



**PROSEGUR**

Annual Report  
2013





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# Index

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ANNUAL  
REPORT

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# Letter from the Chairman

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The goal of any company is to grow, adapt to its environment and endure over time. After nearly four decades of activity, Prosegur has become a point of reference in the field of private security, with a team of over 150,000 professionals and presence in four continents.

But not only numbers define us. Companies are living organisms and therefore have souls and dreams. Our greatest priority is to make the world a safer place to live in. We protect people and their property, and ultimately, we strive to improve their quality of life.

The more advanced a society becomes, the greater its need to be safe. That is why we work with determination to meet the challenges posed by our clients. These objectives are constantly increasing, because we live in a very competitive environment in which threats are intensifying and needs are more sophisticated. We adapt our services to the realities of the different countries in which we develop our activity. And, always, with the backing of a robust business model and an organisation that seeks the highest quality and innovation.

Our team faces, every day, complex scenarios; to the extent that, sometimes, they may risk their physical integrity in order to resolve a conflict, to avoid a situation of risk or even save the life of a person at a critical moment. Their bravery and initiative, and also, their humility, are values which define them.

During this time, we have built our own culture, a way of being and acting. A unique personality conveyed by the ethical and exemplary behaviour of each of our employees. This ethos is also reflected in their involvement in the various social responsibility projects of the Prosegur Foundation, which benefited almost 35,000 people in 2013. I am sure that the fact of working for a company that is

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aware of its social commitment, creates a very special bond, strengthens their motivation and, most importantly, makes them feel part of a great project. I am, therefore, particularly proud of their responsibility and willingness to always go one step further.

I firmly believe that the successes of the Company, as reflected in this Annual Report, are the result of the daily efforts of each and every one of our employees. I can say that Prosegur not only has the best professionals but, above all, it has the best people.

**Helena Revoredo**  
Chairman of Prosegur



# Message from the Chief Executive Officer

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It is a pleasure to present Prosegur's Annual Report for the year 2013. Driven by a vocation for transparency, one of our core values, we want to share with you the most important events of these past twelve months. This document describes the achievements and the strategy upon which our management model is based.

In this period we have faced a particularly complicated environment. Our character has prompted us to consolidate the leadership of Prosegur and to strengthen our position as an operator of reference, on a global level, in the field of private security.

## **Widening our horizons**

During 2013, the Company's turnover was 3,695 million euros, representing an increase of 10 per cent - in local currency - when compared with the previous year. It is thanks to the loyalty of our customers that our organic growth has also increased 7.2 per cent. Their confidence has, without a doubt, been an essential factor for achieving these results.

By region, in Latin America, despite the adverse economic environment - marked by the widespread devaluation of the currencies of the region and the rising labour costs, especially in Brazil - sales have increased, which reflects the underlying strength of our business model and the ability of our sales team.

In Europe, we have made a clear commitment to innovation by launching new services and products. In addition, the inorganic growth strategy developed in Germany consolidates our position as a reference in the area of Cash in Transit and Cash Management in this country.

In addition, our presence in the Asian-Pacific region continues to represent a milestone turning point; providing both an opportunity and experience. It is an essential market for Prosegur's present and future growth. With the beginning of the operations in Australia, we have taken a new step in our internationalisation strategy. Through the acquisition of the second local cash in transit operator, we have incorporated a team of almost 1,000 people and 22 branches; providing services all over the country. This new development reaffirms our commitment to the region and our capabilities in this line of business.

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**Towards a common culture based on innovation as a differentiating element for our clients**

Our size as a company grows year after year. We are a global company which requires a common corporate culture. In order to achieve this, we have Prosegur's Policies and Processes 3P management system, which promotes the same standards of quality in all our businesses and in every market in which we operate.

Nevertheless, we bear in mind the cultural differences between countries. Therefore, we extend the best international practices, taking into account local sensitivities. Through our Centres of Excellence we identify opportunities for improvement and we share the successful best practices of each business. We thus manage to generate synergies and support the market introduction of new security solutions. Our nearly 400,000 customers are the cornerstone around which our activity revolves. In Prosegur we work with a permanent focus on innovation and on the use of technology to put forward the best proposals to our customers.

This has been a very intensive year. We have launched "Pack Series", a new security solution that complements mobile surveillance with different electronic security systems. I also want to highlight the important developments that have taken place in the control



centres and the new video and localisation services for the residential alarms market. The Company also faces new challenges for the outsourcing of cash related services in the retail and financial sectors.

We pay special attention to local management and we remain committed to the professional development of our Branch Managers. To this end, we have given continuity to the Kaizen project launched in 2012 which, based on a comparison between branches, has yielded very good results and has improved their competencies.

I would also like to mention our performance as a responsible company. The concept of compliance is key for Prosegur, especially in the field of labour regulations and tax obligations, which many organisations have abandoned during this time of crisis. With regard to this, the Company has updated its Code of Ethics and Conduct, which reflects the principles that guide the behaviour of all our professionals, in our activity and in our relationship with our stakeholders.

### **An exemplary human team**

We protect individuals and companies by providing them high quality service based on and endorsed by our employees. We respect and nurture the talent of all the people who are part of Prosegur, a team of over 150,000 professionals.

In Prosegur, we join forces to professionalise our industry, by dignifying the important role that security plays in society and that affects the welfare of all of us. For this reason, we invest heavily in our employees. This is the only way to continue being leaders in the sector. We have various training programmes, such as Prosegur University, with more than two million hours of study.

We are aware that, every day, our workers are facing new challenges and difficult situations in the various countries in which we operate. I encourage them to continue with the same enthusiasm and dedication, and thus continue to make Prosegur a place where we are proud to work.

### **Commitment to value creation**

During this year, we have made a special effort to improve cash flow generation, managing to increase the conversion ratio up to 186 per cent. On the other hand, total debt stands at 588 million euros, representing a reduction of 86 million euros, when compared with the previous period.

Furthermore, with the objective of optimising the funding of the Company we have completed the issuance of a five-year bond amounting to 500 million euros, with the coupon with the lowest financial cost registered in Spain so far. A fact that demonstrates the confidence of the markets in the solvency of Prosegur, also endorsed by the rating agencies that have renewed the excellent credit rating of the Company.

Throughout this journey, we have remained firm in our commitment to value creation. I really appreciate the support we received from our shareholders. All the achievements of 2013 would not have been possible without their continued support.

I assure you that we will continue working with the greatest ambition in order to improve every day. With this stimulus, we will build a solid plan for the future of Prosegur and for all of us. We are working on it. I am convinced that, together, we will continue to shape this great project that we have in common.

**Christian Gut**  
Chief Executive Officer



# 1. The value of Prosegur

## 1.1 The differentiating value of Prosegur

Prosegur is one of the main international companies within the private security sector and a leader in all markets in which it operates.

The distinctive capacities of the Company are based on a service adapted to the needs of the clients, provided by the best professionals and which uses the most advanced technology in its processes.

- Prosegur boasts the **best professionals in the industry**. This is possible thanks to the rigorous selection processes, to the training adapted to each job and to the commitment of the employees themselves.
- It is an innovative company. **Innovation in processes** ensures better quality of operations, both in terms of service management and customer service. On the other hand, **innovation in services and products** enables the Company to offer more efficient solutions, according to each client's specific requirements.
- The Company has a **range of integrated services** in the areas of Manned Guarding, Cash in Transit and Cash Management, Technology and Alarms. A large share of the technology applied to services is developed in-house. Also, innovation is to offer more competitive services.
- It acts according to **a global culture and vision, but with local awareness**; adapting its services to the needs and specific features of each market. The Company offers specialised and adapted services, ensuring uniform quality throughout.
- It has expanded in markets which offer a significant development potential. Its **inorganic growth model** enables it to

make the most of local knowledge and take advantage of synergies in the areas of technology and innovation. The nature of the business, which requires achieving an appropriate scale to ensure profitability, advises a strategy based on company acquisition with the objective of creating value for shareholders, customers and employees.

- As a leader in the industry, **it promotes best practices**, making available to regulators the tools and knowledge for a better development of less advanced markets.

The Company has a consolidated management model which has historically been based on five transversal vectors in its activity and which are key to its industry: Customer orientation, operational excellence, comprehensive cost control and management, value creation, all supported on a strong brand. The goal of all these components is to serve the client via a team of committed professionals. In addition, this model has been recognised by various reputational indexes.



<b>Customer focus</b>	It is close to its clients, offering, on the basis of business know-how and market analysis, the best solution to their needs
<b>Excellence</b>	The pursuit of excellence in all activities and processes is part of its identity
<b>Analytics and Accountability</b>	The close relationship of managers with the business is one of the keys of its success, applying analytical methods to control and monitor operations, helping the decision-making processes
<b>A strong Brand</b>	The Brand is one of the fundamental values and puts across to clients, employees and society the values– safety and security –which represent the Company
<b>Value Creation</b>	The value proposal is based on integrated and innovative services, which add greater value to its clients, employees, shareholders and, therefore, to society as a whole

## The only company in the private security sector among the 100 companies with the best corporate reputation

Prosegur was recognised for the third year running as one of the 100 companies with the best corporate reputation in Spain, according to the Corporate Reputation Business Monitor (Merco). The Company is the only company in the private security business which is included in the Monitor.

This report values various aspects of the Company for its classification, such as economic and financial solvency, brand value, quality of products and services, people management and commitment to the community.

### One of the 30 best brands

The Company was distinguished as one of the best 30 Spanish brands, according to the study carried out by the Interbrand consulting firm.

The report values the brand at 614 million euros, which means an increase of 42 per cent since the publication of the last edition of this analysis. In this case, Prosegur is also the only company in the private security business which is included in this classification.

Interbrand highlighted the Company's leadership and continued commitment to becoming an industry leader, including on an international level.

## 1.2 Social cash-flow

Prosegur believes in the role performed by companies as generators of value and prosperity. Its activities help to increase the safety in the countries in which it operates, contributing towards their economic, environmental and social progress. By acting in an efficient, efficacious and profitable manner, it helps to improve quality of life in the communities in which it is present.

As societies progress, their need to become safer increases: a more developed country is a safer country. In this context, private security must adapt and offer services that meet the needs which arise in this regard.

The raison d'être of the Company is the protection of people and their property. It offers products and services which contribute towards safety and wellbeing, one of the main objectives of modern societies. Prosegur works in order to help companies in their transformation processes, minimising the risks to which they are exposed and ensuring they obtain the utmost efficiency for the management of their business.

Prosegur generates a positive economic and social impact in countries in which it operates. It helps to build safer environments for people, families and companies. It develops technology, competences and capabilities and helps generate business opportunities in the countries in which the industry is still in its infancy

The business of Prosegur creates an economic and social footprint in the communities in which it carries on its business. The Company generates various cash flows which has a knock-on effect on its employees, public administrations, suppliers of capital and society at large, which enables one to speak of social cash flow.



**Growth**

- ◀ 400 branches worldwide
- ◀ 5,000 armoured vehicles
- ◀ Over 150,000 professionals

Prosegur aims to be a leader in each of the markets in which it operates. In this process, management capabilities and competences are key to sustainable growth, both organic and inorganic

**Management rigour**

- ◀ Presence in 17 countries in four continents

Its business and management model enables the Company to replicate best practices in all markets in which it operates. A presence in different countries helps to introduce a higher level of competence and, therefore, to raise industry standards

**Innovation as part of the value offering**

- ◀ 9.0 M€ investment in R&D&i in 2013
- ◀ Investment quality: 0.8M€

Prosegur provides integrated and specialist services. It focuses on technology and innovation in order to maintain a differentiated value offering. All innovation projects involve a high component of software and information technology (IT), integrating new and existing systems and sources of financial control and management

**Close to clients**

- ◀ Sales: 3,695 M€
- ◀ Over 390,000 clients: 24,000 corporate clients, 170,000 small and medium businesses and 200,000 homes

Based on one single factor - meeting client needs -, Prosegur develops products and services. Therefore, it adapts its products to the demands of each market, ensuring it meets the level of quality required by clients

**Value for employees**

- ◀ Wages and salaries: 2,473 M€
- ◀ Hours of training: 2,000,000

The Company offers development opportunities and differentiated terms of employment in the industry

**Value for shareholders**

- ◀ Dividend: 66 M€
- ◀ EBITDA: 414 M€

The Company generates value for its shareholders. To this end, in 2013 it reformulated its cash flow generation processes in order to deal with future growth. In addition, it successfully completed the issue of five year bonds worth 500 million euros, which enabled it to refinance its debt under better terms

**Meeting obligations**

◀ Taxes: 90.5 M€

▶ Prosegur scrupulously meets with the legal requirements in all countries in which it operates and is current with all tax payments  
Furthermore, in 2013, it received government support by way of incentives, tax credits and subsidies for a total of 3.4 million euros

**Responsibility to suppliers**

◀ Supplier payments: 971.7 M€  
◀ Number of suppliers: 37,394

▶ The Company business generates economic activity and opportunities via the procurement processes and responsible management of the supply chain

**Commitment to society**

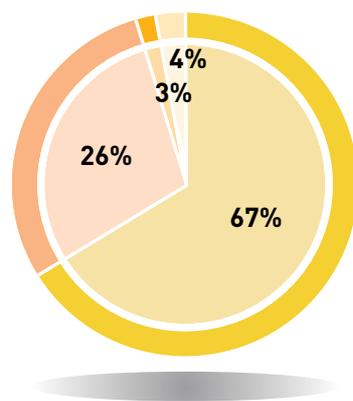
◀ Investment in community action: 2.1 M€  
◀ Over 34,000 direct beneficiaries of the Prosegur Foundation

▶ The Prosegur Foundation channels all Company projects in terms of community action in education, social and labour integration of people with disabilities and encouragement of corporate volunteering



Social Cash flow (millions of euros)	2012	2013
<b>Economic value generated (EVG)</b>	<b>3,688.2</b>	<b>3,716.3</b>
Total revenues	3,688.2	3,716.3
<b>Economic value distributed (EVD)</b>	<b>3,518.8</b>	<b>3,676.8</b>
To employees	2,427.3	2,473.3
To operating costs	819.6	971.7
To public administrations	79.3	90.5
To providers of capital	190.5	139.2
To social projects	2.1	2.1
<b>Economic value retained (EVR)</b>	<b>169.4</b>	<b>39.5</b>
For reserves	53.9	-77.3
For amortisations	115.5	116.8

#### Recipients of Prosegur social cash flow



- To employees
- To operating costs
- To public administrations
- To providers of capital

#### Cash, the only universal means of payment

Prosegur, via its cash management services, contributes towards preventing social exclusion. Cash is the only universal means of payment, accessible to all citizens irrespective of age, cultural level or capacity of access to banking. It requires no technical support, and allows a freer and more autonomous use of their resources. In addition, it is the means of payment which costs the least and has the lowest rate of fraud, which enables payments to be made in a safer way. It is also monitored by anti-money laundering authorities. It is the medium that best protects the freedom, privacy and independence of the individual.

The Company, the first private security company which addresses all activities related with the lifecycle of cash, is a strategic partner throughout the entire management chain. It focuses on improving its use, developing new solutions and products designed to increase the efficiency of this means of payment.

## Analysis of challenges and trends in cash management

In 2013, Prosegur organised the seminar “Rediscovering the essence to innovate: a Window of Opportunity”, designed to reflect on current cash management trends.

The studies presented during this event showed that cash is a fundamental means of payment in the present and in the future.

- Data show that the volume of notes in circulation has increased by 14.5 per cent over the last decade.
- Forecasts indicate that the number of ATMs in the world will continue to grow up to 3.5 million in 2017, thanks to the growth in countries such as Brazil, China or India.
- Cash accounts for 80 per cent of commercial transactions in Europe, and everything suggests that it will continue to be the most used means of payment in this region. Internationally, and despite an increase in new means of payment, it accounts for more than 70 per cent of transactions.

In addition, the Company took part in “The Future of Cash”, a conference organised by the European Financial Marketing Association (EFMA), which was attended by representatives of central banks, financial institutions and other cash related agents. Trends and outlooks of the cash lifecycle were also addressed during the conference.

## 1.3 Results and growth prospects

One more year, the market endorsed the business and management model of Prosegur. The results in 2013 have been favourable, despite an adverse macroeconomic situation, marked by the devaluation of the main Latin American currencies and the European recession. The latter has been particularly poignant in the Mediterranean area. Thus, some private security markets such as that in Spain, have lost up to 20 per cent of their turnover in the last five years.

Given this context, the Company’s performance has been positive, particularly taking the following milestones into account:

- Overall growth of sales – excluding the currency effect – of 10.1 per cent, whereas EBITDA and EBIT increased by 10.3 and 16.5 per cent respectively.
- Likewise, in Latin America sales increased by 18.7 per cent. Of note is the significant growth of the market in residential



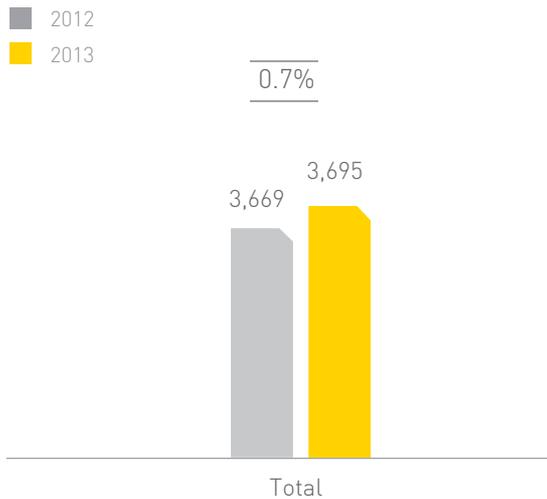
security solutions in the region, which grew by 18.5 per cent, including the downward effect of currency devaluation.

- Strong recovery of 12.6 per cent in margins in Europe, thanks to an appropriate policy applied in Spain and the good performance of the business in Germany and France.
- Growth and consolidation in Germany as a result of the acquisition of a new company and the rapid integration of its operations.
- Expansion within the Asia-Pacific market by means of the acquisition of the second largest operator of cash in transit in Australia.
- Refinancing of the debt under better terms via the 500 million euro bond issue,

which recorded the lowest coupon in the Spanish financial market to date. In addition, the Company diversified its funding sources, thus opening to financial markets.

- Excellent increase in cash generation which reached a conversion ratio of up to 186 per cent.

In 2013 sales reached 3,695 million euros, 10.1 per cent more at a constant rate. This growth is classified into: organic (+7.2 per cent), inorganic (+2.5 per cent) and exchange rate variation (-9.0 per cent).

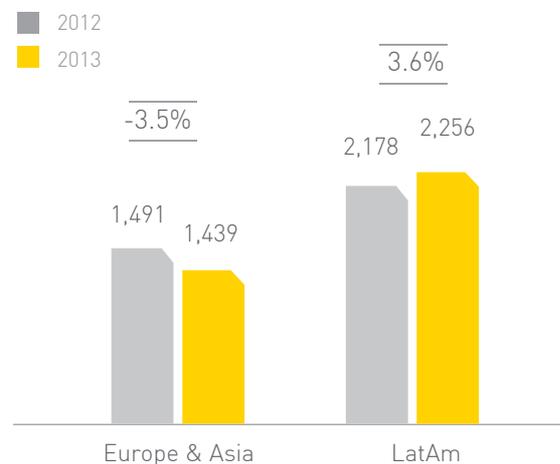
**Total sales 2013**  
(millions of euros)

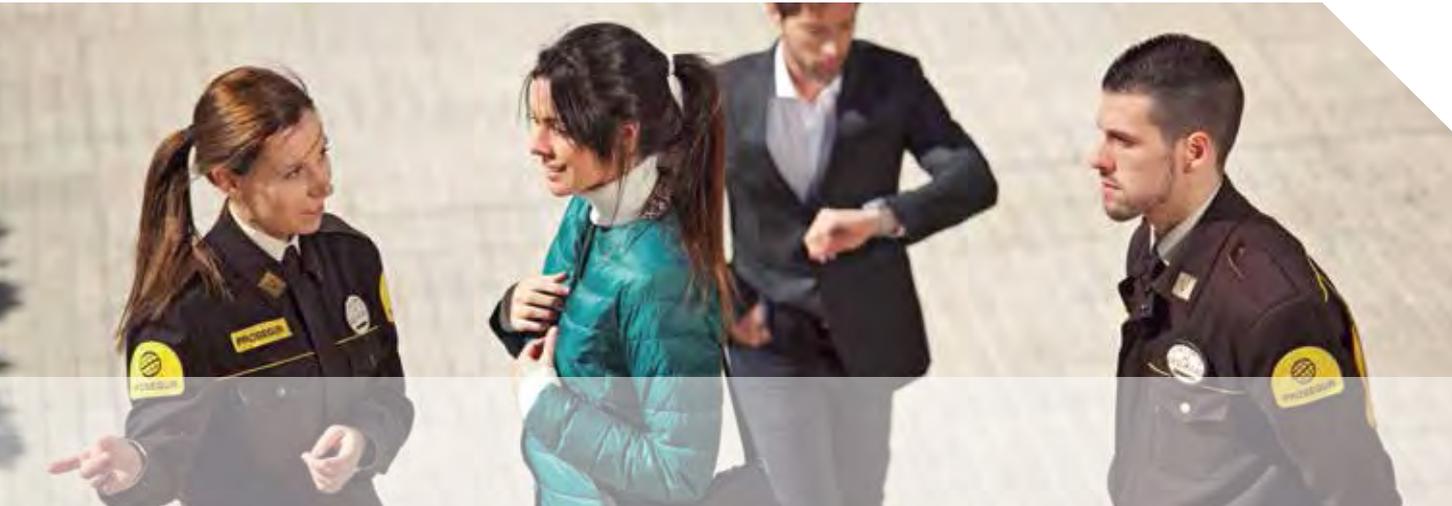
Prosegur has achieved sales of 3,695 million euros at the end of financial year 2013. In an unfavourable macroeconomic scenario, these results confirm the solidity of the Company's business model

By geographical region, the Europe-Asia turnover dropped by 3.5 per cent over the previous year, to 1,439 million euros. This downturn was mainly due to the situation of the private security sector in Spain. Prosegur has reduced its turnover in the Spanish market by 8.1 per cent. In contrast, the Company experienced an increase in sales in Germany - of about 4 per cent - and in France - close to 7 per cent -. Prosegur continued its consolidation in China, India and Singapore, markets in which its income increased by close to 38 per cent.

In Latin America turnover grew by around 19 per cent, excluding the effect of the exchange rate, reaching 2,256 million

euros. Brazil continues to be the main market, with sales of 1,074 million euros. This is followed by the Argentina area, which comprises Argentina, Paraguay and Uruguay, where Prosegur recorded total income of 717 million euros, 7.4 per cent over that in 2012.

