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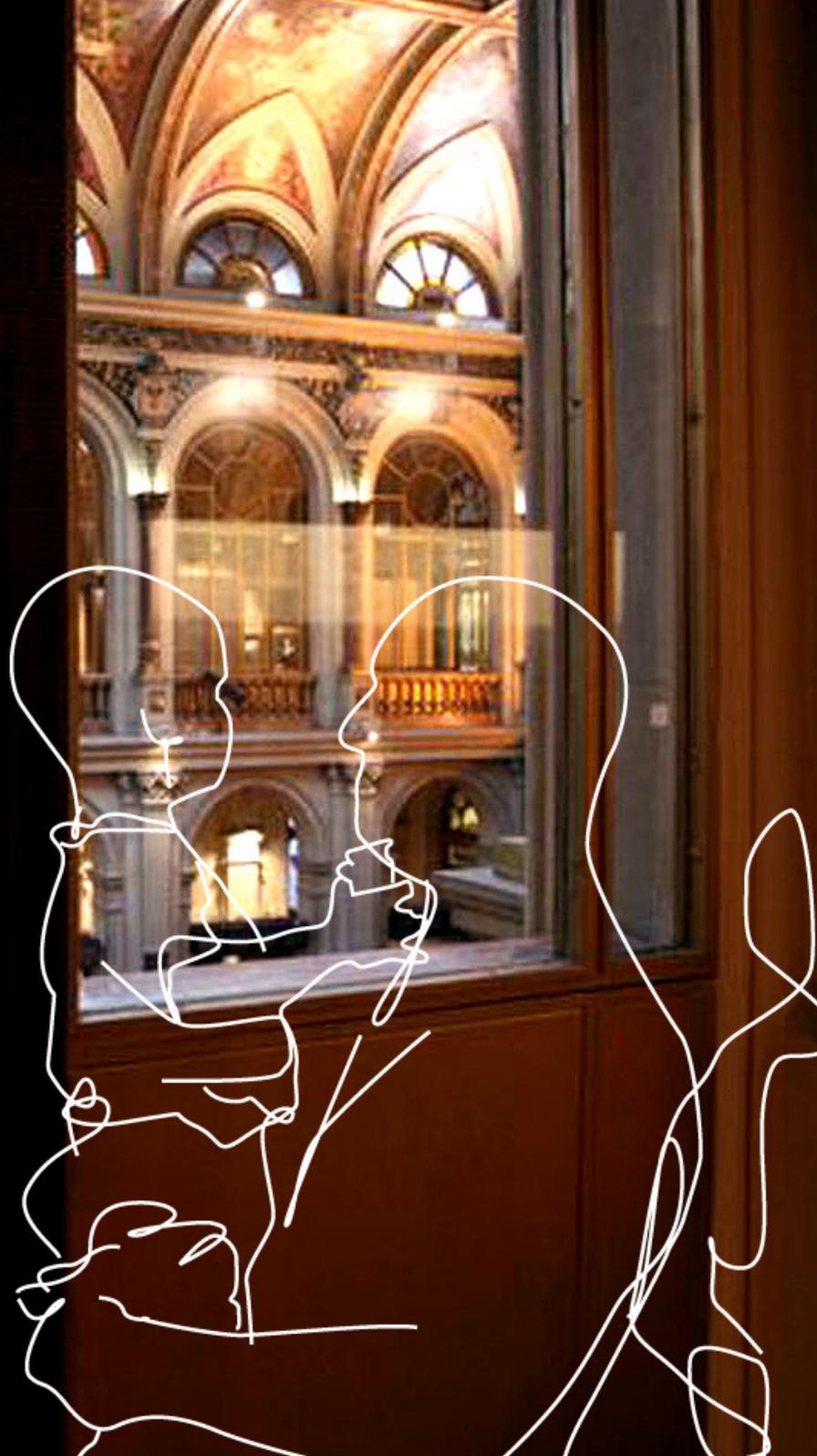
## Environmental Protection and Sustainable Development

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- 5.1. Resource management.
- 5.2. Waste management.
- 5.3. Sustainable development and efforts to comply with the Kyoto Protocol.



