



2013

Corporate and Social Responsibility Report



Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.

Note: Translation of the report originally issued in Spanish.

In the event of a discrepancy, the Spanish-language version prevails.



Opening ceremony at the “Blas de Lezo, el valor de mediodiombre” exhibition.



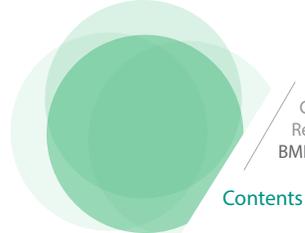
Detail on the presidential table at the “Blas de Lezo, el valor de mediodiombre” exhibition.

Sponsorship of cultural activities:
Exhibition on Blas de Lezo.

BME grants great importance to cultural activities, as it is patent by its commitment with different initiatives and cultural organizations in general. Among them, and especially relevant throughout this year has been the exhibition, organized by the Madrid Navy Museum on the historical figure of Blas de Lezo, one of the most relevant officers of Spanish naval history. With an intense biography, this leading figure played an outstanding role in key moments of European XVIIIth century, being undefeated in all the battles in which he fought.

The exhibition makes an itinerary on the XVIIIth century and the important events that took place in that historical moment, such as Succession War and the Utrecht Treaty Agreement through pictures, coins and commemorative medals. It also shows war elements as cannon balls, swords and muskets.

As a result of this sponsorship, BME Corporate and Social Responsibility Report this year shows images of this exceptional exhibition, held at Madrid Navy Museum.



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Dear Shareholder,

As Chairman of the Board of Directors, I am pleased to present to you BME's Corporate Responsibility Report (CSR) for 2013.

For BME, one of our main commitments in this area is to help businesses find funding. This is even more essential when these companies are unable to access credit. That is why we are particularly keen to promote financing models with lower leverage and formulas which complement traditional channels to make financing available to enterprises.

The foundations have been laid: market-based funding, as a formula for providing finance to the different business segments, must take centre stage. That is why we are particularly pleased that investment flows channelled through the Stock Exchange in 2013 exceeded \$42 billion, making ours the 4th largest market in the world by investment flows.

In 2013, a new alternative fixed income market, MARF, commenced operations, offering SMEs a new means of accessing financing by issuing Fixed Income securities.

We are also boosting the capacity of MAB (Mercado Alternativo Bursátil). Two of the companies listed on this alternative market with the greatest activity, Carbures and Gowex, have received the EC's "European Small and Mid-Cap Awards" out of a total of 31 companies. These awards, which are in their first year, are intended to increase the success of new market listings to create a favourable environment for companies to access financing.

BME has also been working on building on these objectives and has taken part in various initiatives such as the act commemorating the 25th anniversary of the Securities Market Act, organised by the Fundación de Estudios Financieros (Foundation for Financial Studies) which highlighted the importance of this law in developing and modernising Spain's financial markets and its contribution in helping these to carry out their important function.

The Latibex Forum is a key event in this regard. This popular annual event celebrated its 15th edition in 2013, attracting 400 professionals and 44 companies, 40 of which were Latin American. This forum is an important meeting point for investors, analysts and intermediaries from both sides of the Atlantic. The Medcap Forum, also organised by BME and now in its ninth year, is intended to boost liquidity at medium-sized companies and raise their profile among investors. This year's event attracted many non-resident investors whose presence was up 30% compared to 2012.

BME was also active in organising educational programmes and promoting financial culture. A new book in the ESTUDIOS & INVESTIGACIÓN collection, entitled "Comunicación financiera: transparencia y confianza" (Financial communication: transparency and trust) was published. BME also sponsored, for the 10th consecutive year, the prizes in the Fixed Income, Equities and Derivatives categories at the Finance Forum's 11th annual meeting organised by AEFIN (Asociación Española de Finanzas). This is the most important annual financial research event in Spain.

Letter from the Chairman

In 2013, we also set up the PFA education programme which is open to all BME's shareholders and coordinated by the Instituto BME. This programme, which is aimed at our minority shareholders consisting of free onsite courses, has proven very popular.

As an expression of our commitment to shareholders, and despite difficult circumstances, we have maintained our capital remuneration. Hence, our dividend yield continues to rank high among IBEX 35 companies.

We are also extremely pleased to have been recognised by CK Capital of Canada in a recent study as being "at the global forefront in terms of sustainability information provided by the companies listed".

We have also extended the ongoing training offered to BME employees, with skills courses as well as offering the possibility of e-learning in addition to onsite courses. Various BME employees also gave up their time to help with the "Profesionales desde la Escuela" programme organised by the Las Rozas city council, which teaches students about real labour conditions.

BME remains committed to reducing consumption of resources by using video conferencing facilities to avoid staff having to travel to meetings. We have also embraced other measures to help reduce our electricity gas and water consumption. Likewise, we have continued to reduce the amount of paper used at our locations by adopting new technologies for filing documents and by encouraging email usage instead of traditional mail.

Turning to culture, BME remains a member of the friends of the Prado Foundation, a sponsoring partner of the Reina Sofia museum in Madrid and a partner of the Teatro Real in Madrid. Through the Bilbao stock exchange the company is a strategic patron of the Guggenheim museum in Bilbao.

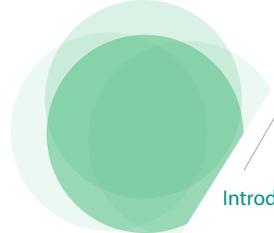
In 2013 BME also sponsored the exhibition on Blas de Lezo, hosted by Madrid's Naval Museum. This 2013 CSR Report shows some of the works in this unique exhibition.

Additionally, it continues to collaborate with different institutions, universities and academic associations in training projects related to the world of securities markets, especially through Instituto BME, which contributes a good number of specific courses to these institutions.

In 2013, BME once again developed various initiatives to make available its resources and the skills of its employees, especially in terms of offering companies new sources of financing which is of vital importance to both national and international companies so that they can begin to grow again and generate wealth and employment.



Antonio J. Zoido



Since 2007, Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (BME) has fulfilled its voluntary commitment to issue a “triple report” on its economic, corporate and CSR performance. The 2013 Corporate Social Responsibility (CSR) report is available to all shareholders and covers the performance of BME and its subsidiaries during the year. It is complemented by the 2013 Annual Report, which includes the Annual Corporate Governance Report.

BME'S corporate outlook: management model and relationships with main market participants

BME gears its management toward obtaining an optimal performance from all the assets at its disposal in a responsible and sustainable manner. This makes it a company with strong growth potential.

As manager of Spain's financial markets and systems, BME is the nexus between Spanish and international companies and investors. It provides a channel through which savings can be used to finance companies, while endeavouring to offer maximum speed, reliability, transparency, efficiency and security to the markets and systems it manages.

Since BME's incorporation, it has always been committed to being a reference for the economy and for businesses in Spain and Latin America (through the Latibex). To achieve this, its actions are guided by the following principles:

- **Efficiency in service provision**, which is essential for the financial market to perform its key role in fostering sustainable economic growth.
- **Market integrity**, which allows several centres to undertake trading activity simultaneously and under identical conditions.
- **An impartial trading environment**, achieved through strict compliance with laws and regulations governing the financial markets and systems.
- **Transparency and fairness in the market**, by providing complete information on market performance so investors, without any privileges, can operate under the same conditions.

- **Innovation and cutting-edge technology**, by providing the means necessary to help companies grow and actively participate in the creation of new financial products and the development of systems infrastructure.
- **Training**, as a cornerstone for the sustainable development of a financial market.
- **Investor protection**, which is crucial for creating a bond of trust between investors and the market.

In establishing these core principles of conduct, BME has taken into account the needs and priorities of the different market agents, as well as society in general as the ultimate beneficiary when financial markets and, by extension, the economy, operate properly.

Therefore, BME considers users of its services, company employees, shareholders, service providers and society at large as the main market players.

The company's guidelines for conduct with these agents can be outlined as follows:

- Complying with Spanish and international laws and regulations, and the codes to which it adheres voluntarily, as well as complying strictly with social ethics and best practice standards in its business operations.

- Making the necessary efforts to ensure that relations with users, investors and shareholders are profitable for all concerned.
- Maintaining solid and fluid relationships, through official channels, with government and watchdog bodies.
- Implementing clear procedures for selecting partners and marketing services and technology. Among other values, these procedures encourage transparency in all actions with all actors, as well as corporate social responsibility.
- Maintaining permanent contact with shareholders and potential investors.
- Building fluid relationships between the company, its employees and trade union organisations.

BME'S corporate outlook: management model and relationships with main market participants

Awards and distinctions received in 2013

Antonio Zoido, Chairman of BME, was re-elected for his second term as Trustee of the International Financial Reporting Standards (IFRS) Foundation, the supervisory body of the International Accounting Standards Board (IASB).

Initiatives in which BME participates

BME is involved in the following national and international initiatives:

- The European Code of Conduct for Clearing and Settlement (since 2006)
- The Carbon Disclosure Project (since 2007)
- The Code of Best Tax Practices (since 2010)
- The United Nations Global Compact (since 2011)

Relations with Public Administrations

Given the importance of the activities carried out by BME in ensuring the smooth running of the financial markets and, by extension, the Spanish economy, the company must maintain a fluid relationship with public bodies through official channels predicated on strict adherence to applicable regulations.

Furthermore, BME's role as manager of regulated markets, trading systems, central counterparties and registration, clearing and settlement systems is carried out in compliance with European and Spanish sector regulations. Accordingly, BME and the majority of its subsidiaries are supervised by the Spanish National Securities Commission (Comisión Nacional del Mercado de Valores, CNMV)

and by the European Securities and Markets Authority (ESMA). As part of its solid relationship with the CNMV, BME actively participates in the forums established in the regulator and serves on the Consultative Committee, the advisory body to the CNMV Board of Directors.

Since it was first approved, BME has adhered to the Code of Best Tax Practices, designed to foster a relationship of reciprocal cooperation between the Spanish tax administration agency and companies.

BME does not contribute to any political parties or organisations, allowing BME management to remain independent in its relationships with local, regional and national government bodies.

BME did not receive any financial aid from the government in 2013. However, it did avail itself of subsidies offered by the Tripartite Foundation to provide in-company training initiatives (see Chapter 3 of this report for more information).

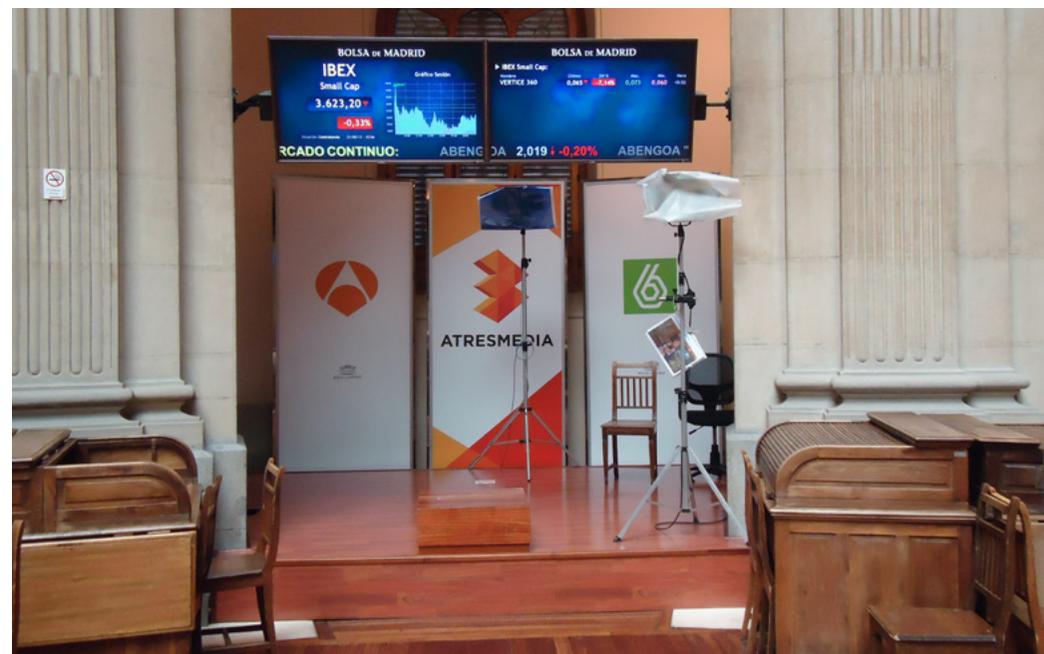
Relations with the media.

The responsibility taken on by BME as the main vehicle for channelling savings towards the financing of companies requires dealing closely with the Spanish and international media. To that end, BME has established a Corporate Communications Area.

BME meets daily demand for news by putting out press releases and addressing the specific enquiries of the media and other information providers.

All company-related information on the corporate web page is kept up to date. The "Press Room" section contains all the Chairman's speeches and other documents of interest.

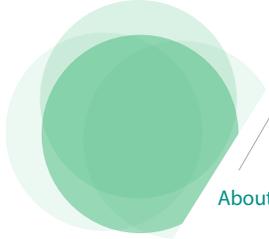
Furthermore, the stock exchange trading floor continues to attract the attention of the media. This has prompted BME to strive to meet certain infrastructure needs of TV and radio stations and other media, and to create an active press room fully equipped with computer systems, subscriptions to financial information services, and other resources.



BME and the media. A3 Media's new TV stand on the trading floor of the stock exchange.

Communication channels

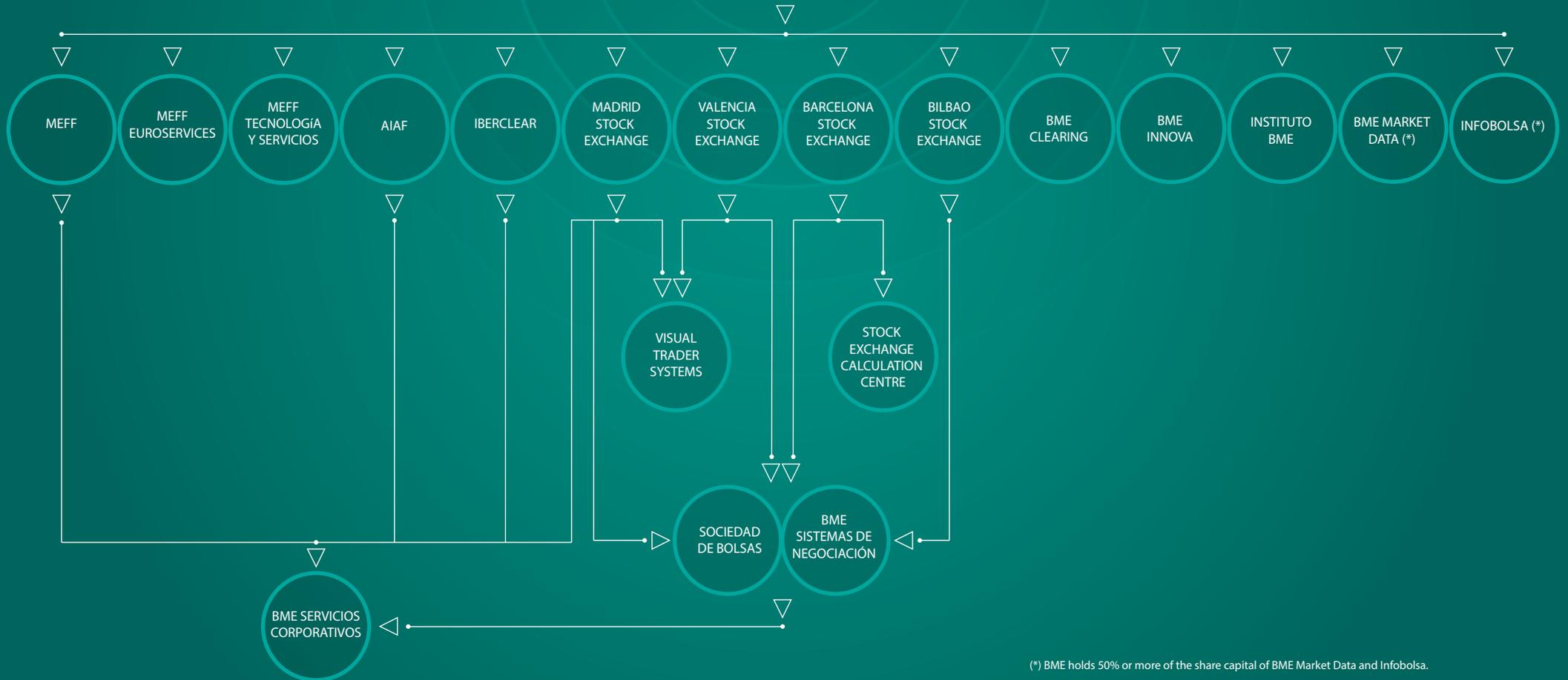




BME is the operator of all stock markets and financial systems in Spain. A public limited company (sociedad anónima), BME has been a listed company since 14 July 2006. BME forms part of the IBEX 35® and the FTSE4Good IBEX®.

BME's headquarters and all of its subsidiary companies' main offices are in Spain, where the group carries out its business. The company's main operational headquarters are in Las Rozas, Madrid.

BME



(*) BME holds 50% or more of the share capital of BME Market Data and Infobolsa.

BME group companies

Stock exchange governing companies



Sociedad de Bolsas, S.A., which manages and operates the Spanish electronic trading platform (S.I.B.E.).



Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., (BME Sistemas de Negociación).

The governing company of two multi-lateral trading systems:

- **Mercado Alternativo Bursátil (MAB)**, which lists securities that require specialised and unique treatment, across a variety of segments.
- **Latibex**, the market for European investors to buy and sell euro-denominated Latin American stocks.

The purpose of stock exchange governing companies is to list for trading, supervise and manage official secondary markets for securities.

The Barcelona, Bilbao and Valencia stock exchange governing companies deal exclusively with public debt issued by the Catalonia, Basque Country and Valencia regional governments, respectively.

The four stock exchange governing companies also own 25% of:



BME Clearing, S.A.U. (BME Clearing).

The central counterparty in respect of derivatives traded on the official secondary derivative market, public debt repos, electricity derivatives and any other financial instrument.



MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U. (MEFF).

Which manages the official secondary market for derivatives with both equity and fixed-income underlyings.

MEFF and BME Clearing are the companies resulting from the spin-off of activities from MEFF Sociedad Rectora de Productos Derivados, S.A.U. (currently BME Clearing, S.A.U.) to BME Gestión de Estudios y Proyectos, S.A.U. (currently MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U.), completed in 2013.

MEFF Euroservices, S.V., S.A.U.

Which transfers orders to European markets (Eurex).

MEFF Tecnología y Servicios, S.A.U.

Which develops and operates data-processing systems and manages the forward market for Red Eléctrica de España.



AIAF Mercado de Renta Fija, S.A.U. (AIAF).

