BME Renta Variable
Stock Exchange Sector Classification
definitions by sector and subsector

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TABLE OF CONTENTS

Description of the stock exchange sector classification ........................................ 4

1. Oil and energy ......................................................................................................... 4
   1.1. Oil .................................................................................................................. 5
   1.2. Electricity and gas .......................................................................................... 5
   1.3. Water and others ............................................................................................ 5
   1.4. Renewable energy .......................................................................................... 5

2. Basic materials, industry and construction ............................................................. 5
   2.1. Minerals, metals and transformation of metal products ................................. 6
   2.2. Manufacture and assembly of capital goods .................................................... 6
   2.3. Construction ................................................................................................... 6
   2.4. Building materials ........................................................................................ 6
   2.5. Chemicals ....................................................................................................... 6
   2.6. Engineering and others .................................................................................. 7
   2.7. Aerospace ....................................................................................................... 7

3. Consumer goods ..................................................................................................... 7
   3.1. Food and beverages ....................................................................................... 7
   3.2. Textiles, clothing and footwear ....................................................................... 8
   3.3. Paper and graphic arts .................................................................................... 8
   3.4. Automobile ..................................................................................................... 8
   3.5. Pharmaceutical products and biotechnology .................................................. 8
   3.6. Other consumer goods ................................................................................... 8

4. Consumer services .................................................................................................. 9
   4.1. Leisure, tourism and hotel industry ................................................................. 9
   4.2. Retail ............................................................................................................... 9
   4.3. Media and advertising ..................................................................................... 9
4.4. Transportation and distribution 9
4.5. Freeways and parking lots 10
4.6. Other services 10

5. Financial services 10
  5.1. Banks and savings banks 10
  5.2. Insurance 10
  5.3. Portfolio and holding companies 10
  5.4. SICAV 10
  5.6. Investment services 11
  5.7. Exchange traded funds 11
  5.8. Venture capital 11
  5.9. Hedge funds 11

6. Technology and telecommunications 11
  6.1. Telecommunication and other 12
  6.2. Electronics and software 12
  6.3. Technological hardware and equipment 12

7. Real-estate services 12
  7.1. Real-estate and other 12
  7.2. REITS 13
Description of the stock exchange sector classification

All companies listed in the Spanish Exchanges and traded either on the Stock Exchange Interconnection System (SIB) or on any of the four Stock Exchanges in Spain: Madrid, Barcelona, Bilbao and Valencia, have been classified according to a common framework that was implemented on January 1, 2005.

There are seven basic sectors:

- Oil and energy
- Basic materials, industry and construction
- Consumer goods
- Consumer services
- Financial services
- Technology and telecommunications
- Real-estate services

In addition to that, there is a second level of classification – that of subsectors – that describes in more detail the main businesses of listed companies. In both levels, there is an easy correspondence with the main international sector classification standards. The list with the classification of all securities listed in the markets for equities and subscription rights, Latin American stocks and Exchange Traded Funds can be downloaded from www.bmerv.es (Listed Companies/Sectorial Classification).

1. Oil and energy

This sector is composed of companies devoted to the exploration, extraction, production and refinement of oil and oil derivative products; production, marketing and distribution of gas and/or electricity, as well as the supply of water to end-consumers, including water treatment plans and other related activities.
1.1. Oil

Includes the companies devoted to the exploration, extraction, production and refinement of oil and oil derivative products.

1.2. Electricity and gas

Includes the companies whose major activity is the production, marketing and distribution of gas and/or electricity, as well as the possession and management of electric mains and gas pipelines.

1.3. Water and others

Companies whose main activity is the supply of water to end-consumers, including water processing plants as well as activities such as the processing of nuclear fuels and radioactive wastes or other activities differing from the foregoing but comparable to the general *Oil and energy* sector not included in the preceding subsectors.

1.4. Renewable energy

Companies whose main activity is the production of electricity using continuously available energy sources. Solar and wind energy are examples of these energy types.