**BME has promoted a new waste management policy by reducing the use of paper, water and energy and embracing sustainable development.**



# Environmental Protection and Sustainable Development



**BME’s business operations do not in themselves generate significant negative environmental impacts. Nevertheless, the Company carries out its activities in a sustainable manner and encourages awareness among its employees of the importance of its commitment to the environment.**

This is particularly the case for areas in which BME’s business may have an environmental impact, however small, such as resource consumption and the generation of waste.

BME has developed a range of measures in accordance with the following general guidelines drawn up by the Company:

Although BME’s activities entail minimal environmental impacts, the Company is aware of the potential environmental risks any business generates. It thus maintains its commitment to the principles of precaution and prevention which go a long way toward ensuring a high level of environmental protection in its day-to-day operations.

- Compliance with prevailing national, regional and local legislation, as well as with BME’s own commitments to minimise the environmental impact of its activities.
- Foster measures to reduce the use of the resources consumed in BME’s operations, specifically energy, water and paper.
- Promotion of recycling of waste in order minimise the Company’s environmental impact. BME will thus encourage compliance as strictly as possible with the “Three R” approach to environmental protection: *“reduce, reuse, recycle.”*

BME encourages reducing the environmental impacts its operations generate by implementing needed changes in its activities and those of its employees.

## BME

### COMMITMENT TO THE ENVIRONMENT

COMPLY WITH LEGISLATION AND COMMITMENTS	REDUCE USE OF RESOURCES	WASTE MANAGEMENT “Three R”	RESPONSIBLE ACTIONS	RESPONSIBLE ACTIONS SUSTAINABLE DEVELOPMENT
<ul style="list-style-type: none"> <li>• National</li> <li>• Regional</li> <li>• Local</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Water</li> <li>• Paper</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce</li> <li>• Reuse</li> <li>• Recycle</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of good environmental practices</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with Kioto protocol</li> <li>• <b>RENADE</b>, Registry of Greenhouse Gas Emission Rights</li> </ul>

## Environmental Protection and Sustainable Development

- Advancement of environmentally-responsible behaviour by BME employees through the implementation of best environmental practices.
- Contribution to corporate social responsibility in Spain through projects encouraging socially responsible business practices.

### 5.1. Resource management

BME has added the concept of sustainable development to its business activity, with resource use reduction becoming an essential part of its organisational values and culture, thereby further limiting the scarce indirect impact of its operations on the environment.

The Company is aware of the important role employees play in ensuring that the business operates in a sustainable manner. It works to raise employee awareness of the responsible use of resources and respect for the environment.

The Company tends to use a limited amount of resources in its day-to-day operations, and these may be summed up as the energy used to run facilities and the water and paper employees consume in the course of their duties, as well as indirect energy use generated by employee travel.

#### Energy resources: electricity, gas and other fuels

The energy used to power the Company's facilities is centrally managed, which allows BME to craft a series of measures geared towards reducing energy use.

With the aforementioned goal of lowering energy consumption, BME has implemented another series of measures aimed at limiting the use of resources used indirectly by the Company and its employees in the normal course of business.

#### Electricity and gas

BME follows Ministry of Industry, Tourism and Trade recommendations on lowering the thermostat at non-residential buildings. To this end, it makes rational use of the air conditioning and heating devices installed in all of its buildings, always keeping the thermostat at a temperature appropriate to the needs of staff and reducing energy use. BME sent a pamphlet to all employees notifying them that the temperature at the Las Rozas (Madrid) headquarters, workplace of 61.92% of Company employees, would be centrally managed.



## Environmental Protection and Sustainable Development

As part of this integrated approach to facility management, and with the ultimate goal of reducing energy consumption, all BME buildings have a programmed system of night lighting. The system automatically switches off most lights at the close of the workday, leaving on only those lights that are absolutely necessary. Meanwhile, BME facilities' common areas are equipped with intelligent lighting systems based on movement-detecting photovoltaic cells, which activate the lights only when people enter these rooms.

BME's commitment to environmental sustainability is also reflected in the use of low-energy light bulbs and fluorescent light tubes, which help to cut electricity consumption and carbon dioxide emissions.