Which manages and supervises both the primary and secondary corporate debt markets, the electronic fixed income trading platform SEND, and is the governing company of the multilateral trading system SENAF and, since 7 October, of the new Mercado Alternativo de Renta Fija (MARF).



Regis-TR, S.A.,

which is 50% owned by Iberclear and Clearstream Banking S.A., a Luxembourg-based company that manages the registration of financial instruments traded (Trade Repository).



Instituto Bolsas y Mercados Españoles, S.L.U. (Instituto BME).

BME's training centre, focusing on the organisation of different training services related to financial markets.



Visual Trader Systems, S.L.

Which develops and operates the Visual Trader system, a platform which allows access to international markets and routing networks. Its connections allow entities and brokers all over the world to both send and receive orders.

This company is owned by the Madrid and Valencia stock exchange governing companies, with stakes of 90% and 10%, respectively.



Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

Spain's central depository for securities. Iberclear is responsible for the accounting records and the clearing and settlement of securities listed for trading on Spanish stock exchanges, the book-entry public debt market, AIAF and Latibex.

Iberclear, under the supervision of the Spanish Ministry for Agriculture, Food and the Environment, manages the National Registry of Greenhouse Gas Emission Rights (RENADE).



Bolsas y Mercados Españoles InnoVA, S.A.U. (BME InnoVA).

Which offers specialised strategic consultancy services, custom-made technological solutions and integrated training programmes for the financial markets, as well as products and services for three areas: business continuity, financial communication and management software for financial institutions.



Bolsas y Mercados Españoles Market Data, S.A. (BME Market Data).

Which specialises in handling, generating and selling information from the group's various regulated markets and multilateral trading facilities (MTFs) and in developing value-added services aimed at the securities industry.

BME Market Data is owned by BME, the four stock exchange governing companies, MEFF and AIAF.



Infobolsa, S.A.

Which provides real-time financial market information services. It is jointly owned (50%/50%) by BME and Deutsche Börse.

In addition to the above, **Bolsas y Mercados Españoles Servicios Corporativos, S.A.** and **Link Up Capital Markets, S.A.**, which act as auxiliary companies for the rest of the BME group companies.

Holdings in other companies

Since it was incorporated, BME has been involved in developing and upgrading Latin American financial markets through shareholdings in the following companies:

- **Cámara de Riesgo Central de Contraparte de Colombia, S.A., S.A.**, the clearing house for Colombia's futures and options market, with a 9.99% stake.
- **Bolsa Mexicana de Valores, S.A. de Capital Variable** with a 0.99% stake.

In addition to these holdings in Latin American companies, BME also has interests in other concerns:

- **Operador del Mercado Ibérico de Energía – Polo Español, S.A.** which oversees the financial management of the electricity generation market, with an indirect stake through BME Innova of 5.65%.
- **OMIP Operador do Mercado Ibérico (Portugal), SGPS, S.A.**, the holding company for the Portuguese electricity market, with a 5% stake.
- **Openfinance S.L.**, provider of front-office solutions for financial advisory and portfolio management, 62%-owned by Infobolsa.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED			
	(thousand euros)		
	2011	2012	2013
Economic value generated	324,375	298,365	310,293
Revenues	314,674	292,109	302,273
Other net gains (losses) ⁽¹⁾	9,701	6,256	8,020
Economic value distributed	326,534	319,257	304,810
Operating expenses	34,571	33,854	33,035
Employee remuneration	61,949	63,400	64,316
Dividends ⁽²⁾	164,225	164,225	145,071
Income tax and other taxes ⁽³⁾	64,673	56,685	61,299
Payments to capital suppliers (financial cost)	0	0	0
Payments to public bodies, donations and other investments in the community	1,116	1,093	1,089
Economic value retained (profit not distributed)	-2,159	-20,892	5,483
Reserves ⁽²⁾	-10,532	-28,752	1,931
Amortisation and depreciation	8,373	7,860	7,414

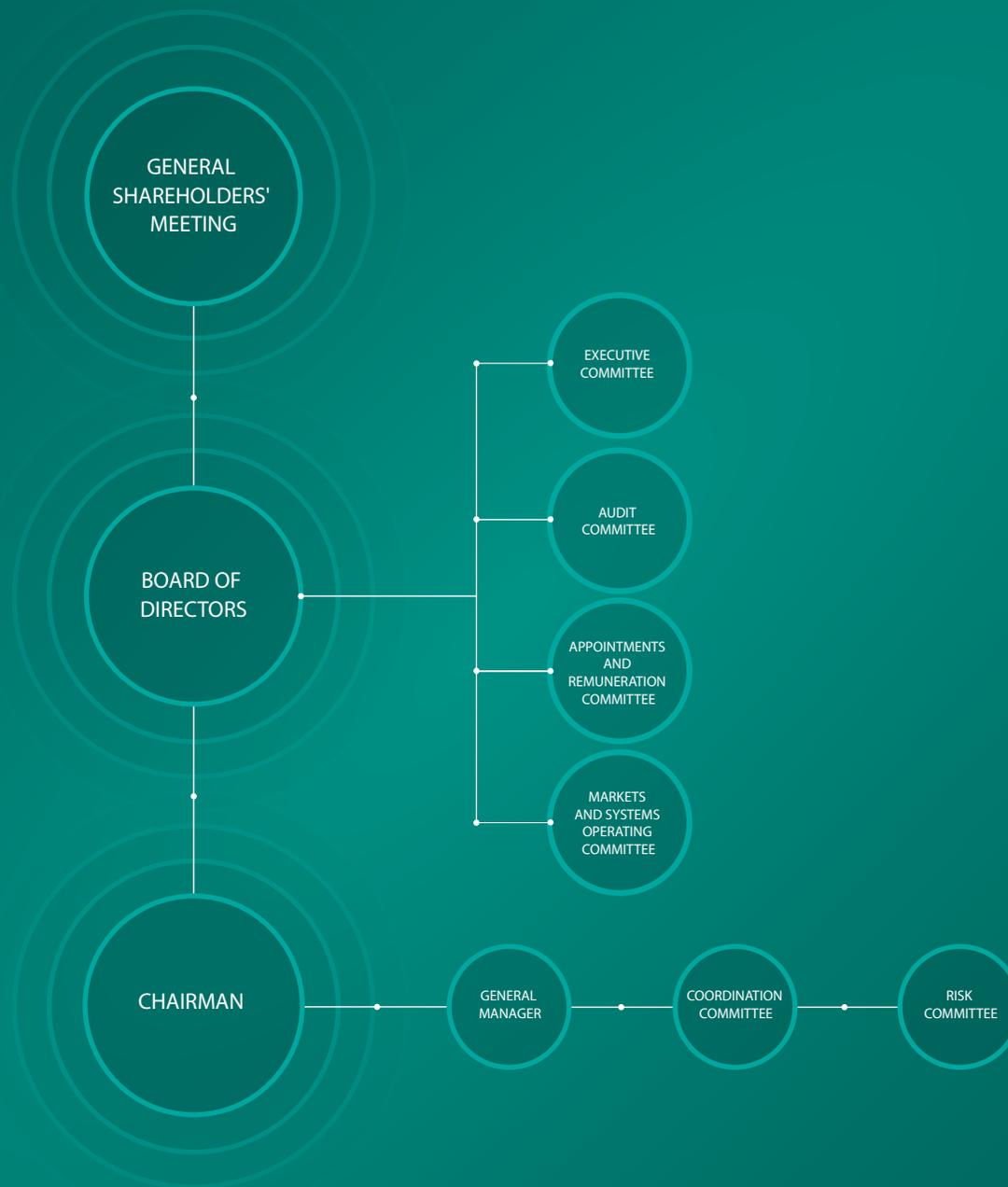
(1) Includes work performed by the company on own assets, other operating revenue, the share of profit (loss) of companies accounted for using the equity method and the net financial result, minus the result attributed to external partners.

(2) Includes the payment of two extraordinary dividends against unrestricted reserves, for €30,980 thousand in 2011 and 2012 and €11.82 in 2013.

(3) Includes only income tax expense and taxes reported in the year.

The total capitalization (broken down as debt) and the equity for 2013 reaches €392.30 billion.

Governing Bodies



Corporate Governance

Corporate Governance

BME's corporate governance structure conforms to the highest market standards in this field. Its guiding principles are transparency, shareholder participation and independence of the external auditor.

BME's internal regulations are available under the "Information for Shareholders and Investors" section of the corporate website: www.bolsasymercados.es.

The **Board of Directors** is the company's most senior governing and administrative body. At 31 december 2013 it comprised 14 members of recognised capacity, integrity and independence.

The composition of the board complied with the recommendations of the unified code of good governance, as 12 members are external directors (seven proprietary and five independent) and only two are classified as executive directors.

Board of directors

DIRECTOR	Post	Type	COMMITTEE			
			Executive Committee	Audit Committee	Appointments and Remuneration Committee	Markets and Systems Operating Procedures Committee
Antonio J. Zoido Martínez	Chairman	Executive	Chairman	-	-	-
José A. Barreiro Hernández	First Vice Chairman	External Non-Independent	Member	-	-	-
Tomás Muniesa Arantegui	Second Vice Chairman	External Non-Independent	Member	-	-	-
Margarita Prat Rodrigo	Third Vice Chairwoman	External independent	Member	Member	-	-
José Antonio Álvarez Álvarez	Director	External Non-Independent	-	-	Member	-
Ignacio Benjumea Cabeza de Vaca	Director	External Non-Independent	Member	-	-	-
Álvaro Cuervo García	Director	External independent	Member	Chairman	-	-
Rosa María García García	Director	External independent	-	-	Member	-
Pablo Forero Calderón	Director	External Non-Independent	-	-	-	Member
Joan Hortalá i Arau	Director	Executive	-	-	-	Chairman
Ricardo Laiseca Asla	Director	External Non-Independent	-	-	-	Member
Karel Lannoo	Director	External independent	-	-	-	Member
Ramiro Mato García-Ansorena	Director	External Non-Independent	-	Member	-	-
Manuel Olivencia Ruiz	Director	External independent	-	-	Chairman	-

* Secretary of the Board and of the Committees: Luis María Cazorla Prieto.

* Deputy Secretary of the Board and of the Committees: Cristina Bajo Martínez.

* Legal advisor: Jaime Aguilar Fernández-Hontoria.

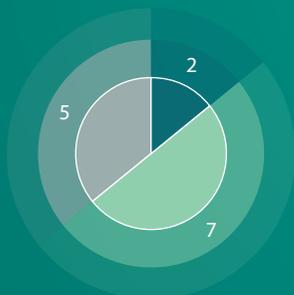
BOARD OF DIRECTORS

External/Internal directors



- Internal directors
- External directors

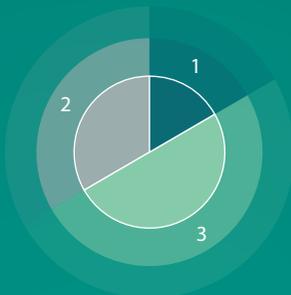
Type of director



- Executive directors
- External Non-independent
- Independent directors

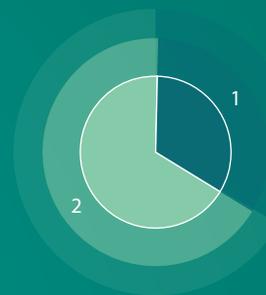
COMMITTEES

Executive Committee



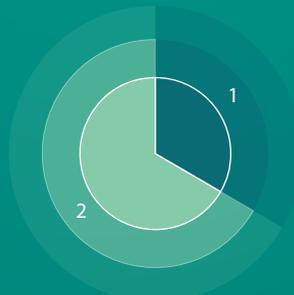
- Executive directors
- External Non-independent
- Independent directors

Appointments and Remuneration Committee



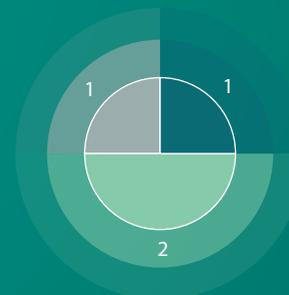
- Executive directors
- External Non-independent
- Independent directors

Audit Committee



- Executive directors
- External Non-independent
- Independent directors

Markets and Systems Operating Procedures Committee



- Executive directors
- External Non-independent
- Independent directors

All information relating to corporate governance at BME can be found in the company's Annual Corporate Governance report, the Annual Report on Directors' Remuneration for 2013 and the Report on the Board of Directors' activity, are of which all available on the corporate website: www.bolsasymercados.es.

BME's structure

As established in the company's Articles of Association and Board of Directors' Regulations, the Board of Directors has entrusted the running of its ordinary business to the delegate bodies, the Board's executive members and the senior management team.

Accordingly, the company has a **General Manager** who, under the supervision and encouragement of the Chairman, as the most senior executive, coordinates the business units and areas, and a **Coordination Committee**, which is responsible for the permanent coordination between the group's various business units and the activities of the company and the group's companies.

Coordination Committee

Antonio Zoido Martínez (Chairman)
 Javier Hernani Burzako (General Manager)
 Ramón Adarraga Morales
 Jaime Aguilar Fernández-Hontoria
 Antonio Giralt Serra
 José Massa Gutiérrez del Álamo
 Francisco Nicolás Tahoces
 Francisco Oña Navarro
 Jorge Yzaguirre Scharfhausen

Given the group's corporate structure, the coordinated management of its activities is based on a structure of seven business units and seven corporate areas providing support functions to all business units.

Business units	Head
Equities: Trading of securities through the electronic trading platform (Sistema de Interconexión Bursátil) or on the stock exchange floor and all corresponding post-trade activities.	Jorge Yzaguirre Scharfhausen ⁽¹⁾
Derivatives: Derivative trading, central counterparty activities and settlement of derivatives, public debt repos and electricity derivatives.	Francisco de Oña Navarro
Fixed income: Trading of private fixed income and public debt securities.	Francisco de Oña Navarro
Settlement: Registration, clearing and settlement of equity, private fixed income and public debt trades.	José Massa Gutiérrez del Álamo
Information: Dissemination of information as a primary source and commercial provider services.	Ramón Adarraga Morales
Listing: Listing and maintenance services for issuers on the equity and private fixed income markets.	Antonio Giralt Serra
IT & Consulting: Production and sale of software, global access, advisory and training services.	María Parga Landa

(1) From January 2014, Jorge Yzaguirre Scharfhausen is also Head of Derivatives.

Corporate area	Head
Human Resources	Luis García Berral
Technology	Francisco Nicolás Tahoces
Financial	Javier Hernani Burzako (General Manager)
International Relations	Ramón Adarraga Morales
Administration	Luis María Cazorla Prieto
Legal	Jaime Aguilar Fernández-Hontoria
Corporate Communications	Pablo Malumbres Muguerza

In the second half of 2012, BME engaged an external company to analyse its internal organisation, with a view to shoring up the company's organisational and resource management bases. Specific actions are currently being carried out to strengthen the organisational structure areas identified as needing improvement.

Among other improvements, efforts are being made to integrate the Technology Area's IT equipment and create major synergies, as well as to bring about greater organisational integration of the area in developing software. A Project Management and Organisation (PMO) corporate function has also been created. This function reports to General Management and aims to standardise and improve control and monitoring of projects across all areas.

Risk management

BME has a risk management system in place which ensures that any significant risks which could affect the group's objectives and activities are identified, evaluated and controlled as described in BME's Annual Corporate Governance Report.

The Risk Committee, the Internal Audit Department and the Compliance Department assist the Board of Directors and the Audit Committee in developing a suitable risk management programme.

The **Risk Committee**, under the helm of the General Manager, reports to the Coordination Committee. These two units work together to implement the risk control and management policy laid down by the Board of Directors. The committee monitors and analyses the risks arising in the day-to-day activities of BME group companies.

The Risk Committee has created an integrated risk management system (IRMS) following the methodological framework specified in the COSO II paper. It also maintains the Corporate Risk Map, in close cooperation with the business units and corporate areas. In addition to the IRMS, the Risk Committee has formally incorporated the Internal Control over Financial Reporting (ICFR) system. A description of the IRMS, including the ICFR, is available in the Annual Corporate Governance Report for 2013.

At its meeting of 29 November 2012, the Board of Directors resolved to set up a Penalty Prevention System, as described in Chapter 3 of this report. The system is being gradually implemented throughout the group.

The **Internal Audit Department** is charged with providing senior management and the Board with information that enables them to fulfil the company's objectives, including the assessment and evaluation of the efficiency of the risk assessment tasks carried out. Its task is therefore aimed at assessing and improving the efficiency of the processes concerning risk management, control and governance by identifying key risks and controls.

In order to create an independent body that could monitor compliance with the regulations governing the activities of BME and its group companies, on 20 November 2013 the Executive Committee approved the formation of a group-wide **Compliance Department**. The Compliance Department's primary duties include supervising compliance with prevailing regulations, codes of conduct and commercial agreements; verifying the suitability of procedures and compliance therewith; supporting the Audit Committee in supervising regulatory compliance risk; and helping employees to monitor regulatory changes that could affect the activities carried out by the Group.

