share needs, knowledge and contribute to the improvement of the sector.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
43	17/12/2018	<p>Chile: Workers Complaint over Alleged Inadequate Social Security Contribution of Workers Source: 17 Dec 2018_UNI Global Union</p> <p>In August 2018, workers of Prosegur in Chile raised concerns over alleged inadequate contributions to the workers' social security funds. The National Union Prosegur Limited cited alleged irregularities of payments for 500 workers. One employee had also raised a complaint to the union for inadequate social security contributions, which hindered the worker's ability to retire after 28 years of work. The union had conducted a dialogue with the company with no resolution. In December 2018, the local union in Chile reportedly disclosed that Prosegur requested to release the functions of its two leaders in order to advance the collective bargaining process in which the company proposed to initiate negotiations in the current month and conclude by the first month of the following year. The union expressed concerns over possibly losing their privileges, the right to strike, and entitlement to bonuses, adding the proposal does not provide any guarantee from the collective bargaining process.</p>	<p>Please consider that, as referred in issue 41, this controversy refers to an isolated case regarding a person whose required contributions to the Chilean social security fund did not reach the necessary minimum.</p> <p>In this sense, the social security lack of contribution regarding this employee was due to a mistake which had taken place 10 or 15 when the employee had been identified as a pensioner.</p> <p>Prosegur assumed the cost of regularizing the situation for the employee and carried out a revision confirming that no other employee was affected by this bizarre situation.</p> <p>Moreover, regarding the collective negotiations, it is important to recall that discrepancy between unions and the Company are regular in a healthy employment relationship which are based in continuous conversations and negotiations.</p> <p>Along these lines, it should be noted that in this year 2020, there have been no strikes or union conflicts at Prosegur in Chile with any of the 24 unions present in the country. It is significant to mention that we have managed to establish a collaborative and integrated work, with the shared objective of protecting and caring for the company's staff. Similarly, we have managed to sign a new collective agreement with the union Prosegur Activa, effective until 2022.</p>
44	05/04/2019	<p>SINDFORTE-PA resgata dívida trabalhista R\$ 8 milhões na empresa Prosegur [SINDFORTE-PA rescues R \$ 8 million in labor debt at Prosegur]. (Central dos Trabalhadores e Trabalhadoras do Brasil)</p> <p>According to the labor union SINDFORTE, Prosegur was ordered by a labor court in Brazil to pay BRL 8 million (approximately USD 2.07 million) in liabilities for the underpayment of wages and benefits to around 600 current and former employees.</p>	<p>These news refer to a new judicial doctrine referred to the hazard pay, which establishes that said salary supplement should also be applied to overtime. In the case of Prosegur, the doctrine has an impact in the overtime worked between 2008 and 2012 by 560 employees of two Companies (Norsegel and Fiel) acquired by Prosegur. The liability currently amounts to BRL 3 million.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
45	29/07/2020	<p>Paraguayan State must respond to the complaint before the Inter-American Commission on Human Rights in the case of mass dismissals in Prosegur Paraguay] (UNI Global Union)</p> <p>In July 2020, 187 former employees of Prosegur in Paraguay filed a complaint with the Inter-American Commission on Human Rights over the alleged dismissals, stating that the authorities assumed that there had been an agreement between the company and the workers instead. However, in reality, the workers stated that Prosegur made them sign the agreement "under threats and extortion", without the union and legal representatives present. The workers alleged that Prosegur aimed to eliminate the union and any process of collective bargaining.</p>	<p>Please note that, to date, Prosegur is not aware of any case being brought before the Inter-American Commission on Human Rights against the Company.</p> <p>Regarding the company in Paraguay, resolution 1.240 dated 16th November 2012, Exp. 302, 28th November 2016 and Ruling 108 form August 28, 2018 dismissed the existence of any malpractice by Prosegur.</p>
46	21/01/2021	<p>Prosegur workers protest (Diario Los Andes)</p> <p>In January 2021, Prosegur employees in Juliaca, Peru initiated a protest after the company allegedly dismissed a union member for supporting a co-worker who raised an issue about a manager. The employees demanded the company to respect their labor rights and also criticized the company for the arbitrary dismissal of the union member.</p>	<p>Please note that the claimant referred in the controversy had launched a defamation campaign against another employee. The campaign took place mainly across social and tried to prove that there had been some sort of malpractice in the termination of another employee.</p> <p>the claimant was subjected to a disciplinary board and subsequently dismissed in relation to the defamation campaign, insults, and for publishing a video recorded in the premises as some sort of "evidence", something that infringes the right to privacy and protection of the personal image of the Prosegur employees appearing.</p> <p>In this sense, the Peruvian jurisdiction has ruled on the Resolution 594-2020 considering that the video used in the smear campaign was manipulated to directly damage the co-worker's and the company's image.</p>