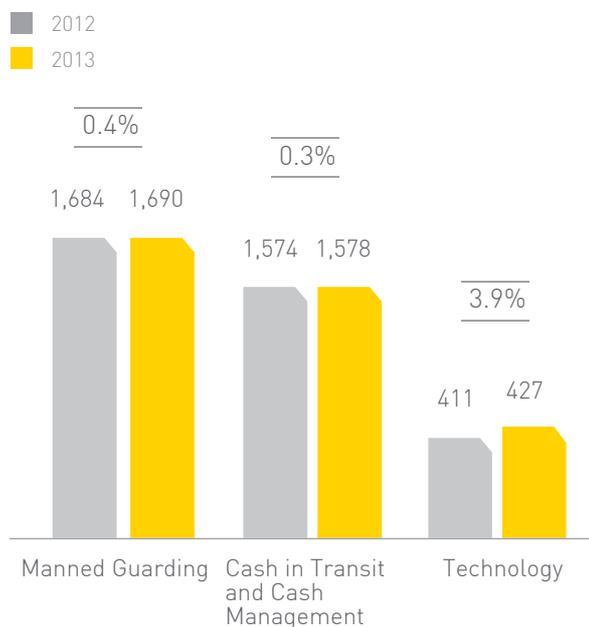
**Sales in 2013 per geographical area**  
(millions of euros)



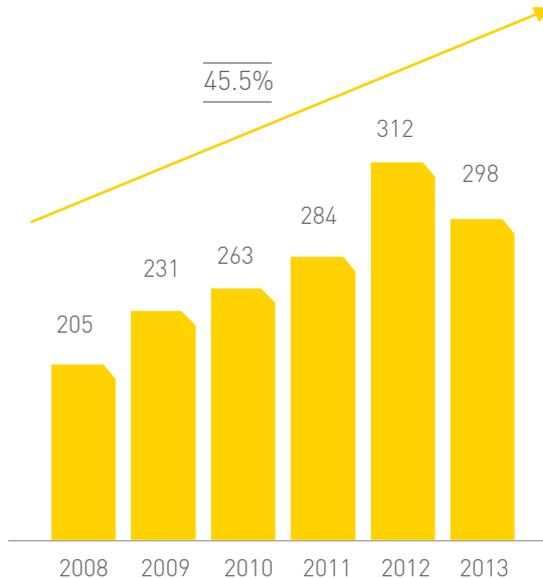
By business line, the area of Manned Guarding reached a turnover of 1,690 million euros, 0.4 per cent over that of the previous year. On its part, Cash in Transit and Cash Management recorded in the period a turnover of 1,578 million euros, 0.3 per cent over that of 2012. Lastly, Technology increased its turnover by 4 per cent, up to 427 million euros.

In 2013, the EBIT, operating earnings before interest and tax, reached 298 million euros, equal to a growth at a constant rate of 16.5 per cent over that of the previous year.

#### Sales in 2013 by business line (millions of euros)



#### Evolution of EBIT 2008-2013 (millions of euros)





### **Commitment of cash generation and improvement of indebtedness**

Prosegur maintains its commitment to the generation of cash to sustain future growth. In 2013, the Company increased its cash conversion rate into net profit to 186 per cent. On the other hand, the total debt was of 588 million euros, 86 million less than in 2012.

In 2013, Prosegur successfully completed the issue of five year bonds for 500 million euros. The bonds accrue a coupon of 2.75 per cent per annum, the lowest financial cost recorded in 2013.

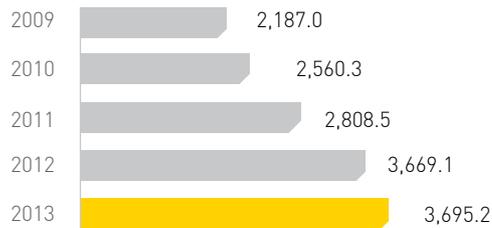
The demand for Prosegur bonds was greeted with enthusiasm by the markets. The coverage ratio was 4.8 times, exceeding the 2,400 million euros in demand. Moreover, the quality of the investors, from different markets such as Germany - 23.9 per cent - and United Kingdom - 22.4 per cent -, confirms the perception by investors of the solidity and consistency of the business model of the Company.

This was the first time that Prosegur carried out an operation like this one, for which it had the support of a number of first rate financial institutions.

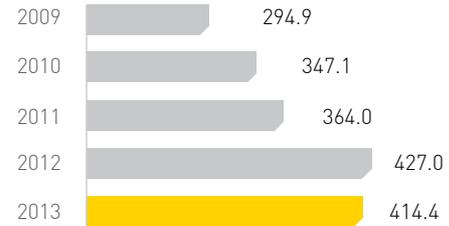
In addition, Prosegur is the only international company in the private security sector which has a credit rating as stable investment for long and short term debt - 'BBB and A-2' - issued by Standard & Poor's. The rating agency highlights the geographical diversification of the Company and its client portfolio, as well as its financial solidity, transparency and the quality of its management team.

**Main figures (2013)****Turnover**

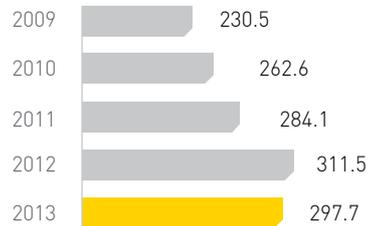
(millions of euros)

**EBITDA**

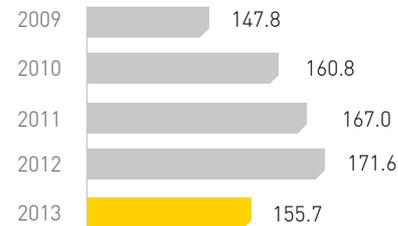
(millions of euros)

**EBIT**

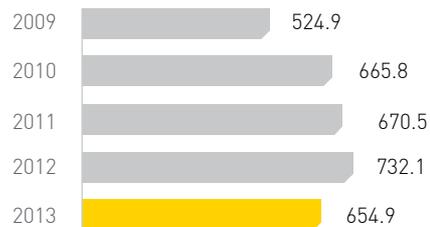
(millions of euros)

**Consolidated Net profit**

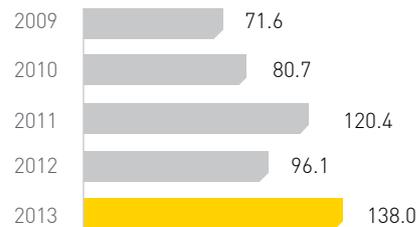
(millions of euros)

**Shareholder equity**

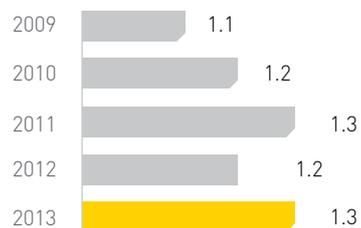
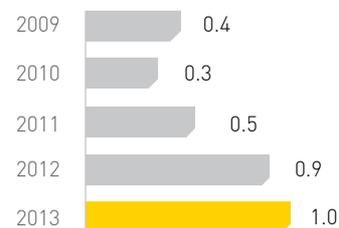
(millions of euros)

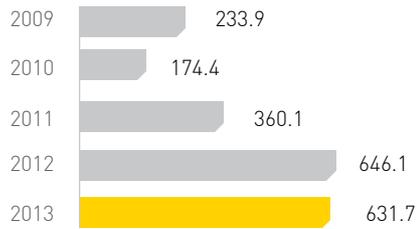
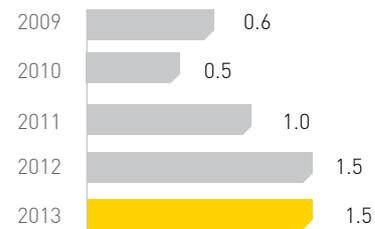
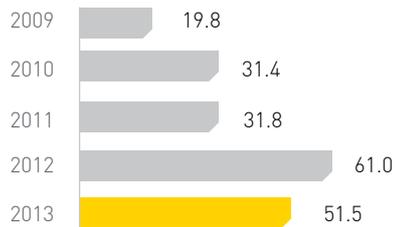
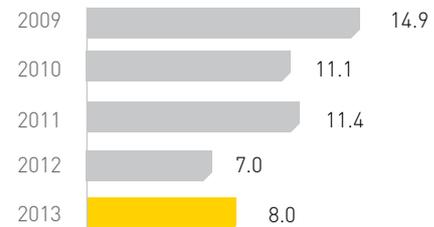
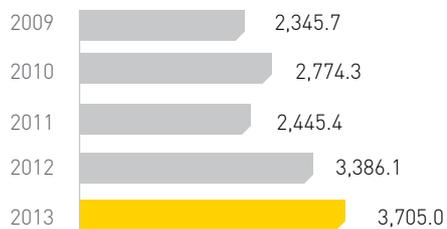
**Capex**

(millions of euros)

**Working capital ratio**

Current assets / Current liabilities

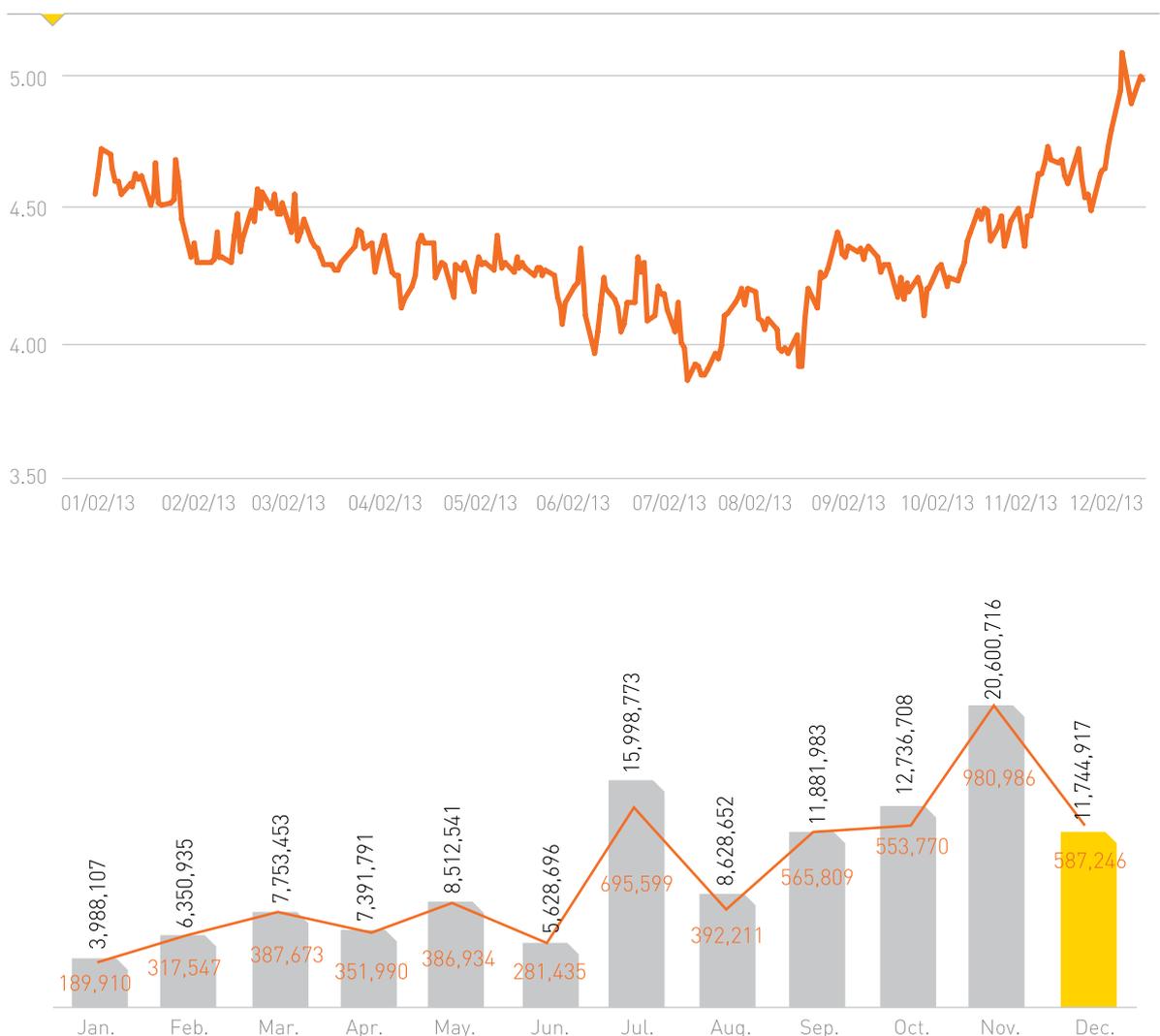
**Net debt / equity**

**Net debt**  
(millions of euros)**Net debt / EBITDA****Net financial expenses**  
(millions of euros)**EBITDA/ Financial expenses****EV**  
(millions of euros)

## 1.4 Stock market information

Amid the international macroeconomic situation and the fluctuations in the main currencies, investors value the solidity of the Prosegur business model. They value that the Company has been able to handle similar situations previously, as well as the effort made in cash generation. This is reflected in a significant increase in the share price.

In regard to the shareholding, in November Corporación Financiera Alba completed the structured capital outflow from the Company. This divestment, which has not significantly altered the share price over the year, has actually increased its liquidity.

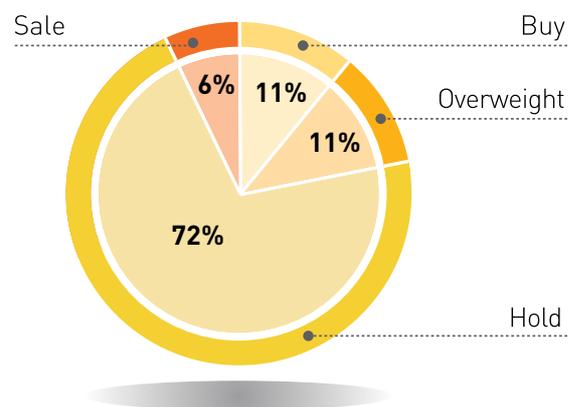




### Analyst coverage

A total of 18 investment firms have monitored Prosegur's stock market performance over the year. In their recommendations, 72 per cent advised on keeping the stock, 11 per cent advised its purchase, another 11 per cent advised overweighting and only 6 per cent advised selling.

The target prices set for Prosegur ranged between 4.10 euros of Exane BNP and 5.80 euros of JB Capital Markets. At 31 December 2013, the price per share reached 4.98 euros.



Entity	Recommendation	Target price	Date of last report
Ahorro Corporación	Hold	4.20	07/26/2013
BBVA	Hold	4.26	12/17/2013
BPI	Neutral	5.10	12/16/2013
Deutsche Bank	Hold	4.15	05/07/2013
Equita	Hold	5.20	03/20/2013
Espíritu Santo	Neutral	4.40	05/08/2013
Exane BNP	Neutral	4.10	05/07/2013
Fidentiis	Hold	4.10-4.37	10/11/2013
Grupo Banco Sabadell	Sell	4.32	10/02/2013
HSBC	Overweight	5.50	05/20/2013
JBCapital Markets	Buy	5.80	12/16/2013
JP Morgan	Neutral	4.36	12/16/2013
Kepler	Hold	4.15	12/17/2013
La Caixa	Buy	4.70	10/24/2013
Mirabaud	Overweight	5.10	12/19/2013
N+1	Neutral	4.60	12/16/2013
Santander	Hold	4.70	12/17/2013
UBS	Neutral	4.60	11/28/2013





In total, in 2013 the department of Investor Relations held 42 meetings with analysts, 50 meetings with investors and took part in 21 roadshows.

On its part, Prosegur offered to the market its new shareholder webpage, which contains more investor information and tools and includes, among others, the following features:

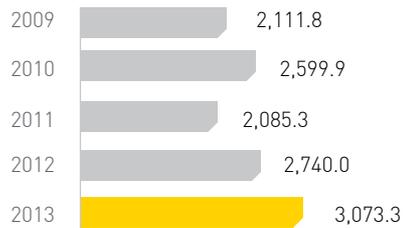
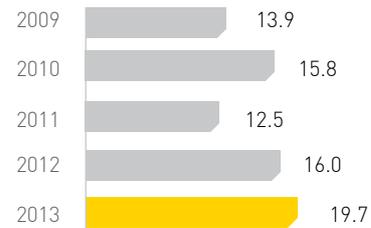
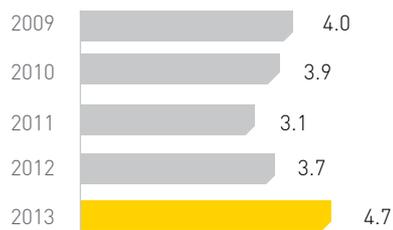
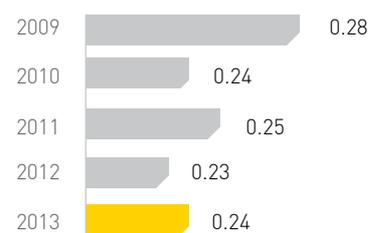
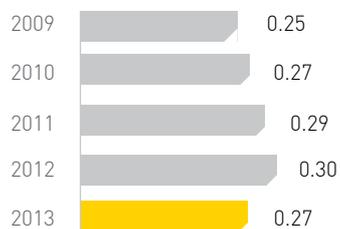
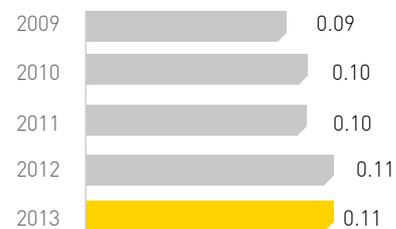
- Interactive calendar with alerts
- Comparative information with competitors, indexes, etc.
- Customisable price and trading history
- Investor calculator
- Customisable alerts for trading, close of day, significant variations, etc.
- Information on results and public ratios

Via the Shareholder Office, the Company provides personal attention and the infor-

mation required by the shareholders. It also has a hotline service (+34 91 5584836), and contact email: [✉accionistas@prosegur.com](mailto:accionistas@prosegur.com)

#### **Geographical distribution of free float**

Given its growth potential, Prosegur has always been able to count on the support of international investors. Its shareholding includes foreign investors which account for a very significant part of its free float.

**Stock market capitalisation price 31.12**  
(millions of euros)**PER**  
(Capitalisation / Net profit)**Price / Book value****ROE (RN / FP)****EPS**  
(euros)**DPS**  
(euros)



**PROSEGUR**



## 2. Growth principles

The Prosegur model boasts a history of success built on a solid and rigorous growth strategy, sustained by financial strength. The Company's evolution has been made possible thanks to a model which promotes

rigour, seriousness and excellence among its professionals; a transversal philosophy of proximity to the client; and a culture of common innovation throughout the organisation.

### 2.1 Growth strategy

The 2012-2014 Strategic Plan establishes demanding quantitative and qualitative objectives. The qualitative targets are

grouped around three main axes: client proximity, management at branch level and becoming more multinational.

#### 2012-2014 Strategic Plan

QUANTITATIVE OBJECTIVES		QUALITATIVE OBJECTIVES	
Growth	<	<b>Client proximity</b> Value of Yellow	<ul style="list-style-type: none"> <li>&lt; New products</li> <li>&lt; Specialisation</li> </ul>
Balance management	<	<b>Management at branch level</b> Transversal analysis of the business	<ul style="list-style-type: none"> <li>&lt; Kaizen Projects</li> <li>&lt; Training of Branch Managers</li> </ul>
Indirect cost management	<	<b>Becoming more multinational</b> Innovation, synergies and standardised procedures	<ul style="list-style-type: none"> <li>&lt; Obtaining of the multinational value: corporate platforms, USAP, etc.</li> <li>&lt; Sharing best practices</li> </ul>

#### Client proximity

Service excellence is the Company's priority. The security and wellbeing of the client is the focus of its activity. Progress in client management systems, both from the

technology and organisational perspectives, have been in 2013 the main inroads made in this regard. Clients value Prosegur's capacity for response and adaptation to changing and dynamic needs, which also vary according to geographical area.



### Client satisfaction

Prosegur has implemented a new methodology to measure client satisfaction. It uses a “client experience” approach which, using rational and emotional criteria, measures the impact of the services offered in terms of client perception.

The Company developed a study for the Alarms business in the eight countries in which this business line is operational. The system carries out a six-monthly assessment of four client experiences:

- Contracting and installation
- Review of alarm equipment
- Action on alarm call
- Customer service

The results obtained are used to identify improvement opportunities and to ascertain

the impact of actions implemented. 2013 also saw the definition of the methodology for measuring client satisfaction in the areas of Manned Guarding, Cash in Transit and Cash Management and Technology.

In Argentina, the business units of Cash in Transit, Manned Guarding and Technology carry out a customer satisfaction survey once a year. In the first area, the most valued aspect in 2013 was service reliability. In Manned Guarding, treatment and service provided by the personnel and capacity of response to special requests were the most valued. The area for improvement identified was solution of claims.

In Australia, Prosegur carries out workshops with clients, in order to gain a deeper understanding of their needs. In addition, they use a tool which rates the service from 1 to 7, where 7 means

excellent. The national rating of the Company currently stands at 6.1. This analysis is carried out each month, providing a means of quality control.

Within the framework of the ISO 9001 quality standard, Prosegur carries out a customer satisfaction survey in Chile. This survey covers the Commercial, Study, Operations and After-Sales areas. On its part, the 2013 customer satisfaction survey was developed in Paraguay, based on the same structure as in previous years and focusing on services provided.

In Singapore, a questionnaire is performed for several years, which allows observing the evolution of customer satisfaction.

### Service quality

In 2013 Prosegur progressed in the consolidation of a model focused on client and service excellence. The Company also has quality management systems that establish annual specific targets for each business line. During this year, the main objectives included the following aspects:

<b>Cash in Transit and Cash Management</b>	Guarantee of service reliability Reduction in claims due to error Control of integrity of bundles
<b>Alarms and Technology</b>	Control of de-installations carried out in residential alarms Reduction in technical service response times Drop in abandoned calls at customer service centre
<b>Manned Guarding</b>	Improved customer perception of service received Increase in service coverage

For Prosegur, the peace of mind of its clients is Paramount. The Quality Policy, defined and deployed in the countries, establishes and drives a continuous improvement approach via process management that structures the 3P system

In addition, Prosegur has quality management systems in each country which have been certified by independent third parties. The Company is developing the 3P management system with a common core to all countries on the basis of existing quality systems with a range that includes all activities.