BME's operations require intensive use of technology assets such as computers, which are constantly upgraded for the purpose of keeping the Company on the technological cutting edge.

The Company uses suppliers who can guarantee that their products bear the ENERGY STAR seal, such as its primary supplier, Dell, or Hewlett-Packard.

ENERGY STAR-tagged computers feature an energy savings mechanism which automatically disconnects the machine when not in use, helping to slash energy consumption (by up to 40%, according to the manufacturer) and ensure that the computer works better and lasts longer.

BME in 2008 bought 100 computers for Company employee use, the same number purchased in 2007.

Meanwhile, the Las Rozas (Madrid) headquarters used 35,023 kilowatt hours of natural gas in 2008, a decrease of 10.57% from 2007.

### Other fuels

In addition to the electricity and natural gas used to power BME facilities, BME employees also used energy while away from BME offices. This energy use stemmed from employees commuting to their place of work, travelling between BME facilities and to meetings outside of BME offices. BME is aware of the need for more rational fuel consumption on the part of its employees in order to reduce CO2 atmospheric emissions.

The Company thus encourages employees to use alternative forms of transport rather than private vehicles for their commutes. BME makes available a coach service for staff at the Las Rozas (Madrid) headquarters, where most BME employees work. The coaches travel between Company facilities and the nearest public transport links, helping employees to get to and from their places of work.

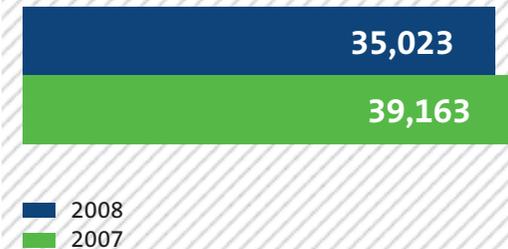
The Company's environmental commitment extends to its contract with coach operator Empresa Ruiz, S.A., as BME, prior to signing the deal, verified that the coach service would operate in a sustainable manner. The coach

operator has certificates issued by Madrid's Chamber of Commerce and Industry verifying that the company complies with UNE-EN ISO 14001:2004 standards for environmental management systems and with UNE-EN ISO 9001:2000 standards for quality systems, which contain guidelines for best environmental practices and waste management, respectively. These certificates guarantee, among other things, that drivers operate the coaches in an environmentally responsible manner and that the service reduces fuel use by up to 10% compared with coaches that are not driven with these best practices in mind.

Another measure closely connected with sustainable fuel use is BME's encouragement of the use of videoconferencing among employees based at different facilities, to avoid the need for employees and other parties to travel to meeting sites. By reducing the number of journeys by car and other means of transport, the Company contributes to the reduction of greenhouse gas emissions.

Despite the use of videoconferencing as the habitual means of holding meetings, it remains necessary on occasion for staff to travel by airplane to other cities. Company personnel took 1,154 trips by plane to cities across the globe in 2008, which represented a decrease of 14.83% from 2007.

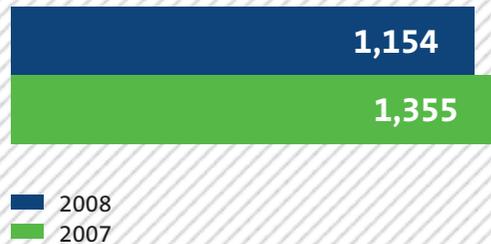
Gas Consumption (kwh)



■ 2008  
■ 2007

## Environmental Protection and Sustainable Development

### Number of journeys by plane



### Water

Water usage, which is not directly linked to the services BME offers, is insignificant and limited to employees' consumption during the workday.

BME has centred its environmental sustainability efforts on establishing mechanisms for cutting water consumption and raising employee awareness of responsible water use.

Measures adopted include the installation of mixer taps with timers, which prevent taps from being left on, and proper facility plumbing maintenance to detect leaks and avoid water wastage.

The effectiveness of these efforts was reflected in a decrease in water consumption at the Las Rozas facility in 2008. The headquarters used 4,051 cubic metres of water, 1.25% less than in 2007.