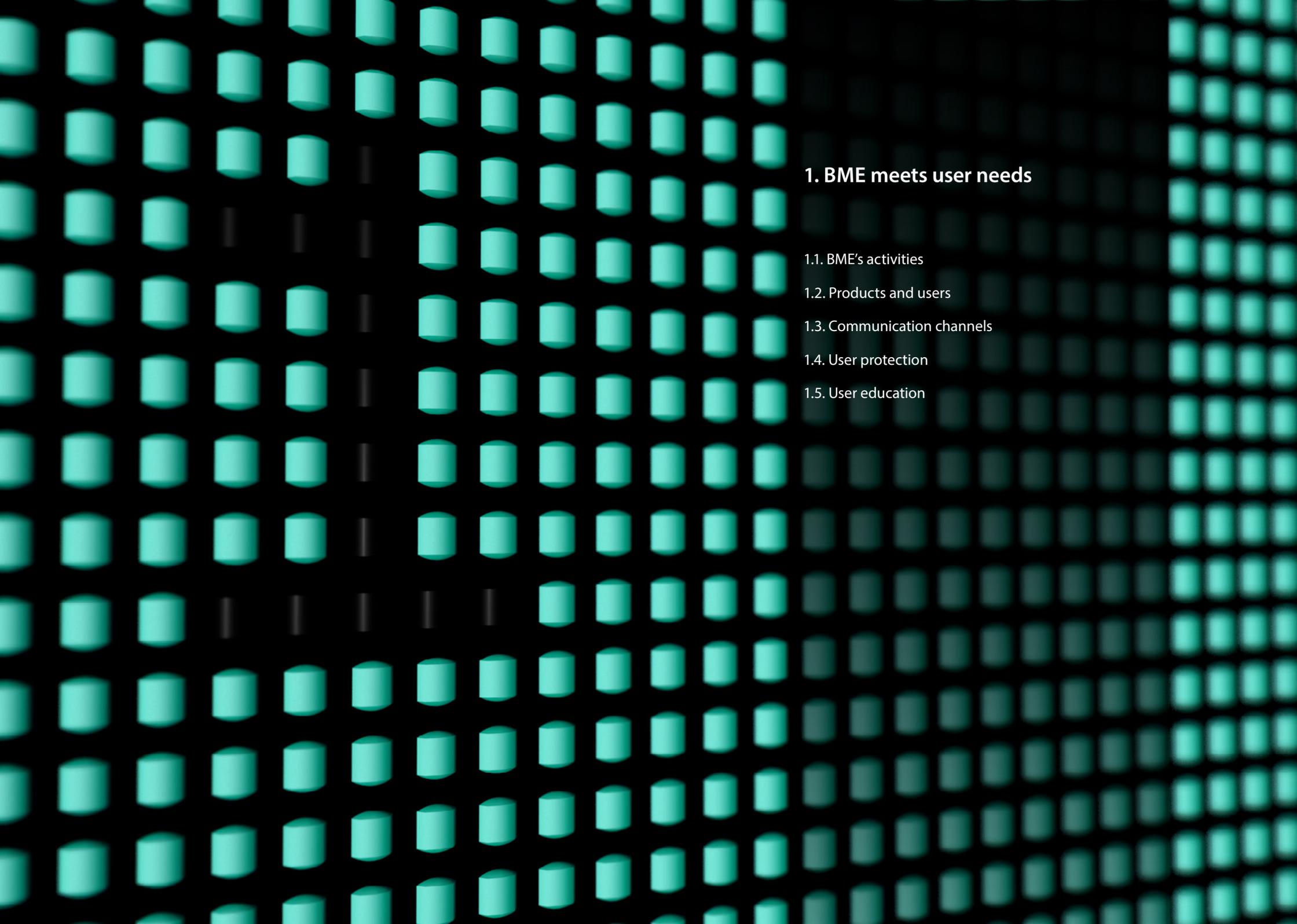
"Este feliz subseso no esperado según lo consternado, que estaba la tropa, no lo debemos atribuir a causa humana, sino alas misericordias de Dios"



Blas de Lezo exhibition at the Naval Museum.

Left: Portrait of Felipe V. 1723 by Jean Ranc.

Right: Blas de Lezo y Olavarrieta portrait, XVIIIth. Century. Unknown.

The background of the slide features a repeating pattern of teal-colored cylinders on a black grid. The cylinders are arranged in a regular grid and are slightly offset from the grid lines, creating a 3D effect. The lighting on the cylinders is soft, with a gradient from top to bottom, making them appear to float above the grid.

1. BME meets user needs

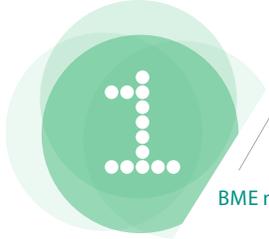
1.1. BME's activities

1.2. Products and users

1.3. Communication channels

1.4. User protection

1.5. User education



Corporate and Social
Responsibility Report 2013
BME

BME meets user needs

1.1. BME's activities

BME currently integrates systems for registering, clearing and settling securities, central counterparty entities, secondary Spanish markets and official trading systems, and carries out a range of complementary and auxiliary services spanning, among other areas, information, consulting, information technologies, contingency services, business continuity and contingency, and training.

The following tables provide a schematic outline of BME's main activities, showing, at 31 December 2013, the services it provides to users and customers, mostly entities registered with the CNMV. The markets and trading systems operated by BME do not provide services directly to retail investors, except for ancillary services.



1.2. Products and users

Products and services provided by BME

BME	Products and services	Through	Users
EQUITIES	Trading in shares of Spanish, European and Latin American companies, shares and units of SICAVs, venture capital firms, hedge funds, REITs, ETFs, warrants, certificates and other products. Calculation of indices (IBEX, stock markets).	Madrid, Barcelona, Bilbao and Valencia stock exchanges, Sociedad de Bolsas, MAB, LATIBEX.	Companies, issuers. Market members (investment services companies and credit institutions) and, through them, private and institutional investors.
FIXED INCOME	Private fixed income (commercial paper, bonds, debentures, covered and regional bonds, MBS & ABS, and government-backed debt issues) Public debt (treasury bills, government bonds).	Barcelona, Bilbao and Valencia stock exchanges AIAF, SENAF, SEND, MARF	Market members (investment services companies and credit institutions) and, through them, companies and private and institutional investors.
DERIVATIVES	Options and futures on shares, bonds and indices.	MEFF	Members of MEFF and, through the market members, private and institutional investors.
REGISTRATION, CLEARING AND SETTLEMENT	Accounting, clearing and settlement of all securities admitted for trading on Spanish stock exchanges, SENAF, SEND, AIAF, MARF, MAB and LATIBEX. Registration of derivative transactions. CCP for derivatives, public debt repos and electricity derivatives. Registration of CO ₂ emissions.	IBERCLEAR RENADE REGIS- TR BME CLEARING	Members of Iberclear. RENADE members. Members of BME Clearing. Electricity utilities.
DISSEMINATION OF INFORMATION	Primary sources of information. Primary data flow services.	BME Market Data	Large providers. Online brokers. Specialised Internet portals. ESIs and credit entities.
	Collection and processing of primary sources of information.	Infobolsa	Professional and private segment.
	Index user licence.	Sociedad de Bolsas	Dissemination entities.
IT & CONSULTING	Development and operation of financial market access systems.	Visual Trader Systems	Private and institutional investors. Order gatherers.
	Strategic advisory services for financial markets. Technological advisory. Business continuity. Financial communication. Management software.	MEFF Tecnología y Servicios BME Innova	Financial markets. Regulated government agencies and financial institutions. Large companies, financial entities, SMEs, and users of financial entities.
	Technological solutions for financial advisory and portfolio management.	Openfinance	Financial entities.
	Training programmes. Tailored programmes. Cooperation with other institutions. Training for BME shareholders.	Instituto BME Stock exchanges BME Innova	Financial sector professionals and regulatory bodies, private investors, students, etc. Media.



BME meets user needs

For the third consecutive year, in 2013 BME Innova renewed its UNE-EN ISO 9001:2008 international quality seal granted by AENOR. This certification, which has been extended to include advisory services and training in international financial markets, attests to the quality of BME Innova's activities.

Instituto BME also extends a quality commitment to its customers, obtaining in 1998 the AENOR Registered Firm Certificate, renewed each year in accordance with the UNE-EN ISO 9001:2008 quality standard.

New BME projects in 2013.

Throughout 2013, BME continued to develop products and services in order to facilitate and support mechanisms that can provide the market with new forms of financing. In doing so, BME collaborated with public and private institutions, while also promoting the incorporation of relevant regulatory changes.

To that end, in March 2013 a new trading segment was rolled out in Mercado Alternativo Bursátil, for listed real-estate investment trusts (REITs). These public limited companies develop, renovate and operate leased property held in conjunction with other REITs, and provide auxiliary real-estate activities. In 2013, two companies were listed for trading in this segment.

With the backing of the Ministry of Economy and Competitiveness, on 8 April 2013 the scope of securities traded on the SEND platform was enlarged to incorporate public debt issues. This brings greater transparency to this market and provides private investors with counterparties so they can buy and sell public debt securities and easily access trading prices for these securities.

Among the initiatives to allow small and medium-sized enterprises to access financing at feasible costs, on 7 October 2013 BME, through its subsidiary AIAF and in collaboration with the Ministry of Economy and Com-

petitiveness, launched Mercado Alternativo de Renta Fija (MARF). Through MARF, a multilateral trading system targeting institutional investors, issuers that wish to sell fixed-income assets can benefit from fewer formal requirements, more streamlined procedures, and lower issue costs. On 20 December MARF admitted to trading the first company on this market, COPASA.

On 7 November 2013, REGIS-TR, the European trade repository created by BME and Clearstream Banking Luxembourg S.A., received the requisite authorisation from the European supervisor ESMA to operate as a trade repository as from February 2014. Throughout 2013, the entity carried out intense commercial efforts and entered into several collaboration agreements in order to improve the exchange of information with securities depository entities in other countries (the Russian central securities depository, National Settlement Depository - NSD) and other collateral management services platforms, as well as to offer additional services such as data portfolio reconciliation and MiFID-compatible reporting.

In response to the high demand, in 2013 BME created a new family of eight target volatility indices to round out the IBEX35® index series. On 24 September 2013, BME began calculating and publishing these indices.



On the international front, BME worked on the Algerian Treasury Department's project to create and operate a public debt trading platform as part of the debt conversion in public investment programme in Algeria. BME also collaborated on a project to promote financing to Mexican SMEs through corporate debt issues.

Infobolsa is currently implementing innovative developments in Latin America, such as the creation of a multi-channel online broker platform for the Mexican financial institution BBVA Bancomer and the first mobile app for the Mexican stock exchange's Sibolsa platform.

In the European market, BME is currently working to develop a stock market app for browsers installed in BMW vehicles, and is heading up an online broker project with an international financial entity operating throughout Europe.

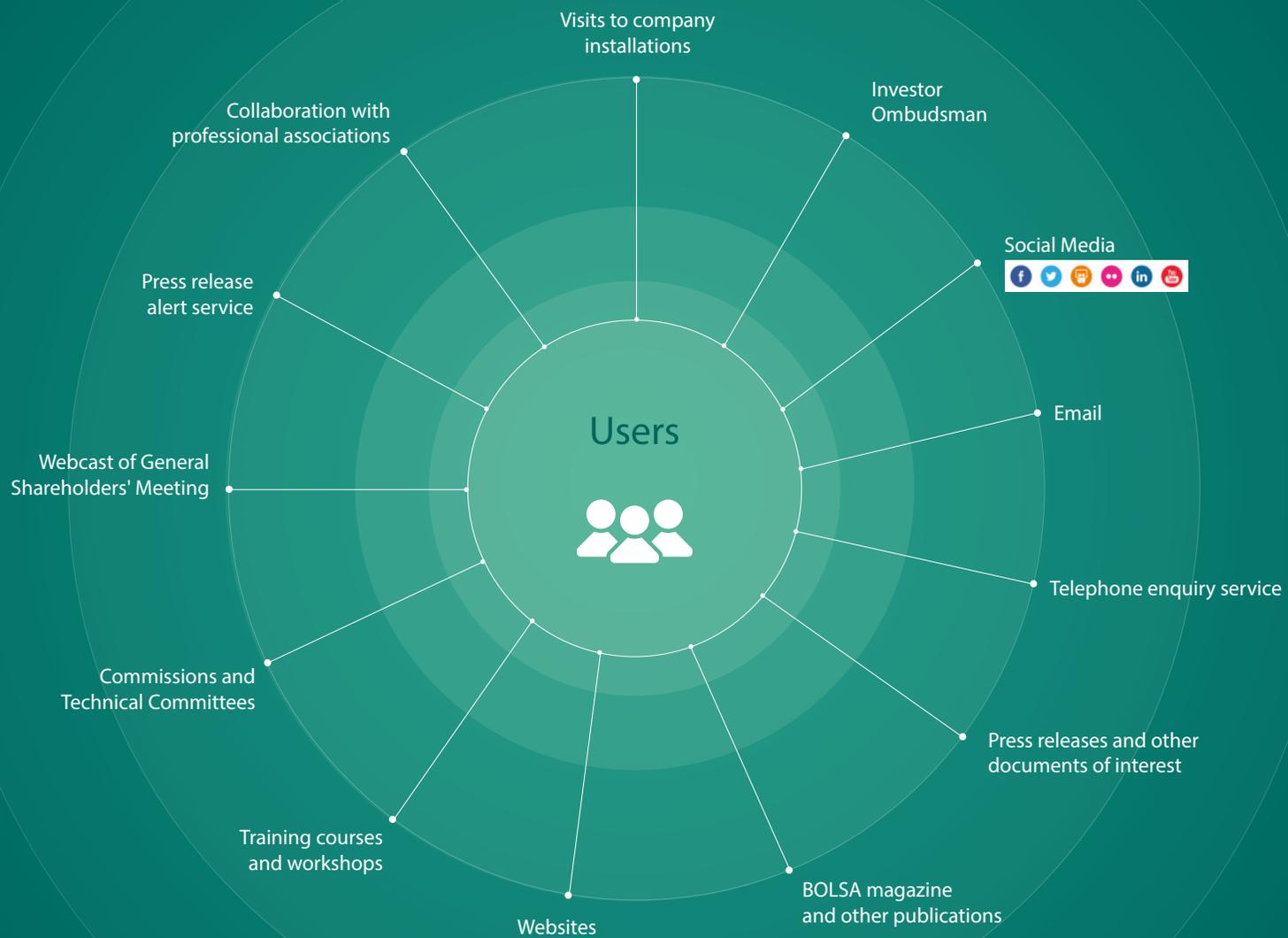
1.3 Communication channels

Communication with users at all levels is extremely important for BME, as this is the only way it can ascertain the doubts, needs and opinions of both direct and indirect users.



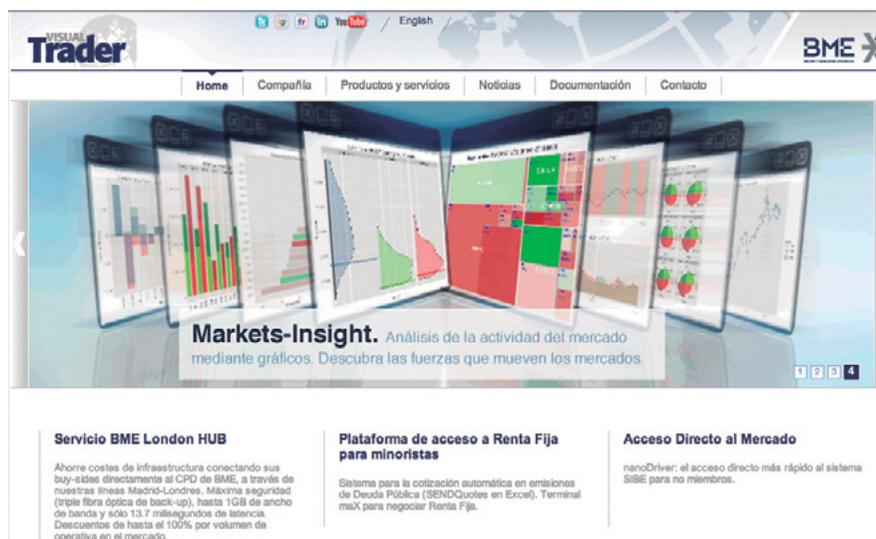
New financing alternatives for businesses. Presentation of MARF.

Communication channels



The popularity of new means of communication has made it possible to broaden the channels through which BME communicates with its users and customers. BME currently has a presence on five social networks: Twitter (@GrupoBME), YouTube, Flickr, Slideshare and LinkedIn, considerably shoring up its presence in this latter network during the year. BME uses these social networks as platforms for sharing the results and activities of group companies and for bringing BME closer to its investors, potential customers and the media.

BME also continued to standardise and update the websites of its group companies and markets, all of which can be accessed through the corporate URL www.bolsasymercados.es. Specifically, BME has focused on updating its website to provide greater content on ETFs, through the creation of specific minisites for AIAF (Mercado Alternativo de Renta Fija -MARF), Regis-TR, Visual Trader Systems and Infobolsa. Infobolsa's website, in particular, is the first Spanish financial website to be developed in accordance with responsive web design (RWD) parameters. Among other advantages, this provides an optimal content viewing experience on all existing telecommunications devices.



The new websites of BME, sleek and modern.



Aside from introducing new communication channels, BME maintains ongoing contact with all market participants, primarily through technical committees such as Iberclear's Technical Advisory Committee, the subgroup entrusted with the design of the central counterparty entity for the Registration, Clearing and Settlement System reform project and MEFF's Supervisory and Oversight Committee. BME and these committees exchange opinions on the operation, development and activities of the markets and systems managed by BME and ascertain, first hand, the concerns, demands and needs of the entities participating in BME's many markets and systems.

Hand-in-hand with these virtual channels, BME places great importance on direct, personal and fluid relationships between its employees and market participants and their respective employees.

BME's ongoing interest in publicising, via a number of means, the development of its business is also reflected in its active participation, promotion and organisation of forums, workshops, trade fairs and other relevant activities, as it believes this helps encourage direct contact between the company and market participants and among market participants themselves.

In 2013, BME took part, among others, in the following financial forums and gatherings:

- Organisation of several workshops to showcase to companies and investors the opportunities offered by MAB, MARF and the public debt segment in SEND, as well as BME Innova's services as a specialist in regulatory reporting and in the secure and confidential management of large volumes of information.
- Participation in the Valencia Stock Exchange's Economy and Communication Seminar, calling for greater economic and financial knowledge among journalists.
- Organisation of "Mercado Financiapyme" bringing together financial entities and national and international investors able to fund the activities of small and medium-cap companies.
- Participation in the 3rd Fund Day, one of the largest events on the mutual funds industry.
- Co-organisation, together with Société Générale, of the first IBEX Trading Day, aimed at promoting and encouraging use of IBEX indices.
- Participation in the 3rd annual Spain Investors' Day.
- Participation in the 6th edition of Forinvest through the Valencia Stock Exchange.
- Co-organisation, together with two other entities, of the 2nd Spanish Small & Mid Caps Conference, held in New York.

- Participation in Bolsalia, at which many BME group professionals gave conferences.

- Organisation of the 9th MedCap Forum.
- Organisation of the 15th Latibex Forum.

BME was involved in organising a number of workshops on equity markets, such as "Deleveraging and Growth in Spain" at the Valencia Stock Exchange, "Economic and Financial Outlook in 2013" organised by the Spanish Institute of Financial Analysts, "Reform of the Registration, Clearing and Settlement System" presented in the stock exchanges, the "Financial Reporting and Corporate Governance Seminar" organised by the Fundación de Estudios Financieros, with the help of the CNMV, to commemorate 25 years of the Spanish Stock Market Law, and the presentation of "Presidente Ejecutivo y Gobierno Corporativo de sociedades cotizadas en España", a book on corporate governance of listed companies in Spain.



The Stock exchange palace building, meeting point for Spain Investors Day.

1.4. User protection

As the management body for Spanish financial markets and systems, BME is responsible for market participants and retail investors, even though they are not direct customers, as it considers its position allows it to intercede on their behalf.

In BME's dealings with retail investors, worth noting are the services provided by the Investor Ombudsmen, set up and maintained by the stock exchange governing companies of Madrid, Barcelona and Valencia to aid and protect investors. The Investor Ombudsman handles their queries and complaints, attempts to prevent complaints and claims from being filed regarding transactions carried out on the stock exchange, and endeavours to provide conditions to clarify facts and concerns posed by investors and intermediaries between parties in conflict. When claims are lodged by investors, the Investor Ombudsman ascertains the details and, if the parties fail to reach an agreement, issues a non-binding final report.