**Activity certified in accordance with international standards**

Country	Certification ISO9001	Other certifications
Argentina	√	ISO 22301:2012 societal security: business continuity systems IRAM 3501-1:2001. Certification of fire fighting equipment
Brazil	√	NBR 16001:2004 on Social Responsibility
Chile	√	
Colombia	√	ISO 28000:2007 on security management systems for the supply chain
France	√	
Germany	√	77200:2008 static guarding and mobile patrol services – requirements
Mexico	√	
Paraguay	√	
Peru	√	OHSAS 18001:2007 Surveillance BASC Standards Version 3-2008 RMS C-TPAT DGAC: Operator Certificate of Service Specialist Airport
Portugal	√	EN 16082:2012 on air security and aviation services NP 4413:2012 - Segurança contra incêndios - Manutenção de extintores
Singapore	√	
Spain	√	UNE 16082:2012 on air security and aviation services Technical specification: system of professional management and conduct in private security services
Uruguay	√	

In addition to the above certifications, it is worth highlighting that in Germany the Company passed the external audits required to obtain the certification by the National Cash in Transit Association.

In Argentina, Prosegur worked throughout 2013 on the business management continuity system certification under ISO 22301:2012,

which aims to provide the ability to continue operations and business services in Cash in Transit in situations of natural disasters.

In Colombia the Company implemented the ISO 27001 requirements for information security management systems, applicable to the Cash in Transit business in the city of Bogotá. It also developed a security

management system of the supply chain in accordance with ISO 28000:2007.

In Uruguay the Company achieved in 2013 the quality certification in all services. The units of Corporate Technology and Satellite Tracking obtained the certification UNIT ISO 9001:2008.

In addition to the above, in 2013 Prosegur developed programmes and actions to spread the culture of excellence throughout

the Company. In Argentina it organised a total of 584 hours of training and workshops on quality and social responsibility, mainly addressed to middle management, leading to an increase in the degree of commitment and awareness of the quality system.

In Paraguay it formed an internal quality working group with representatives of all units with the aim of addressing the needs of quality audits.

### A structure at the client's service

Throughout 2013, Prosegur carried out several changes in structure designed to

offer better service to clients, among which are the following:

#### Chile

Consolidation of the sales team of Cash in Transit and Cash Management, providing the necessary resources for a more efficient customer service and laying the foundations for generation of new business.

Restructuring of the Customer Service area, in order to attend customer requirements in the most optimal way. Development of a new web page for online tracking of remittances, equipped with a telephone and email to capture written claims and suggestions.

#### Colombia

Redesign of the Customer Service area, boosting its functions and systems. The Company began the implementation of a customer service centre providing more availability and customer contact, thus unburdening the operational areas and improving response structure.

Increase in the coverage provided by the Technology unit in regard to the main four regions in the country, with consultant engineers in projects in the cities of Medellin, Cali, Barranquilla and Bucaramanga, in Colombia. This expansion enables services to be offered to customers hitherto unattended and a strengthening of national coverage available to clients.

#### France

Reorganisation of the department of Sales to improve administrative and operational efficiency. All the sales activity was placed under the supervision of one single management in order to maximise cross-sales.

#### Paraguay

The operations management area added the Customer Management area to the working team, where assistance and follow ups are recorded and claims are consolidated.

**Renewing customer confidence**

The differentiating value of the service offered and the value offering of Prosegur encourage clients to choose the Company

and renew their confidence. Throughout 2013, some of the most important milestones were:

**Australia**

Kamco contract for cash management and processing at ticket dispensing machines of Victorian Rail and Tram network.

**Brazil**

Implementation of security system in the Mineirao football stadium, the headquarters of the Cruzeiro club and the World Cup.

Increase by 555 per cent of the sales of ATMs.

Growth of around 600 per cent in special load transport business, specialising in high added value or high accident rate products.

**Chile**

Contract with Watts Food Company to develop the fire prevention system in its new distribution centre in San Bernardo in Santiago de Chile.

Recovery of the mining segment in the Manned Guarding area, with commencement of service in Minera Escondida, one of the world's largest copper producers.

Development of new services for dynamic surveillance automatic tellers to prevent user fraud.

**Colombia**

Beginning of a new service of credit card machines installation and maintenance at a national level.

Penetration of the oil industry in the country, as well as other sectors. In 2013 Prosegur starts providing services to clients such as the Centro Nacional de Entrenamiento de la Policía Nacional de Colombia, the Concejo de Medellín or the Fiscalía General de la Nación, among others.

**Germany**

Offering of additional services within ATM management to attract customer loyalty.

**Spain**

Development of a system with low intrusion levels, efficient and effective for the handling of false alarms. The system sends an SMS informing that Prosegur has detected an alarm activation. This system prevents lost calls which may cause undue concern to the client. Clients may also elect to be alerted via a call.

## Commitment to the improvement of the safety of the elderly in Portugal

In collaboration with Hope Care, responsible for the True Kare service, Prosegur completed its offering of protection and solutions designed for the elderly with a service which provides protection and company in any emergency situation, support or need for assistance.

The system works with an easy to use mobile phone, which may be connected with a card from any of the carriers in service in Portugal. By means of a GPS, True Kare is able to locate the user, define a security area and activate an alert system.

This solution is complemented with a call centre available 24/7 which ensures specialist attention adapted to each situation. Moreover, it is easily accessible via a SOS button located on the mobile telephone key panel and is linked to a web page, which may be managed by the user's relatives.

This is available through a special offering of access to the True Kare service, which provides assistance to the elderly in daily activities.

## Management at branch level

Branch Managers are a fundamental part of the Prosegur model in order to attain the qualitative targets of the 2012-2014 Strategic Plan. These professionals work closely with the clients, manage the branches and represent the Company at a local level. For Prosegur it is essential to know and promote their skills and encourage their development. Currently Prosegur has 400 branches in 17 countries.

The objectives of the Company focus on the improvement of each branch, allowing for development of local management in each country which is close to the local culture and communities and, in short, to the client.

Communication with branches is constant, ensuring that they act in line with what has been defined by management and in the Functions of the Basic Management Units of Prosegur.

In order to progress along these lines, the Company launched the Kaizen Project. This is a management model that focuses on the branch, for which it has created software tools to define targets, monitor performance indicators in branches and share best practices.

In addition, it designed a training programme based on three pillars- to train, to know and to communicate – which has enabled the consolidation of a steady and

stable network of Branch Managers to work on the development of the 2012-2014 Strategic Plan.

### Becoming more multinational

Prosegur is a growing company, with increases year after year in the number of employees and countries in which it is present. The Company is looking to consolidate a corporate culture that is common and uniform, built on Vision, Mission and Values and implemented on the basis of common processes and procedures.

The ultimate aim is to ensure the same level of excellence and responsibility in the commercial offering in all markets in which it carries on its business. Prosegur has defined a model of indicators in seven areas which have been specifically designed for each business line. The monitoring of these factors allows for a review of operations and regulatory compliance of each delegation and a separate assessment of their situation.



### Global customer management

The Global Client Management Programme enables complete coverage of the needs of multinational clients in any part of the world, and offers an integral and global service under strict parameters of quality and excellence. The global client management model in Prosegur is based on four key factors:

- Global management of the account and the contract:
  - A single contract for all countries.
  - An adapted and gauged interlocution model.
- Continuous process improvement
  - Regular and defined follow ups focused on improvement.
  - Advanced tools for measuring efficiency and identification of improvements.
- Consistent and homogeneous service
  - Standardisation of processes and services
- Homogeneous systems of quality and effectiveness measurement.
- Communication and reporting :
  - Drafting of management and quality measurement reports.
  - Regular follow up meetings and analysis of improvements at all levels of contact.

### Integration of acquisitions

Given the nature of its business, in order to grow at a good pace and achieve an appropriate scale to ensure profitability, Prosegur has an expansion policy based on company acquisitions.

In these operations, integration processes become particularly important.



The aim is for these acquired companies to quickly integrate into the Prosegur brand, as well as its values and philosophy, seeking to achieve the same management style, a common image and consistent and uniform service in all markets.

In those geographical regions where Prosegur is already present, integration is assisted by participation of local teams. Prosegur has systematised this process, having made the activity and specific knowledge one of its differentiating capabilities.

### **Centres of Excellence**

Prosegur Centres of Excellence aim to create a horizontal structure of knowledge

sharing, identification of opportunities for improvement and dissemination of good practices in all countries and businesses.

They represent a tool for communication and homogenisation among countries which brings about synergies and reduces costs. In addition, they support the sale of new services and ensure the consistency and coordination of projects in different countries.

Centres of Excellence reflect the Company's innovative effort, focusing both on the development of new security solutions and on the increase in efficiency and quality of its operations.

**Prosegur Centres of Excellence**

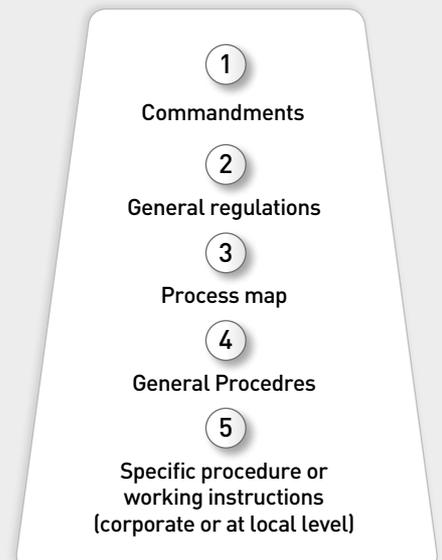
Centre	Objective
Centre of Excellence for Vaults	Improvement in efficiency of vault processes in our installations
Centre of Excellence for Traffic	Improvement in efficiency of traffic processes
Centre of Excellence for ATMs	Promotion of ATM business
Centre of Excellence for Security	Improvement in efficiency in risk management of our operations
Centre of Excellence for Fleet	Improvement in efficiency and security of our Cash in Transit operations via fleet management
Centre of Excellence for Manned Guarding	Identification, development and implementation of differentiating features which make clients perceive added value in services provided by Prosegur
Centre of Excellence for Alarms	Identification, development and implementation of differentiating features which make clients perceive added value in services provided by Prosegur
Centre of Excellence for Technology	Identification, development and implementation of differentiating features which make clients perceive added value in services provided by Prosegur

**3P, “A way of being, a way of doing”**

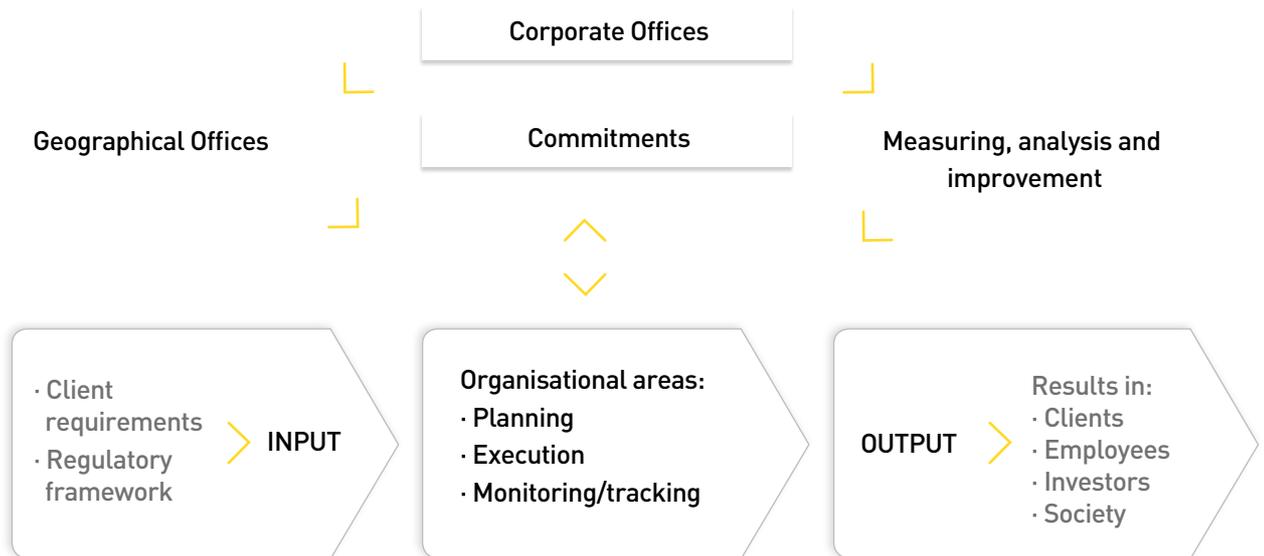
The 3P system (Prosegur’s Policies and Processes) establishes a common methodology with a uniform way of working, in order to ensure high levels of quality service delivery and optimise resources. This system of common management is applicable in all geographies and all business and support areas.

3P Policies, formalised in Commandments and Regulations, make up the basic rules or guidelines that apply to all employees in all geographic areas.

In turn, the 3P Processes define how business activities and business support activities are performed. The system is designed taking into account Prosegur’s matrix organisation and geographic diversity. Thus, the 3P system establishes a common basis on which the specific part of the country is aligned and responds to the legal framework and the particular characteristics of each market. Also, the 3P system fulfils the requirements established by international standards such as ISO standards. Furthermore, 3P processes ensure compliance with specific local business laws and compliance with the particular requirements of customers, encouraging the use of process indicators to promote continuous improvement.



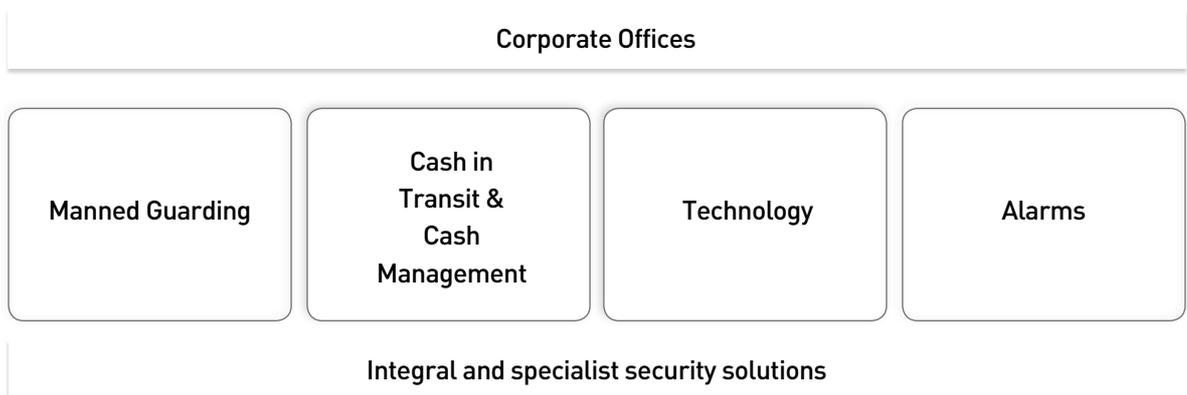
## 3P management system



## 2.2 Innovation and specialisation, essential values

Prosegur provides integral and specialist security solutions. From specific guarding services for homes and stores, to solutions seeking the maximum efficiency in company

management. From cash in transit and overall cash management, to the design, development and installation of security systems.



### Manned Guarding

Prosegur develops guarding services, security consultancy, airport security, security for big events, dynamic surveillance, geolocation and GPS tracking, protection of goods transport and mobile control centres, among others

Faced with the commoditisation of the industry, the Company strives to make guarding a more innovative business which adds greater value to the client, with professionals who are distinguished for their attitude and training and which use the most advanced technology to carry out their duties

### Cash in Transit and Cash Management

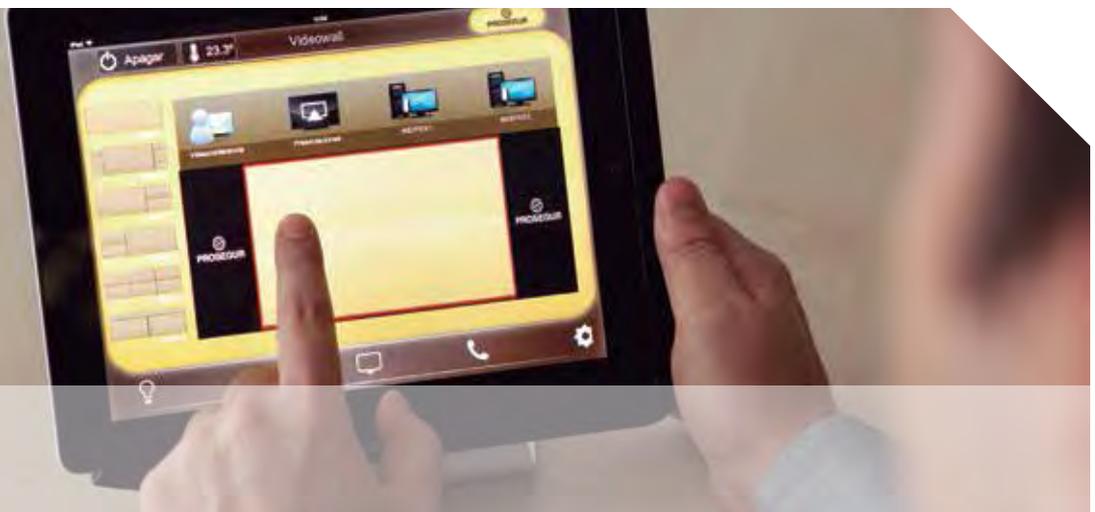
Prosegur provides services throughout the value chain of cash management, from traditional transport and processing to planning, cashier personnel outsourcing or multi-agency. This business line includes the management of over 74,000 ATMs worldwide, including their planning, loading, monitoring, first and second level maintenance, tallying and other additional services. It also provides international shipping of goods such as currency, gold, jewellery and cards and shipping and custody of valuable goods. These services are supported by a network of over 400 bases and over 5,000 armoured vehicles which are equipped with the latest security technology

### Technology

The Company designs, installs and maintains integrated security systems, monitored video systems and intelligent image processing, access control, anti-intrusion and perimetral detection systems, automation of buildings and facilities, special installations and system integration. It also designs, installs and maintains fire prevention systems, with and without water

### Alarms

Prosegur has a broad range of products which help to improve the security and safety of families and businesses. Among other services, it offers state of the art technological solutions, personalised installation projects, risk assessment and regular checkups, technical alarms for accidents, home automation, perimetral security, immediate intervention service and location of persons and vehicles



Prosegur is a company at the cutting edge of technology. Its support of innovation and technology has gone hand in hand with the Company's business in an industry which is traditionally not very innovative.

In this regard, the Company aims to become a technological leader in order to develop new solutions, processes and tools to enable it to anticipate client requirements. Moreover, clients must perceive the differential added value of Prosegur, "the value of yellow", brought about not only by the quality of its professionals and services, but also by the technological support

assisting them in the performance of their duties.

**Prosegur combines the most advanced technology with the best professionals, to provide global security solutions adapted to the needs of over 390,000 clients in the 17 countries in which it operates**

In 2013, investment in Research and Development focused on the innovation of productions, processes and services and on the pursuit of efficiency in internal processes.

### Products with a high degree of innovation

Pack series	Combines dynamic surveillance with technology and has enabled the penetration of services for SMEs. This service has been added to the product range in Colombia, Peru and Singapore. In all cases, the implementation period has been a record one for the Company
Proteus	Example of technology developed by Prosegur which has become a new value added service. It consists of a container tracking service which prevents the pollution of the load via the installation of a clamp that seals the container and sends signals via GPS or PRS on route deviations, handling and other risks. This system has been successfully implemented Colombia and Peru
iTrack	System of person tracking via geolocation for physical and virtual security. Provides proof to the client that Prosegur carries out the service engaged, as well as carry out any tracking of groups of interest. This solution is used in Spain in several commercial malls
Maintenance of ATMs	Comprehensive management services for ATMs, providing greater efficiency through the Mi Prosegur tool, allowing customers to monitor their network data on availability, balances, charges and technical issues
Control Centres	Control Centres handled by highly skilled professionals to manage permanently, centralised and integrated all human and technological resources that make up the security systems. In addition, recent advances in intelligent image processing allow a priori assess risks to provide a more intelligent response to attacks

### Process efficiency

Vigia	Corporate intelligent planning tool which, using an analysis of variables such as educational profile or personal preferences, matches people and jobs, enabling better distribution of work
In situ	System that controls the entry, exit and present of the security guard in work centres. The evolution of this tool includes the addition of a biometric reader

## Presence in international innovation forums

Prosegur took part in the annual ASIS 2013 conference, one of the largest conventions in the industry that took place in Chicago (United States). The Company presented its business lines, as well as its integral product range, to over 750 companies and 20,000 professionals who attended.

The latest technological innovations, products and services that are transforming this industry were displayed at this event.

## INNOSEC European innovation project

Prosegur collaborates, along with another ten companies from seven European countries, in the INNOvation Management Models for SECurty Organisations (INNOSEC) project, which is developing an integral model for innovation management in the security sector.

The aim of this initiative, which is part of the Seventh Framework Programme of the European Union, is to implement a system which is in line with the specifications of security companies and operators both in public and private entities in order to respond to current needs of society.

The Company, which has an advisory role in the project, shares its experience along with the other participating companies as one of the leading companies in the security sector, will eventually implement the resulting model.

## Management of security at large events

Prosegur has longstanding experience in the management of security at large events, coordinating information services, physical routing of people, protection of authorities, celebrities and installations, control of venue capacity and entry and exit of material. Highlights of 2013 include:

- Mutua Madrid Tennis Open. Prosegur was responsible for the security at the tournament. For a period of ten days and an average attendance of between 30,000 and 35,000 spectators, the Company was in charge of control of premises and access. In addition, from the control centre, it was in constant communication with the Forces of State Security and emergency units, and was responsible for transporting and safeguarding the cup.

- Rock in Rio 2013 in Brazil. Prosegur was responsible for a team of over 600 professionals and state-of-the-art technology to monitor and control accesses to the largest music and entertainment festival in the world. The novelty were the security cameras attached to the guards' jackets, allowing images to be send in real time to the monitoring centre for rapid identification of all manner of critical situations. Moreover, the Company implemented a service - Caja Fácil - which guarantees the security of cash management of commercial outlets located within the venue.
- Fórmula 1 Chinese Grand Prix. Prosegur, via its joint venture in the country, took part in the security operation at the Formula 1 Grand Prix that took place in Shanghai. Over the weekend, 1,375 guards were responsible for security at the event. With a capacity of almost 200,000 people, this is one of the largest racing events.





## 3. International presence

Prosegur aims to become a reference in all the markets in which it is present. Its strategy is founded on a solid geographical penetration, through a robust and financially strong business model. It is currently present in 17 countries: Argentina, Australia, Brazil, Chile, China, Colombia, France, Germany, India, Luxembourg, Mexico, Paraguay, Peru, Portugal, Singapore, Spain and Uruguay.

Thanks to the confidence of its clients and the development of new value added security solutions, Prosegur has driven organic growth in the regions in which it operates. For the Company, evolution does not mean cutting costs to the detriment of quality, but in reinventing services to adapt them to client needs and entering new market niches.

Prosegur is currently present in 17 countries in Asia, Europe, Latin America and Australia. Thanks to a strategy that combines organic and inorganic growth, it has consolidated its position of reference in the markets in which it operates

The acquisition of companies is one of the main sources of growth and creation of value for Prosegur and, consequently, a strategic element for development. By growing inorganically, it manages to strengthen its competitive position in a fast and secure way, entering new markets and broadening geographical coverage in those in which it is already present.