2. Basic materials, industry and construction

This sector includes those companies devoted to some economic activity related to the extraction and/or processing of minerals, metals and their conversion, the manufacture and assembly of capital goods and the general activities of construction and construction materials. This sector furthermore includes all those activities related to chemical industry, engineering and aerospace activities, as well as other activities comparable to the foregoing that may be included in this sector.
2.1. Minerals, metals and transformation of metal products

This includes those companies devoted to the exploration, extraction or refinement of minerals, precious metals and metallic minerals, the manufacture of basic iron, steel and iron alloy products. It likewise includes companies devoted to the manufacture of pipes, production and conversion of primary metals and the casting thereof.

2.2. Manufacture and assembly of capital goods

This includes those companies whose main activity is the manufacture of machinery, equipment and any type of material: mechanical, electrical, electronic, optical, medical, surgical, agricultural, for transportation, etc.

2.3. Construction

Companies whose main activity is any type of construction, civilian or military, for the State or private.

2.4. Building materials

This includes companies whose main activity is the manufacture and extraction of non-metal products used in construction such as wood, glass, ceramics, tiles, bricks, roofing tiles, cement, lime, plaster, plastic materials, sand and clay. This includes the stone and stone derivative industry, the manufacture of metallic elements directly used in construction, such as metallic structures and carpentry, as well as the manufacture of bathroom fittings.

2.5. Chemicals

Companies whose main activity is the manufacture of basic chemical products, pesticides, agrochemical products and other chemical products. It includes the extraction of asphalt and bitumen, as well as the manufacture of cork products, plastic materials, fiberglass and synthetic fibers. However, this excludes the preparation of end products employing these elements as raw materials.
2.6. Engineering and others

This includes those companies devoted to civilian or military engineering, and all other comparable activities that may come under the general sector of Basic materials, industry and construction that are not included in other subsectors.

2.7. Aerospace

This includes companies that manufacture, assemble and distribute aircraft and aircraft parts used primarily in commercial, private or military flights.

3. Consumer goods

This sector includes those companies whose main activity is the production, preparation and marketing of food products (for human or animal consumption) including agricultural, livestock and fishing activities, as well as those devoted to the production of alcoholic and non-alcoholic beverages. It also includes all those companies devoted to the manufacture, distribution and sale of textile, clothing, footwear, paper and automobile products. This sector also includes those other companies devoted to the manufacture and distribution of medicines, as well as companies devoted to the research and development of biological substances for the purpose of diagnostic development and other consumer goods not specified above.

3.1. Food and beverages

Companies whose main activity is the production, preparation and marketing of food products, regardless of their origin, for human as well as animal consumption, whether consumed directly or used as inputs in industrial processes whose end-product is food or closely related thereto. This subsector includes all those companies devoted to the care, maintenance and management of agricultural harvests or plantations not devoted to tobacco, as well as livestock and fishing activities. This furthermore includes those companies devoted to the preparation of alcoholic beverages, bottling of mineral, spring and drinking water preparations as well as non-alcoholic refreshments.
3.2. Textiles, clothing and footwear

Companies whose main activity is the manufacture, distribution and sale of any type of fabric – natural, artificial or synthetic fibers – regardless of their finish. It also includes activities such as the manufacture of articles made with these as well as the design, production, distribution and marketing of garments, including furs, complements and all types of footwear.

3.3. Paper and graphic arts

This subsector includes companies devoted to the manufacture, processing and distribution of pulp, paper and cardboard.

3.4. Automobile

Manufacturers of motorcycles and passenger vehicles, including automobiles, sports vehicles and trucks.

3.5. Pharmaceutical products and biotechnology

Companies devoted to the manufacture and distribution of medicines with or without a physician’s prescription, including vaccines. It furthermore includes those companies involved in the research and development of biological substances for diagnostic development, and which are devoted to the sale and licensing of these substances and diagnostic products.

3.6. Other consumer goods

This subsector includes those companies whose main activity is the production of end or intermediate consumer products that are not included in the foregoing subsectors, such as the manufacture of furniture, musical instruments, toys, furnishings, tobacco, etc. It also includes leather tanning and finishing, as well as the cultivation of ornamental flowers and plants.
4. Consumer services

This sector includes those companies devoted to leisure activities, such as sports and artistic activities, shows, leisure park and sports installation management, offices for airline ticket and tourism reservations, as well as activities relating to hotels and restaurants. This also includes all those activities relative to commerce, the media and advertising, transportation and distribution, freeways and parking lots and other consumer services not described above.