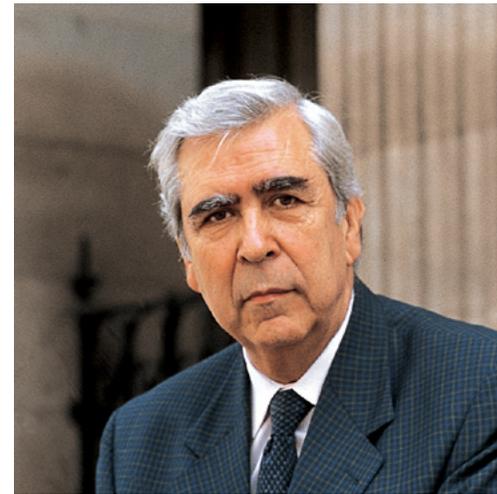
1.5. User education

Since its incorporation, BME has considered that its role as the manager of Spanish financial markets and systems carries with it a commitment to actively participate in fostering a financial culture in Spain. In this regard, it subscribes to the OECD's recommendation on principles and Good Practices for Financial Education and Awareness launched in July 2005.

Given its significant role in the financial markets, BME regards publicising and raising awareness of financial matters in the most accessible and comprehensive manner possible to be just another function of its business activity, as well as an important channel for end customers and brokers in markets to express their concerns, interests, demands and worries.

The importance BME attaches to education is embodied in Instituto BME, whose sole activity is to organise educational services related to financial markets in general and issues directly related to BME's own markets and systems products in particular, although this activity may be complemented with additional educational initiatives carried out by other group companies.

Instituto BME assures customers seeking educational services that its quality commitment extends beyond the mere provision of services, to the ultimate goal of addressing their true education needs, meeting their expectations and generating the utmost satisfaction. In this manner, the company achieves its ultimate objective: to gain the maximum trust of and establish lasting relationships with its customers. This commitment is duly evidenced through the UNE-EN ISO 9001:2008 certification held by Instituto BME.



Carlos Fernández, the Madrid Stock Exchange's Ombudsman.



Committed with financial culture. Students in Instituto BME.



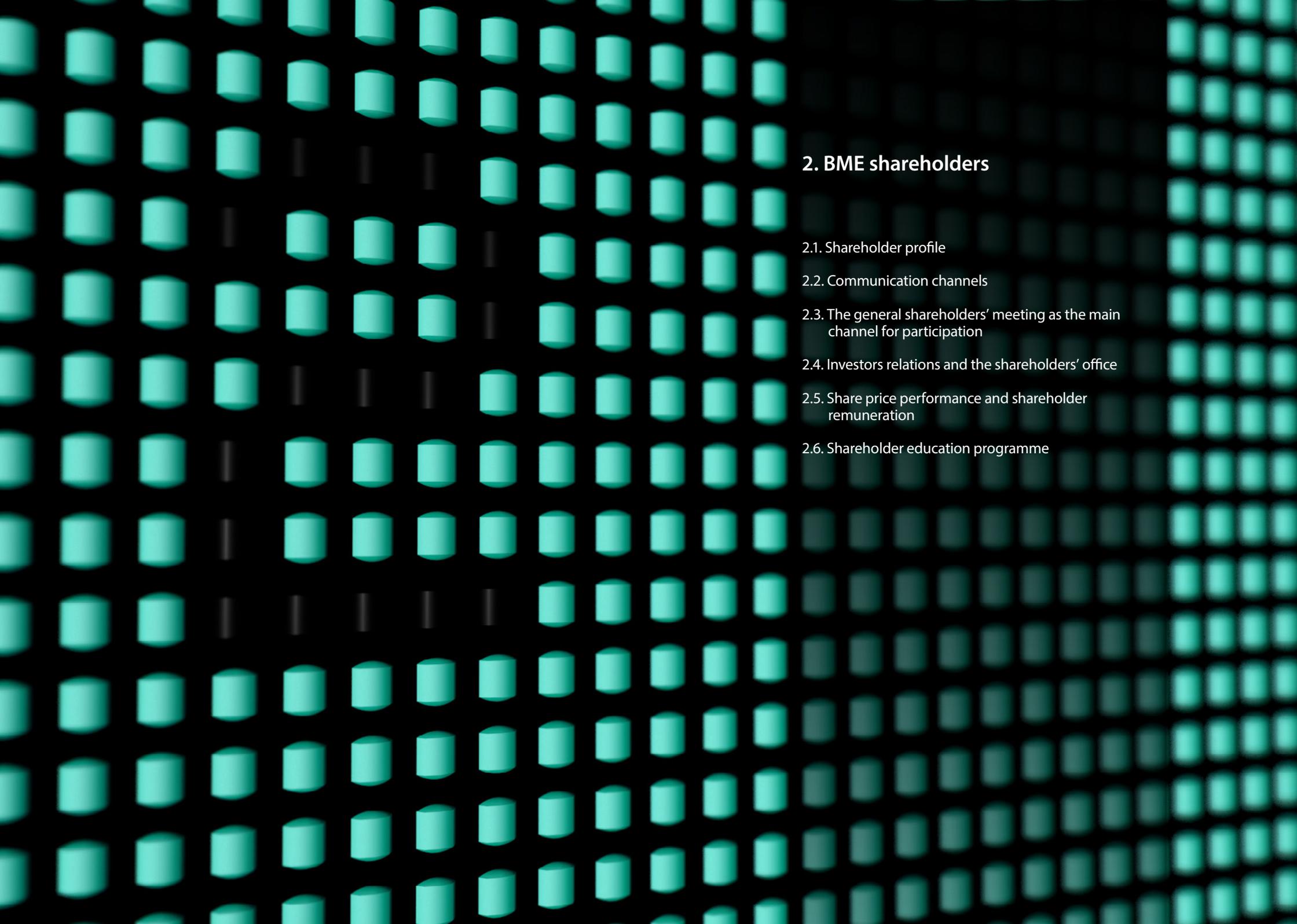
Cover of the 2012 Ombudsman Report.



Blas de Lezo exhibition at the Naval Museum.

Background: Map of Cartagena de Indias. 1739.
Top: Felipe V. Eight escudos México 1735. Head and Reverse.
Right: Blas de Lezo's uniform.

"Me retiré bastante mortificado de ver que nada se mueve, ni que se admite advertencia"

The background of the slide features a repeating pattern of teal-colored cylinders. These cylinders are arranged in a grid that is slightly offset from the top-left corner, creating a sense of depth and perspective. The cylinders are set against a dark, almost black background, which makes the teal color stand out. The overall effect is a modern, textured, and rhythmic visual element.

2. BME shareholders

2.1. Shareholder profile

2.2. Communication channels

2.3. The general shareholders' meeting as the main channel for participation

2.4. Investors relations and the shareholders' office

2.5. Share price performance and shareholder remuneration

2.6. Shareholder education programme



BME's shareholders are one of the company's main stakeholders.

Thanks to their capital contributions, the company's financial structure and, ultimately, its activity, are sustained. Therefore, BME encourages its shareholders to play an active role in the company and makes all of the tools they need to exercise their rights available to them. To gain the trust of its shareholders, BME guarantees the utmost transparency of information and ensures that shareholders can exercise their rights under equal

conditions. To do this, it has strengthened and encouraged use of the various communication channels available to shareholders, and makes all attempts possible to respond to and fulfil the ideas and suggestions received through these means. As will be discussed below, this is illustrated by the roll out in 2013 of the Shareholder Education Programme.



2.1. Shareholder profile

The information in the table refers to 31 December of each year.

General information

	2011	2012	2013
Total number of shares	83,615,558	83,615,558	83,615,558
Avg, number of shares held per shareholder	1,624	1,538	1,658

Breakdown by type of shareholder

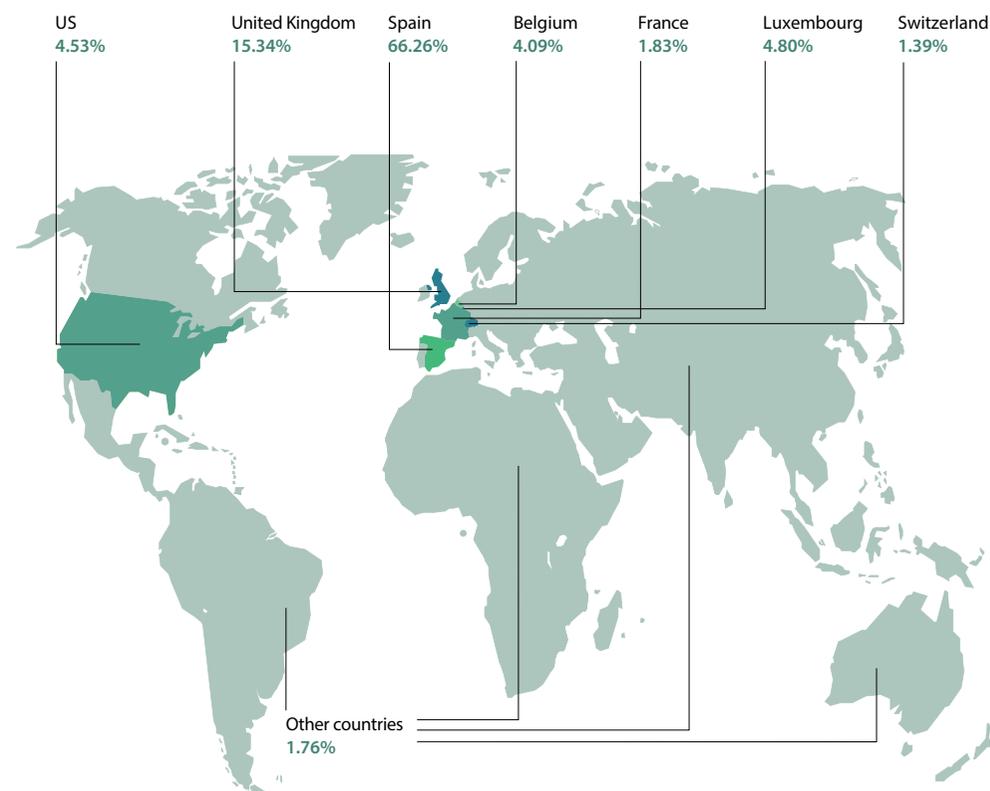
	Institutional shareholders			Non-controlling shareholders		
	2011	2012	2013	2011	2012	2013
Number of shareholders	3,116	2,979	2,748	48,361	51,382	47,692
% of total shareholders	6.05%	5.48%	5.45%	93.95%	94.52%	94.55%
Number of shares	57,307,689	51,901,078	644,887	26,307,869	31,714,480	29,970,671
% of share capital	68.54%	62.07%	64.16%	31.46%	37.93%	35.84%

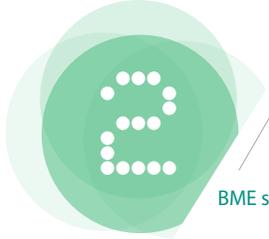
Breakdown by nationality

	Spanish shareholders			Foreign shareholders		
	2011	2012	2013	2011	2012	2013
Number of shareholders	51,017	53,894	49,921	460	467	519
% of total shareholders	99.11%	99.14%	98.97%	0.89%	0.86%	1.03%
Number of shares	65,947,623	66,865,206	55,430,864	17,667,935	16,750,352	28,184,694
% of share capital	78.87%	79.97%	66.29%	21.13%	20.03%	33.71%

Breakdown by country

Share breakdown by country



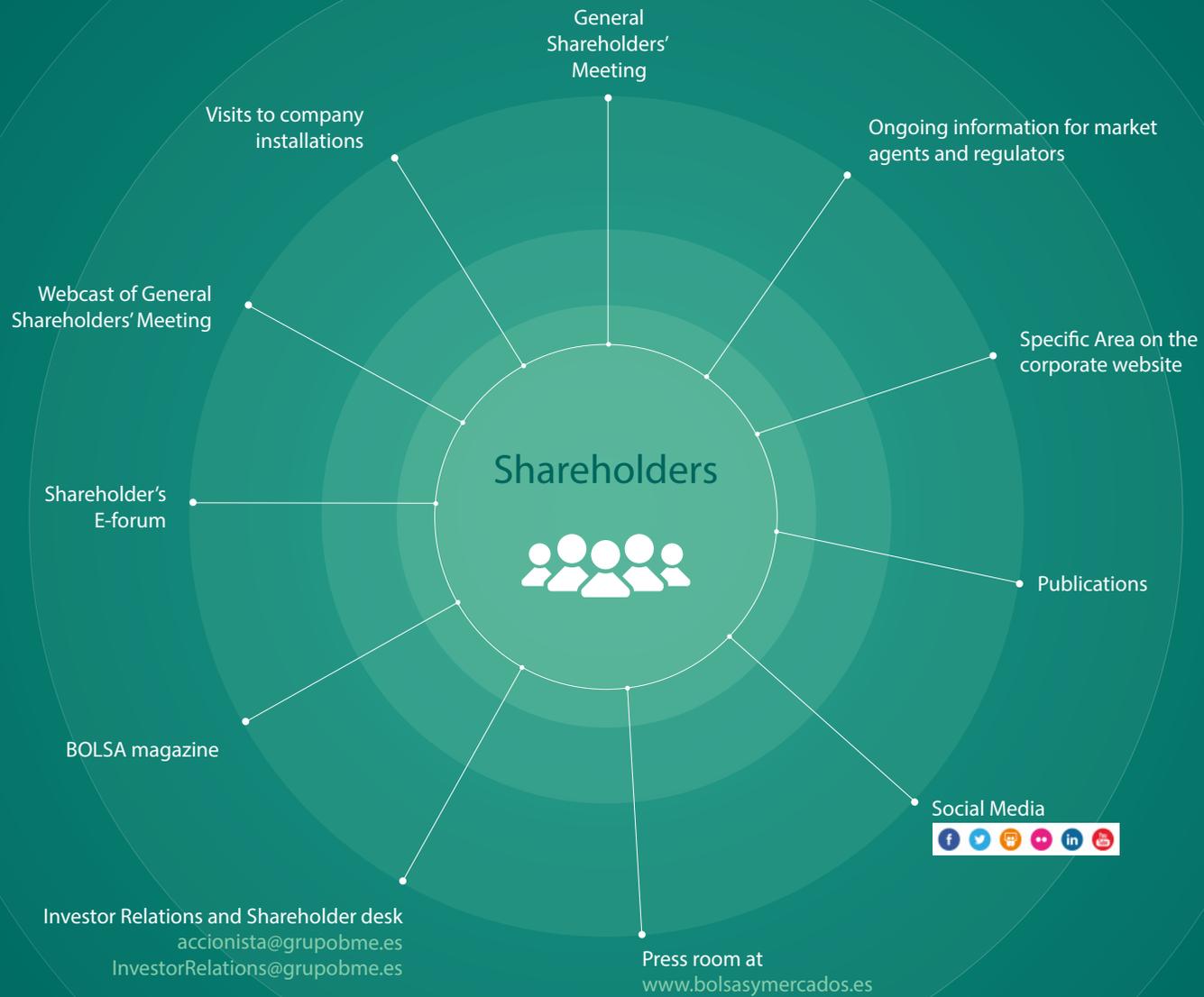


2.2. Communication channels

BME believes that for shareholders to truly participate in the company's affairs, each and every shareholder must receive the same information on the company, at no cost to them. Therefore, BME uses its various communication channels to promote communication and fluid dialogue with shareholders. This creates a direct, personal and ongoing relationship, which is a key building block for instilling and maintaining shareholder confidence and trust.

These information channels are bi-directional. They allow BME to relay information in a precise and timely manner, facilitating shareholders' awareness of the company's situation. At the same time, these services allow shareholders to request information and submit suggestions and concerns which are then handled by the relevant company area.

Communication channels





BME corporate website.

The corporate website (www.bolsasymercados.es) provides easy and direct access in Spanish and English to the services provided by BME and its subsidiaries, with direct links to their web pages. There is also an “Investor’s Corner” section that offers direct access to key information relating to BME and various tools to study the BME share price.

The site also has an “Information for Shareholders and Investors” section dedicated mainly to shareholders and investors but accessible to all parties interested in the company. This section contains permanently updated legal and financial information about BME as required by law.

In addition, prior to General Shareholders’ Meetings the company puts all information and documentation about the meetings in this section of the website as well as on the home page for quick access. Links are also made readily available to the Shareholder e-Forum, voting mechanisms and e-proxy voting, electronic information requests and web cast links that go live when the company broadcasts its General Shareholders’ Meetings.

In order to ensure the greatest accessibility of this information for foreign shareholders, in 2013 the company rounded out the information it already provided in

English on its website, adding a section featuring English translations of the BME’s Relevant Event filings to the Spanish National Securities Commission (CNMV) (Information for Shareholders and Investors - About the Group - Relevant Events).

In 2013, the “Information for Shareholders and Investors” section of the BME website was viewed by 41,544 users in its Spanish version and 5,680 in its English version (28,286 visits in its Spanish version and 5,044 in its English version in 2012).

BME in social media

As part of its efforts to disseminate information and in view of the growing importance of social media, in 2013 BME continued to implement the BME 2.0 initiative. This project aims to complement traditional communication channels by establishing a new interactive environment for both BME shareholders and the public at large.

In 2013 BME was one of the companies on the IBEX35 with the highest level of activity in social media disseminating information about the Annual General Shareholders Meeting, according to the IX Report on General Shareholders Meetings by the Foro de Buen Gobierno, produced by Inforpress in collaboration with IESE Business School.

BME and certain BME executives have accounts on Twitter, LinkedIn, Flickr and Slideshare. BME has its own YouTube channel, where it posts the main news on the company along with results presentations, interviews and other multimedia content.



2.3. The general shareholders' meeting as the main channel for participation

As provided for under Spanish law, the primary vehicle for shareholders to participate in the life of the company is the General Shareholders' Meeting. BME considers that this participation is a basic pillar for ascertaining shareholders' expectations and concerns. Moreover, through the General Shareholders' Meeting, the company's highest decision-making body, shareholders can express their wishes and exercise their right to take part in the decision-taking process in matters within their remit.

Therefore, to allow shareholders to perform the tasks and exercise the rights corresponding to them, the company actively encourages their participation in general meetings, adopting the appropriate measures to achieve this objective. Measures designed to encourage shareholder participation include:

- **No limits on shareholder participation**, which means any shareholder may attend meetings, speak and exercise their right to vote, regardless of the number of shares held. BME adheres to the "one share, one vote" principle, a concept it regards as a basic element for equality in its relationship with all shareholders.
- **Shareholders are provided with an attendance card**, referenced to the shareholder register, so that they can participate, as most suitable for them, in the General Shareholders' Meeting.
- **The Shareholder e-Forum**, which facilitates communication among shareholders between the time the General Shareholders' Meeting is called and the date it is held. On the occasion of the General Shareholders' Meeting held on 30 April 2013, five shareholders registered in the e-Forum although no proposal was made.