The Company mitigates the risk inherent to corporate acquisitions thanks to the application of a proprietary procedure which covers the transaction process and which is consistently applied in each operation. This includes financial, legal, labour and operational due diligence analysis. It defines key areas and is flexible in order to adapt to the particular characteristics of markets and regions. In any event, the risk for the Company in these operations is reduced thanks to its significant experience in this area, both in terms of number of operations and regions where these have taken place.

After years of solid growth, 2013 was a year of consolidation, where Prosegur concentrated on leveraging synergies from previous periods. However, it remains open to opportunities which meet the right criteria.

### “Placa al Mérito en el Comercio” (Merit In Commerce Award)

In 2013 Prosegur received the “Placa al Mérito en el Comercio”, granted by the Ministry of the Economy and Competitiveness in Spain, in recognition of its performance, both in Spain and internationally, as well as of its growth strategy.

Over almost four decades, the Company has experienced a steady growth via international expansion and commitment to innovation.

At the same time, it has developed a solid business model which has enabled it to continue broadening its operations in new markets.

## 3.1 Latin America, the driver of Prosegur

Latin America is a high growth market. In this region the use of security services is concentrated in commercial, industrial and financial sectors. However, the advancement of the middle classes in these countries as a result of economic growth has also reinforced the demand for residential security services.

### Argentina area – Argentina, Paraguay and Uruguay

Prosegur is the leading security company in the Argentina area and the only one offering integral solutions. Sales grew in 2013 by 7.4 per cent over the previous year.

In Argentina, the Company has a portfolio of over 66,000 clients between companies and institutions, businesses, stores and homes. It also has a fleet of over 570 armoured vehicles. On its part, Paraguay currently has over 1,300 professionals working in five delegations. Uruguay boasts a staff of over 3,000 professionals.

### Brazil

Present in Brazil since 2001, Prosegur is the largest private security company in the country. It provides services in 25 states and in the Federal District and currently has a team of over 51,000 professionals.

In recent years, and following the acquisition of Nordeste Segurança and Transbank in 2012, Brazil has become the largest contributor of sales of the Company.

### Chile

Prosegur is the leading private security company in Chile, with 18 branches and sub-agencies. It provides services to close to 1,500 companies and has a staff of more than 7,700 professionals.

Thanks to the constant performance of the entire business range, sales in this country in 2013 grew by 3.7 per cent over the year before.

### Colombia

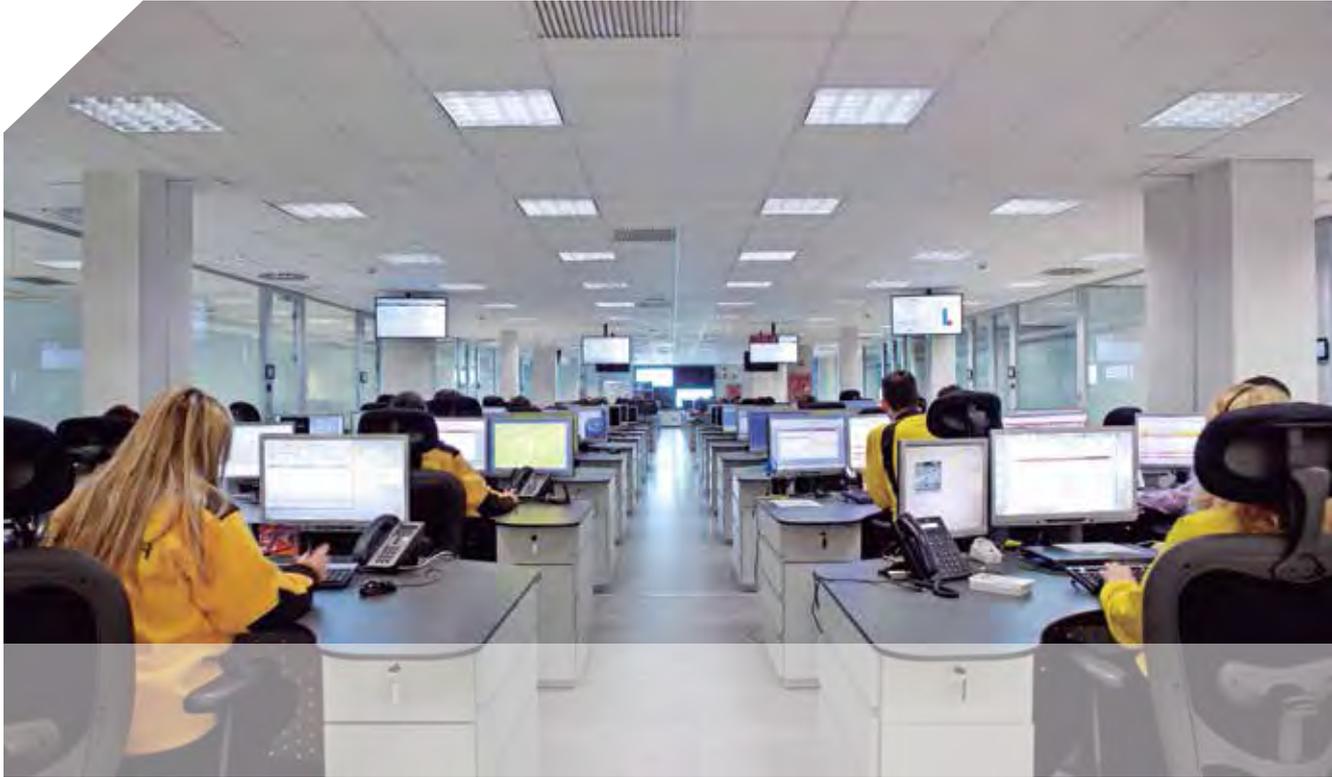
Present in Colombia since 2007, the 9,000 Prosegur professionals provide security services in 25 cities and 925 municipalities. Following the growth trend in Latin America, the increase in turnover in 2013 over the year before was of 2.4 per cent.

### Mexico

Total Prosegur sales in Mexico improved in 2013 by 10.3 per cent over 2012. The Company currently carries out Manned Guarding, Cash in Transit and Cash Management and Technology services in this country.

### Peru

Prosegur has become the leading company where attributes such as flexibility, trust, punctuality and excellence in service have led it to become the best option in the sector. In 2013 total sales grew by 2.7 per cent.



## 3.2 Europe, supporting specialisation and new solutions

During 2013, a visible improvement in margins in Europe took place as a result of the consolidation of the Prosegur business model, which has been able to successfully adapt to the difficult economic context.

### France area – France and Luxembourg

Sales in France and Luxembourg, one of the more solid areas in Europe, increased by 6.8 per cent in 2013, having exhibited a positive trend in all business areas.

The Company has managed to become the only one in the sector providing an integral service in all private security business lines.

### Germany

Germany is a market with great potential, where the Company has developed an important value added offering. Thus, the acquisition in 2012 of Securlog led to Prosegur becoming the leader in funds transfer in the country.

2013 saw the successful close of the acquisition of the Cash in Transit and Cash Management division of Brink's in Germany. The operation, approved by the German competition authority, has been subject to compliance with a number of conditions in the Berlin region.

With this new step, Prosegur has laid the foundations for stable and steady growth in the country. The Company is working towards integration of its companies in the country in order to adopt a common and uniform management model.

Prosegur's position in Germany has improved in terms of labour stability and market competitiveness and, therefore, is able to offer better prices and services to clients.

### Portugal

The business of Prosegur in Portugal has been subject to the considerable recession in the economy of this country in recent years. Total income experienced a net reduction of 1.4 per cent in the year.

However, the Company continues to apply positive restructuring measures which have allowed it to overcome the situation. It currently has over 7,000 professionals and a fleet of 140 armoured vehicles. Also, invests in new vehicles and builds a new base in the city of Faro.

### Spain

Prosegur is the company offering the best coverage in the private security sector in Spain. With over 23,000 professionals and 34 delegations all over the country, it focuses its effort in product promotion, the provision of new solutions and support of a specialisation strategy by business sector.

In line with the rest of Western Europe, the focus is on private security services in business areas which are less mature and in segments with greater added value, such as systems integration of systems and security consultancy.

## 3.3 Asia-Pacific, looking to the future

The strategy of Prosegur in the Asia-Pacific region is based on broadening geographical coverage and leading the market.

It is a region with great potential for the Company, in that it offers economic development possibilities and an incipient security sector, which provides opportunities to attract new clients with services that have been proven in other markets.

On the other hand, the region is marked by cultural and regulatory differences between the countries, which establish specific learning curves for each one. In order to overcome such difficulties, respect for local sensitivities, use of best international practices in human resources and investment in human capital are key factors.

## Asia-Pacific area – Australia, China, India and Singapore

The Asia-Pacific area continues to experience a considerable increase in revenue compared to previous years. In 2013 sales in the region, where the Company has a team of over 9,200 professionals, grew by 37.6 per cent.

In China Prosegur has made a special effort in employee training, mainly to improve operations and customer loyalty.

In the Indian market, the goal is to increase the market for ATM management. The Company currently serves more than 8,000 machines in the country. It has also made a special effort to implement a management system by branch.

Additionally, Prosegur in Singapore has focused on customer loyalty and wage increase, following government guidelines.



## Australia, the entry into a new continent

In 2013, Prosegur took a further step in its internationalisation strategy by strengthening its presence in the Asia-Pacific region.

The Company began its activity in Australia via the acquisition of Chubb Security Services, one of the main cash in transit operators specialising in cash management and ATM maintenance.

The total value of the investment was 95 million euros, including the debt of the acquired company. In order to finance this operation, Prosegur took out a syndicated loan in the medium term for 46 million euros.

The acquired company has 22 branches all over the country, a staff of around 1,000 employees and provides services mainly in the distribution and banking sectors.

## Our international presence

More than 400 offices in 17 countries across four continents, all speaking the same language: excellence, team work, innovation and transparency.

- Argentina
- Brazil
- Chile
- Colombia
- Mexico
- Paraguay
- Peru
- Uruguay

 Number of employees  
 Accumulated turnover (Mill.€)

### Brazil

 51,868  
 1,074.0

### Argentina area

 21,926  
 717.0

### Peru

 11,427  
 162.3

### Colombia

 9,325  
 126.8

### Chile

 7,714  
 143.0

### Mexico

 3,020  
 32.7

**Spain**

👤 23,345  
€ 866.7

**Portugal**

👤 7,101  
€ 145.8

**France area**

👤 5,399  
€ 227.9

**Germany**

👤 4,201  
€ 156.7

**Asia-Pacific area**

👤 9,214  
€ 39.4



## 4. Prosegur axes of development

### Process of report preparation within the G4 Global Reporting Initiative framework: focusing on what is important

Prosegur aims to transmit to the markets, as well as to its clients, employees and society at large, relevant information on its performance in sustainability and social responsibility, providing greater detail in those issues which are priorities for the Company and its stakeholders.

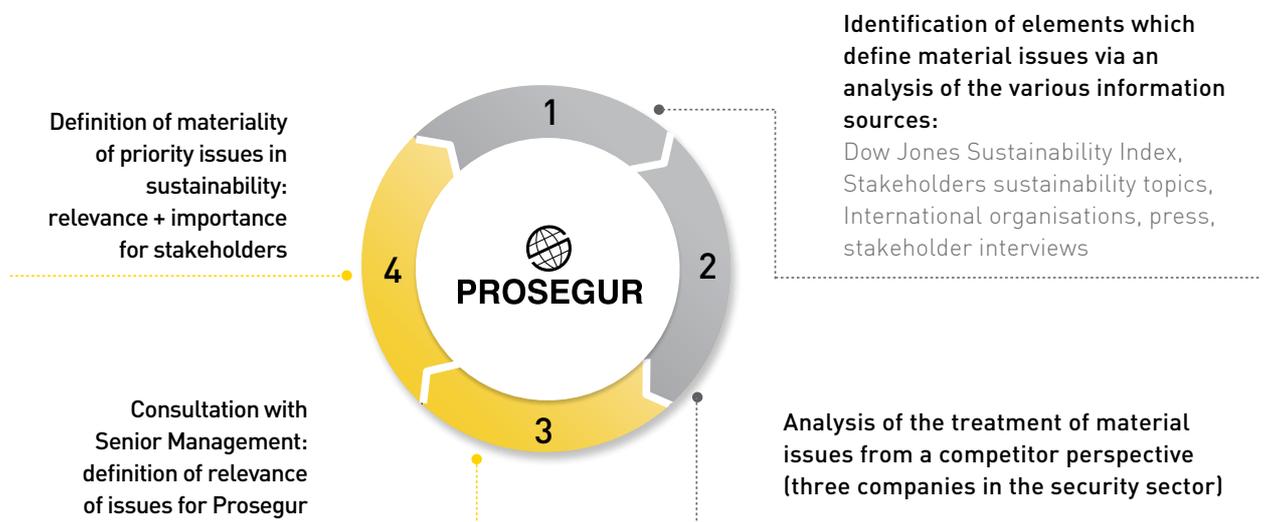
This Annual Report 2013 follows the criteria, principles and content defined in the new G4 Global Reporting Initiative (GRI) framework for preparation of annual reports on sustainability and the 'Materiality Matters' focus in that organisation, which requires carrying out a materiality analysis. The aim of the analysis is to focus on those matters of a social, environmental and/or economic nature that are relevant and which influence the decision-making by stakeholders.

Therefore, the seven general aspects of G4 – strategy and analysis, organisation profile, material aspects and coverage, stakeholder participation, annual report profile, governance and ethics and integrity – are addressed by the 2013 Annual Report and the public information on the Company. In addition, the 46 specific aspects of G4 have been subjected to materiality analysis to ensure that this report focuses on the most relevant.

### Determination of materiality (G4-18 a) (G4-23)

Prosegur developed a study in order to identify which sustainability or corporate responsibility matters are more relevant for the security sector, based on the 46 specific aspects defined by GRI. For each aspect, the process followed has been:

#### Definition of relevant matters for Prosegur





The materiality of the aspects was decided on the basis of a combination of internal and external factors. Thus, prioritisation is the result of:

1. The analysis of expectations and concerns of those clients that are relevant for Prosegur, identified for this study and which address the issues inherent to the security sector as well as expectations of stakeholders. The Company has considered the following players: [G4-24]
  - Stakeholders: Interviews of stakeholder representatives (investors, clients, third sector and financial analysts) and Sustainability Topics for Sectors: What do stakeholders

want to know? (Global Reporting Initiative).

- International bodies: Organisation for Economic Co-operation and Development (OECD) and United Nations Global Compact (UNGC).
- Investors: Dow Jones Sustainability Index and FTSE4Good.
- Analysis of reputational risks and matters of interest appearing in the press.
- Analysis of matters discussed in their reports by the three competitors of Prosegur, on an international basis.

2. Internal consultation, by way of interviews to the heads of Company areas, enabling identification of relevant matters by business and region, as well as validation of matters identified in the external analysis. For this edition of the Annual Report 2013, contributions have been made by the management of regions and business areas, and the areas of Product Strategy and Development, Economic-Financial, Organisation, Business Development, Global Accounts and Marketing, Internal Audit, Security, Legal, Human Resources, Communication and Institutional Relations.

## Material aspects

[G4-19]

The aspects analysed in this study are those defined as specific in the G4 Guide for the Preparation of Sustainability Reports.

The materiality analysis performed enabled the definition of each aspect adapted to the reality of the business and the characteristics of Prosegur. The list of material subjects which resulted is the following:

### 15 material aspects

- SO ▶ Corruption
- LA ▶ Health and safety
- LA ▶ Company- employee relations
- EC ▶ Economic performance
- HR ▶ Evaluation of operations with an impact on Human Rights
- LA ▶ Employment
- EN ▶ Emissions
- EC ▶ Suppliers (local, environmental performance. Labour practices, human rights and social impact)
- LA ▶ Diversity and equality
- HR ▶ Safety practices
- SO ▶ Local communities
- EN ▶ Energy
- EN ▶ Spillage and waste
- PR ▶ Client security
- EN ▶ Products and services

EC. Economic performance indicators  
 EN. Environmental performance indicators  
 LA. Labour practices indicators  
 HR. Human rights performance indicators  
 SO. Society performance indicators  
 PR. Product performance indicators  
 (G4-19)

### The seven “Prosegur development axes”

Following internal consultations, the last phase of materiality included a focus on the list of aspects selected in the external analysis. This enabled an in-depth study of what each one means for Prosegur and what their management focus is. The material aspects listed in the previous section have been grouped in what are known as “Prosegur development axes”.

The aim is to guide the readers of the 2013 Annual Report in regard to the management of the Company in each aspect, in line with the Corporate Responsibility Master Plan of Prosegur.

### Prosegur development axes

- 1 ▶ Good governance
- 2 ▶ Ethics and integrity
- 3 ▶ Risk management
- 4 ▶ Extension of Prosegur responsibility in all operations
- 5 ▶ Employees
- 6 ▶ Environment
- 7 ▶ Social action

The Company’s management model will now be shown in each section for each axis.

## 4.1 Good governance

The success of Prosegur and the sustainability of its business is a direct consequence of the rigour of its governance and management models. Prosegur takes as a reference the recommendations included in the Unified Code of Good Governance of the National Securities Market Commission, as well as the recommendations in this regard from the main international institutional investors.

 For more information, visit the Corporate Governance Annual Report of Prosegur ([www.prosegur.com](http://www.prosegur.com)).

Prosegur considers that the application of advance good governance practices is a key element to safeguard the success of the Company in the long term

### Ownership structure

The shareholding structure of Prosegur reflects its solidity and stability. The share capital of Prosegur Compañía de Seguridad, S.A. is of 37,027,478.4 euros, represented by 617,124,640 shares each of a face value of 0.06 euros, belonging to one same class and series.

All shares have been fully paid up and subscribed, and are traded on the Stock Exchanges of Madrid and Barcelona (Spain). Each share carries the right to one vote and there are no legal or statutory restrictions on the exercise of the vote or on the acquisition or transfer of shares in the share capital.

The list of shareholders with a significant holding in the share capital of the Company at 31 December 2013 was as follows:

Holder	Shares controlled	Voting rights
GUBEL, S.L.	309,026,930	50.07%
AS INVERSIONES, S.L.	32,817,810	5.32%
FMR LLC	29,908,843	4.85%
CANTILLON CAPITAL MANAGEMENT LLC	18,821,350	3.05%
M & G INVESTMENT MANAGEMENT, LTD	19,362,786	3.14%
OPPENHEIMER ACQUISITION CORPORATION	21,761,746	3.53%

### General Meeting of Shareholders

Prosegur Compañía de Seguridad, S.A. held its General Meeting of Shareholders, at first summons, on 29 April. The meeting took

place at its corporate offices in calle Pajaritos, 24. Madrid, Spain.

### Issues addressed in the General Meeting of Shareholders of 2013

Issue	Nature of issue
Examination and approval of financial statements and management report, both of Prosegur Compañía de Seguridad, S.A. and its consolidated group of companies, as well as of the proposal for application of results and the management of its Board of Directors, all relating to 2012	Economic
Shareholder remuneration: distribution of dividends from 2012 profit and unrestricted reserves	Economic
Re-election of directors	Economic/Social
Appointment of auditors	Economic
Approval of spin-off of the private security activity branch of Prosegur Compañía de Seguridad, S.A. in Spain to its 100 per cent owned subsidiary Prosegur España, S.L	Economic
Delegation of powers to enter into, interpret, remedy and execute agreements reached by the General Shareholders' Meeting	Economic
Consultation vote on the annual report on director remuneration	Economic

## Board of Directors

The presence of the shareholding of Prosegur in the Board of Directors enables the management bodies, and particularly the Executive Committee, to define the strategic lines and ensure that the Company decisions are in line with the interests of its owners. A stable shareholding provides the ideal conditions to develop its project and achieve its objectives.

At 31 December 2013, the Board of Directors of Prosegur was composed of nine

members: three executive and six non-executive, of which four are independent.

The responsibilities of the Chairman and the Chief Executive Officer are separate; they are different and complementary. Prosegur adopts the requirements of the main international standards on corporate governance, which recommend the separation of roles.

Name	Office in the Board	Nature of office	Executive Committee	Audit Committee	Appointment and Remuneration Committee
Ms Helena Irene Revoredo Delvecchio	Chairman	Executive	Chairman		
Mr Isidro Fernández Barreiro	Deputy Chairman	External	Member	Member	Member
Mr Christian Gut Revoredo	Chief Executive Officer	Executive	Member		
Mr Fernando Vives Ruiz	Director	External independent	Member		Member and Secretary
Ms Mirta María Giesso Cazenave	Director	External representative			
Ms Chantal Gut Revoredo	Director	Executive	Member	Member	Member
Mr Pedro Guerrero Guerrero	Director	External independent	Member	Chairman	Member
Mr Eduardo Paraja Quirós	Director	External independent			
Mr Eugenio Ruiz-Gálvez Priego	Director	External independent	Member	Member	Chairman



Balance is a key element in the composition of the Board of Directors of Prosegur, both in terms of characteristics and skills, experience and knowledge. As for independent board members, Prosegur chooses people of renown, competence and experience.

#### **Performance and effectiveness of the Board**

During 2013 the Board of Directors held a total of five meetings, with attendance of 100 per cent of its members.

The Board reserves the competence of approval of general policies and strategies of the Company, specifically: the strategic or business plan, as well as annual management objectives and budget; the invest-

ment and finance policy; the definition of the structure of the group of companies; the corporate governance policy; the corporate social responsibility policy; the remuneration policy and performance assessment of senior managers; the risk management and control policy and the dividend policy, and treasury shares, specifically the limits thereon.

In addition, and in accordance with what is set forth in the Regulations of the Board of Directors, the Chairman organises and coordinates the regular evaluation of the Board and, as the case may be, that of the first executive, with the chairmen of the Appointment and Remuneration Committee and the Audit Committee. The evaluation carried out in 2013 has not led to important changes in internal organisation nor in the procedures applicable to their activities.