BME has registered no negative incidents linked to its water collection systems, which connect to the municipal water supply network.

The Company's waste water systems are connected to the conventional city drainage systems.

In addition, the Las Rozas complex has wastewater purification and filtering system to process water after it is used by the Company cafeteria. The system allows the Company to

purify wastewater before it is flushed into the municipal drains.

### Paper

The Company's operations do not entail a particularly significant use of paper. Nevertheless, BME has put into place a series of measures to raise awareness of the need to limit paper consumption among employees and third parties who have ties to the Company.

With the aim of lessening the use of this resource, BME sends all in-house communications with employees by email, giving employees access to information without the need for printing documents.

The Company encourages the use of in-house email rather than paper messages as part of its efforts to raise employee awareness of the need for limiting paper use in their work with each other and with third parties.

BME in 2008 began encouraging the responsible use of paper by adding a message to all emails sent on BME accounts. The automatic message, which reads, "Before you print, think of the ENVIRONMENT," reminds recipients not to print the e-mail's contents unless necessary. BME also offers employees the opportunity to send electronic Christmas cards by email as another method for lowering paper consumption.

Another key element is BME's Intranet, its vehicle for communicating with employees. The use of new technologies helps to lessen the Company's paper waste output. All employees have access to this in-house network, through which BME notifies them of the latest news on employee training, internal notes and pamphlets distributed by different departments, magazines and other publications produced by BME, and the range of corporate services the Company offers (availability of and reservations for meeting rooms, library service, telephone directory, integrated information service, press summaries, etc.).

The Human Resources Department is a particularly frequent user of the Intranet. It sends all of its communications and notes over the Intranet and operates an online platform containing complete information on the services it provides and the tasks employees may perform directly using this tool.

Besides, the Intranet is the channel used to circulate within the company the Press Releases and other publications produced by the Corporate Communication department, together with new developments in connection with the Corporate Image of BME and its subsidiaries.

Apart from electronic communications, traditional means of communication are also used to limit paper waste. A good example is BME's in-house courier service, which makes optimal

### Water Consumption (m<sup>3</sup>)



## Environmental Protection and Sustainable Development

use of resources by reusing items such as envelopes and document boxes used for sending documents. The service allows users to send documents among Company facilities in Madrid, Barcelona, Bilbao y Valencia. This system serves to lessen paper and cardboard consumption.

BME in 2008 implemented a series of measures for managing the sustainable use of paper, including the first phase of a document management programme at all group companies. The system allows full classification of all documents the Company and its subsidiaries receive and generate, so that all documents received are immediately scanned and classified and sent to their recipients via email. Employees are thus able to access documents from their workstation computers without the need for printing them.

This system not only enhances documentation management and lessens the risks involved in handling paper, it also generates a 10-percent decrease in paper use, because employees can view and process documents without the need for printing.

Among other new developments in 2008, the Company made an electronic copy of its 2007 annual report available to all shareholders, who could access it using a portable USB device, or pen drive. This measure will be repeated at the next General Shareholders' Meeting, where

paper copies of the annual report will no longer be distributed, thereby reducing paper usage.

As for BME's Bolsa magazine, the Company has changed the number of issues of the print edition and now updates the magazine online on the corporate website's Publications section as part of efforts to encourage users to switch from paper to electronic media. The new Bolsa format allows BME to frequently update its contents and improve accessibility to the publication while limiting the use of paper.

BME's commitment to sustainable development is also reflected in its relationship with its paper supplier, the Portucel Soporcel group. The Company deals exclusively with paper suppliers that incorporate environmental protection into their internal production processes. Manufacturing processes at BME's paper suppliers meet the quality and sustainability standards contained in NO EN ISO 140001:2004 and OHSAS 18001:1999.



## Environmental Protection and Sustainable Development

**BME has signed agreements with town councils and the different providers of services to handle the recycling of waste generated by the Company.**

### 5.2. Resource management

Resource reuse and recycling are a key component of BME's environmental commitment, since they allow an overall reduction in the use of raw materials and a drop in energy and water consumption while at the same time lessening the pollution caused by untreated waste.