- **Shareholders unable to attend meetings in person are offered the possibility of taking part and exercising their right to vote**, be represented and receive information via remote means of communication (electronic means or regular post).

- Additionally, the General Shareholders' Meeting is **broadcast live, in Spanish and in English, via a webcast accessible** on the "Information for Shareholders and Investors" section of the corporate website. For the General Shareholders' Meeting held on 30 April 2013 (second call), 385 shareholders tuned in via the webcast (315 in Spanish and 70 for the English interpretation).

The 2013 General Shareholders' Meeting webcast was also rebroadcast with a Spanish sign language interpretation.

- **Participants in the General Meeting may speak personally during the proceedings**, as the company is open to receiving comments and opinions at that time. In addition, any shareholder may request information or express an opinion relating to the items on the agenda.

Year	Quorum or total participants		
	2011	2012	2013
Shareholders (Number)	4,667	5,042	5,615

Year	Participants via remote communication (total)			Participants via remote communication (%)		
	2011	2012	2013	2011	2012	2013
Number of Shareholders	4,017	4,366	4,927	86.07%	86.59%	87.75%

Year	Remote voting (total)						Proxies (total)					
	By post			Electronic means			By post			Electronic means		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Number of Shareholders	1,368	1,032	1,297	14	16	30	2,620	3,305	3,582	15	13	18



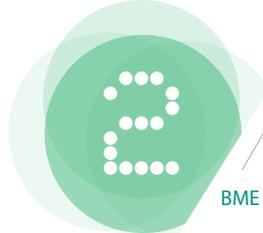
General Shareholder Meeting of BME.

2.4. Investor relations and the shareholders' office.

The Shareholders' Office is run by the General Secretary and Secretary to the Board of Directors in coordination with the Financial Area. The office is an efficient, permanent and two-directional communication service that allows shareholders and all other interested parties to submit any sort of query, concern or suggestion about the company in a transparent and effective manner. Shareholders typically submit their questions and comments to the general shareholder e-mail (accionista@grupobme.es).

BME also has an Investor Relations Department, as part of the Financial Area. The main objective of this department is to provide a communication channel between the company and the financial markets, unlock its value and contribute to the efficient formation of its share price.

The Investor Relations Department is therefore tasked with providing information for institutional investors and stock market analysts through quarterly and annual earnings reports, results presentations, group and one-on-one meetings and conference calls. This department has an email address (InvestorRelations@grupobme.es) through which it responds to enquiries submitted by investors.



Functions of the investor relations department

Control and collation functions (input)

Monitor company and sector news

Business units follow-up

Interaction with financial, legal, communications and research departments, corporate governance

Drawing up activity and financial metrics for the company and sector

Monitoring shareholder and share price trends

Control standard corporate data (Web, publications)

Research reports and liaison with analysts covering the company

Analyst consensus estimate

Receive direction from shareholders and investors

Dissemination functions (output)

Results presentation

Represent company at events

Control filter for research reports

Target shareholders and investors

Disseminate company's equity story

Transmit to management concerns, doubts and suggestions from shareholders and investors

In 2013, the Investor Relations Department took part in 5 group meetings, 273 one-on-one meetings, 15 forums and seminars, and held 18 road shows in 16 cities (Madrid, Barcelona, Oporto, London, Paris, Frankfurt, Munich, Milan, New York, Boston, Toronto, Chicago, Zurich, Geneva, Viena and Luxemburg). The equity capital represented in the meetings is €2.94 billion.

Investors and analysts contacted by circumstance of contact

Type	2011	2012	2013
<i>In Conference Calls</i>	9	16	36
In Events	62	110	132
<i>In Road shows</i>	145	99	139
In Visits	67	14	34
Total	283	239	341

Investors and analysts contacted By country of origin

Country	2011	2012	2013
Spain	65	44	61
France	37	16	21
UK	84	82	96
USA	39	46	85
Other	58	51	78
Total	283	239	341



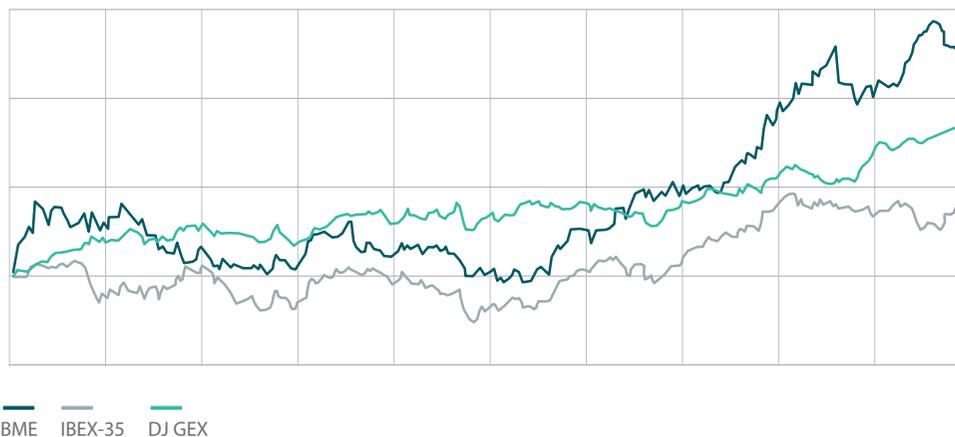
2.5. Share price performance and shareholder remuneration

Although the economic crisis remained deep-set in markets in 2013, BME appears to have overcome the situation, drawing from its efficient corporate structure and solid management of its operating costs.

These strengths have helped the BME stock reach €27.66 at the end of 2013, up 49.9% from €18.45 at end-2012.

The trend followed by the BME stock has amply outperformed the positive changes posted by the overall market, as measured by the IBEX 35 benchmark index, which grew 21.2% in 2013.

BME share price performance in 2013 vs. The IBEX 35 and the DJ GEX.



The chart shows the performance of BME's share price relative to the IBEX35® and the Dow Jones Global Exchanges Index, which encompasses the prices of the world's leading stock markets.

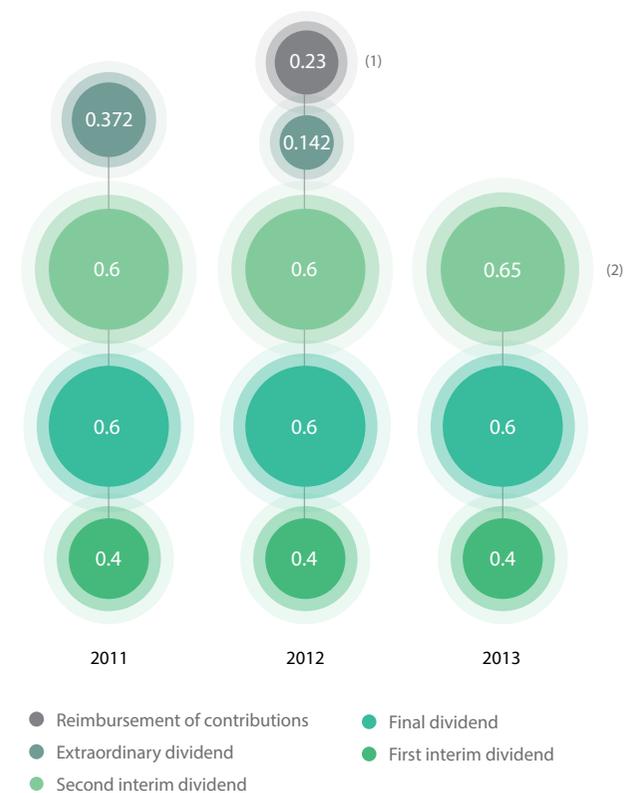
In this scenario, BME remains committed to its objective of maximising the company's value in order to increase shareholder value.

The shareholder remuneration in 2013, added to that distributed since the company's admission to trading, position BME as a benchmark for the industry in terms of shareholder remuneration. In this respect, the pay-out in 2013 reached 96%.

Main share price indicators

	2011	2012	2013
Total number of shares	83,615,558	83,615,558	83,615,558
Nominal value (€)	3.23	3.23	3.00
At the start of the year	17.83 €	20.175 €	18.45 €
High	23.19 €	21.995 €	29.45 €
Low	17.68 €	13.87 €	18.30 €
At the close of the year	20.80 €	18.45 €	27.66 €
Stock market gain at the close of the year (%)	17%	-11.3 %	49.9 %
Pay-Out	86%	98 %	96 %

Ordinary and extraordinary dividends, by year of corresponding profits, and reimbursement of contributions



(1) At the Ordinary General Shareholders' Meeting held on 30 April 2013, the shareholders resolved to reduce capital by lowering the par value of each share by €0.23 and returning the corresponding part of shareholder contributions.

(2) Pending approval by the General Shareholders Meeting.



2.6. Shareholder education programme

In 2013, in response to a proposal made by certain shareholders, BME launched its Shareholder Education Programme. Under the initiative, which aims to help non-controlling shareholders better understand the workings of the financial world, these shareholders can access specific and free learning modules taught by highly qualified experts.

The modules included in the Shareholder Education Programme are specifically designed for non-controlling shareholders with little knowledge of financial markets. In 2013, two- and three-hour classroom courses were held at BME's facilities at the Madrid, Barcelona, Valencia and Bilbao stock exchanges.



BME's website.

BME shareholder education programme

	2013
Total number of participating shareholders	353
Total number of learning hours	42.5

Number of participating shareholders, by geographic region

Madrid	193
Barcelona	70
Bilbao	46
Valencia	44

Shareholder education, by subject

Course	Number of participating shareholders	Number of courses taught	Number of training hours imparted
Fixed-income products and markets	67	4	10
Equity products and markets	124	5	12.5
Derivatives markets	68	4	10
Fundamental and technical analysis	94	4	10

At the end of each session, BME shareholders participating in Shareholder Education Programme courses were able to share their feedback and to submit any ideas and concerns. Surveys of participants revealed a satisfaction rate of 4 out of 5, that is, 80%.

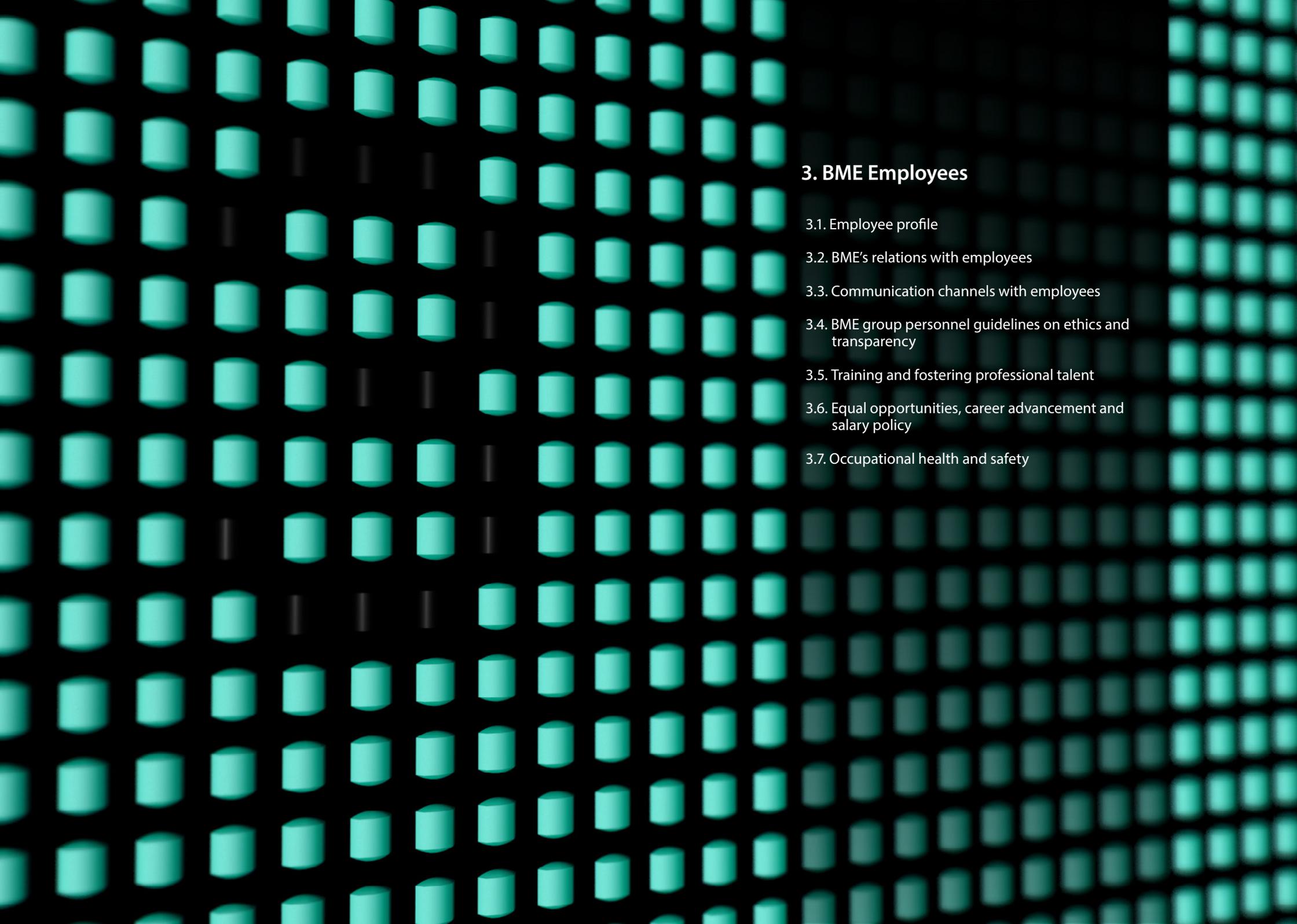


“Sea difícil remediar hoy lo que antes con facilidad se puedo conseguir”

Blas de Lezo exhibition at the Naval Museum.

Background: Page of Marqués de la Victoria dictionary.

Top: Design of Mediterranean Fleet flag. 1731.



3. BME Employees

3.1. Employee profile

3.2. BME's relations with employees

3.3. Communication channels with employees

3.4. BME group personnel guidelines on ethics and transparency

3.5. Training and fostering professional talent

3.6. Equal opportunities, career advancement and salary policy

3.7. Occupational health and safety



Corporate and Social
Responsibility Report 2013
BME

BME employees

BME's employees are the company's number-one asset. The Human Resources Area works to ensure the professional and personal development of company employees by constantly improving the services and activities offered to them, their training and professional development programmes, and the technical tools available to facilitate any procedures, consultations or requests they may have.

The Director of Human Resources oversees all employee matters and coordinates and supervises, among other aspects, occupational health and safety in BME as well as the company-wide training plans prepared by the Training Department.



3.1. Employee profile

A new statutory nation-wide collective labour agreement, applicable to all companies in the BME group except the Barcelona and Bilbao stock exchanges, was signed on July 17, 2013 and published in the Official State Gazette of 9 October 2013. The agreement is in force for the three-year period from 1 January 2012 to 31 December 2014.

The agreement classifies employees into professional groups, A, B, C, D and E, which relate to senior management, middle management, specialised technicians, administrative staff and auxiliary/support staff, respectively. This group classification is used throughout this chapter. Employee data provided in this chapter includes all employees of the Infobolsa sub-group.

BME Group Employees			
	2011	2012	2013
Employees			
Women	267	270	273
Men	459	460	460
Total	726	730	733
Average age of employees			
Women	43.17	43.65	44.31
Men	45.68	46.34	46.66
Employees by professional category			
Senior management	10	10	10
Middle management	68	70	65
Specialist technicians	397	407	428
Administrative / Auxiliary / Support Staff	251	243	230
Employees by professional category and gender			
Senior management - Men	10	10	10
Senior management - Women	0	0	0
Middle management - Men	50	51	46
Middle management - Women	18	19	19
Specialised technicians - Men	254	260	274
Specialised technicians - Women	143	147	154
Administrative / Auxiliary / Support Staff - Men	145	139	130
Administrative / Auxiliary / Support Staff - Women	106	104	100



BME employees

BME Group Employees			
	2011	2012	2013
Employees by age			
Under 30	41	40	43
Between 30 and 39	208	191	170
Between 40 and 49	229	231	236
Over 50	248	268	284
Employees by age and gender			
Women under 30	21	21	18
Men under 30	20	19	25
Women between 30 and 39	86	83	79
Men between 30 and 39	122	108	91
Women between 40 and 49	88	90	92
Men between 40 and 49	141	141	144
Women over 50	72	76	84
Men over 50	176	192	200
Employees by geographical area			
Madrid	554	555	565
Barcelona	110	112	109
Bilbao	38	39	35
Valencia	24	24	24
Employees by work centre			
Headquarters (Plaza Lealtad 1, Madrid)	78	76	72
Operating Headquarters (Tramontana, 2 Bis, Las Rozas, Madrid)	463	466	478
Operating Headquarters (Alfonso XI, 6, Madrid)	13	13	15
Barcelona Stock Exchange (Paseo de Gracia, 19, Barcelona)	56	57	109
MEFF (Via Laietana, 58, Barcelona) ⁽ⁱ⁾	54	55	0
Bilbao Stock Exchange (José M ^a Olabarri 1, Bilbao)	38	39	35
Valencia Stock Exchange (Libreros, 2 - 4, Valencia)	24	24	24

(i) On 1 November 2013, employees rendering services at the Via Laietana building were reassigned at the Barcelona Stock Exchange building.



BME employees

BME Group New employee hires and departures (1)

New hires and departures

	2011	2012	2013
Total hires	26	10	25
Total departures	22	6	22

Hires and departures by gender

	New hires			Employee departures		
	2011	2012	2013	2011	2012	2013
Women	11	6	10	14	3	7
Men	15	4	15	8	3	15

Hires and departures by age

	2011	2012	2013	2011	2012	2013
Under 30	14	6	19	3	1	2
Between 30 and 39	8	3	35	8	2	5
Between 40 and 49	2	0	1	6	2	2
Over 50	2	1	0	5	1	13

Hires and departures by professional category

	2011	2012	2013	2011	2012	2013
Senior management	0	0	0	1	0	0
Middle management	0	0	0	2	1	5
Specialist technicians	5	1	3	8	2	10
Administrative / Auxiliary / Support Staff	21	9	22	11	3	7

Hires and departures by geographical area

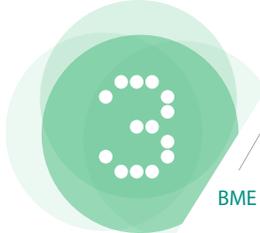
	2011	2012	2013	2011	2012	2013
Madrid	22	7	25	17	6	15
Barcelona	2	2	0	3	0	3
Bilbao	1	1	0	1	0	4
Valencia	1	0	0	1	0	0

Employee departures by type

	Women			Men		
	2011	2012	2013	2011	2012	2013
Voluntary leave	5	2	4	5	2	10
Dismissal	1	0	1	2	0	2
Leave of absence	6	1	2	0	0	0
Disability	0	0	0	1	0	0
Retirement	2	0	0	0	0	0
Death	0	0	0	0	1	3 ⁽²⁾

(1) The figures in the preceding table take into consideration the effective hire and departure dates.