4.1. Leisure, tourism and hotel industry

Sports and artistic activities, shows, leisure park management – open air as well as covered grounds – and sports installations, offices for airline and tourism reservations, activities related to hotels and restaurants, in owned as well as rentes premises, and home distribution and delivery services.

4.2. Retail

This includes those companies whose main activity is the storage and retail distribution of end products, regardless of the means used: large surfaces, supermarkets, etc.

4.3. Media and advertising

Companies whose main activity is the media - press, radio or television - as well as the management and development of advertising activities.

4.4. Transportation and distribution

Companies whose main activity is the transportation, regardless of the means used, of people as well as merchandise, including the use of the facilities. Those companies devoted to packaging, storage and distribution of merchandise to wholesalers, the distribution of products to specialized as well as personalized sales channels, as well as automobile rental, means of navigation and aircraft are also
4.5. Freeways and parking lots

Freeway concessionaires and companies that operate public parking lots.

4.6. Other services

This includes those companies devoted to activities regarding the environment, the rendering of surveillance, protection and private security services, private health, funeral services and any other service not included in the foregoing subsectors.

5. Financial services

This sector includes those companies devoted to the banking activity, insurance and reinsurance, those real estate investing companies regulated by a specific regulation or otherwise, as well as open-end trusts.

5.1. Banks and savings banks

Companies devoted basically to the banking activity characteristic of credit institutions, both by means of traditional channels as well as new technologies.

5.2. Insurance

This subsector includes insurance and reinsurance companies.

5.3. Portfolio and holding companies

Portfolio investment vehicles not regulated by a specific law.

5.4. SICAV

This subsector includes open-end trusts.
5.5.

In January 2019 the subsector 5.5. (previously Real estate and others) was eliminated because the sector 5 (previously Financial and real estate services) was divided in two different sectors, resulting sector 5 Financial services y sector 7 Real estate services.

5.6. Investment services

This subsector includes those companies devoted to the administration of financial markets, stock exchange intermediation and others.

5.7. Exchange traded funds

This subsector includes the exchange traded funds listed in S.I.B.

5.8. Venture capital

This subsector includes venture capital funds and companies.

5.9. Hedge funds

This subsector includes hedge funds and funds of hedge funds.

5.10.

In January 2019 the subsector 5.10. (previously SOCIMI) was eliminated because the sector 5 (previously Financial and real estate services) was divided in two different sectors, resulting sector 5 Financial services y sector 7 Real estate services.

6. Technology and telecommunications

This sector includes those activities related to telecommunications such as telephony (basic as well as mobile), and the design, installation, management and
maintenance of communications networks and infrastructures. It furthermore includes all those electronics and software activities as well as companies devoted to the manufacture and distribution of technological hardware and equipment.

6.1. Telecommunications and others

This subsector includes those companies basically devoted to the rendering of telecommunications services, mainly telephony, basic as well as mobile. It includes those devoted to the design, installation, management and maintenance of communications networks and infrastructures as well as all those activities not included in any other subsector belonging to the general Technology and telecommunications sector.

6.2. Electronics and software

This includes those companies devoted to activities relative to the research, development, production and operation of computer applications, systems, equipment and programs, as well as any other type of teleprocessing system, information technologies and activities regarding databases and the Internet.

6.3. Technological hardware and equipment

This subsector includes those companies devoted to the manufacture and distribution of computers, servers, workstations and other related hardware as well as subsystems.

7. Real-estate services

It includes those companies whose activity is real estate development, rental and management of real estate assets, whether on their behalf or on behalf of third parties.

7.1. Real estate and others

Companies devoted to real estate development, rental and management of real
estate goods on their own - excluding SOCIMI (REITS) that are included in subsector 7.2. - as well as the development of real estate activities on behalf of third parties. This also includes those companies devoted to leasing, financing institutions and others.

7.2. REITS

This subsector includes real estate investment trusts.