## Delegated Committees of the Board of Directors

### Executive or Delegated Committee

The Executive or Delegated Committee is made up of at least three and no more than seven members of the Board of Directors and is chaired by the Chairman of the Board of Directors

It meets at least seven times a year. It holds the broadest powers of representation, administration, management and disposal and, in general, all those which pertain to the Board of Directors

### Audit Committee

The Audit Committee is made up of at least three and no more than five members. It holds at least four ordinary meetings a year

Among the Audit Committee's responsibilities are: propose the appointment of the auditor; review the Company accounts; ensure compliance with legal requirements and proper application of accounting principles; and supervise the process of preparation and presentation of financial information

The Committee supervises the efficacy of internal control and risk management systems and examines compliance with internal codes. It also supervises a system which enables the employees to report, confidentially and anonymously, any irregularities detected within the Company

### Appointment and Remuneration Committee

The Committee is made up of no less than three and no more than five members. It meets whenever the Board of Directors or the Chairman of the Board request the issue of a report or the adoption of proposals and, in any event, whenever it is deemed appropriate for the good performance of its duties

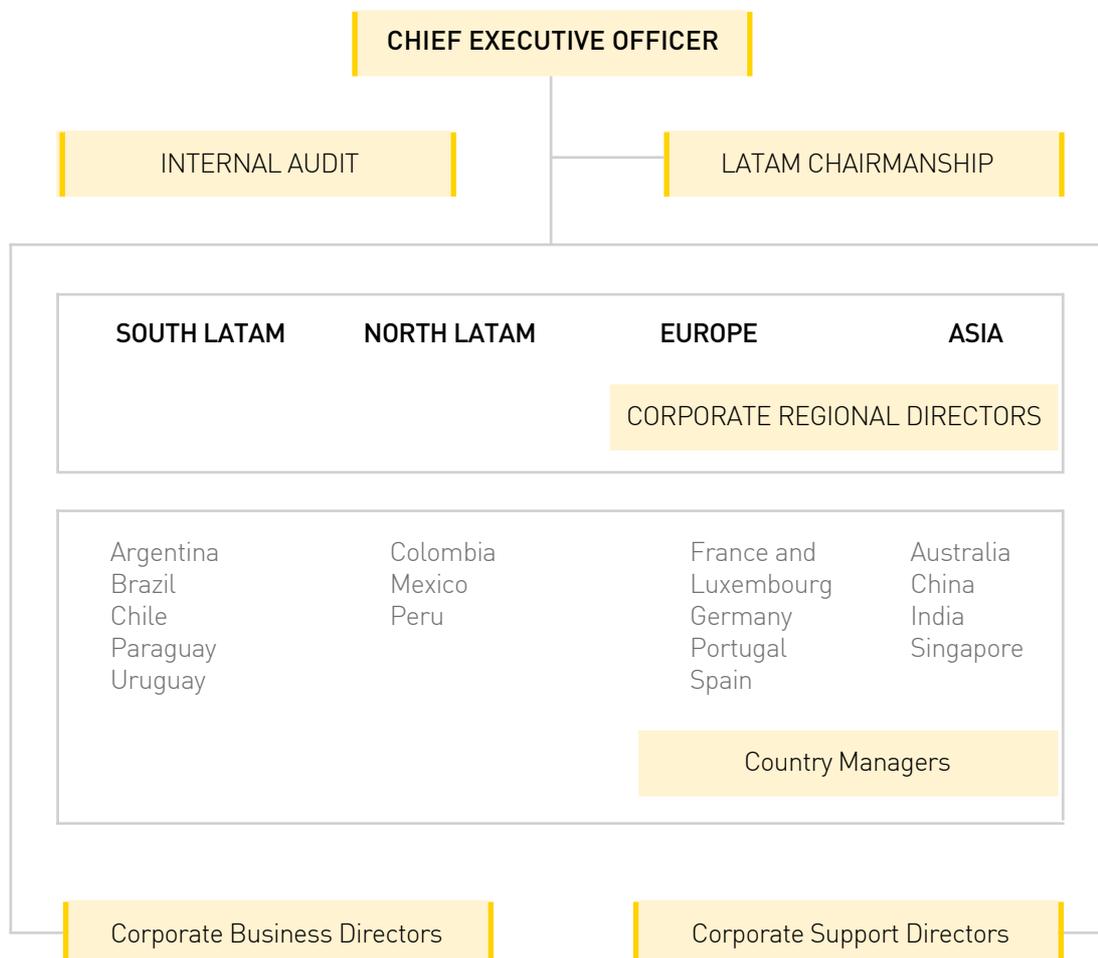
The Committee prepares and reviews the criteria which must be followed for the composition of the Board of Directors and the selection of candidates, and decides on the structure and amount of the annual remuneration of directors. In addition, it reports on any transactions which might involve or imply a conflict of interest, it examines or organises the replacement of the Chairman and informs the Board on issues related to gender diversity

## Organisational structure

The organisational structure of Prosegur reflects its needs as a multinational company and the achievement of its strategic objectives. Both those in charge of support and those in charge of business share the same objectives.

The organisation, which is clearly flexible, meets a dual purpose:

- In the first place, it enables the best response to the reality of a changing environment, allowing for adaptation to the evolution of the Company in terms of size, geographical regions and complexity.
- Secondly, it helps to focus on the creation of value to meet with the growth strategy, taking advantage of transversal business know-how.



## 4.2 Ethics and integrity

The dedication of Prosegur staff to ethics and integrity forms part of the corporate culture and its commitment to customer service.

The rigour in the definition of mechanisms of control and prevention of irregular practices and the exercise of due control are principles which guide the operations in the Company; particularly those which entail greater risk, such as acquisitions or operations in countries with less legal stability. The interests of the managers are in line with those of the Company and its owners, which reinforces all decision-making processes.

The commitment of Prosegur to ethics and compliance is reflected in the work carried out in the area of human rights, which includes the diagnosis, establishment of commitments and communication and training of employees in this subject.

Prosegur acts in an ethical and respectful manner, in accordance with common principles and standards

### Corporate Compliance Programme

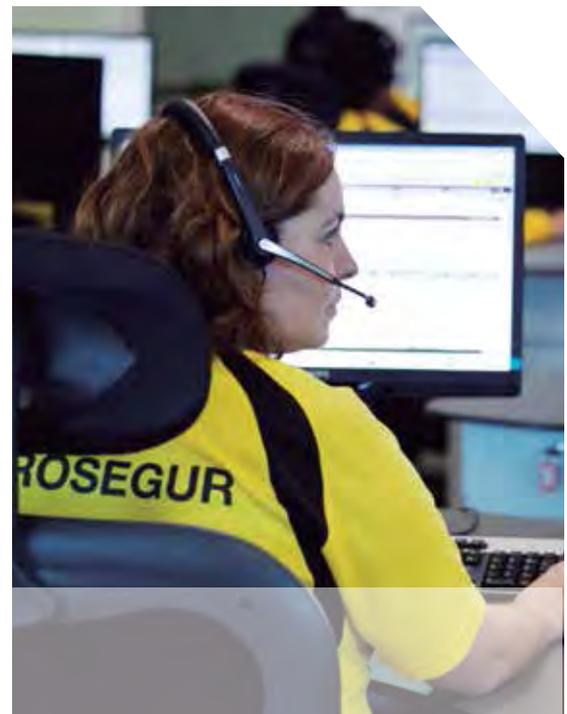
The Corporate Compliance Programme, approved by the Board of Directors, establishes control measures designed to attenuate or remove the risk of non-compliance with regulations in day to day operations.

It is overseen by a Compliance Committee which acts in an autonomous and independent manner. It reports to the Audit

Committee and is made up of the Head of Internal Audit, the Corporate Director of Organisation, the Corporate Legal Director and the Corporate Compliance Officer.

The Company has compliance officers appointed in all countries, responsible for implementing the established programmes and for ensuring proper compliance with regulations. In addition, it has compliance programmes in place on matters such as money laundering, criminal responsibility of corporate persons and competition.

The Corporate Compliance Programme is particularly relevant in processes of integration of new companies, where corporate cultures must be aligned, risks must be mitigated and due diligence must be exercised.



### Diagnostic work

- Analysis of Company activity
- Review and analysis of internal policies
- Review and analysis of business processes
- Analysis of possible criminal risks of the Company
- Interviews with heads of all business areas
- Analysis of power structure, delegation of power and governance bodies

### Establishment of control measures

- Drafting of policies and processes or adaptation of existing ones
- Establishment of a policy of crime prevention, detection and reaction
- Design of a code of conduct/ethics
- Definition of duties of the Compliance Officer
- Establishment of a system for anonymous reporting and internal communication
- Preparation of a document of representations and warranties

### Training

- Training courses for employees on the most relevant aspects and processes to be applied in each specific case
- Training courses for senior management and Board members
- Specialised courses for compliance officer

## The fight against unauthorised practices, fraud and unfair competition in the private security sector

Prosegur was particularly active in 2013 in the promotion of clear instruments to prosecute irregular conduct in the private security sector, such as unauthorised practices and fraud in the tax and labour areas. Bad practices not only negatively affect the competitiveness of companies that comply with their obligations, but also affect the rights of employees.

For this reason, the Company actively collaborates with all public bodies working on such matters in order to help prevent, detect and eradicate such practices.



## Code of Ethics and Conduct

At the suggestion of the Audit Committee, on 28 October 2013 the Board of Directors approved a revised version of the Prosegur Code of Ethics and Conduct, binding for all members of the governance bodies, senior management and staff of the Company.

The Code of Ethics and Conduct provides a guideline on the behaviour and good practice of all Prosegur professionals. It reflects common standards and principles in the development of relationships with stakeholders of the Company: employees, shareholders, clients and users, suppliers and associates, authorities, public administrations and regulatory bodies,

competitors and civil society in which it operates.

The Code of Ethics and Conduct applies to all companies within Prosegur and all businesses, activities and countries. It is freely available and can be accessed in the web page [www.prosegur.com](http://www.prosegur.com).

All Prosegur professionals are obliged to know, subscribe and comply with the Code of Ethics and Conduct and to help implement it. New recruits, as of the time of signing the contract, receive a copy of this document and must confirm their commitment to comply therewith.

## Dissemination plan of the Code of Ethics and Conduct

Prosegur will carry out in 2014 a plan of implementation and dissemination of the Code of Ethics and Conduct which will include the following actions:

- Approval of the revised version of the Code of Ethics and Conduct by the administration bodies of all the companies in all countries in which the Company is present.
- Communication to all employees via: intranet, web, corporate magazines, bulletin boards, electronic mail, etc.
- Subscription by all employees of the Ethics and Conduct Code via several means.
- Classroom training as part of the training courses organised by the area of Regulatory Compliance and online training via courses given by the Prosegur University.
- Inclusion of the Code of Ethics and Conduct in contracting processes of suppliers and dissemination among existing suppliers.

The Code of Ethics and Conduct expressly mentions the preparation of financial report in an integral, clear and accurate way, as well as its disclosure via transparent communication channels allowing permanent access thereto by the market and especially by the shareholders and investors.

All reported violations of the Code of Ethics and Conduct will be analysed by impartial experts, who shall offer their conclusions and propose, as the case may be, any corrective actions to be applied.

In addition, since 2012 Prosegur is a signatory of the Code of Conduct and Ethics of the Ligue Internationale des Sociétés de Surveillance and also recognises the Code of Conduct and Ethics for the private security sector drawn up by the

Confederation of European Security Services (CoESS).

### Upright and impeccable action

One of the assets of Prosegur is the integrity and ethics of its employees, as well as discretion in managing the information to which they have access. In this regard, employment contracts include strict confidentiality clauses.

Prosegur considers very serious faults to be falsehood, disloyalty, abuse of trust or theft, both in regard to other work colleagues or the Company, or in regard to third parties related to the service. Demanding or requesting remuneration or reward from third parties, irrespective of the manner or pretext thereof, shall also be considered a serious fault.

Prosegur has several incentives programmes for indirect personnel enabling them to earn variable remuneration directly related with the compliance or achievement of set targets. These must be in line with the strategy of the Company and of the department or unit, and may be linked to the prevention of irregular practices.

### **Commitment to human rights**

As a company of reference in the private security sector, Prosegur respects, in its practices and procedures, the rights listed in the Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations. In addition, the Company supports the United Nations Global Compact, an initiative focused on the respect of ten principles of corporate conduct in human rights, employment standards, the environment and the fight against corruption.

Prosegur works towards establishing control measures and training its professionals. The Company describes its commitment to human rights in a public document which contains the responsibilities and guidelines and which includes the behaviour expected in relations with commercial partners and other relevant players. This commitment forms part of the general corporate responsibility guidelines of the Company and is in line with what is set forth in its Code of Ethics and Conduct.

In 2013 Prosegur progressed in relation to human rights via the analysis of the risk map. This diagnosis verified that the Company's human rights risks are related with the business and, consequently, are

considered in other categories of the risk map.

Furthermore, the Company took part in a working group created at the beginning of 2013 by the Global Compact Network Spain. Within the framework of this collaboration, the event "Experiences in the private sector in the implementation of the United Nations Guiding Principles on Business and Human Rights" took place, sharing experiences on who companies implement policies, processes and controls in this area.

### **Anonymous and confidential report channel**

Since 2009, Prosegur has an anonymous channel for making reports, freely accessible via its web page and from the local corporate pages in each country. The channel allows the reporting of any irregular, fraudulent or unethical conduct.

The reports are received by the Audit Director who passes them on, according to the subject and the seriousness, to the area of Security or to those responsible in the country from where the report has been made. Following the investigation, the report is presented to the Audit Committee, which will supervise the result of the report analysis process, under the protection of Internal Audit. Any reports related to fraud are investigated separately by the Security department. The conclusions of the investigation are presented at the Audit Committee meetings.

## 4.3 Risk management

Prosegur is aware of the risks inherent to its activity. Clients place their trust in the Company, who responds by acting under a firm commitment to integrity and compliance with the client. However, the provision of the service is not risk-free.

The commitment of Prosegur with its clients and other stakeholders carries the responsibility for ensuring the proper management of risks which might affect, among others, the balance sheet and profit of the Company. The reliability of the financial information, the transparency and the rigorous observance of the laws and rules which regulate the sector are critical for preserving reputation.

The Company is also aware of its exposure in the medium and long term due to changes in the economic cycles or in the structure and characteristics of the markets and societies in which it carries out its activities.

An efficient management of risk is key to ensuring value creation and the success of the Company. For this purpose, Prosegur has a risk management and control system implemented in all areas of activity, to analyse, control and assess the relevant factors which might affect its daily management in the achievement of its business targets. In this way it protects the interests of clients, employees and shareholders.

Prosegur considers that the efficient management of risk is key to ensuring value creation. The Company, with prudent management, is able to transform risk into business opportunities

### The Prosegur risk management system

Prosegur has systems for identifying the main contingencies and to classify them according to nature and relationship with the achievement of short, medium and long term targets. This identification is





performed on a yearly basis in order to detect new items on which to act.

The Prosegur risk management system is mainly based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard and works together with other standards such as Basel III, inherent to the financial industry, and the ISO 31000 standard.

The maximum responsibility for risk management falls on the Board of Directors. The Audit Committee, among its basic duties, is in charge of supervising the efficacy of internal control and the risk management systems, to confirm their adaptation and integrity and review the designation and replacement of those responsible.

The Company also has a Corporate Risk Committee which reports to the Audit Committee, to identify critical risks using a risk map to analyse those which are the most relevant.

The corporate Risk Management department is the area which defines the

policies, procedures and tools used in the identification and quantification of risks. It is also responsible for proposing mitigation measures and ongoing monitoring of any deviation from tolerance levels established by the Board of Directors. The Board of Directors has also delegated specific duties to the business units to encourage their proactive participation in risk management. The risk information and monitoring processes are the responsibility of the various risk management committees, which hold regular meetings. Thus, the committee for reassessment of financial risk meets monthly, those on operational and regulatory compliance meet monthly and quarterly, those of business risk on each country meet each quarter and, finally, the global risk reassessment meeting is held once a year.

On the other hand, the Audit Committee has delegated to the Internal Audit area the supervision of internal control and of risk management. This department independently assesses the operation of the risk management system to ensure it is suited to the needs of the Company. A systematic and rigorous approach is applied in the supervision of the efficiency and efficacy of the processes, the control and the governance of the system. The area verifies that risks are being properly managed; it allocates responsibilities and establishes a risk tolerance policy, using indicators and performing the necessary monitoring. Among other duties it must supervise the internal control of financial information. The Board of Directors is informed of the results of such reassessment processes.

## Organisation

### BOARD OF DIRECTORS

#### EXECUTIVE COMMITTEE

CORPORATE MANAGEMENT  
AREAS

BUSINESS MANAGEMENT  
AREAS

#### AUDIT COMMITTEE

CORPORATE  
INTERNAL  
AUDIT  
DEPARTMENT

#### RISK COMMITTEE

Strategy  
Management < **Strategic  
risks**

Regional  
management < **Regional  
business risk**

Financial &  
Economic  
Management < **Financial  
risks**

Country  
Management < **Country  
business risk**

Legal  
Advice  
Department < **Legal  
risks**

Human  
Resources  
Management < **Human  
resources  
risks**

Business  
Activity  
Management < **Operational  
and compliance  
risks**

#### RISK MANAGEMENT AREA

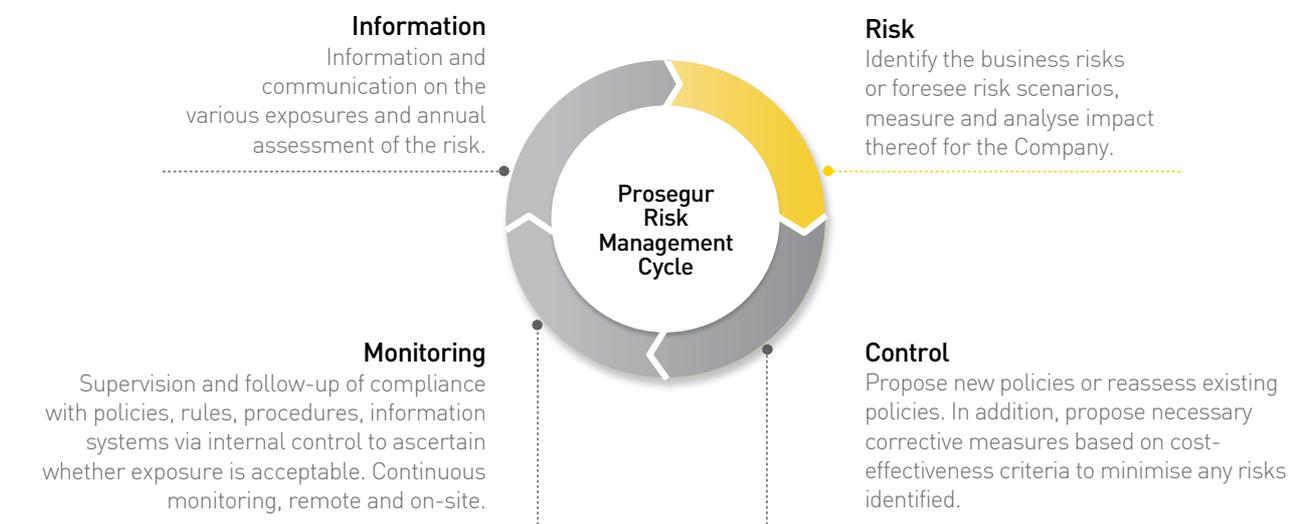
"Provides assistance to the Prosegur Management areas in the identification, definition of strategies of mitigation or transfer, measurement, assessment and continuous monitoring of operational and compliance risk"

"Independent assessment of efficiency and efficacy of the Risk Management and Internal Control System"

## Risk management cycle

## Schedule of risk information and monitoring

Monthly	<p><b>Information on exposure relating to:</b></p> <ul style="list-style-type: none"> <li>Financial risk</li> <li>Operational and compliance risk</li> <li>Reputational risk</li> </ul>
Quarterly	<p><b>Monitoring via Risk Committees of:</b></p> <ul style="list-style-type: none"> <li>Business risk</li> <li>Financial risk</li> <li>Operational and compliance risk</li> </ul>
Six-monthly	<p><b>Information to Board of Directors about:</b></p> <ul style="list-style-type: none"> <li>Business risk</li> <li>Financial risk</li> <li>Operational and compliance risk</li> <li>Reputational risk</li> </ul>
Annual	<p><b>Risk map reassessment process</b> <b>Review of Strategic Risks</b></p>



	RISKS	MITIGATION STRATEGY
<b>Strategic risks</b>	<ul style="list-style-type: none"> <li>▶ Exposure to changes in economic cycles</li> <li>▶ Business concentration in similar geographical areas</li> </ul>	<ul style="list-style-type: none"> <li>▶ Diversification of businesses in differentiated markets</li> <li>▶ Independent due diligence processes</li> </ul>
<b>Business risks</b>	<ul style="list-style-type: none"> <li>▶ Unfair competition</li> <li>▶ Supplier dependence</li> </ul>	<ul style="list-style-type: none"> <li>▶ Development of new value added products and services</li> <li>▶ Entry of new suppliers from international markets</li> </ul>
<b>Financial risks</b>	<ul style="list-style-type: none"> <li>▶ Liquidity risk</li> <li>▶ Credit risk</li> <li>▶ Price risk</li> <li>▶ Market risk</li> </ul>	<ul style="list-style-type: none"> <li>▶ Currency rate hedges</li> <li>▶ Individual credit limits per client</li> <li>▶ Collar structures for fuel purchase</li> <li>▶ Treasury planning and projection</li> <li>▶ Diversification of funding sources</li> <li>▶ Natural hedging of cash flows</li> </ul>
<b>Legal and reputational risks</b>	<ul style="list-style-type: none"> <li>▶ Penalties for violation of legislation in matters of money laundering, private security, data protection, labour and Internal Rules and Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identification of risks at an operational level and regular evaluation of control area</li> <li>▶ Evaluation of proper operation of implemented controls via monitoring programmes</li> </ul>
<b>HR Risks</b>	<ul style="list-style-type: none"> <li>▶ Loss of talent</li> <li>▶ Scarcity of resources</li> </ul>	<ul style="list-style-type: none"> <li>▶ Talent management programmes</li> <li>▶ Programmes to dignify Prosegur personnel associated with guarding and surveillance services</li> </ul>
<b>Operational and Regulatory compliance risks</b>	<ul style="list-style-type: none"> <li>▶ Thefts, break-ins, etc.</li> <li>▶ Errors in operations</li> <li>▶ Legal fines</li> <li>▶ Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identification of risks and design of control structures in all activities</li> <li>▶ Remote and on-site monitoring programmes according to risk level</li> <li>▶ Implementation of business continuity plans and recovery plans</li> <li>▶ Global policies on Physical and Logical Security</li> </ul>



### Day to day risk: operational risk and regulatory compliance risk

Prosegur devotes significant effort to the management of operational and regulatory compliance risks given their impact on the commitments undertaken with stakeholders and, specifically, with the clients.

The corporate department of Risk Management carries out a programme of continuous analysis of operating processes, seeking to detect, evaluate and manage any risks that might arise. This task is carried out by over 80 professionals working in two continental platforms: one for Latin American countries and the other for Europe and Asia-Pacific.

It is worth mentioning the monitoring task carried out by the corporate department of Risk Management over control and monitoring processes of traceability of operations carried out in transport, handling and storage of cash. This activity is currently implemented in Europe as well as in Argentina, Chile, Paraguay and Uruguay. Its establishment in other Latin American countries is planned for 2014.