(2) In 2013 there were no deaths in the workplace. One of the deaths was linked to a car accident that took place during a journey from work to home.



BME Group Annual employee turnover index

	2011	2012	2013
Annual employee turnover index			
Total	0.55%	0.55%	0.41%
By geographical area			
Madrid	0.90%	0.18%	1.77%
Barcelona	-0.91%	1.79%	-2.75%
Bilbao	0.00%	2.56%	-11.43%
Valencia	0.00%	0.00%	0.00%
By gender			
Mujeres	-1.12%	1.11%	1.10%
Hombres	1.53%	0.22%	0%
By age			
Under 30	26.83%	12.50%	39.53%
Between 30 and 39	0%	0.52%	0%
Between 40 and 49	-1.75%	-0.87%	-0.42%
Over 50	-1.21%	0.00%	-4.58%
By professional category			
Senior management	-10.00%	0.00%	0.00%
Middle management	-2.94%	-1.43%	7.69%
Specialist technicians	-0.76%	-0.25%	1.69%
Administrative / Auxiliary / Support Staff	3.98%	2.47%	6.52%



BME employees

BME complies with the provisions of Law 13/1982, of 7 April, governing the social integration of disabled persons (in force until 4 December 2013) and, since its effective date, with Royal Legislative Decree 1/2013 of 29 November, approving the revised text of the general disability law, by both hiring persons with disabilities and by adopting complementary measures. In this connection, Sociedad Rectora de la Bolsa de Valores de Madrid has a garden maintenance agreement with Jaresdem, S.L., a company registered in the Special Employment Centre register.

BME Group Employee hires

	2011	2012	2013
Employees by type of contract			
Permanent contract	725	728	714
Temporary contract	1	2	19
Employees and management hired locally	100%	100%	100%
Average seniority (years)	17.32	18.03	18.49
Full time contract	726	730	733
Part time contract	0	0	0

BME Group Employees with disabilities

Employees with disabilities under permanent contracts			
	2011	2012	2013
Employees with permanent contracts	6	6	8
Average number of employees with a disability of 33% or more			
	2011	2012	2013
Senior management	0	0	0
Middle management	0	0	1
Specialist technicians	2	2	2
Auxiliary / Support Staff	4	4	5
Total	6	6	8



3.2. BME's relations with employees

3.2.1. Collective agreement and employee representation

The statutory collective agreement that regulates the labour relations between the different BME group companies (except for the Barcelona and Bilbao stock exchanges) and their employees is structured as a nation-wide agreement among a group of companies.

The content of the collective labour agreement is very similar to the earlier extra-statutory agreement. The key changes, as set out in this chapter, include salary rises, an increase in the value of meal tickets, modification of the parameters for calculating salary increases, and the creation of several committees entrusted with equality matters, career advancement, and telecommuting.

The collective agreement applies to 87.59% of BME Group employees, while the remaining 12.41%, comprising

employees of the Barcelona and Bilbao stock exchanges, adhere to the collective agreements of the Barcelona Stock Exchange governing company and the collective agreement of the Bilbao Stock Exchange governing company, respectively, the clauses of which are harmonised with the content of the aforementioned statutory collective agreement, applicable to the rest of the BME companies.

In this respect, references to employee social benefits, rights and obligations are those set out in the statutory collective agreement.

Trade union workers' representation bodies provide a constant channel of dialogue between the company and its employees, not only for collective bargaining but also to resolve any potential conflicts. In addition, employees participate in the technical committees deriving from the collective labour agreement, representing 100% of staff.

BME guarantees all of its employees the right to form trade unions for the defence and promotion of their economic and social interests.

As stipulated in labour legislation, BME informs workers' representatives of the job situation and structure in the various work centres, and of any decisions taken by BME that could lead to significant changes in the organisation of work or work contracts.

No labour disputes occurred in 2013.

Following entry into force of the new statutory collective labour agreement, an Interpretations and Monitoring Committee was established in order to interpret the application of agreement clauses, study developments in relationships between the parties, arbitrate in the event of problems or questions arising from application of the agreement, and supervise the possible process of extending the agreement to those group companies not currently party thereto.

Employees covered by collective agreements

	2011	2012	2013
Percentage of employees covered by collective agreements	100%	100%	100%
BME Group statutory collective agreement	632	634	642
Sociedad Rectora de la Bolsa de Valores de Barcelona collective agreement	56	57	56
Sociedad Rectora de la Bolsa de Valores de Bilbao collective agreement	38	39	35



3.2.2. Work/life balance policy and benefits.

BME promotes flexibility and work/life balance for its permanent and temporary workers through a number of policies: unpaid and paid leave and working day reductions for legal guardianship and nursing.

Other work/life balance measures benefitting all employees include flexible starting and finishing times, 5.5 hour work day on Fridays and eves of holidays, and the possibility of requesting vacation days at any time and split over different periods.

As a result of the entry into force of the new statutory collective labour agreement, the company plans to create an internal committee to analyse the viability of telecommuting, which could potentially enhance the work/life balance of employees.

BME employees also have access to other [social benefits](#) that encourage a healthy a work/life balance. These are mainly in the form of financial support.

BME has provided all employees with a life insurance policy covering death by any cause, accidental death or death in a traffic accident, permanent and full disability. The company also facilitates annual medical check-ups for employees as well as a health insurance policy, which is complementary to public social security health care.

Employees who are temporarily disabled are entitled to receive 100% of their full salary, except for travel allowance and food vouchers.

Lastly, a commission has been created that will examine the creation of a pension for all the employees of the companies affected by the statutory collective agreement.

BME Group Social benefits

	2011	2012	2013
Unpaid leave	34	67	32
Paid leave (*)	688	710	691
Working day reduction for legal guardianship duties	21	24	45
Working day reduction for nursing	12	6	17

(*) Paid leave includes: bank holidays as per the collective agreement; leave for marriage, birth or adoption of a child, serious illness or death, moving house, official examinations, medical appointments, and mandatory personal or public duty.

BME Group Other social benefits

	2011	2012	2013
Aid for the physically and mentally disabled and attention to diversity	18	21	22
Grants for children of employees	19	36	34
Nursery vouchers	43	40	38
Assistance for studies for children of employees	397	406	405
Assistance for employees' studies	18	39	28
Baby bonus	30	22	25
Wedding bonus	7	12	12
Interest-free salary advances	89	90	91 ⁽¹⁾
Personal loans	50	51	64 ⁽²⁾

(1) At 31 December 2013, 291 interest-free salary advances had been processed, benefitting the 91 employees indicated above.

(2) Including the 64 employees who applied for personal loans in 2013, at 31 December 2013 167 employees were benefitting from personal loans granted by the company.



3.2.3. Services and activities.

Services for employees

BME provides its employees with various services to facilitate travelling to work and allowing them to perform their work more easily.

BME offers a coach service for employees at its headquarters in Las Rozas (Madrid), its largest office. The coaches travel between company facilities and the nearest public transport links, helping employees to get to and from their places of work. There is also a car park for employees who come to work using their own vehicles.

There is also a restaurant service for BME's employees in Las Rozas, and lounge areas at the Plaza de la Lealtad Operating Headquarters.

To centralise the business trips made by group employees, BME has set up a travel agency at its headquarters in Las Rozas. This service can also organise private trips and vacations for employees.

To help employees achieve a better work/life balance, BME, through FAUNIA, JUGALIA, FORENEX and ENGLISH FOR FUN, offered the children of employees the chance to attend urban holiday camps during the Easter and Christmas school holidays. These camps featured educational activities, workshops and games to bring children more in touch with nature.

Lastly, in 2013 employees were offered medical check-ups for drivers, through FREMAP.

Sport and leisure activities

In 2013, BME organised the 9th edition of its paddle tennis competition for employees and sponsored indoor and 11-a-side football teams and a basketball team by financing its members' registration and equipment costs. BME also sponsored the track and field group and the cycling club.

For the second consecutive year, in 2013 BME organised a charity sale for the "El Baobab solidario" NGO to raise funds for children in Madagascar, and hosted a visit from the Three Wise Men at the Madrid Stock Exchange building, for employees' children.



Promoting sport in BME. Members of BME's Athletics Club.



3.3. Communication channels with employees

BME is aware of the importance that sound and efficient communication channels with its employees have on the successful operation of the company and the well-being of its employees.

The company's main communication channels for employees are the Online Human Resources tool, which was redesigned and improved in 2013 to include new functionalities, such as academic data, information security training, and commercial offers for employees.

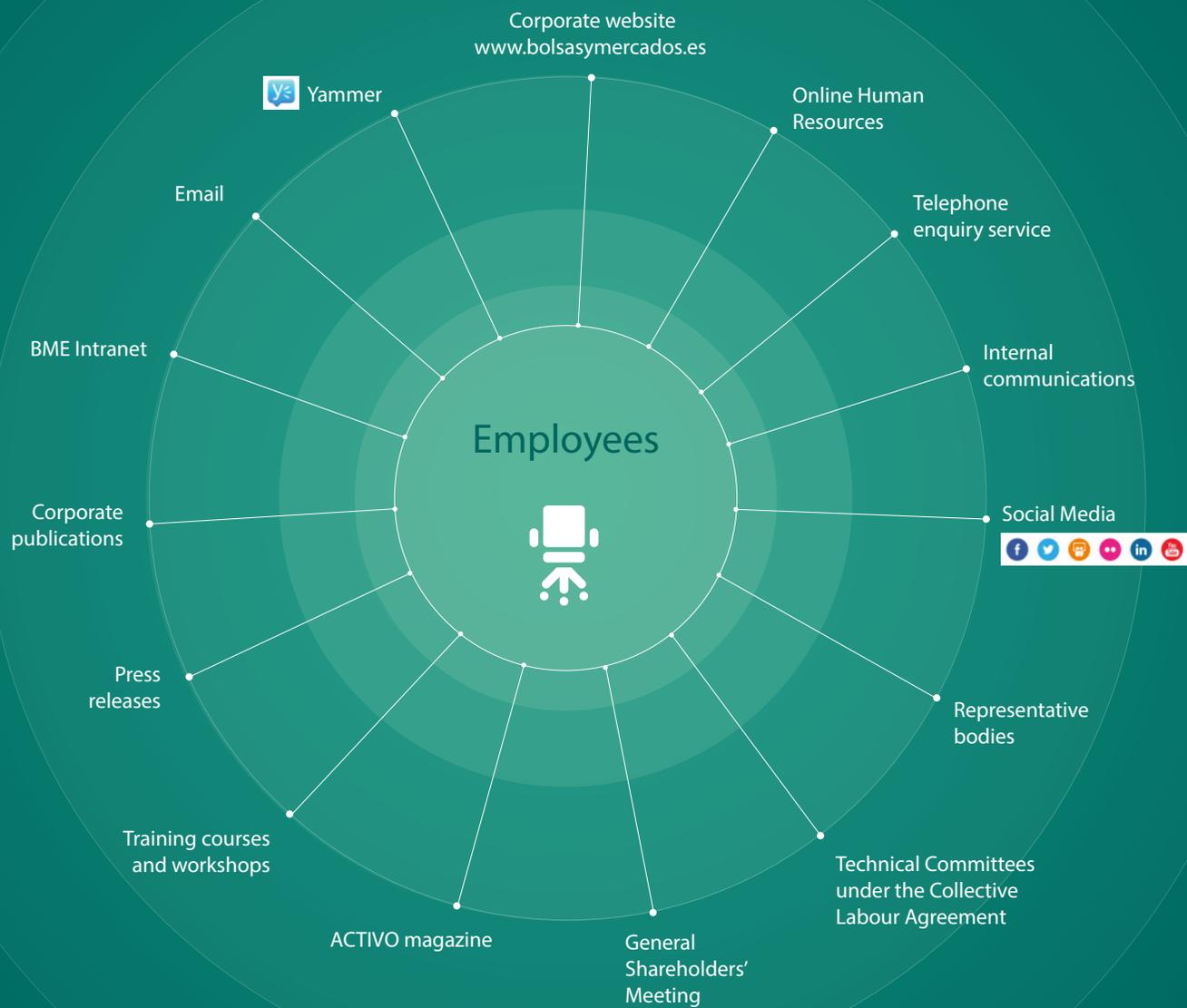
Other channels of communication between the company and employees include the Intranet, which is constantly being developed and improved (including a translation service for employees), the telephone enquiry hotline, internal communications, the corporate website (www.bolsasymercados.es), the in-house magazine ACTIVO, and other corporate publications such as the Bolsa magazine.

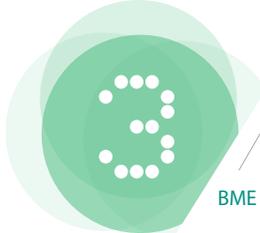
As part of BME's policy to equip employees with multi-media instruments for internal communications, on 27 February 2013 the company launched an Intranet-based internal platform called Yammer. This platform, available only to BME group employees, aims to enhance communication between company employees and enrich work performance and projects. Among other capabilities, Yammer features an electronic messaging system that can be used in tandem with email, as well as a real-time group chat between two or more people, who can create groups for specific interests. In 2013, over 360 employees used the Yammer tool.

The screenshot shows the Yammer interface for the BME group. At the top, there's a search bar and navigation links. The main content area features a post by Jesús Merino Garcia titled "Entrevista a Domingo Garcia Coto en Estrategias de Inversión sobre el estudio: 'Retribución a los accionistas en la Bolsa española'". Below the post, there's a video player for "Entrevista Domingo García-Coto, Jornada Retribución Accionista. Fuente: Estrategias TV". The right sidebar includes a progress bar for "PRIMEROS PASOS" at 80%, a list of "ÚLTIMAS ACTIVIDADES", "PERSONAS SUGERIDAS" (Carliota Plaza, Julián Navas García), "GRUPOS SUGERIDOS" (Recomendaciones CAU, Ayuda con idiomas), and "RECURSOS DE LA COMPAÑÍA".

Yammer, a new channel for improving communication among employees.

Communication channels





3.4. BME group personnel guidelines on ethics and transparency.

BME's Board of Directors regularly updates the company's Internal Regulations of Conduct (IRC), applicable to the Board of Directors, managers and employees of BME and of all group companies.

The IRC sets out the basic principles to guide all employees. In performing their duties, all individuals must always act in accordance with the principles of impartiality and good faith.

The Standards of Conduct Committee, reporting to the Markets and Systems Operating Procedures Committee, is in charge of applying, interpreting and monitoring these Regulations as well as approving the instructions or guidelines for their implementation. It is assisted in this task by the Secretary General and the Secretary of the Board of Directors and the Standards of Conduct Unit.

As per the IRC, and in line with guidelines for disclosing inside information to third parties, BME's "Policy for the treatment and transfer of inside information" lists the measures and internal control procedures that should be established at BME and its group companies to safeguard inside information, so as to prevent possible leaks.

In addition to these regulations, BME has established a procedure for reporting weaknesses in internal control and risk management systems, publically specifying the channels BME employees can use to inform the competent internal body of any irregularities detected in these systems.

These regulations and the implementation of the procedure for reporting weaknesses in internal control and risk management systems are an effective mechanism for detecting and handling potential cases of corruption and fraud.

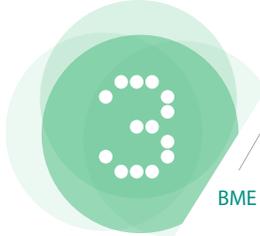
In addition, BME approved the Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. and Group Companies Crime Prevention Guidelines, which form the basis for the crime prevention system approved on 29 November 2012. The prevention system includes a Code of Conduct setting out the ethical principles and rules of conduct to which all BME group directors, legal representatives, managers and employees must adhere, and establishes an internal whistle-blowing channel for reporting anything that could imply a breach of group policies, procedures or the Code of Conduct, and any other acts that could constitute a possible crime.

During 2013, BME organised a training cycle on information security, putting forth several recommendations in that regard and in respect of controlling potential risks in using information. At 31 December 2013, 695 employees had participated in this training.

In addition to the aforementioned mechanisms, the company's Internal Audit Department is responsible for performing regular audits on those procedures that could be affected by potential instances of corruption and fraud.

These rules, bodies and procedures enable BME to effectively fight corruption and fraud and allow it to strictly comply with applicable legislation on this matter.

In 2013, no cases of corruption or fraud were reported or identified.



3.5. Training and fostering professional talent

3.5.1. Training

The Human Resources Area promotes training and refresher courses for its employees through the BME In-house Training Programme and other complementary courses, in order to contribute to their professional development. Detailed information on this programme is available on BME's training tool, through which interested employees can register for courses and access relevant training activities.

All BME's training activities are assessed by the Training Department, by the suppliers and by the Fundación Tripartita para la Formación y el Empleo through their official questionnaires, with the objective of evaluating the training quality, the extent to which it suits the needs identified and the satisfaction level of participants.

In this respect, it can be stated that the satisfaction level of the training activities among employees is high, with special emphasis on the hands-on approach of the training activities and its beneficial result both in the professional and the personal spheres. Participants in the training courses also highlighted the work of the training staff and the contribution of training towards their goals.

The In-house Training Programme for 2013, which complies with the requirements established in Royal Decree 395/2007, of 23 March, governing subsidies from the Tripartite Foundation for In-house Training (Fundación Tripartita para la Formación en el Empleo), both provides continuity for training initiatives rolled out in previous years.



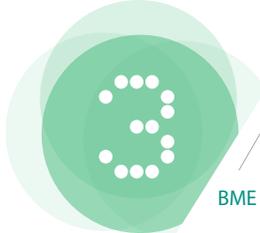
BME offers different educational activities for the children of its employees.

In addition to training forming part of the In-house Training Programme, BME offers other courses to meet specific needs arising during the year and to directly respond to professional development needs in the different corporate areas and business units.

Number of courses carried out under BME's In-house Training Programme (*)

	2011	2012	2013
BME's In-house Training Programme is divided into the following areas:	83	89	77
User applications area.	22	8	17
Skills development area.	9	19	19
IT area.	31	27	24
Markets and financial assets area.	21	35	17

(*) These figures do not include language training or training through Master programmes.



BME Group Training hours ⁽¹⁾

	2011	2012	2013
Total training hours			
Number of employees receiving some type of training	553	408	484
Number of training hours received	12,958	14,114	18,522
Total training hours imparted	2,033	1,458	2,292
In-house Training Programme			
Number of beneficiaries	457	377	403
Number of training hours received	11,425	13,543	16,974
Total training hours imparted	1,291	1,205	1,964
Other courses ⁽²⁾			
Number of beneficiaries	96	31	81
Number of training hours received	1,533	571	1,548
Total training hours imparted	742	253	328

(1) These figures do not include language training.

