

## Letter from the Chairman

[G4-I]



Antonio J. Zoido, BME Chairman

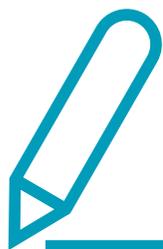
Ladies and gentlemen,

It is my pleasure to present the BME Group's Corporate and Social Responsibility (CSR) Report for 2017. A very dynamic year in which significant challenges for the company in terms of business and sustainability were tackled.

This CSR Report of the BME Group is intended to give its stakeholders a true and accurate image of its activity during this year, in accordance with the commitments assumed in its corporate policies.

One of the new aspects of this Report is that for the first time it has been carried out following the recommendations of the Guide for the preparation of GRI G4 sustainability reports \* in accordance with the Essential (core) option. To this end, those sustainability aspects regarded as material for the organisation have been taken into account after carrying out the corresponding specific analysis of materiality, based on which BME has determined which issues are key. It is the intention of BME to continue in this line and maintain the highest level of sustainable reporting in the coming years.

BME remains committed to the principles of the United Nations Global Compact, which it joined in 2011, an international voluntary initiative that promotes the implementation of universally accepted principles to promote corporate social responsibility in the areas of human rights, labour regulations, the environment and the fight against corruption. Since 2015, the Company has also formed part of the Sustainable Stock Exchanges (SSE) Initiative for sustainable securities markets. By joining this initiative, it undertook to offer guidance to companies for the publication of information on CSR and created the "Spanish Stock Exchange's Voluntary Market Guidance for Listed Companies for Corporate Reporting on ESG Information". Throughout 2017, the company has continued to work closely with these two organisations.



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Turning to the business, of particular note is the completion of the Reform of the Clearing, Settlement and Registration System on 18 September. The definitive migration of IBERCLEAR to T2S has allowed the post-trade systems of the Spanish exchange to be standardised with those of the Eurozone, increasing their efficiency, optimising costs and improving their competitiveness, a key aspect in an increasingly global environment. 2017 will also be remembered as the year of adaptation to the new MiFID II markets directive, which entered into force on 3 January 2018. BME has fulfilled its objectives for the year with the success of these two large projects.

The Company holds a very prominent position as a financier of companies, one of its main business functions. It ended the year placed eighth globally, with 27 new companies admitted to the markets that it manages and €30 billion channelled through capital increases.

Committed to placing the client in the centre of its strategy, BME Inntech was formed offering the added value technology, consultancy, regulatory and innovation services that Infobolsa, Openfinance, BME Innova and Visual Trader previously provided. To complement this, two new initiatives were set into motion: BME Regulatory Services, which encompasses all the Regulatory compliance services deriving from national and European financial legislation, and BME 4Companies, which offers products and services aimed at issuing companies.

Our workforce, our priority interest group and BME's main asset, has an important chapter in this year's CSR Annual Report. At the end of December, the total number of employees stood at 774 people. The Company continues to make a great effort in attracting talent and offering training to its employees, who received more than 10,000 hours of training in 2017 to improve their knowledge and skills.

Significant progress was also made in the dissemination of financial knowledge and sponsorship. The investment earnings for the company increased, exceeding €1.3 million.

Similarly, a notable improvement was obtained in energy efficiency, with a reduction of 5.67% in internal consumption and greenhouse gas emissions, and investments amounting to €525,000 were made to reduce electricity consumption.

At the year-end, the net profit for BME was €153.3 million, slightly lower than the previous year, with an earnings per share of €1.84 and pay-out for 2017 of 96%.

The aim of the company for the coming months is to continue making ground in these achievements and continue creating value for shareholders, users, employees, suppliers and for company itself.

Kind regards,

**Antonio Zoido**

\*Global Reporting Initiative [GRI] is a non-governmental organisation that aims to promote sustainability reports to improve their quality, rigor and usefulness through the implementation of the triple balance: environmental, social and economic. To this end, GRI develops and publishes a Guide for the preparation of sustainability reports, which it periodically reviews, and whose fourth and latest available version is GRI G4.