In 2013 over 400 operational and regulatory compliance reviews were carried out, as well as over 400 cash counts. The extent of coverage of the work plan was of an average of 1.5 delegations that underwent operational reviews in Latin America and of 0.5 in Europe. As for cash counts, the coverage was approximately of 1.8 cash counts per delegation in Latin America and of 1 cash count per delegation in Europe.

Likewise, the area devoted to regulatory risk carries out an essential role in prevention of money laundering, and is responsible for the internal organisation of the Money Laundering Prevention Unit (of the Spanish, UPBC) in Spain. The Unit is part of the regulations which obliges Prosegur to implement measures to prevent cash transport to be used for money laundering purposes.

It is worth mentioning that the Insurance Department of Prosegur is responsible for the transfer of operational risk. The insurance portfolio is made up of several global and local schemes which protect the Company and its owners and employees.

## 4.4 Extension of responsibility in all operations

Prosegur expects all suppliers and partners with whom it works to comply with the ethical standards and principles which the Company applies to its activities. Supplier approval processes help to reduce incidents and defaults and to achieve the desired quality. In addition it implements measures to incentivise high standards of corporate responsibility in the private security sector and throughout the supply chain.

### Responsibility in the supply chain

Prosegur applies economic and quality criteria to the selection of suppliers and subcontractors.

Prosegur selects its partners with independence, objectivity and transparency, reconciling the interest in obtaining best conditions with the need to maintain stable relationships with ethical and responsible third parties

### The supply chain

Prosegur has a procurement process which enables it to optimise costs, taking advantage of its negotiating capacity and the synergies in place in the various countries.

### Prosegur procurement process

#### Selection of suppliers, negotiation of offers and awards

Description of the characteristics of the good or service to be engaged (technical specification, quality, delivery date, service-level agreement, etc.)  
 Selection of suppliers to contact  
 Request of at least three written offers for purchases defined in the procurement process  
 Negotiation of offers by Procurement department, with the support of the requester of the purchase and/or business and/or functional areas involved  
 Written documentation of results of comparison of offers and calculation of savings  
 Once the approvals have been obtained, the supplier of the good or service in question is selected

#### Contracts / Framework agreements

Review of the contract or equivalent document by Legal department. In general all orders must include the General Conditions of Purchase and Contracting. The business partners and subcontractors must respect the Code of Ethics and Conduct of Prosegur

Prosegur has commercial relationships with over 30,000 suppliers. Expenditure in 2013 reached 971.7 million euros.

The Company gives priority to local suppliers in order to generate business opportunities in the areas in which it operates. Prosegur estimates that 94 per cent of purchases in Brazil and 80 per cent in Colombia are local.

In addition, the Company encourages competition among suppliers in order to obtain a better cost-quality benefit. To this end, it organises tenders for suppliers in each business to present their bids.

### Supplier management

Prosegur is governed by responsible purchase criteria, objectivity and transparency in supplier selection. The Company seeks the balance between obtaining the best terms for supplies and a commitment to maintaining stable relationships with ethical and responsible suppliers.

To this end, it carries out a supplier approval process in order to ascertain whether these are apt and reliable in regard to its needs. Suppliers are classified by nature of the service or product supplied, identifying those which are of strategic value for the business.

Thus, for instance, in Argentina Prosegur carries out preliminary studies to prevent incidents with contractors who carry out their activity at Company premises. The system controls whether the personnel, equipment and vehicles involved are properly equipped to execute the tasks in

hand. This helps prevent a contingency from directly or indirectly causing harm to Prosegur.

Likewise, in Colombia, it assessed and then reassessed in 2013 those suppliers whose goods or services directly affect service quality.

The supplier approval process implies presentation of administrative documentation related to legal requirements. In Paraguay, the approval and qualification of contract suppliers follows the ISO 9001 standard. Supplier approval is valid for four years, during which time the Company controls performance in regard to incidents and non-conformities in management.

In addition, Prosegur carries out a contract monitoring process and assess degree of compliance. At this phase it considers whether the product or service received has met with requirements, posing no risks to the Company, as well as that supplier performance is in line with ethical, labour and environmental criteria





## Supplier development

Prosegur works closely with its main suppliers. This means that any adjustments or improvements are discussed with the supplier on an ongoing basis. This is the case of Germany, for example. The Company meets the supplier of cash carrying sacks two or three times a year to analyse progress and potential incidents.

In Brazil, Prosegur promotes the joint development with suppliers in search of alternatives. For instance, the Company acts as the nexus between a supplier of chests in Brazil and a supplier of armoured bodywork in Argentina to produce a vehicle that is partially assembled in Argentina and finished in Brazil. Likewise, it connected a supplier of bulletproof vests in Colombia with a Brazilian textile company in order to produce in Brazil an improved version of bulletproof vests for the security guard uniforms.

The Company works with Special Employment Centres as suppliers, in order to promote the inclusion of disabled people and comply with the legislation in force. In this regard, different services such as warehouse management or promotional merchandise have been contracted.

On the other hand, the Company also develops new products and services in conjunction with innovative suppliers. These include professional and home surveillance systems, access control, remote control and geolocation of persons and goods, among others.



### Commitment with the development of the industry

Prosegur is a member of industry organisations and associations in order to

promote the development of the sector, improved quality standards and to drive the most suitable public policies.

#### Main international organisations of which it is a member

Ligue Internationale des Sociétés de Surveillance: Association of private security service companies at an international level. Non-governmental consulting body of the United Nations (UN) and the European Union.

Confederation of European Security Services (CoESS): European confederation of private security service companies

Aviation Security Services Association – International (ASSA-I): International association of airport security service companies

European Security Transport Association (ESTA): European association of companies providing services of cash in transit, cash management and handling

ATM Industry Association (ATMIA): International association of the ATM industry

At a regional and country level, the Company is also a member of key associations in the sector

#### **Argentina**

Argentine Chamber of Research and Safety Companies (CAESI)  
Argentine Chamber of Cash in Transit Companies (CETCA)  
Argentine Federation of Load Carriers (FADEEAC)  
Chamber of Load Carrier Companies (CEAC)  
Chamber of Private Security Training Centres

#### **Australia**

Australian Security Industry Association (ASIAL)

#### **Brazil**

Brazilian Cash in Transit Association (ABTV)  
Brazilian Electrical and Electronic Industry Association (ABINEE)  
National Federation of Surveillance, Security and Cash in Transit Companies (FENAVIST)

#### **Chile**

Association of Private Security and Cash in Transit Companies (ASEVA)  
Chilean Association of Alarm System Companies (ACHEA)  
Chilean Security Association (ACHS)  
National Association of Security Professionals (ANASEP)  
National Association of Security Companies of Chile (EMPRORSE)

#### **Colombia**

Colombian Federation of Private Security and Surveillance Companies (FEDESEGURIDAD)  
National Corporation of Private Security Companies (CONASEGUR)

#### **France**

Union of Private Security Companies (USP)  
Federation of Fiduciary Security Companies (FEDESFI)

#### **Germany**

National Association of the Cash In Transit Industry (BDGW)

#### **India**

Association of Cash Management of India (CLAI)

#### **Mexico**

Mexican Association of Private Security Companies (AMESP)

#### **Paraguay**

Paraguayan Company of Valuables Logistics and Security (CAPATRAVALSEP)  
Paraguayan Chamber of Professional Security Companies

#### **Peru**

National Security Society of Peru (SNS)

**Portugal**

Association of Private Security Companies (AES)

Portuguese Association of Electronic Security and Fire Prevention (APSEI)

**Singapore**

Security Association of Singapore (SAS)

Association of Certified Security Agencies (ACSA)

**Spain**

Professional Association of Private Security Companies of Spain (APROSER)

**Uruguay**

Uruguayan Chamber of Cash in Transit (CUETRACA)

Uruguayan Chamber of Electronic Security Systems (CIPSES)

Uruguayan Chamber of Security Companies (CUES)

## 4.5 Employees

Prosegur has an ambitious team in terms of setting goals, humble enough to listen and learn, and with clear and defined values.

The Company is a generator of net and quality employment in all the markets in which it is present. At the end of 2013 it boasted 150,000 professionals.

In the private security business, the best guarantee for a successful relationship is having the best professionals. Prosegur is aware that its human capital, made up of over 150,000 employees, is the best resource it possesses

### **A responsible company promoting the dignification of the sector**

Prosegur is a company whose employment generation capacity is recognised in all the countries in which it operates. The Company

believes that the development of its business –security– requires capable and competent professionals who are committed to regulatory compliance.

For this reason, it is firmly committed to highlighting the social value generated by its professionals. A Prosegur guard brings enormous value to a client that increasingly demands services that are highly specialised and reliable.

The Company ensures full and effective compliance with the principle of equality, reflected in its Equality Plan, observing in all cases the legislation in force in the countries in which it is operational. Likewise, it does not tolerate any form of harassment or abuse.

Prosegur maintains a stable and trustworthy relationship with the workers' legal representatives in the countries in which it is present.

## Prosegur and trade unions enter into an agreement to create the European Works Council

Prosegur and the trade unions UGT, CC.OO. and USO (Spain), Verdi (Germany), CGT (France), and STAD and SITESE (Portugal) signed in 2013 an agreement to create the European Works Council.

With this agreement, the aim of the parties is to promote transnational cooperation and begin constructive dialogue on a European basis to enable consultation and information between the Company and the workers' representatives.

The creation of this committee proves the sensitivity of Prosegur regarding workers' demands and the importance it gives to maintaining constant dialogue to improve the working conditions of its employees.

## A common culture

Prosegur has consolidated a corporate culture that is homogeneous, known and shared by all employees. The culture reflects the aspirations and challenges of

the Company and defines the values which direct its actions. It promotes one same management style in all countries and encourages the exchange of experiences and good practices in pursuit of uniform and consistent management.

**Vision.** To become a worldwide reference in security, respected and admired as a leader, seeking to create a safer world.

**Mission.** To generate value for our clients, society and shareholders by offering integral and specialised security solutions based on the most advanced technology and the talent of the best professionals.

The Vision, Mission and Values of Prosegur are communicated to employees via the global initiative Así Somos (The way we are). This project reflects the passion, the spirit and soul of the Company.

## Values.



## Prosegur, for many reasons

Prosegur, por muchas razones (Prosegur, for many reasons) is a project which was begun in 2012 based on the value brought to employees in order to boost the Prosegur brand as employer and encourage pride among those who belong to the Company.

The analysis performed to launch the project identified the main differential attributes that the Company brings as a place of work, and which are an added value for its professionals. The results define Prosegur as a great company, undergoing continuous innovation, where the best employees and people work and whose ultimate goal is to build a better society in which to live.

	DIRECT	INDIRECT
<b>A great company</b>	<ul style="list-style-type: none"> <li>▶ Social prestige</li> <li>▶ Fulfilment of commitments and conditions</li> <li>▶ Possibility of working with great clients</li> </ul>	<ul style="list-style-type: none"> <li>▶ Prestige of a large multinational company, leader in its sector</li> <li>▶ Growing company</li> </ul>
<b>Great challenges and opportunities</b>	<ul style="list-style-type: none"> <li>▶ Possibility of learning a profession</li> <li>▶ Career opportunity working "from the bottom up"</li> </ul>	<ul style="list-style-type: none"> <li>▶ Multiple professional opportunities</li> <li>▶ Global company</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>▶ Access to state-of-the-art working tools</li> </ul>	<ul style="list-style-type: none"> <li>▶ Opportunity to participate in cutting edge projects</li> </ul>
<b>The best professionals and people</b>	<ul style="list-style-type: none"> <li>▶ Working with the best colleagues and collaborators</li> <li>▶ Possibility of learning from others</li> </ul>	<ul style="list-style-type: none"> <li>▶ Highly qualified team, the best in the industry</li> </ul>
<b>Contribution to society</b>	<ul style="list-style-type: none"> <li>▶ Direct beneficiaries of the Prosegur Foundation</li> <li>▶ Pride in belonging to the Company</li> </ul>	<ul style="list-style-type: none"> <li>▶ Pride in belonging to the Company</li> <li>▶ Real possibility of taking part in social volunteer programmes</li> </ul>

In 2013, the "Prosegur, por muchas razones" project was recognised in the XI Edition of the "Premios Emprendedores y Empleo a la

Innovación en Recursos Humanos", awarded in Spain by the economic newspaper Expansión, in collaboration with IE Business School.

## Prosegur University

The main objective of the Prosegur University is to develop the knowledge and skills required by Company professionals in order to meet the objectives of the Strategic Plan. The University seeks to improve the qualification of direct and indirect personnel in technical areas, management, technology and management skills and competency development - such as operative excellence, customer and service orientation, quality or commercial orientation and achievement of results -.

Moreover, the Prosegur University tries to ensure that all professionals share the Values and the Culture of the Company, and that they are proud to belong to and take part in a common project.

The Prosegur University is a physical and virtual meeting point. The online campus is structured into four business faculties - Manned Guarding, Cash in Transit and Cash Management, Technology and Alarms -, a business management school and a sales school. There are currently over 150 courses available. This space provides access to every user to personalised content, as well as to a library with interactive and traditional contents.

In 2013 the coverage of the online campus of the Prosegur University was extended to five new countries - Argentina, Colombia, Paraguay, Peru and Uruguay - which were added to Spain and Portugal. The Company works to extend the online campus to other markets where it is present, in order to increase the number of training hours and participants.

Each country has a person responsible for the Prosegur University. They meet every year with those from other countries to share good local training practices.

Every year over 80,000 hours of training are provided at the Prosegur University, added to the annual training programmes which each country carries out on an individual basis. In total, the training given in Prosegur, in 2013, exceeded two million hours.

## Professional performance

Prosegur has a highly motivated human team and has built a culture where recognition of merit is a mark of identity. The Company has identified groups of professionals which are key for fulfilment of the goals of the Strategic Plan. In this regard, performance assessment plays a major role. Prosegur annually reviews the performance of its employees, analysing their achievements and areas for improvement.





The Company has a management system known as Summa Quatro, which is a systematised process in which the boss and the employee meet to analyse, as objectively as possible, the employee's performance over the last year. The aim is to highlight his strengths and to work in areas for improvement. Through this project, Prosegur aims to:

- Make all professionals reflect on how they perform their work.
- Encourage meetings and communication between bosses and employees to jointly analyse the work carried out and benefit team management.
- Record information on annual performance of people in terms of motivation, capabilities and knowledge, in order to

best guide their development and professional career.

- Design plans for each participant for future actions: motivate, train, allocate new tasks or promote.

This Project, which was implemented in twelve countries – Argentina, Brazil, Colombia, Chile, France, Mexico, Paraguay, Peru, Portugal, Singapore, Spain and Uruguay – included over 9,000 assessments.

In addition, a full online training plan in several languages was developed, along with classroom sessions, so that both the team managers and their staff are able to implement the assessment process with the best guarantees. The employee's opinion is very important, and is thus added to the

self-assessment process so that both – the boss and the employee – carry out the task, find common ground and jointly define future action plans.

### Health and safety of people

One of the main objectives of Prosegur is to ensure the safety and physical integrity of its employees. The Company uses the utmost rigour and acts in line with the highest standards in terms of occupational risk prevention. The intensity of such actions is the same in all countries.

The high exposure to risk of Prosegur workers, especially those in guarding and protection, means that the identification and evaluation of risk must be an ongoing process.

The Company has software tools which enable the performance of specific assessments for each service provided and to carry out exhaustive monitoring of accident statistics, labour conditions at the delegations and any incidents which may arise.

Prosegur has health and safety committees in all areas of business. These are joint bodies and participation groups for regular and periodical consultation of occupational risk prevention matters. They meet on a quarterly basis and are formed by the heads of the delegation and the prevention delegates (appointed by and from among the workers' representatives).

### Training in occupational risk prevention

Prosegur invests in specific training and advancements to guarantee that all workers

work in safe environments, offering them the best training and the most advanced equipment.

The aim of training is to broaden, develop and perfect the attitude of the professionals in order to prevent occupational risks to which they are exposed as part of their daily work

Since 1999, the Company has been organising training activities in the area of occupational risk prevention, such as:

- Modules in access training courses of operational personnel.
- e-learning courses over the corporate intranet for security guards, control assistants, telephone operators-receptionists, counting personnel and office staff.
- Multi-media courses for security guards and service assistants.
- Specific courses as part of lifelong learning, which include basic concepts, general and specific risks and prevention thereof.
- Modules in the online platform of the Prosegur University.

It has also prepared specific material on matters such as electric risk prevention, road safety, occupational risk prevention in the chemical industry, low voltage electrical work, hazardous chemicals and handling firearms, among others.

## 4.6 Environment

Investment in technology and a business model based on efficiency enable Prosegur to progress in reducing the environmental footprint of its activities and the promotion of eco-efficiency.

The model of environmental management of the Company, integrated within the quality system and structured around compliance with legislation - both international and, above all, local -, is aimed at pollution prevention, energy efficiency and transparency. This encourages and promotes countries to meet the requirements of ISO 14001 and become certified by accredited entities.

Preservation and respect for the environment is one of the basic cornerstones of the action in Prosegur

### Management of environmental aspects

Prosegur has environmental management systems in all countries to carry out the identification of risks, set goals and priorities for improvement and reduction of environmental impact for each of them.

Annually, countries develop environmental management programmes that define objectives and priorities to reduce environmental impacts. The Company conducts follow-up audits in its branches, with special attention paid to those activities with a higher environmental impact.

It is worth mentioning that in Brazil Prosegur has acquired environmental measurement equipment which enables the assessment of risk and the adoption of preventive measures.



## Improvement of the recording and monitoring of environmental information in Argentina

During 2013 Prosegur developed in Argentina a matrix for assessment of significant environmental impacts. Based on the results, actions were designed to mitigate risk in the management of hazardous waste and consumption of materials, electricity and water which shall be carried out in 2014.

The Company has improved the scope of the information on power and water usage in the country. From recording consumption of gas, water and electricity at 14 plants in 2012, it now controls usage in 460 locations, all of the areas where Prosegur carries out activities in Argentina.

It has also worked on mapping the hazardous waste all over the country and has begun to record the consumption of fuel and kilometres travelled, with a monthly monitoring process on a global basis.

### Responsible fleet management

The main impact of Prosegur, related to the provision of transport services, is the emission of greenhouse gases associated with the combustion of fossil fuels. In this regard, the Company is carrying out a gradual renewal of the fleet by purchasing less polluting vehicles.

In Argentina it added a total of 146 new units to the fleet, of which eleven were heavy vehicles and 135 were light vehicles. This translates into 8 per cent of vehicles with environmental improvements.

On its part, the increase of activity in Colombia enabled the Company to make an investment in more efficient vehicles which meet the Euro 3 regulations. Prosegur thus guarantees a cleaner operation with lower fuel consumption.

Regarding the use of propulsion systems or alternative fuel, of note is the use of natural gas fuelled vehicles in Colombia and of hybrid vehicles in Spain.

Additionally, in Paraguay in 2013, 100 per cent of the fleet of armoured vehicles used natural additives to improve the useful lives of the fuel filters.

### Inventory of greenhouses gases

In 2013, the Company completed the pilot project for the development of greenhouse gas emission inventories in (GEI) in Colombia. The project helped determine the baseline which indicates actual performance and monitor actions implemented and targets set.



### Energy efficiency

Throughout the previous year, Prosegur developed a pilot project in Spain to replace lamps with efficient LED technology. The Company obtained savings and forecasts an estimated period for return on investment of around 28 months. Prosegur implemented a similar initiative in Chile.

In Mexico it has programme of reduction of energy consumption in branches which begun at the end of 2012. The programme includes the replacement of conventional bulbs and lights, the use of LED and the installation of 220V bulbs and lights to distribute consumption in two phases. The programme has achieved energy cost savings of seven per cent.

### Reduction in the use of materials and waste

In pursuit of a reduction in the use of materials and waste, Prosegur reduced its consumption of plastic in Colombia by one ton per year by recycling security bags in cash centres. It also digitised 655,362 payment documents of 17 users and 3,167 documents equal to the tenders of five bidders, avoiding having to print them on paper.

In Spain it has deployed the Waste Manager Project, an initiative based on the only two waste managers at a national level in order to attain better waste management control, as well as reduce associated costs. In addition, Prosegur has increased the number of centres associated with the Integrated Management Centre of batteries and mobile devices, of which it is a member.

## Commitment to sustainability

In the provision of the service at Rock in Rio 2013, Prosegur signed a commitment with the organising firm to promote a safe and sustainable environment.

It therefore took part in the campaign "Lixo no Lixo. Rio no coração" (Rubbish in the rubbish. Rio in your heart), whose motto was displayed on the 173 armoured vehicles of the Company. As a result of this initiative, which aims to promote recycling and reduce waste, the professionals of Prosegur distributed among the festival attendees bags that were respectful of the environment for them to keep their belongings.

## Environmental awareness

Prosegur gave in Argentina a total of 196 hours of environmental training to all new recruits, via a combined methodology of classroom and online teaching. In addition, it organised specific training activities for members of the fire prevention division on the ISO 14001 standard, and to the cash in transit personnel on the reduction of plastic and expanded polystyrene.

In Chile, environmental awareness was addressed in 2013 to employees in the fleet maintenance technical area, and was based on the management and treatment of hazardous waste in accordance with applicable environmental legislation and good practices of the Company.

Lastly, in Colombia the Company developed communication campaigns in the area of Manned Guarding via:

- Issue of messages on the radios allocated to the jobs.
- Publication of signs at the offices.
- Publication on messages on payroll slips.
- Distribution of leaflets.

In Spain Prosegur also conducted awareness campaigns among employees on good practices for the reduction in consumption and waste generation.

## Good environmental practices in the supply chain

The Quality and Processes area in Prosegur, responsible for environmental function, identifies the different suppliers and/or contractors whose activity has an impact on the environment, through its homologation process.

The Company disseminates its environmental policy and good environmental practices among those suppliers with a risk of environmental impact. In turn, these must commit to providing information and training in this matter to all the employees that carry out activities for Prosegur.

In the approval process, those suppliers who have an environmental management system certified according to the ISO 14001 standard by an external and independent authority, are directly approved.

## 4.7 Social action projects

Prosegur considers that its leadership, as well as of a business and financial nature, must also be social. The Company, via the Prosegur Foundation, carries out projects in the areas of education, labour and social inclusion of people with disabilities and corporate volunteering.

The work carried out by the Foundation is in response to the demands made by the communities in which it operates and seeks to contribute to the creation of a more caring society with fewer inequalities.

The Prosegur Foundation currently works in Argentina, Brazil, Chile, Colombia, Paraguay, Peru, Portugal, Singapore, Spain and Uruguay

In 2013, over 34,600 people were direct beneficiaries of the 24 community projects carried out by the Prosegur Foundation.