(2) These figures do not include training through Master programmes.



BME employees

BME Group Ratio of training hours received per employee (*)			
	2011	2012	2013
Total training hours	17.77	19.31	25.23
In-house Training Programme	15.67	18.53	23.13
Other courses	2.10	0.78	1.11
Average training hours, by professional category			2013
Senior management			0.00
Middle management			5.14
Specialist technicians			24.37
Administrative / Auxiliary / Support Staff			33.58

(*) These figures do not include language training or training through Master programmes.

Number of courses attended by employees, by professional category and gender (*)			
	2011	2012	2013
Senior management - Men	0	0	0
Senior management - Women	0	0	0
Middle management - Men	21	21	14
Middle management - Women	10	13	15
Specialised technicians - Men	281	281	299
Specialised technicians - Women	162	180	195
Administrative / Auxiliary / Support Staff - Men	191	192	162
Administrative / Auxiliary / Support Staff - Women	122	124	121
Total	787	811	806

(*) These figures do not include language training or training through Master programmes.

Grants for Masters programmes and specialist courses			
	2011	2012	2013
International MBA at La Salle			
Number of employees	2	2	0
Total training hours received	800	800	0
Executive Masters in Financial Risk Management			
Number of employees	2	2	2
Total training hours received	268	268	268
Masters in Financial Markets and Alternative Investments			
Number of employees	2	1	0
Total training hours received	400	400	0
Other specialist courses			
Number of employees	9	5	3
Total training hours received	64	64	916

Language training			
	2011	2012	2013
English language training ⁽¹⁾			
Number of beneficiaries	253	253	254
Total training hours imparted	4,520	5,095	3,859
Number of language training hours received in Madrid ⁽²⁾			
Total training hours received	n/a	9,683	10,279

(1) Provided through group face-to-face classes, one-on-one face-to-face classes, classes via telephone, and specialised seminars held in English.

(2) Does not include data on the number of language training hours received by employees in the Barcelona, Bilbao and Valencia regions.

BME also has a library service allowing employees to take out books and periodicals, and which keeps employees abreast of the latest bibliographies, legislation and documents relating to stock market issues. The library also processes requests for information. BME employees have online access to the library and documentation centre catalogue through the company Intranet. As such, employees can regularly consult information on projects and actions in different group companies and departments, as well as on events carried out by the company.

3.5.2. Fostering professional talent

The banco de ideas is a work tool that ensures the continuity of ideas submitted by employees, either directly or through BME Idea, an annual contest encouraging employees to generate creative ideas.

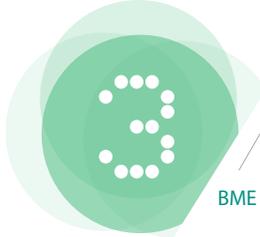
The banco de ideas offers all company employees the chance to submit proposals and foster creativity and innovation in services, processes and business areas. Banco de Ideas involves five phases, during which proposals are assessed according to their value and feasibility: 1) **the ideas factory**, during which the owner of

the idea can try to improve it, creating an “improvement group” to this purpose; 2) **the ideas laboratory**, during which the head of the corporate area or business unit to which the idea has been assigned can request that an interdisciplinary Innovation Panel be set up among the other units involved and the owner of the idea, to assess the potential of the idea and submit a report; 3) **the innovation project**, where the head of the corporate area or business unit in question draws up a viability plan based on the reports submitted by the innovation panels; 4) **development of the project**; and 5) **analysis of results**.

In 2013, seven projects submitted to the Banco de Ideas were expanded and rolled out: a virtual library, Really Simple Syndication channels (RSS, an XML web content sharing format), centralised coordination of translations, online courses at subsidiaries, an internal communications tool (microblogging), connected social platforms, and a social know-how exchange. The last three initiatives were combined to form the internal platform Yammer, mentioned in section 3.3.



Bringing financial culture closer to the public and employees. BME's library.



3.6. Equal opportunities, career advancement and salary policy.

3.6.1. Diversity and equal opportunities

BME not only encourages equality, diversity and the individuality of each employee, but has also fully implemented the labour practices outlined in the United Nations Universal Declaration of Human Rights and its protocols. Additionally, in 2011 the group adhered to the United Nations Global Compact.

The concept of gender equality is mainstreamed through all human resources management policies, such as hiring, recruiting, training, performance evaluation, promotion, compensation, working conditions, work/life balance issues and communications.

With the entry into force of the new statutory collective labour agreement, BME has created an Equality and Parity Committee in order to analyse the equality situation in group companies and implement any necessary measures in that regard.

BME's selection and hiring policies ensure diversity and equal opportunities and eradicate any discriminatory treatment, both in terms of physical access to work stations and with respect to occupying different positions within the company. Personnel are selected first through internal processes that ensure confidentiality, independence and equal opportunities, and subsequently through external channels.

To date, no incident linked to discrimination has occurred at BME.

Neither BME's business activity nor its geographic location in Spain entail risks of episodes of involuntary or forced labour or child labour, or of a breach of human rights.

In 2013, employees working for BME had to travel and spend days outside Spain for company projects. In doing so, their labour conditions were not modified.

BME upholds human rights in the performance of company activities and requires that the suppliers rendering security services at BME offices provide training for their staff in this field.

Given the lack of risk in this area, BME has made no significant investment in which the clauses relating to human rights were analysed.



3.6.2. Career advancement and salary policy.

Career advancement

BME employees can advance professionally and be promoted to higher levels within their professional group by achieving targets in three main areas: annual performance assessment, training, and length of service at current level.

a) Annual performance assessment

Performance assessments, carried out since 2007, encourage a stronger relationship between the evaluator and the employee and facilitate a more in-depth knowledge of working teams. In 2012, the assessment process was subject to review and improvements, which concluded in 2013. which has delayed the annual staff performance assessment.

b) Training

Training courses attended both as part of and outside the In-House Training Programme are also taken into account in the professional advancement of employees.

c) Length of service at current level

Each year of service dating from an employee's last salary rise is counted toward job promotion.

With the entry into force of the new statutory collective agreement a parity committee has been created in order to study and, as necessary, revise the aforementioned career advancement procedure.

Performance assessment

	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽²⁾
Employees	83.74%	93.28%	76.67%
Number of employees by professional category			
Senior management	0	0	0
Middle management	40	52	35
Specialist technicians	368	398	356
Administrative / Auxiliary / Support Staff	188	232	171

(1) The percentage and number of employees subject to performance assessments, by professional category, in 2012 differs from the figure shown in the 2012 CSR report as the exact figures were not available when the report was published.

(2) Figures not definitive at the date of publication of this report.



Salary policy

Salaries of BME employees are established using the salary table provided in the statutory collective labour agreement, which applies to 87.59% of personnel. For the remaining group employees, the harmonised salary tables set out in the respective collective agreements are used.

At BME there are no differences in salary between male and female employees. Any differences that do occur are the result of the variation in professional categories, based on different levels of responsibility.

Both the collective labour agreement and the salary table contained therein preclude any gender, race or other bias in determining salaries.

Job category ⁽¹⁾	Annual Base Salary 2011	Annual Base Salary 2012 ⁽²⁾	Annual Base Salary 2013 ⁽³⁾
A	33,067.68	33,067.68	33,729.03
B1	32,240.98	32,240.98	32,885.80
B2	31,414.29	31,414.29	32,042.58
B3	30,587.60	30,587.60	31,199.35
B4	29,760.90	29,760.90	30,356.12
C1	28,934.21	28,934.21	29,512.89
C2	28,107.53	28,107.53	28,669.68
C3	27,280.83	27,280.83	27,826.45
C4	26,454.14	26,454.14	26,983.22
D1	25,627.45	25,627.45	26,140.00
D2	23,974.06	23,974.06	24,453.54
D3	18,187.23	18,187.23	18,550.97
D4	16,533.84	16,533.84	16,864.52
E1	14,880.45	14,880.45	15,178.06
E2	13,227.07	13,227.07	13,491.61
E3	11,573.69	11,573.69	11,805.16
E4	9,920.30	9,920.30	10,118.71

(1) Job categories:

Group A: Senior management.

Group B: Employees who coordinate, supervise and evaluate a team's programmed activities, with responsibility for the group's performance in the area of their remit.

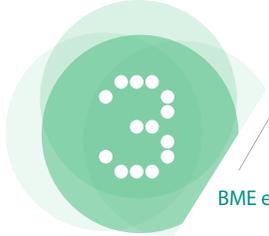
Group C: Employees whose positions require the execution of complex and varied tasks with defined overall goals and a high degree of self-starting, initiative and responsibility within their organisational department.

Group D: Employees whose jobs demand effective execution of procedures and who must follow detailed and constant working instructions for the purpose of providing support to the company's business areas and units.

Group E: Employees who at an operational level provide support and auxiliary services to other positions and who must be capable of carrying out specific activities in terms of purpose and content.

(2)The salary rise for 2012 has been made based on these amounts.

(3)The annual base salary for 2013 will be updated based on the statutory Collective Agreement for the years 2013 and 2014, in which the CPI is regarded as one more factor in a formula in which the main reference will be the year-on-year change in the company's EBITDA.

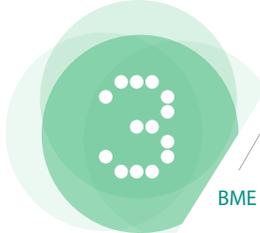


BME employees

Furthermore, the base salaries mentioned above are enhanced with a series of remuneration items, all of which are regulated by the statutory collective agreement.

Meanwhile, each employee's compensation is increased in accordance with the level of responsibility of the position, job performance and whether the employee meets targets.

	2011	2012	2013
Spanish minimum wage	641.40 €	641.40 €	645.30 €
BME monthly base salary for new employees	826.69 €	826.69 €	843.23 €
Difference between the Spanish minimum wage and BME monthly base salary	185.29 €	185.29 €	197.93 €



3.7. Occupational health and safety

BME guarantees the health, safety and risk prevention measures established in labour risk prevention law at all of its work centres and analyses, each year, any risks at its installations and its employees' workplaces. With the collaboration of its employees, through their legal representatives, and of internal bodies specifically entrusted with this issue, BME draws up a programme to address the risks detected and proposes and implements the corresponding preventive measures, such as training, information, personal protection teams and routine checks.

BME has established the following health and safety committees, which monitor and advise on occupational health and safety issues. These committees represent 100% of staff and are made up of both management staff and employees.

- Health and Safety Committee
- Evacuation Team
- Emergency Team
- First Aid Team

Workplace safety

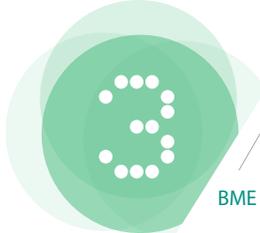
BME draws up its workplace safety policy on a yearly basis, carrying out a series of studies and projects to define the most significant risks, either in terms of seriousness or frequency, and implementing effective prevention and protection systems. In addition, the Online Human Resources tool allows employees to ascertain the members of the Evacuation, Emergency and First Aid teams, as well as the Health and Safety Manual prepared by the workplace risk prevention company FREMAP.

Workplace risk prevention programmes are implemented at all BME centres, and regular controls are carried out in order to prevent workplace risk.

Employee health

BME provides its employees with a healthy working environment. To that end, BME has a Health Monitoring Programme, which among other services, it instructs employees how to act in the event of accidents or serious health problems occurring at work centres. In addition, primary medical care stations have been set up at work centres, complete with automated external defibrillators for immediate response to cases of cardiac arrest. In 2013 no serious incidents of this nature occurred.

In addition, BME provides workers with annual physical check-ups, and has contracted health insurance for all employees and their family members. These insurance plans cover medical care, surgery and hospital care in cases of illness or injury, in accordance with the terms and conditions and in respect of the insured risks. BME also organises yearly influenza vaccination campaigns. The medical service also collaborates with the Spanish Red Cross to encourage its employees to give blood.



	2011	2012	2013
Absenteeism and accident rates			
Accident index	1.10%	0.68%	0.41
Sick leave	591(*)	582 (*)	467
Accident leave	8	5	3
Leave of absence			
Trade union	0	0	0
Voluntary leave	9	4	14
Special leave	0	0	2
Maternity leave	10	13	13
Paternity leave	21	10	14

(*) Sick leave figures for 2011, 2012 and 2013 include 199, 239 and 189 employees not attending work due to sickness but who did not present a medical certificate. This type of leave has a maximum duration of 3 days.

Health and safety training

The company ensures that its workforce receives the appropriate training in health and safety matters. All new employees attend an online training course on workplace risk prevention.

In 2013, the medical service, in collaboration with the Human Resources Area and the Corporate Communications Area, published Health Newsletter No. 12 on the negative and positive effects of sun exposure.

In 2013 as well, BME carried out a training programme on workplace health and safety for all employees appointed as Safety Officers on the Health and Safety Committee and on the Evacuation, Emergency and First Aid teams.

Lastly, the staff of the building security companies engaged by BME meet all requirements put forth in prevailing legislation for the provision of surveillance, property and personal protection, and auxiliary services. Among other certifications, the companies hold ISO 14001:2004 issued by Quality Cert, S.L. and SGS ICS Ibérica S.A., OHSAS 18001:2007 issued by LSQA, S.A., SP-2012/0006 issued by AENOR:ISO 9001:2008 issued by AENOR LSQA, S.A. LGAI Technological Center S.A. and SGS ICS Ibérica S.A. and ISO/IEC 27001:2005 issued by LGAI Technological Center, S.A. These subcontractors also carry out refresher and retraining courses on occupational health and safety, dealing with the public, fire safety, emergencies and evacuation, first aid, and explosives, as well as courses on crowd control and public liability and courses on personal accompaniment security services.



*“Para esto nos tenia el Rey, y eramos vasallos,
y que si todo se havia de sacrificar lo haríamos con gusto”*

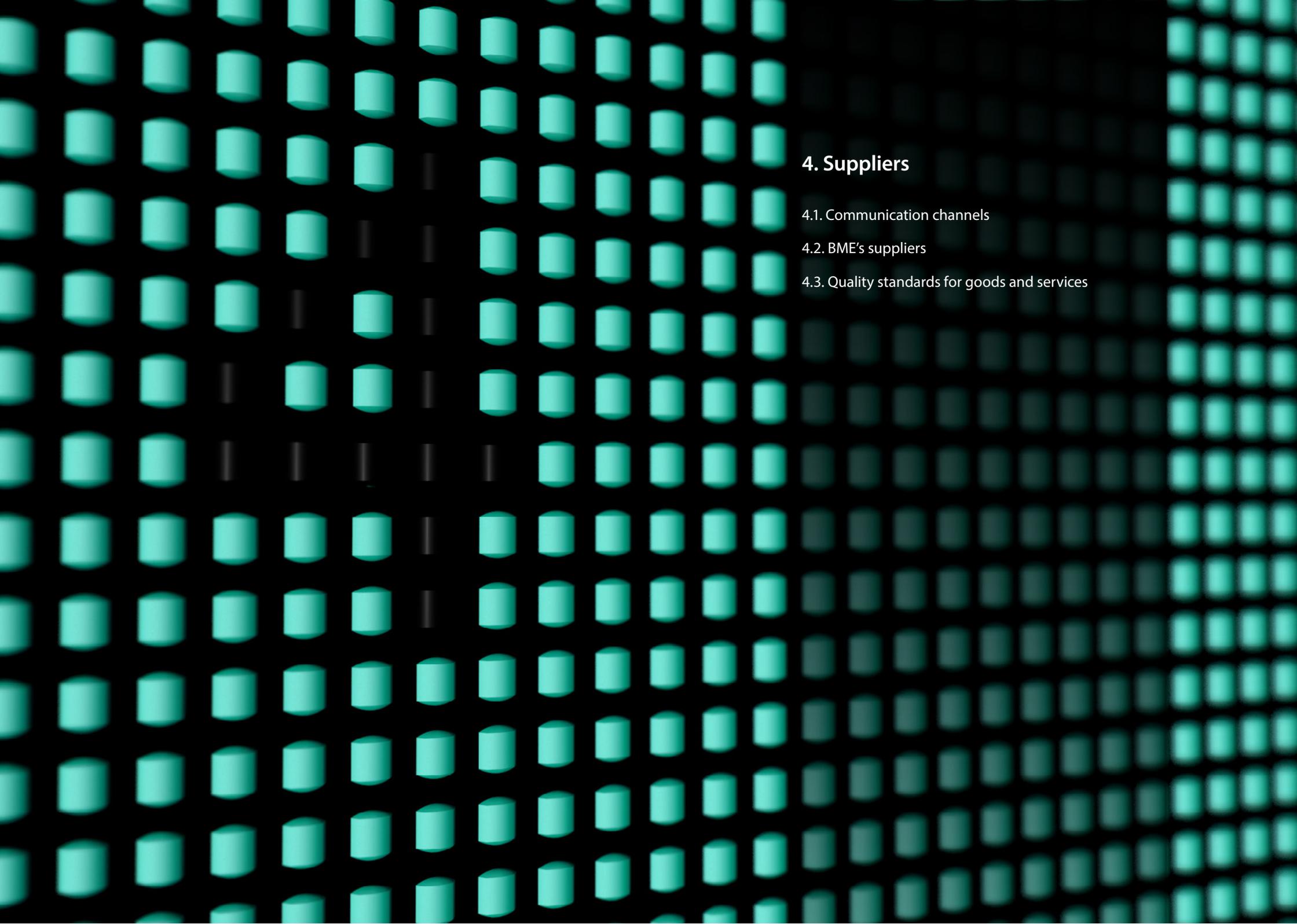


Blas de Lezo exhibition at the Naval Museum.

Right: Offering to the Virgin with the occasion of the victory in Cartagena de Indias. 1749. Unknown.

Left: Remembrance medallion on Utrecht Treaty. 1713. John Croker. Bronze.

Background: Drawing of Lima from the vicinity of the Bullring. 1789-1794. 1789-1794.

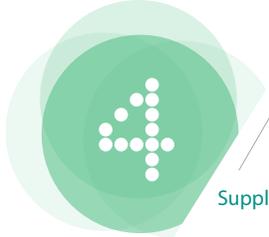
The background of the slide features a repeating pattern of teal-colored cylinders. These cylinders are arranged in a grid that recedes into the distance, creating a strong sense of perspective. The cylinders are set against a dark, almost black, background, which makes the teal color stand out. The overall effect is a modern, geometric, and three-dimensional aesthetic.