BME encourages employees to properly dispose of office waste so that such materials may be properly handled by third-party recyclers.

Waste generated by BME's activities mainly includes paper, cardboard and office material. Each area and department contributes to proper waste management by using so-called "recycling stations" to collect waste generated by personnel. These stations contain several receptacles, accessible to all employees, where staffers can separate waste products for recycling: organic waste, metal cans and plastics.

The Company's cleaning crews periodically remove the material collected in the recycling stations and deposit it in ad-hoc, larger containers, which are in turn emptied by municipal authorities.

The latter is the result of agreements signed with town councils to handle the collection, treatment and recycling of waste generated by the Company, with this material sorted beforehand thanks to the active cooperation of BME employees.

Office materials that are especially damaging to the environment, such as printer toner and replacement cartridges are recycled through suppliers DELL and RICOH, primarily.

Finally, at the Las Rozas headquarters, BME has installed grease/oil separator tanks to collect waste generated by the Company canteen, which is managed by EUREST. Any wastes considered especially dangerous, such as used oils, are removed by a specialised company hired by EUREST. The company properly treats these materials to allow their reuse for other purposes, thereby reducing their environmental impact.

### Recycling IT assets

Company computers have an average lifespan of five years, which is lengthy for these products, thanks to employees' responsible use and constant maintenance by the Technical and Systems Support Department.

As for computers whose useful life is over, BME in 2008 donated 30 computers to APADIS-Asociación de Padres de Discapacitados (Association for Parents of the Disabled), whose mission is to improve the quality of life of those with disabilities and that of their families.

In accordance with legislation contained in Royal Decree 208/2005 of 25 February governing the disposal of electric and electronic equipment waste, defective computers are returned to their suppliers. The suppliers then dispose of the

devices' components at facilities authorised to treat and manage these materials under appropriate environmental management protocols.

Finally, BME in 2008 replaced computers used by the Spanish electronic trading platform. The machines were delivered for treatment and recycling to companies affiliated with supplier Hewlett-Packard.

## Environmental Protection and Sustainable Development

### 5.3. Sustainable development and efforts to comply with the Kyoto Protocol

BME contributes to the fight against climate change through the National Registry of Greenhouse Gas Emission Rights (RENADE).

By creating and managing this service, BME, as it has done so many times before in the financial markets arena, illustrates its commitment to improving the number and quality of the services it offers to Spanish society at large.

#### RENADE: The National Registry for Emission Rights for Greenhouse Gases

The National Registry for Emission Rights for Greenhouse Gases (RENADE) is an instrument for ensuring that data on the ownership and control of greenhouse gas emission rights are publicly available and constantly updated.

Iberclear has been entrusted by the government, via the Ministry for the Environment and Rural and Marine Affairs, to manage this registry. The registry began operating on 20 June 2005 and permits the issuance, ownership, transfer and settlement of emission rights and units under the purview of the Kyoto Protocol and included in the Spain's National Allocation Plan.

The European Commission on 17 April 2008 approved Spain's National Emission Rights Allocation Plan for 2008-2012, which outlines

the emission rights linked to industrial facilities operating in the country. The rights were registered with RENADE and have been available to their holders since that date.

Facilities with a surplus of allocated rights can sell them to other industrial facilities that need rights, whether via bilateral agreements or existing trading platforms.

It is worth noting that in October 2008 RENADE successfully connected to the United Nations International Transaction Log (ITL), replacing the previous connection to the European Commission Transaction Log. These transnational registries are a key component of the model for fighting climate change as outlined in the Kyoto Protocol, because they act as oversight and tracking bodies for all activities in the national registries. By linking all national registries with the UN ITL, the system allows each national registry to contact those of other countries and thus expands the market for emission rights trading to a global scale, while complying with regulations for non-EU countries' registries.

The connection with ITL allows national registries to log all types of units addressed in the Kyoto Protocol (Certified Emission Reduction, or CER, etc.), which has clearly bolstered the protocol's launch and boosted trading opportunities.

Finally, transfers logged by RENADE in 2008 exceeded the total registered in the so-called Pre-Kyoto period, or all of those logged from 2005 to 2007.