### Investment of the Prosegur Foundation

	2013
Education	1,035,195
Different Talent support	133,036
Volunteering	131,750
Promotion of culture	264,770
Other	535,248
<b>Total</b>	<b>2,100,000</b>



### **Agreement with the Spanish Association of Foundations**

The signature of the agreement between the Prosegur Foundation and the Spanish Association of Foundations (AEF) aims to support the work carried out by the Institute of Strategic Analysis of Foundations (INAEF).

By signing this agreement, the Company reinforces its collaboration with the foundational sector from all angles. The Prosegur Foundation thus joins the group of patrons of the INAEF, currently comprising Fundación Banco Santander, Fundación La Caixa, Fundación Once and Fundación Telefónica, among others.

### **Sharing responsible management practices**

The Prosegur Foundation took part in the seminar organised by the Spanish Association of Foundations (AEF) on “Good governance and management practices in corporate foundations”.

During the forum, it was able to share the management model applied to its initiatives.

The event was attended by those responsible for some of the main entities in the foundational area in Spain, looking to discuss issues such as composition and operation of the board of trustees, the management of resources and projects and the development of good governance practices.



## Education

The education projects carried out by the Prosegur Foundation seek to reward talent and effort (Becas Talento), to support the education of children studying in centres with few resources (Piecitos Colorados) in Latin America and to encourage the

learning of languages and sport (Summer camps).

### Becas Talento – Talent scholarships

For Prosegur, education is the most powerful tool for encouraging personal and social development. In 2013, the Becas Talento programme rewarded excellence, constancy and effort of more than 1,306 people in nine countries across three continents.

These study grants are provided, according to the needs of each country, to schoolchildren or university students, as well as to employees who are simultaneously working in the Company and studying.

In 2013 Colombia and Paraguay provided the first scholarships to their employees. The Prosegur Foundation also gave 60 grants to employees' children in Singapore. Since the start of this programme in the Asian country, over 250 students have received grants.

### 467 grants to support employees and relatives in Spain

The Prosegur Foundation provided in Spain study aid to more than 364 children of employees between the ages of 12 and 18. In addition, 78 Company professionals were awarded these scholarships towards their university studies, thus broadening their education.

The Becas Talento for university students helped 25 young people, also children of employees, with outstanding academic qualifications. Educational aid can be used to pay the registration fees of undergraduate degrees, postgraduate studies, language learning or study materials, among others.

The number of grantees in Spain in 2013 increased by 37 per cent over the year before.



### Piecitos Colorados

The Cooperation and Development programme of Prosegur, Piecitos Colorados, aims to improve the overall education and quality of life of children in underprivileged areas of Latin America where the Company is present. Piecitos Colorados believes school to be the driving force. The rehabilitation of centres, the application of nutritional programmes for the schoolchildren, educational improvement and raising family

awareness, help reduce dropout rates and drive progress in these communities.

Supported by the entire Company, the project continues to Colombia (Cali), Brazil (Manaos and Río de Janeiro) and Peru (Jauja), with completion of refurbishment projects in the schools in Mar del Plata (Argentina), Santa Marta and La Esmeralda (Chile) and Las Violetas (Uruguay).

## Piecitos Colorados Programme in 2013

### The programme in figures

4,319 schoolchildren.

32 schools.

7 countries: Argentina, Brazil, Chile, Colombia, Peru, Paraguay and Uruguay.

589 volunteers collaborating with Todos Somos Piecitos Colorados.

2,537 participants in the annual whip-round in Argentina.

16,268 indirect beneficiaries.

### Nutritional training

Piecitos Colorados encourages nutritional education at the schools, promoting healthy consumption habits and better use of the resources. In order to implement the project, it entered into an agreement with the NGO Nutrition without Borders, which designed a survey on nutrition issues, the results of which have helped to paint a true picture of schools in feeding matters. The recommendations for action are contained in a Nutritional Training Guide.

In 2013, the first Nutritional Training Guide of Piecitos Colorados in Argentina was created for the schools of Jujuy, Misiones, Salta, Santiago del Estero and Tucumán. This handbook – which contains practical aspects such as the proper handling of food, food conservation or cultivating vegetable gardens and greenhouses – is supported by the Spanish Society of Community Nutrition (SENC) and its division in Latin America, the Latin American Group of Community Nutrition (GLANC).

### Overall education

Piecitos Colorados promotes educational improvement at the schools via various initiatives. One of the most innovative programmes invited teachers from the Fundación Empieza por Educar (belonging to the international network Teach for All) as volunteers in the schools of Sagrada Familia in Paraguay and Aguada de Ceferino in Colombia.

The aim was to exchange experiences and share with the local teachers their methodologies for addressing aspects such as efficient classroom management, motivation and self-esteem of schoolchildren.

### Teamwork

With a commitment to mutual responsibility, teachers, families and employees work together to improve conditions at the schools. The programme is helping them to progress in terms of sustainability, by means of the creation of vegetable gardens, greenhouses and animal pens; handcraft workshops and literacy programmes for parents; computer classrooms; and tree planting initiatives and environmental awareness, among others.

In 2013 the programme promoted the interaction of children with their environment, organising visits to cultural entities and local museums, as well as environmental awareness events.

### Baptism flights

Some of the Argentine picitos were able to fly in an airplane for the first time. A dream come true for schoolchildren from Tucumán, Salta, Jujuy and Zárate, who took part in baptism flights thanks to the collaboration of the LAN airline.

### Todos Somos Picitos Colorados – We are All Picitos Colorados

The seven countries which develop this programme in Latin America have the commitment and solidarity of Prosegur volunteers to continue carrying out improvements in the schools which go beyond the classroom: construction of vertical gardens, tree planting, cultural visits, environmental and sporting events, wall painting, among others.



## **Pieciticos Colorados, social action project of the year and best CSR practice**

The Pieciticos Colorados project was distinguished in the first edition of the Premios de la Red Española del Pacto Mundial as the “Best practice in corporate social responsibility”. It was also recognised as “Social Action of the Year” within the framework of the International Awards for Social Responsibility granted by the Fundación Puentes del Mundo.

These awards are an encouragement to continue advancing and implementing a non-assistance based overall intervention, where each educational community works as a team with the Company, in pursuit of the education of new generations.

### **Summer camps**

The summer camps which are held each year in Chile, Spain and Portugal, enabled 285 children of Prosegur employees aged between eight and fourteen, to learn English and natural science, and do sport.

### **Support to Different Talent**

2013 was a year of intense work by Prosegur to promote the integration of people with intellectual disabilities. The Labour Inclusion Programme was extended to Colombia, Peru and Portugal.

## **Recognition of the work carried out by Prosegur in favour of labour insertion of people with disabilities**

In 2013 Prosegur received the recognition from Universidad Autónoma de Madrid (UAM) and the Fundación Prodis as a company that is promoting the recruitment of people with intellectual disabilities. This award recognises companies whose solidarity has encouraged other entities to offer jobs to people with disabilities.

Moreover, the Prosegur Foundation took part as a speaker in XI National Congress of Supported Employment, organised by the Down Syndrome Foundation of Madrid, the Universidad Pontificia Comillas and the Spanish Association of Employment with Support (AESE).

These sessions served to analyse the situation of inclusion of people with disabilities and other groups at risk of exclusion from the corporate world, under the “Supported Employment” methodology, looking to encourage the exchange of good practices and share knowledge and experience in this area.

### Document Digitisation Project

In 2013 Prosegur strengthened its practices in terms of employment of people with intellectual disabilities via the new Centre for Document Digitisation created in Spain. The aim of the project is a more efficient and environmentally respectful data management, by means of the digitisation of physical documentation.

The staff at the Centre is made up of 17 people with intellectual disabilities – trained by the Fundación Carmen Pardo-Valcarce -, who have digitised the documentation of the last ten years in the insurance area, as well as 9,780 files in the Human Resources department.

For 2014 there are plans to digitise 30,000 files in Spain and replication of the Project in Brazil, thus maximising the initial investment.

Also in Brazil, in collaboration with the Association of Parents and Friends of the Disabled in Sao Paulo (SP-APAE), the laundry and dry cleaning training centre for intellectually disabled persons CICLO trained 83 young people in 2013, of which 32 became employed in ordinary businesses.

### Corporate Volunteering

An aim to serve and to become involved in the needs of others. This guided the 915 Prosegur volunteers in the actions of the Foundation during 2013 in Latin America and Spain.

In Brazil, Company employees celebrated the Day of the Child in Sao Paulo, accompanying physically disabled children

on a fun day out. In Peru, a benefit marathon was organised in Lima, bringing runners with different talents together in support of social inclusion of people with disabilities.

In Spain, the collaboration with the Fundación Deporte y Desafío was very strong. Eight hiking events and two adapted cycling events were organised in eight cities to promote the inclusion of people with disabilities via sports and to encourage volunteering among employees and their families. In addition, the Family Volunteering Day event was held in Madrid.

Additionally, Prosegur guards work as volunteers in the Project Tu Seguridad, Nuestro Compromiso (Your safety, our commitment) implemented in collaboration with the Red Cross, sharing their time and knowledge. Thanks to the talks given to students, parents and teachers at schools in Alicante, Madrid and Sevilla over 8,600 people improved their knowledge on accident prevention and first aid.



### Other actions

The teamwork carried out by the Prosegur Foundation is also reflected in social initiatives which bring it close to people and their needs.

### Solidarity response

The Prosegur Foundation worked with the SEUR Foundation in their Project Taponos para una nueva vida, which seeks to improve the quality of life of underprivileged children affected by serious diseases by collecting plastic bottle tops for sale to a recycling plant.

Prosegur professionals in Spain managed to collect several tons of tops which raised 12,000 euros, used to finance the treatment required by the daughter of a Company employee.

Values such as commitment and solidarity continue to drive the work of the Foundation for the Santiago Masarnau Soup Kitchen in Madrid, providing 14,000 meals per year. In 2013 it also reinforced its collaboration thanks to the generosity of employees with Christmas contributions of food items for this soup kitchen and the Residence of the Sisters of Mother Teresa of Calcutta in Madrid.

Likewise, Prosegur employees became the Real Life Three Wise Men for 66 children living in the Children's Home of the religious order of the Sisters of San José de la Montaña and two Homes of the Sisters of the Annunciation in Madrid.

In Argentina, over 2,500 employees took part in a collection of food items for the schools of the Picitos Colorados

project located in the country. A draw carried out among all participants meant fifteen employees were able to travel to the schools to work on site to improve the schools along with their delegation colleagues.

### Promoting culture

The annual publication launched by the Prosegur Foundation was devoted in 2013 to the figure Juan Sebastián Elcano and his first round the world adventure.

The entity continued to support this venture in various museums, via Collaboration Agreements entered into with some of the most important art galleries in Spain, such as the Museo Nacional del Prado, the Guggenheim Museum in Bilbao or the Museo Nacional Centro de Arte Reina Sofía.

As well as supporting the activity of these centres, the collaboration of the Prosegur Foundation enables activities to be organised for Company employees and their families. Thus, in 2013, small thematic groups continued to be organised to visit the Prado Museum, as well as the first creative workshop for children of employees held at the Guggenheim Museum in Bilbao.

### Follow-up of community projects

The Prosegur Foundation closely monitors the projects it carries out, via direct observation, field visits, drafting of reports and contact with the personnel involved in the management of the initiatives.

Moreover, the entity organises quarterly meetings with all countries in order to perform a detailed follow-up of the projects and exchange good practices.



In 2013 in Spain, meetings were held with the volunteers of the Tu Seguridad, Nuestro Compromiso project to reinforce communication, share achievements and expectations of the initiative, as well as gather concerns and experiences of participating employees.

For the correct development and implementation of Picicitos Colorados, the programme has its own business plan and control procedure, as well as follow-ups by means of on-site visits at the schools carried out by local Prosegur teams and the Project coordinator in Latin America.



## 5. About this report

### 5.1 Scope of information

(G4-22)

The information included in the present Prosegur's Annual Report refers to all activities carried out by the Company during 2013 as a company specialising in security services and in all world regions where it is present.

The data presented are consolidated and refer to the whole of the Company for the entire year, although there are some special mentions in some chapters.

In the area of human resources, staff and country data are presented for those countries where Prosegur is present and has businesses with personnel employed in such countries. The geographical scope of the information includes all the countries (Argentina, Australia, Brazil, Chile, China, Colombia, France, Germany, India, Luxembourg, Mexico, Paraguay, Peru, Portugal, Singapore, Spain and Uruguay).

### 5.2 Compliance with standards of reference

The Prosegur's Annual Report meets all international standards for the preparation of reports of this kind. The Company prepares the report in accordance with the latest version of the "Guide for the preparation of sustainability reports" from Global Reporting Initiative, GRI 4. Therefore, Prosegur considers that the report has been prepared in accordance with G4 at its comprehensive level.

In accordance with the recommendations of the Global Reporting Initiative, the balanced and fair presentation of the performance of the organisation requires the application of certain principles in order to determine the content of the public information presented and to guarantee the quality thereof. The consideration of the principles included in the following table ensures that the information meets the due guarantees required by such standards.

NOTE: The index of GRI contents in this report is available in digital format in the following website: [www.prosegur.com/corp/Accionistas-Inversores/Informacion-financiera/Informes-anuales/](http://www.prosegur.com/corp/Accionistas-Inversores/Informacion-financiera/Informes-anuales/)



**Principles for the preparation of this report (GRI) (G4-18 b)**

**Materiality.** The 2013 report has considered as material all those matters which were identified in the materiality study performed during this year and which have been included in this Annual Report.

**Participation of stakeholders.** The Company has identified its stakeholders and their expectations, and has specified actions in order to establish two-way communication. This process is described in the chapters on stakeholder dialogue and the chapter on materiality.

**Sustainability context.** The report analyses the performance of the Company in terms of the economic, environmental and social demands of its social and market context. The chapters on business model, strategy and sustainable opportunities discuss these matters in detail.

**Comprehensiveness.** The list of contents has been defined in conjunction with the heads of the main management areas of the Company. This ensures that the essential aspects and impacts of each of the areas of activity of Prosegur over their respective contexts and their own business targets have been considered.

**Quality of information disclosed (GRI) (G4-18 b)**

**Balance.** The report clearly presents the positive and negative aspects of the performance of the organisation, allowing for a fair assessment thereof to be made.

**Comparability.** The information contained in this report enables the analysis of the evolution of the performance of Prosegur over time.

**Precision.** All the information described in the report is necessary and is presented in sufficient detail so that the Company stakeholders may properly assess its performance.

**Regularity.** Prosegur publishes its reports on an annual basis, as soon as the information becomes available, so that the stakeholders may have a clear view of the main milestones achieved by the Company.

**Clarity.** The information is present in an understandable, accessible and useful way. In order to ease comprehension, technical terminology has been avoided. Moreover, graphs, charts, tables and indicators are used to describe the most relevant impacts of the Company and assist in the interpretation of the document.

**Reliability.** The information contained in this 2013 Annual Report has taken into account the principles required by the AA1000 APS standards from AccountAbility, and whether what has been presented is in line with the requirements and concerns of stakeholders.

## I. Performance indicators

The following table includes the main performance indicators for Prosegur for the years 2012 and 2013. The scope indicates the level of information reported for each indicator, weighted according to turnover by country. For example, Brazil, with a turnover of 1,074m Euros on a total turnover of Prosegur of 3,695.2m Euros, represents 29% of the scope in 2013.

(G4-20)

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>ECONOMIC INDICATORS</b>					
Turnover	Millions of Euros	3,669.1	100.0%	3,695.2	100.0%
EBITDA	Millions of Euros	427.0	100.0%	414.4	100.0%
EBIT	Millions of Euros	311.5	100.0%	297.7	100.0%
Net Profit	Millions of Euros	171.6	100.0%	155.7	100.0%
Capex	Millions of Euros	96.1	100.0%	138.0	100.0%
Share price at 31st December	Euros	4.44	100.0%	4.98	100.0%
Capitalisation	Millions of Euros	2,740.0	100.0%	3,073.3	100.0%
Equity	Millions of Euros	732.1	100.0%	654.9	100.0%
ROE (net profit/equity)	%	23.5	100.0%	23.8	100.0%
Net debt	Millions of Euros	646.1	100.0%	631.7	100.0%
Earnings per share	Euros	0.30	100.0%	0.27	100.0%
Dividend per share	Euros	0.11	100.0%	0.11	100.0%
Finance expenses	Millions of Euros	61.0	100.0%	51.5	100.0%
EV	Millions of Euros	3,386.1	100.0%	3,705.0	100.0%
EV/EBITDA	Number of times	7.9	100.0%	8.9	100.0%
EV/EBIT	Number of times	10.9	100.0%	12.4	100.0%
Net debt/EBITDA	Number of times	1.5	100.0%	1.5	100.0%
EBITDA/Finance expenses	Number of times	7.0	100.0%	8.0	100.0%
Economic value generated	Millions of Euros	3,688.2	100.0%	3,716.3	100.0%
Sales	Millions of Euros	3,669.1		3,695.2	
Other operating income	Millions of Euros	19.1		21.1	
Economic value distributed	Millions of Euros	3,518.8	100.0%	3,676.8	100.0%
Employees	Millions of Euros	2,427.3		2,473.3	
Current Suppliers	Millions of Euros	819.6		971.7	
Public Administration	Millions of Euros	79.3		90.5	
Payments to capital providers	Millions of Euros	190.5		139.2	
Society investments	Millions of Euros	2.1		2.1	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Economic value retained</b>	Millions of Euros	169.4	100.0%	39.5	100.0%
Reserves	Millions of Euros	53.9		-77.3	
Amortisation and depreciation	Millions of Euros	115.5		116.8	
<b>Significant financial assistance received from government</b>			34.6%		49.3%
Tax relief/credits	Thousands of Euros	2,209.1		2,654.4	
Subsidies	Thousands of Euros	0.0		228.9	
Investment grants, research and development grants, and other relevant types of grants	Thousands of Euros	0.0		60.1	
Monetary awards	Thousands of Euros	0.0		0.0	
Royalty holidays	Thousands of Euros	0.0		68.1	
Financial incentives	Thousands of Euros	0.0		0.0	
Other financial benefits received or receivable from any government for any operation	Thousands of Euros	0.0		427.0	
<b>Investment in R&amp;D</b>	Millions of Euros	10.0	100.0%	9.0	100.0%
<b>Investment in quality</b>			42.3%		46.0%
Investments to improve quality	Millions of Euros	0.6		0.8	
<b>Quality audits</b>			64.8%		94.6%
Number of quality audits carried out	Number	158		167	
<b>Customer satisfaction indicators</b>			40.8%		54.0%
Number of surveys conducted to customers whose overall result is "satisfied" or "very satisfied"	Number	5,020		7,751	
Total number of surveys filled in by customers	Number	5,804		8,190	
Percentage of customers "satisfied" or "very satisfied"	%	86.5		95.0	
<b>Customer complaints</b>			39.2%		55.0%
Number of complaints received from customers	Number	17,738		21,574	
Number of complaints handled	Number	16,781		20,753	
Number of complaints resolved satisfactorily	Number	4,529		9,211	
<b>ETHICS AND INTEGRITY</b>					
<b>Employees trained in anti-corruption policies and procedures</b>			100.0%		100.0%
Number of employees in management positions who have received training on anti-corruption	Number	227		49	
Number of employees in non-management positions who have received training on anti-corruption	Number	4,793		11,992	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Actions taken in response to incidents of corruption</b>					
Total number of incidents in which employees were dismissed or disciplined for corruption			100.0%		100.0%
	Number	232		386	
<b>Incidents of non-compliance with regulations and voluntary codes concerning marketing communications</b>					
Incidents of non-compliance with regulations resulting in a fine or penalty			69.9%		92.0%
	Number	2		102	
Incidents of non-compliance with regulations resulting in a warning					
	Number	0		1	
Incidents of non-compliance with voluntary codes					
	Number	0		0	
Total incidents					
	Number	2		103	
<b>Number of complaints regarding breaches of customer privacy and losses of customer data</b>					
Number of complaints received from customers			66.1%		60.8%
	Number	0		0	
<b>Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</b>					
Total value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			66.1%		89.8%
	Thousands of Euros	0.0		0.5	
<b>Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</b>					
Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			69.9%		64.6%
	Number	0		2	
<b>Significant fines and sanctions for non-compliance with laws and regulations</b>					
Total monetary value of significant fines			98.8%		93.7%
	Thousands of Euros	1,248.0		955.0	
Number of non-monetary sanctions					
	Number	1		10	
Cases brought through dispute resolution mechanisms					
	Number	0		1	
<b>EFFICIENCY AND TECHNOLOGY</b>					
<b>Materials used</b>					
Paper			69.3%		68.9%
	Tonnes	471.7		451.4	
Toner					
	Tonnes	4.7		6.3	
Plastic consumables					
	Tonnes	1,226.4		878.0	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Material recovery rate</b>					
			56.7%		61.1%
Number of uniforms re-used each year	Number	36,265		59,904	
Number of uniforms distributed each year	Number	212,886		232,115	
<b>Water withdrawal</b>					
			58.8%		61.2%
Municipal water supplies	m3	213,080.6		286,399.1	
Water from other sources	m3	130.0		0.0	
Total	m3	213,210.6		286,399.1	
<b>Waste managed</b>					
			59.4%		52.5%
Non-hazardous waste created (t)	Tonnes	10,300.8		6,568.0	
Hazardous waste created (t)	Tonnes	448.1		606.1	
<b>Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations</b>					
			59.4%		63.8%
Number of environmental incidents	Number	0		0	
Number of environmental incidents penalised	Number	0		0	
Cost of significant fines	Thousands of Euros	0.0		0.0	
<b>Environmental protection expenditures and investments</b>					
			55.3%		62.0%
Environmental investment	Thousands of Euros	127.4		462.9	
Environmental expenditure	Thousands of Euros	113.9		933.9	
<b>Environmental audits carried out</b>					
			59.9%		60.8%
Environmental audits carried out	Number	12		13	
<b>ENERGY AND CLIMATE CHANGE</b>					
<b>Direct and indirect energy consumption by primary energy source</b>					
			56.1%		94.6%
Petrol and diesel consumption	Millions of litres	22.1		47.6	
Natural gas consumption	m3	394,778.8		477,537.9	
Electricity consumption	MWh	42,298.5		134,182.7	
<b>Direct and indirect greenhouse gas emissions</b>					
			52.2%		89.4%
Total greenhouse gas emissions	t CO2eq	60,099.9		114,500.0	
Direct greenhouse gas emissions	t CO2eq	39,512.0		91,136.8	
Indirect greenhouse gas emissions	t CO2eq	20,587.9		23,363.2	
<b>Other significant air emissions</b>					
			25.7%		56.0%
NOx emissions	Tonnes	22.9		35.8	
SOx emissions	Tonnes	0.0		2.7	
Particulate matter emissions	Tonnes	2.3		2.5	
Other gases	Tonnes	45.8		49.4	
<b>SOCIETY</b>					
<b>Social projects</b>					
			100.0%		100.0%
Education	Number	4		4	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Social integration	Number	5		6	
Promotion of culture	Number	4		5	
Other	Number	9		9	
Total	Number	22		24	
<b>Project beneficiaries/participants</b>			<b>100.0%</b>		<b>100.0%</b>
Education	Number	23,113		15,023	
Social integration	Number	407		482	
Promotion of culture	Number	2,878		3,226	
Other	Number	15,580		15,962	
Total	Number	41,978		34,693	
<b>Social investment by area</b>			<b>100.0%</b>		<b>100.0%</b>
Education	Euros	1,141,594.0		1,035,195.0	
Social integration	Euros	223,264.0		264,787.0	
Promotion of culture	Euros	254,770.0		264,770.0	
Other	Euros	446,524.0		535,248.0	
Total	Euros	2,066,152.0		2,100,000.0	
<b>PERSONNEL</b>					
<b>EMPLOYEES</b>					
<b>Total workforce by gender</b>			<b>99.9%</b>		<b>99.4%</b>
Number of male employees	Number	21,204		21,779	
Number of female employees	Number	127,479		129,028	
<b>Workforce by region and gender</b>			<b>99.9%</b>		<b>99.4%</b>
Argentina	Number of female employees	Number	1,398	1,448	
	Number of male employees	Number	13,846	14,337	
	Total	Number	15,244	15,785	
Australia	Number of female employees	Number	NA	332	
	Number of male employees	Number	NA	708	
Australia	Total	Number	NA	1,040	
Brazil	Number of female employees	Number	6,323	7,191	
	Number of male employees	Number	45,142	44,966	
	Total	Number	51,465	52,157	
Chile	Number of female employees	Number	1,331	1,390	
	Number of male employees	Number	6,118	6,295	
	Total	Number	7,449	7,685	
China	Number of female employees	Number	180	168	
	Number of male employees	Number	2,064	2,198	
	Total	Number	2,244	2,366	
Colombia	Number of female employees	Number	1,366	1,375	
	Number of male employees	Number	7,645	7,941	
	Total	Number	9,011	9,316	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
France	Number of female employees	Number	657		699	
	Number of male employees	Number	4,303		4,572	
	Total	Number	4,960		5,271	
Germany	Number of female employees	Number	562		583	
	Number of male employees	Number	2,642		2,735	
	Total	Number	3,204		3,318	
India	Number of female employees	Number	NA		18	
	Number of male employees	Number	NA		4,395	
	Total	Number	NA		4,413	
Mexico	Number of female employees	Number	516		667	
	Number of male employees	Number	1,598		2,342	
	Total	Number	2,114		3,009	
Paraguay	Number of female employees	Number	112		103	
	Number of male employees	Number	993		1,215	
	Total	Number	1,105		1,318	
Peru	Number of female employees	Number	1,440		1,528	
	Number of male employees	Number	9,514		9,930	
	Total	Number	10,954		11,458	
Portugal	Number of female employees	Number	1,214		1,261	
	Number of male employees	Number	6,149		5,866	
	Total	Number	7,363		7,127	
Singapore	Number of female employees	Number	118		NA	
	Number of male employees	Number	944		NA	
	Total	Number	1,062		1,169	
Spain	Number of female employees	Number	5,392		4,704	
	Number of male employees	Number	21,489		18,758	
	Total	Number	26,881		23,462	
Uruguay	Number of female employees	Number	329		312	
	Number of male employees	Number	2,689		2,770	
	Total	Number	3,018		3,082	
Others	Number of female employees	Number	266		NA	
	Number of male employees	Number	2,343		NA	
	Total	Number	2,609		NA	
<b>Workforce by kind of employment of contract and gender</b>				<b>99.9%</b>	<b>99.2%</b>	
Argentina	Female	Open-ended	Number	1,398		1,448
		Temporary	Number	0		0
		Total	Number	1,398		1,448
	Male	Open-ended	Number	13,821		14,326
		Temporary	Number	25		11
		Total	Number	13,846		14,337

			Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Australia	Female	Open-ended	Number	NA		332	
		Temporary	Number	NA		0	
		Total	Number	NA		332	
	Male	Open-ended	Number	NA		708	
		Temporary	Number	NA		0	
		Total	Number	NA		708	
Brazil	Female	Open-ended	Number	6,317		7,166	
		Temporary	Number	6		25	
		Total	Number	6,323		7,191	
	Male	Open-ended	Number	45,102		44,955	
		Temporary	Number	40		11	
		Total	Number	45,142		44,966	
Chile	Female	Open-ended	Number	1,085		1,210	
		Temporary	Number	246		180	
		Total	Number	1,331		1,390	
	Male	Open-ended	Number	5,408		5,404	
		Temporary	Number	710		891	
		Total	Number	6,118		6,295	
China	Female	Open-ended	Number	180		168	
		Temporary	Number	0		0	
		Total	Number	180		168	
	Male	Open-ended	Number	2,034		2,163	
		Temporary	Number	30		35	
		Total	Number	2,064		2,198	
Colombia	Female	Open-ended	Number	1,356		1,316	
		Temporary	Number	10		59	
		Total	Number	1,366		1,375	
	Male	Open-ended	Number	7,572		7,627	
		Temporary	Number	73		314	
		Total	Number	7,645		7,941	
France	Female	Open-ended	Number	624		632	
		Temporary	Number	33		67	
		Total	Number	657		699	
	Male	Open-ended	Number	4,132		4,255	
		Temporary	Number	171		317	
		Total	Number	4,303		4,572	
Germany	Female	Open-ended	Number	471		471	
		Temporary	Number	91		112	
		Total	Number	562		583	
	Male	Open-ended	Number	2,267		2,301	
		Temporary	Number	375		434	
		Total	Number	2,642		2,735	

			Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Mexico	Female	Open-ended	Number	516		667	
		Temporary	Number	0		0	
		Total	Number	516		667	
	Male	Open-ended	Number	1,598		2,342	
		Temporary	Number	0		0	
		Total	Number	1,598		0	
Paraguay	Female	Open-ended	Number	112		103	
		Temporary	Number	0		0	
		Total	Number	112		103	
	Male	Open-ended	Number	993		1,215	
		Temporary	Number	0		0	
		Total	Number	993		1,215	
Peru	Female	Open-ended	Number	250		499	
		Temporary	Number	1,190		1,029	
		Total	Number	1,440		1,528	
	Male	Open-ended	Number	2,567		3,557	
		Temporary	Number	6,947		6,373	
		Total	Number	9,514		9,930	
Portugal	Female	Open-ended	Number	1,120		1,059	
		Temporary	Number	94		202	
		Total	Number	1,214		1,261	
	Male	Open-ended	Number	5,760		5,421	
		Temporary	Number	389		445	
		Total	Number	6,149		5,866	
Spain	Female	Open-ended	Number	4,216		3,563	
		Temporary	Number	1,176		1,141	
		Total	Number	5,392		4,704	
	Male	Open-ended	Number	17,457		14,752	
		Temporary	Number	4,032		4,006	
		Total	Number	21,489		18,758	
Uruguay	Female	Open-ended	Number	329		312	
		Temporary	Number	0		0	
		Total	Number	329		312	
	Male	Open-ended	Number	2,689		2,770	
		Temporary	Number	0		0	
		Total	Number	2,689		2,770	
Others	Female	Open-ended	Number	266		NA	
		Temporary	Number	0		NA	
		Total	Number	266		NA	
	Male	Open-ended	Number	2,342		NA	
		Temporary	Number	1		NA	
		Total	Number	2,343		NA	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Workforce by working hours and gender</b>				99.9%		99.2%
Female	Full-time	Number	19,398		19,579	
	Part-time	Number	1,806		2,182	
	Total	Number	21,204		21,761	
Male	Full-time	Number	121,561		117,932	
	Part-time	Number	5,918		6,701	
	Total	Number	127,479		124,633	
Total	Full-time	Number	140,959		137,511	
	Part-time	Number	7,724		8,883	
	Total	Number	148,683		146,394	
<b>Workforce by age group</b>				99.9%		99.2%
Under 30 years old		Number	39,709		36,710	
30-50 years old		Number	93,244		92,766	
Over 50 years old		Number	15,730		16,918	
<b>Total workforce by employee category and age group</b>				99.9%		99.2%
<b>Directors</b>						
Under 30 years old		Number	35		42	
30-50 years old		Number	668		631	
Over 50 years old		Number	109		114	
<b>Heads</b>						
Under 30 years old		Number	242		250	
30-50 years old		Number	3,101		2,984	
Over 50 years old		Number	630		643	
<b>Administrative personnel</b>						
Under 30 years old		Number	1,942		1,929	
30-50 years old		Number	4,442		4,666	
Over 50 years old		Number	622		779	
<b>Operations personnel</b>						
Under 30 years old		Number	37,490		34,302	
30-50 years old		Number	85,033		84,677	
Over 50 years old		Number	14,369		15,377	
<b>Total workforce by employee category and gender</b>				99.9%		99.2%
<b>Directors</b>						
Female		Number	182		176	
Male		Number	632		611	
<b>Heads</b>						
Female		Number	580		613	
Male		Number	3,395		3,266	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Administrative personnel</b>					
Female	Number	3,083		3,070	
Male	Number	3,957		4,301	
<b>Operations personnel</b>					
Female	Number	17,359		17,918	
Male	Number	119,495		116,439	
<b>Disabled employees</b>			<b>99.4%</b>		<b>99.4%</b>
Number of disabled employees	Number	684		680	
Total number of employees	Number	147,621		150,807	
Disabled employees / Total number of employees	%	0.5		0.5	
<b>Immigrant workforce</b>			<b>99.4%</b>		<b>99.4%</b>
Total number of immigrant employees	Number	2,046		2,210	
Total number of employees	Number	145,012		150,807	
Immigrant employees	%	1.4		1.5	
<b>Senior management hired from the local community</b>			<b>99.4%</b>		<b>99.4%</b>
Number of senior management hired from the local community	Number	248		261	
Total number of senior managers	Number	267		288	
Senior managers hired from the local community	%	92.9		90.6	
<b>Average salary of men and women by employee category</b>			<b>99.4%</b>		<b>97.3%</b>
<b>Directors</b>					
Female	Euros	79,375.1		83,834.2	
Male	Euros	98,240.1		72,770.8	
<b>Heads</b>					
Female	Euros	25,024.2		33,525.0	
Male	Euros	27,336.5		33,378.4	
<b>Administrative personnel</b>					
Female	Euros	11,874.1		16,997.8	
Male	Euros	14,148.3		17,159.5	
<b>Operations personnel</b>					
Female	Euros	9,152.1		12,338.2	
Male	Euros	8,886.1		11,878.5	
<b>Trade union representation</b>			<b>94.1%</b>		<b>93.1%</b>
Number of employees who are members of a trade union	Number	26,108		27,694	
Total number of employees	Number	143,752		141,123	
Employees who are members of a trade union	%	18.2		19.6	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>Employees covered by collective bargaining agreements</b>			<b>99.7%</b>		<b>99.0%</b>
Number of employees covered by collective bargaining agreements	Number	119,464		119,195	
Total number of employees	Number	146,468		144,028	
Employees covered by collective bargaining agreements	%	81.6		82.8	
<b>Training by employee category</b>			<b>99.9%</b>		<b>99.2%</b>
Directors	Hours	7,162.5		6,375.1	
Heads	Hours	39,298.2		36,334.3	
Administrative personnel	Hours	128,548.2		150,587.5	
Operations personnel	Hours	1,993,844.7		1,763,193.4	
Total hours of training	Hours	2,168,853.7		1,956,490.3	
<b>Average hours of training</b>			<b>99.9%</b>		<b>95.3%</b>
Directors	Hours per employee	8.8		8.1	
Heads	Hours per employee	9.9		9.4	
Administrative personnel	Hours per employee	18.3		20.4	
Operations personnel	Hours per employee	14.6		13.1	
<b>Training by employee gender</b>			<b>95.1%</b>		<b>90.9%</b>
Female	Hours	295,271.4		271,364.1	
Male	Hours	1,444,608.6		1,617,237.7	
Average hours of training by gender	Female	Hours	15.0	12.5	
	Male	Hours	12.3	12.5	
<b>Training in human rights</b>			<b>63.2%</b>		<b>53.0%</b>
Number of employees who have received training in the field of human rights	Number	13,712		20,672	
Hours of training provided in the field of human rights	Hours	197,700.0		34,859.5	
Employees who have been trained in human rights	%	9.5		29.5	
<b>Investment in training</b>	Millions of Euros	8.2	<b>99.4%</b>	9.3	<b>99.1%</b>
<b>Employees who receive regular evaluations of their performance and professional development</b>			<b>99.2%</b>		<b>88.7%</b>
Number of employees who receive regular evaluations of their performance and professional development	Female	Number	4,178	4,895	
	Male	Number	16,200	21,999	
	Total	Number	20,378	26,894	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Employees who receive regular evaluations of their performance and professional development	Female	%	19.7		24.1	
	Male	%	12.7		18.4	
	Total	%	13.7		19.2	
<b>Number of employees who benefited from a parental leave</b>				<b>92.1%</b>		<b>90.2%</b>
Number of employees who benefited from a parental leave	Female	Number	834		1,026	
	Male	Number	2,740		2,798	
	Total	Number	3,574		3,824	
<b>Number of employees who returned to work after a parental leave</b>				<b>92.1%</b>		<b>90.0%</b>
Number of employees who returned to work after parental leave	Female	Number	757		886	
	Male	Number	2,671		2,607	
	Total	Number	3,428		3,493	
<b>Number of employees who returned to work after a parental leave and that remained in their job after the following twelve months</b>				<b>86.2%</b>		<b>83.5%</b>
Number of employees who returned to work after a parental leave and that remained in their job after the following twelve months	Female	Number	607		838	
	Male	Number	2,186		2,532	
	Total	Number	2,793		3,370	
<b>New hires by gender</b>				<b>99.9%</b>		<b>99.4%</b>
Number of new hires	Female	Number	9,841		7,017	
	Male	Number	38,282		30,946	
<b>New hires by region</b>				<b>99.9%</b>		<b>99.4%</b>
Number of new hires	Argentina	Number	3,677		3,425	
	Australia	Number	NA		148	
	Brazil	Number	12,652		11,441	
	Chile	Number	4,617		4,585	
	China	Number	1,518		1,205	
	Colombia	Number	293		516	
	France	Number	2,721		3,065	
	Germany	Number	312		347	
	India	Number	NA		212	
	Mexico	Number	1,208		2,374	
	Paraguay	Number	547		539	
	Peru	Number	4,860		3,911	
	Portugal	Number	582		531	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>	
	Singapore	Number	80		NA		
	Spain	Number	12,239		4,107		
	Uruguay	Number	1,613		1,557		
	Others	Number	1,204		NA		
<b>New hires by age group</b>				<b>99.9%</b>		<b>99.4%</b>	
Number of new hires	Employees under 30 years old	Number	24,237		18,942		
	Employees aged 30-50 years old	Number	21,717		17,273		
	Turnover of employees over 50 years old	Number	2,169		1,748		
<b>Total employee turnover and turnover by gender</b>				<b>95.4%</b>		<b>99.1%</b>	
Female turnover		%	23.4		24.0		
Male turnover		%	19.2		19.1		
Total turnover		%	19.8		23.3		
<b>Turnover by region</b>				<b>99.7%</b>		<b>99.1%</b>	
Turnover	Argentina	%	17.8		3.2		
	Australia	%	NA		9.4		
	Brazil	%	23.7		26.9		
	Chile	%	10.4		59.1		
	Colombia	%	42.0		38.5		
	France	%	27.5		16.7		
	Germany	%	8.4		9.3		
	India	%	NA		37.9		
	Mexico	%	59.2		49.2		
	Paraguay	%	47.8		20.2		
	Peru	%	41.0		33.2		
	Portugal			11.3		10.6	
	Spain	%	7.7		10.2		
	Uruguay	%	28.0		8.1		
Others	%	6.7		ND			
<b>Turnover by age group</b>				<b>94.9%</b>		<b>99.1%</b>	
Turnover of employees under 30 years old		%	29.2		30.7		
Turnover of employees aged 30-50 years old		%	17.5		19.7		
Turnover of employees over 50 years old		%	13.4		9.8		
<b>Rate of absenteeism by gender [1]</b>				<b>87.3%</b>		<b>86.3%</b>	
Female	Total lost days due to absence (employees)	Number	210,195		242,319		
	Total number of days worked (employees)	Number	5,222,162		5,070,604		
	Rate of absenteeism	Rate	4.0		4.8		

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Male	Total lost days due to absence (employees)	Number	900,714		1,095,292	
	Total number of days worked (employees)	Number	29,991,447		28,849,754	
	Rate of absenteeism	Rate	3.0		3.8	
Total	Total lost days due to absence (employees)	Number	1,110,908		1,337,611	
	Total number of days worked (employees)	Number	35,213,609		33,920,359	
	Rate of absenteeism	Rate	3.2		3.9	
<b>Rate of absenteeism by region</b>				<b>95.6%</b>		<b>86.3%</b>
Argentina	Total lost days due to absence (employees)	Number	206,880		208,655	
	Total number of days worked (employees)	Number	3,658,560		3,788,400	
	Rate of absenteeism	Rate	5.7		5.5	
Brazil	Total lost days due to absence (employees)	Number	353,515		655,286	
	Total number of days worked (employees)	Number	12,454,530		12,621,994	
	Rate of absenteeism	Rate	2.8		5.2	
Chile	Total lost days due to absence (employees)	Number	101,243		89,110	
	Total number of days worked (employees)	Number	2,910,306		2,766,600	
	Rate of absenteeism	Rate	3.5		3.2	
Colombia	Total lost days due to absence (employees)	Number	41,677		35,712	
	Total number of days worked (employees)	Number	2,673,342		3,093,935	
	Rate of absenteeism	Rate	1.6		1.2	
France	Total lost days due to absence (employees)	Number	86,429		94,554	
	Total number of days worked (employees)	Number	1,021,657		1,237,920	
	Rate of absenteeism	Rate	8.5		7.6	
Mexico	Total lost days due to absence (employees)	Number	9,021		9,425	
	Total number of days worked (employees)	Number	549,640		673,445	
	Rate of absenteeism	Rate	1.6		1.4	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Paraguay	Total lost days due to absence (employees)	Number	5,876		5,384	
	Total number of days worked (employees)	Number	399,312		340,582	
	Rate of absenteeism	Rate	1.5		1.6	
Portugal	Total lost days due to absence (employees)	Number	25,578		NA	
	Total number of days worked (employees)	Number	1,657,458		NA	
	Rate of absenteeism	Rate	1.5		NA	
Singapore	Total lost days due to absence (employees)	Number	11,802		NA	
	Total number of days worked (employees)	Number	315,744		NA	
	Rate of absenteeism	Rate	3.7		NA	
Spain	Total lost days due to absence (employees)	Number	250,954		238,659	
	Total number of days worked (employees)	Number	9,902,068		8,477,083	
	Rate of absenteeism	Rate	2.5		2.8	
Uruguay	Total lost days due to absence (employees)	Number	22,494		826	
	Total number of days worked (employees)	Number	745,695		920,400	
	Rate of absenteeism	Rate	3.0		0.1	
Others	Total lost days due to absence (employees)	Number	21,018		NA	
	Total number of days worked (employees)	Number	582,756		NA	
	Rate of absenteeism	Rate	3.6		NA	
<b>HEALTH AND SAFETY</b>						
<b>Accident rate [2]</b>				<b>95.4%</b>	<b>94.6%</b>	
Female	Total number of accidents (employees)	Number	643		662	
	Total number of hours worked (employees)	Hours	36,922,567.1		36,504,533.2	
	Accident rate	Rate	3.5		3.6	
Male	Total number of accidents (employees)	Number	4,499		4,875	
	Total number of hours worked (employees)	Hours	186,398,244.0		214,902,073.5	
	Accident rate	Rate	4.8		4.5	

		Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
Total	Total number of accidents (employees)	Number	5,142		5,537	
	Total number of hours worked (employees)	Hours	216,971,492.1		252,931,998.7	
	Accident rate	Rate	4.7		4.4	
<b>Lost day rate (severity rate) [3]</b>				<b>95.4%</b>		<b>94.6%</b>
Female	Total lost days (employees)	Number	18,947		18,661	
	Total number of hours worked (employees)	Hours	36,922,567.1		36,505,009.5	
	Lost day rate by gender	Rate	102.6		102.2	
Male	Total lost days (employees)	Number	103,584		106,669	
	Total number of hours worked (employees)	Hours	186,398,244.0		214,900,609.6	
	Lost day rate by gender	Rate	111.1		99.3	
Total	Total lost days (employees)	Number	122,541		125,33	
	Total number of hours worked (employees)	Hours	216,971,492.1		252,931,011.1	
	Lost day rate by gender	Rate	113.0		99.1	
<b>Rate of occupational disease [4]</b>				<b>79.8%</b>		<b>72.6%</b>
Female	Total cases of occupational disease (employees)	Number	29		19	
	Total number of hours worked (employees)	Hours	34,292,631.1		32,459,593.5	
	Rate of occupational disease	Rate	0.2		0.1	
Male	Total cases of occupational disease (employees)	Number	12		48	
	Total number of hours worked (employees)	Hours	159,288,844.0		181,120,657.6	
	Rate of occupational disease	Rate	0.0		0.1	
Total	Total cases of occupational disease (employees)	Number	41		151	
	Total number of hours worked (employees)	Hours	187,232,156.1		215,105,643.1	
	Rate of occupational disease	Rate	0.0		0.1	
<b>Fatalities</b>				<b>93.7%</b>		<b>88.4%</b>
Number of fatalities	Female	Number	0		0	
	Male	Number	16		11	
	Total	Number	16		11	
<b>Investment in health and safety in the workplace</b>				<b>38.6%</b>		<b>32.0%</b>
Investment in health and safety in the workplace		Millions of Euros	1.7		1.1	

	Units	2012	Scope in 2012 <sup>†</sup>	2013	Scope in 2013 <sup>†</sup>
<b>SUPPLIERS</b>					
Total number of suppliers	Number	27,841	98.9%	37,394	94.7%
Expenses related to suppliers	Millions of Euros	745.7	99.7%	834.0	94.7%

† The scope refers to the percentage of the Company that is represented in the data that is reported in the Report. This is calculated on the basis of the turnover of the various business divisions of the Company in each country.

[1] Calculated as: (Total lost days due to absence (employees)/Total of days worked) x 100

[2] Calculated as: (Total number of accidents/Total hours worked) x 200,000.

[3] Calculated as: (Total number of lost days / Total number of hours worked) x 200,000.

[4] Calculated as: (Number of total cases of occupational diseases / Total number of hours worked) x 200,000.