Issue	Date	Allegation	Prosegur's Comments and Outcome
47	25/02/2021	<p>Allegations of poor safety procedures following a series of attacks on cash-in-transit vehicles in Latin America</p> <p>Prosegur's unions in Peru, Colombia, Chile, and Brazil have raised serious health and safety concerns following a series of attacks on its cash-in-transit vehicles. UNI Global Union General Secretary claimed that the company failed to comply with relevant labor laws and standards with respect to health and safety of its security staff. In April 2019, Prosegur cited in its consolidated annual accounts for the year ended December 2018 its efforts for the prevention of occupational risks. These efforts included the provision of a total of 469,115 hours on health and safety training specifically on access courses for new recruits and in countries with the highest accident rates such as Brazil and Colombia, implementation of internal and external protocols for the monitoring of workplace accidents and assessment of health and safety conditions at various levels, and the use of technological innovations to address external threats especially in risks related to attacks on armored vehicle crews and cash custody bases.</p>	<p>It is important to highlight that since January 2019 no employee of Prosegur has been injured in any attack. Regarding the attacks suffered in the past, we deeply regret this events and Prosegur has stand and will continue to stand in solidarity with the employees affected, and the families of the deceased employees, to whom we provided support and accompaniment beyond the legally required.</p> <p>However, please, bear in mind that Prosegur Cash is a cash management company, and therefore, some of its operational risks are those arising from its sensitive activities. Attempted robbery in cash-in-transit operations is one of them.</p> <p>The company considers this type of risks as one of its priorities and, as mentioned in the controversy itself, Prosegur addresses them by providing employees with specific training, action protocols and all relevant protections. In this regard, from the 49.000 hours of training provided in 2018, we have raised to 135.000 hours in 2019 and 151.000 hours in 2020 on specific health and safety training, and moreover technological innovations have been implemented to address external threats especially in risks related to attacks on armored vehicle crews and cash custody bases.</p> <p>Unfortunately, we must consider that this is a risk that is difficult to avoid entirely on the part of the company, given that it depends on an external human factor, but Prosegur doesn't cease to procure resources to avoid them in the first place, and to protect its employees if these situations ever happen again.</p>
48	26/02/2021	<p>Multiple Labor Claims in Brazil</p> <p>Prosegur Compania de Seguridad, S.A. disclosed that the company continued to face multiple labor claims in Brazil, citing 3,449 ongoing labor proceedings in the country as of the year ended December 2020. The company stated that it was also able to close 2,225 labor proceedings during the year.</p> <p>26 Feb 2021: Annual Report 2020. (Prosegur Compania de Seguridad SA) 25 Feb 2021: Company Communication. (Prosegur Compania de Seguridad SA) 22 Apr 2019: Consolidated Annual Accounts 2018. (Prosegur Compania de Seguridad, S.A.) The number of open labor cases in Brazil amounted to 4,075 as of the year ended December 2018. 31 Dec 2017: Annual Report 2017. (Prosegur Compania de Seguridad, S.A.)</p>	<p>In general terms, labour judicialization in Brazil, as a Country, is a common standard regardless of the employer or Industry. In this regard, a 98% of the overall number of labour cases in the world come from Brazil (Source: https://espaco-vital.jusbrasil.com.br/noticias/458885251/98-dos-processos-trabalhistas-de-todo-o-planeta-estao-no-brasil)</p> <p>Regarding our operations specifically, as our activity in Brazil is wide, we are subject to many claims which nevertheless do not exceed the average ratio of claims per employee in the Country.</p> <p>In order to manage the labour claims, there is a team dedicated to it with monthly monitoring sessions with the corporate teams (including, HR, legal departments and the business operations) in order to analyze the status and evolution of claims as well as the origin of the causes in order to mitigate them.</p> <p>Through this approach the number of labour claims at Prosegur Brazil has been reduced by 35%, going from 5,264 active claims in December 2017 to 3,449 in December 2020.</p>

2. CORPORATE GOVERNANCE

In order to fulfill the twofold objective of 1) completing and clarifying any potential doubts regarding the information provided within the Annual Corporate Governance Report of Prosegur; 2) performing an exercise of transparency and best practice as a response to specific misinformation published by ESG proxy institutions in terms of corporate governance; Prosegur would like to state and evidence the following:

1. Independent Directors (Board)

One of our main concerns provided by ESG proxy institutions analysis´ is the fact that Mr. Fernando Vives and Mr. Fernando D´Ornellas are not considered independent Directors. Please note that under Spanish Corporate Law, members of the Board appointed as independent are to be considered so, unless certain circumstances are met, which do not apply in any of both cases.

In this regard, under Spanish law, Directors in any of the following situations may in no case be considered to be independent directors:

- a) Those who have been employees or executive directors of group companies, unless 3 or 5 years have elapsed, respectively, since the end of such relationship.

Not applicable in any of both cases.

- b) Those who have received some payment or other form of compensation from the company or its group in addition to their directors' fees, unless the amount involved is not significant to the director.

Not applicable in any of both cases. Please refer to the explanation provided under item (e).

- c) Those who are or during the last 3 years have been partners in the external auditor or the firm responsible for the audit report, whether for the audit for that period of the listed company or any other company in its group.

Not applicable in any of both cases.

- d) Those who are executive directors or senior managers of another company where an executive director or senior manager of the company is a non-executive director.

Not applicable in any of both cases.

- e) Those having significant business relationships with the company or some other in its group or who have had such relationships in the preceding year, either on their own behalf or as a significant shareholder, director or senior manager of a company that has or has had such relationships.

In this regard, please note that neither Mr. Fernando D´Ornellas nor and Mr. Fernando Vives have had any significant related party transactions with Prosegur:

- On the one hand, with regards to Mr. Fernando Vives, as reported on the Annual Corporate Governance Report, Mr. Vives is one of the 313 partners of J&A Garrigues, S.L.P. law firm and he is currently its executive chairman. Although J&A Garrigues,

S.L.P. provides legal and tax advisory services to Prosegur of a recurrent and ordinary nature, Mr. Vives is not personally involved in the provision of such services. The firm J&A Garrigues, S.L.P. has been providing Prosegur Group, in a recurring manner and since long before the appointment of Mr. Vives as a director of the Company, legal and tax advisory services, within the ordinary course of business and in market conditions (in 2019 J&A Garrigues, S.L.P. provided legal services to 82.9% of the companies listed on the IBEX 35 and to 53.5% of the companies listed on the Madrid Stock Exchange's electronic trading platform).

Furthermore, Mr. Fernando Vives is not involved in the services rendered by Garrigues to Prosegur.

Additionally, the fees received by J&A Garrigues, S.L.P. from Prosegur are not significant for the firm in material terms (they represent much less than 1% of J&A Garrigues, S.L.P. turnover) nor do they represent a significant amount on Prosegur's accounts (1,2 m€ 2020). In addition, the provision of these services is performed through other partners in the firm other than Fernando Vives, whose remuneration as a partner of J&A Garrigues, S.L.P. is totally independent and not linked in any way to the firm's invoicing to Prosegur.

Therefore, it is proven that the business relationship between the firm J&A Garrigues, S.L.P. and Prosegur, due to its recurring nature in the ordinary course of business, its non-exclusivity and its scant importance in the aforementioned terms, does not in any way affect the independent nature of Fernando Vives for performing the position of director of Prosegur and being classified as independent.

- On the other hand, Mr. Fernando D'Ornellas has no ongoing related party transactions nor has been involved in any for the last 4 years. Additionally, Mr. Fernando D'Ornellas has been appointed based on his personal and professional conditions and he can perform his duties without being conditioned by relationships with the company or its group, its significant shareholders or its managers.

- f) Those who are significant shareholders, executive directors or senior managers of an entity that receives donations from the company or its group, or has done so in the last 3 years. This provision shall not apply to those who are merely trustees of a foundation receiving donations.

Not applicable in any of both cases.

- g) Those who are spouses, spousal equivalents or relatives up to the second degree of an executive director or senior manager of the company.

Not applicable in any of both cases.

- h) Those who are not proposed for appointment or renewal by the appointments committee.

Not applicable in any of both cases.

- i) Those who have been directors for a continuous period of more than 12 years.

Regarding the 12-year term, neither Mr. Fernando D'Ornellas nor and Mr. Fernando Vives have surpassed it, as they have been members of the Board for 5 and 9 years respectively.

- j) Those in any of the situations listed in letters a), e), f) or g) above in relation to a significant shareholder or a shareholder represented on the board. In the case of the family relationship indicated in letter g), the limitation not only applies to shareholders, but also applies to their nominee directors at the investee.

Not applicable in any of both cases.

Therefore, it shall be considered that both Mr. Fernando D'Ornellas and Mr. Fernando Vives fulfil the requirements to be considered as independent directors.

2. Independent Committees

As a consequence of the abovementioned, it can be clearly proved that both the **Audit and the Sustainability, Corporate Governance, Appointments and Remunerations Committees have a majority of independent members, (2 out of 3 and 3 out of 5, respectively) as opposed to specific information provided by certain ESG proxy institutions.**

In relation to the Audit Committee of Prosegur, in accordance with the Spanish Capital Companies Act, the majority of its members at least must be independent directors and one of them will be appointed taking into account their knowledge and experience in accounting, auditing or both. As we pointed out in the previous paragraph, this requirement is met (2 out of 3).

In relation to the Sustainability, Corporate Governance, Appointments and Remunerations Committee of Prosegur, in accordance with the Spanish Capital Companies Act, at least two of its members must be independent directors. The chairman of the committee will also be appointed from among the independent directors that form part of it. Both requirements are met in this case.

3. Annual re-election of Directors

Please note that Spanish Law fixes in 4 years the term for the appointment of Directors in listed companies. Prosegur, for the sake of the best standards on corporate governance, has reduced said term and our by-laws provide a term for re-election of 3 years, whilst the vast majority of the Ibex-35 index companies provide a re-election term of 4-3 years.

4. Entrenched Board- Industry Experts- Risk Management

Prosegur would like to highlight that although some ESG proxy analysts may consider that our Board has an entrenched character, this poses a clear advantage on the deep knowledge and understanding that our Directors have on such a specialised sector as security is. Said members have been in the decision-making core of the Company for a long term and hence should be considered as industry experts. Additionally, said experienced profiles of our Directors, who have been members of the Board of many of the top listed and non-listed companies in Spain, offer a wide number of profiles with experience in risk management.

5. Remuneration of the Board

Regarding the remuneration of the Board and Senior Management, please take into account that the equity policy is linked to sustainability, as it can be observed in the metrics in which both the Short and Long Term remunerations schemes are based. Furthermore, an individual breakdown of the senior management retribution is included in the Annual Corporate Governance Report, as well as an individual breakdown of the Board in the Annual Remunerations Report, both of which are public and can be found in the CNMV and Prosegur website.

6. Non-independent CEO

The CEO position is occupied by an executive director. According to Spanish legislation, directors can be distinguished in two types: executives or non-executives.

Executive directors are those who perform management functions within the company or its group, whatever the legal relationship they maintain with it. All of the other directors of the company are non-executive directors, which may be nominee, independent, or other non-executive directors.

Therefore, Mr. Christian Gut cannot be considered as an independent director since the position of independent director is a type of non-executive director.

7. Board Diversity

The policy for selecting candidates for the office of director of Prosegur states that said process will start with an analysis of the needs of the Company and the group of companies whose company is dominant, which shall be carried out by the Board of Directors with the advice and report provided by the Appointments Committee. Among other conditions, people will be sought whose appointment favors diversity of knowledge, experiences, nationalities and gender within the Board of Directors.

The Company's Policy for selecting candidates for the office of director must ensure that the number of female directors represents thirty percent of the total membership of the Board of Directors.

The Company currently has a 25% female presence on its Board of Directors, being one of the female directors the Chairman of the Board. Nevertheless, the Company is carefully analysing the possibilities of increasing this percentage in the future in order to comply with the latest recommendations of Good Governance Code of Listed Companies.

Furthermore, it should be noted that Prosegur Cash, S.A. (Prosegur subsidiary which is also a listed company in Spain), currently has 3 members, representing 33.33% of all Board members.