4. Suppliers

4.1. Communication channels

4.2. BME's suppliers

4.3. Quality standards for goods and services



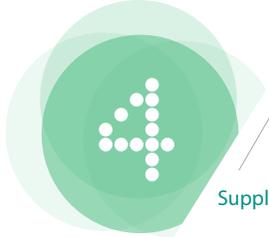
BME has implemented an organised system to contract and manage the services of external suppliers, called the Sistema de Autorización de Pedidos (SI3). This system tracks the process through the order, approval, budget control and payment phases. The SI3 system ensures that the supplies BME receives from its many sources are managed appropriately and meet the company's quality requirements.

The procedure for contracting external services features a registration and evaluation tool in order to assess the level of quality of the products and services received from each supplier. This process:

- Optimises external service costs.
- Evaluates suppliers on a continuous basis.
- Requires collaboration with the legal area to revise the corresponding legal contracts.
- Encourages ongoing contact with services suppliers, leveraged on knowledge and past experience. Therefore, relations with suppliers are maintained directly

by the heads of the bme company or business unit requiring the goods or services in question, on the understanding that these people can best define the requirements for purchasing and contracting goods and services.

- Control over payment made to suppliers following processing of the order by a member of the accounting department.



BME requires its suppliers to comply with the principles of legality, ethics and labour and environmental responsibility in the performance of their respective activities. Accordingly, upon contracting, new suppliers undertake to comply with certain obligations and responsibilities in these areas.

Supplier evaluation process

The SI3 system supplier evaluation process begins with an initial assessment of suppliers first rendering their services to BME and of those with whom an order worth over €10,000 has been placed or which are considered suppliers of critical services, i.e. those which directly affect the activities carried out by BME or the services rendered directly to the company's customers and member entities.

Following this initial assessment, registered suppliers are continuously monitored to ensure that the quality of their supplies is maintained and complies with established requirements, using the following procedures:

1. Evaluation of all goods delivered and services supplied;
2. Detection, recording and follow-up of any incidents occurring during the delivery of the goods or supply of the service;
3. Each supplier is reviewed annually based on the evaluations made after each delivery and any incidents occurring during the delivery of the goods or the rendering of the services.

Communication channels





Suppliers

4.2. BME's suppliers

Number of suppliers			
	2011	2012	2013
Local suppliers	1,036	1,308	1,259
Non-local suppliers	103	124	139
Total	1,139	1,432	1,398

Revenue for services supplied by external suppliers			
	2011	2012	2013
Local suppliers	90.04%	99.92%	99.88%
Non-local suppliers	9.96%	0.08%	0.12%

In 2013, 114 new suppliers were registered for evaluation, and, in line with BME's policy of monitoring habitual suppliers, 1,269 orders delivered by 255 suppliers were assessed. Of the 1,269 evaluations of orders carried out, only one order was assessed negatively. As a result of this negative evaluation, BME does not foresee future engagements with this supplier.

The essentially local nature of BME's suppliers and their adherence to Spanish labour laws and occupational health and safety legislation means that it is not necessary to assess these suppliers in the area of human rights.

4.3. Quality standards for goods and services

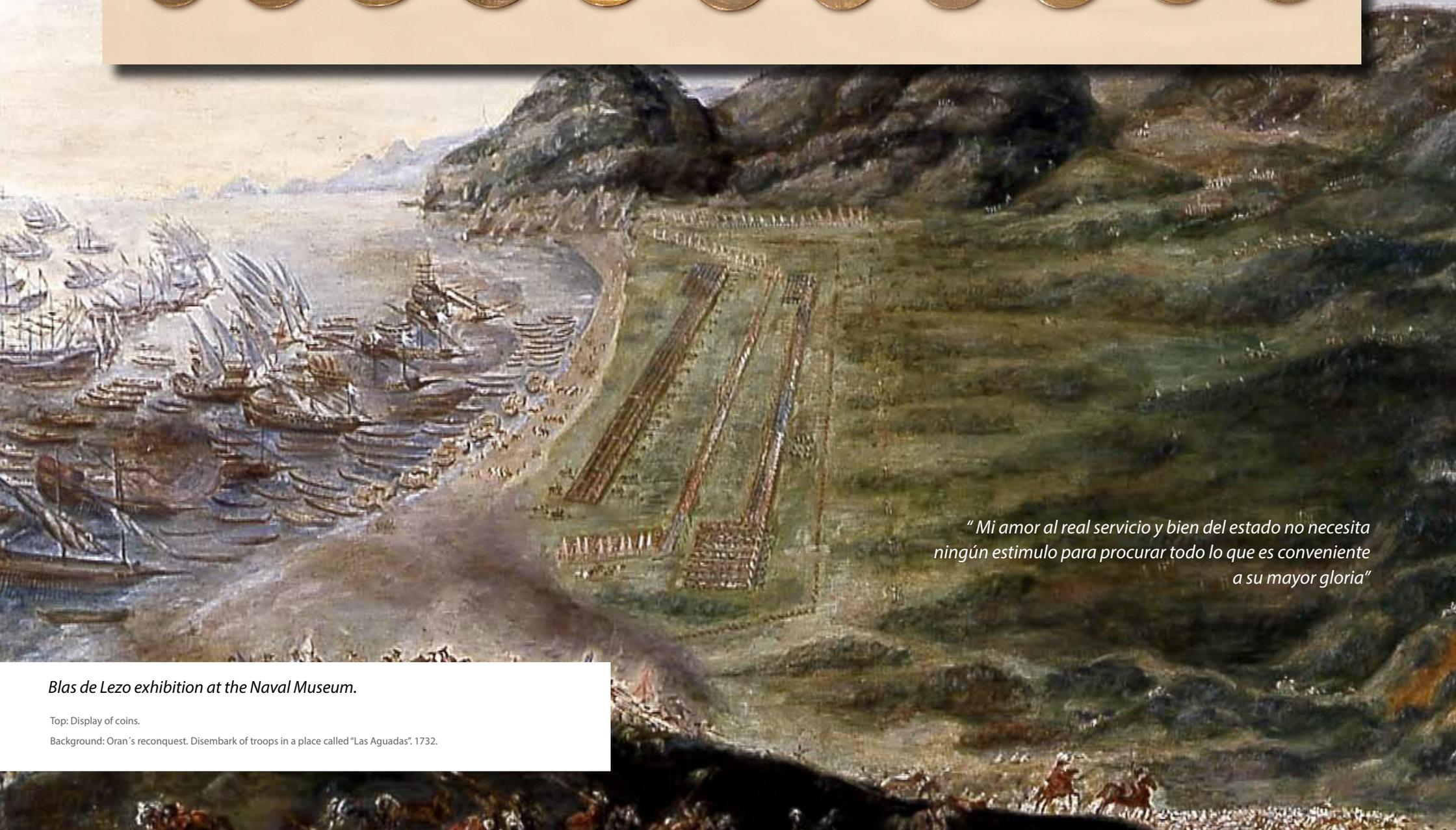
In 2013, BME maintained the quality standards for certain services or goods established in previous years.

For those technological assets important for BME's activities, where IT equipment must be updated regularly and always be at the forefront of technology, the company uses suppliers whose products are guaranteed with the ENERGY STAR label.

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

Also, for office supplies, such as paper, the company works exclusively with suppliers who respect the environment. Manufacturing processes at BME's paper suppliers therefore meet the quality and sustainability standards contained in ISO 14001:2004 and OHSAS 18001:1999.

The coach operator used by the company holds certificates from Madrid's Chamber of Commerce and Industry verifying that it complies with UNE-EN ISO 14001:2004 standards for environmental management systems and with UNE-EN ISO 9001:2008 standards for quality systems, which contain guidelines for best environmental practices and waste management, respectively. It also holds the Company and Coach Safety Certificate, boasting a good level of Road Safety and Transport of Persons in accordance with the criteria contained in the CSEAA-INSIA certification procedure.



" Mi amor al real servicio y bien del estado no necesita ningún estímulo para procurar todo lo que es conveniente a su mayor gloria"

Blas de Lezo exhibition at the Naval Museum.

Top: Display of coins.

Background: Oran's reconquest. Disembark of troops in a place called "Las Aguadas", 1732.

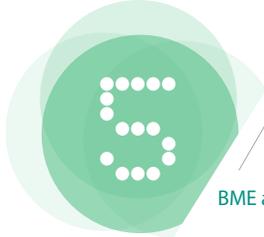
The background of the slide features a repeating pattern of teal-colored cylinders. These cylinders are arranged in a grid that is slightly offset from the underlying black grid, creating a 3D effect. The cylinders are more prominent on the left side of the slide and become increasingly blurred and smaller as they move towards the right.

5. BME and the environment

5.1. Use of resources

5.2. Waste management

5.3. RENADE



BME's business activities do not have a direct impact on the environment. However, as the company is aware of the potential environmental risks any business generates, it manages its business in a sustainable manner and has undertaken to reduce any indirect effects its activities may have on the environment.

BME's main lines of action in this area are as follows:

- Compliance with prevailing national, regional and local legislation, as well as with BME's own commitments to minimise the environmental impact of its activities.
- Fostering measures to reduce the use of the resources consumed directly and indirectly by BME.
- Encouraging the recycling of waste in order to minimise the company's environmental impact. BME fosters compliance with the three "R" approach to environmental protection: reduce, reuse, recycle.

- 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.

In 2013, BME had no fines or sanctions for failing to comply with environmental legislation.



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BME and the environment

5.1. Use of resources

Energy resources: electricity and gas

A distinction should be made in relation to the consumption of energy resources, between energy resources consumed directly at the company's installations, i.e. direct consumption, and resources consumed by BME employees outside the company's facilities, mainly during business trips.

Electricity is the main energy resource consumed directly. Natural gas consumption is minimal as it is used only at the employees' cafeteria in the Las Rozas building and run by an external company, and, until November 2013, for heating the MEFF offices in Barcelona.

Electricity is **directly consumed** at the company's facilities through three main uses: IT equipment, heating and air conditioning systems and lighting. In order to keep this consumption low, the company has implemented the following measures:

- **IT equipment:** The company uses suppliers that ensure that their products meet the energy efficiency standard ENERGY STAR 5.0., reducing electricity consumption by up to 40% (according to the manufacturer).

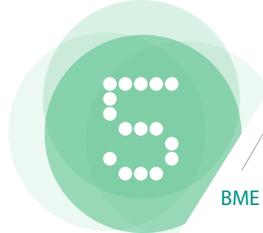
- **Heating and air conditioning systems:** BME controls the temperature inside its buildings and makes rational use of heating and air-conditioning units installed in all its premises.

- **Lighting:** 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. Low-energy light bulbs and fluorescent light tubes, which help to cut electricity consumption and carbon dioxide emissions, are also used in all buildings.

In addition to the measures mentioned above, in 2013 BME continued to make investments to reduce the direct consumption of electricity.

Investment to directly reduce electricity consumption

	2011	2012	2013
Heating and air-conditioning systems	2,076 €	27,470 €	-
Insulation elements	34,672.53 €	30,083.37 €	-
Electricity and lighting materials and equipment	-	-	44,754.81€



The **indirect consumption** of energy resources mainly occurs during business trips made by company employees. BME has made the following options available to its employees to help reduce greenhouse gas emissions:

- **The use of video conferencing for meetings.** BME has specially-outfitted meeting rooms at all its offices. In 2013, 1,318 videoconferences were held at the company's Madrid and Barcelona offices (1,032 and 900 in 2011 and 2012, respectively).

However, business trips by plane and train are still necessary for the company to carry out its business.

- **The use of public transport over private vehicles,** thereby avoiding greater pollution. BME provides a shuttle service between the work centre at Las Rozas (Madrid) and the nearest train station and between the company's two main offices in Madrid.

The shuttle operator meets the requirements of UNE-EN ISO 14001:2004 and UNE-EN ISO 9001:2000 standards. These certificates guarantee, among other aspects, 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.

Energy consumption indicators

Electricity consumption by geographical area

Electricity	2011	2012	2013
CONSUMPTION MADRID (kWh)	7,077,764.00	6,971,270	6,643,822.49
Number of employees	554	555	565
Consumption per employee (kWh/employee)	12,775.75	12,560.85	11,758.98
CONSUMPTION BARCELONA (kWh)	2,948,940.62 ⁽¹⁾	1,455,665.25 ⁽²⁾	
Number of employees	110 ⁽¹⁾	57 ⁽²⁾	n/a ⁽³⁾
Consumption per employee (kWh/employee)	26,808.55 ⁽¹⁾	25,537.99 ⁽²⁾	
CONSUMPTION BILBAO (kWh)	878,542.51	811,180.08	790,798.92
Number of employees	38	39	35
Consumption per employee (kWh/employee)	23,119.54	20,799.48	22,594.26
CONSUMPTION VALENCIA (kWh)	330,278.34	322,994.18	288,968.51
Number of employees	24	24	24
Consumption per employee (kWh/employee)	13,761.60	13,458.09	12,040.36

(1) The table includes electricity and employee consumption data for the operational headquarters of the Barcelona stock exchange and MEFF.

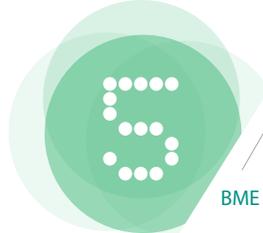
(2) The table includes electricity and employee consumption data for the operational headquarters of the Barcelona stock exchange. Electricity and employee consumption data for MEFF's operational headquarters are not included as they are not available.

(3) 2013 electricity consumption figures for the Barcelona operating headquarters are unavailable.

Gas consumption indicators

GAS CONSUMPTION (kWh) (*)	2011	2012	2013
TOTAL CONSUMPTION MADRID (LAS ROZAS) (kWh)	45,305	28,325	36,626
Number of employees	463	466	478
Consumption per employee (kWh/ employee)	97.85	60.78	76.62

(*) In Madrid, only the Las Rozas building uses this type of energy.



Water

While not directly linked to the services BME offers, the company has adopted various measures aimed at reducing the consumption of water by its employees and raising employee awareness of responsible water use in all offices.

Measures adopted include the installation of mixer taps with timers, and, more importantly, proper facility plumbing maintenance to detect leaks and avoid water wastage.

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

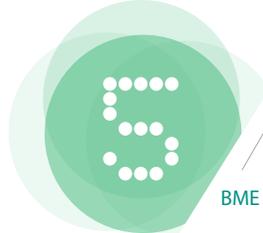
Water consumption indicators

Water consumption by geographical area

Water	2011	2012	2013
CONSUMPTION MADRID (m ³)	7,897.53	8,530.31	8,238.99
Number of employees	554	555	565
Consumption per employee (m ³ /employee)	14.26	15.36	14.58
CONSUMPTION BARCELONA (m ³)	4,233.91 ⁽¹⁾	4,021.96 ⁽¹⁾	n/a ⁽²⁾
Number of employees	56 ⁽¹⁾	57 ⁽¹⁾	
Consumption per employee (m ³ /employee)	81.61 ⁽¹⁾	70.56 ⁽¹⁾	
CONSUMPTION BILBAO (m ³)	546.97	509.85	585.94
Number of employees	38	39	35
Consumption per employee (m ³ /employee)	14.39	13.07	16.74
CONSUMPTION VALENCIA (m ³)	1,762.38	1,170.56	1,599.29
Number of employees	24	24	24
Consumption per employee (m ³ /employee)	73.43	48.77	66.64

(1) Includes water and employee consumption figures at the Barcelona Stock Exchange operating headquarters. Water consumption data for the MEFF operating headquarters are not included as they are not available.

(2) 2013 water consumption figures for the Barcelona operating headquarters are unavailable.



Paper

BME's commitment to sustainable development is also reflected in its selection of paper suppliers. As described in Chapter 4 of this report, manufacturing processes at the company's paper suppliers are required to meet the quality and sustainability standards contained in ISO 14001:2004 and OHSAS 18001:1999.

In addition to these requirements for selecting paper suppliers, BME has implemented various measures to directly encourage paper saving. These include:

- **Encouraging the use of new technologies** (such as Internet, Intranet, pen drives, etc.) over paper to disseminate the company's Annual Report and Annual CSR report, changes in the publication schedule for Bolsa magazine and the use of Intranet as a vehicle for communication with employees.
- **Encouraging the use of email over printed copies** in the company's internal and external communications and in communications between employees and external recipients, in addition to raising awareness among

email recipients about the responsible use of paper by adding the following automatic message "Before you print, think about the ENVIRONMENT".

Employees are also encouraged to reuse envelopes when sending documents between different offices via the internal courier service, and a full document management platform has been created that allows all documents received to be scanned, classified and sent on to their recipients via email without printing them. This platform, which started up in 2008, reduces paper consumption by 10%.

BME Group Paper consumption in kgs (By geographical area)

	2011	2012	2013
Madrid (*)	18,400	15,900	15,600
Barcelona	7,731	8,204	6,435.30
Bilbao	2,100	2,495	3,306.70
Valencia	1,740	244	930
Total	29,971	26,843	26,272

(*) Letter paper and A3 and A4 paper are used exclusively for correspondence.



Greenhouse gas emission indicators

BME Group Greenhouse gas emissions Kg of CO₂ ⁽¹⁾

	2011	2012	2013
Electricity consumption	2,999,885.30	2,868,332.85 ⁽²⁾	1,915,450.30 ⁽²⁾
Energy consumption (natural gas)	9,103.34	5,691.47	7,359.43
Air transport	344,516.22	344,122.22	520,737
Rail transport ⁽³⁾	16,691.19	25,375.28	34,886
Public transport, corporate shuttle service ⁽⁴⁾	9,553.66	9,597.28	9,422.78
Private transport, own vehicle ⁽⁵⁾	578,559.52	538,420.96	518,579.60
TOTAL	3,554,171.36	3,791,540.06	3,006,435.11

(1) The following methodology was used to calculate the company's greenhouse gas emissions:

- **Electricity consumption:** the methodology provided by Red Eléctrica Española and Instituto para el Ahorro y la Diversificación de la Energía.

- **Energy consumption (natural gas):** the methodology contained in Appendix 1 of the Greenhouse Gas Inventories Report and Appendix 1 of the Spanish Renewable Energies Plan 2011-2020.

- **Air transport:** the methodology provided by The National Energy Foundation (<http://www.nef.org.uk/greencompany/co2calculator.htm>).

- **Rail transport:** the methodology provided by The National Energy Foundation (<http://www.nef.org.uk/greencompany/co2calculator.htm>).

- **Public transport (corporate shuttle service):** the methodology provided by the Inventario Nacional de Emisiones GEI (National GHG Emissions Inventory).

- **Private transport (own vehicle):** the methodology provided by the Instituto para el Ahorro y la Diversificación de la Energía, per kilometre travelled.

Greenhouse gas emissions for air and rail transport in 2011 and 2012, as disclosed in the 2012 Corporate Social Responsibility Report, have been adjusted to the methodologies described. The conversion factor for the calculation of greenhouse gases for 2011 and 2012 was 0.18, while for 2013 it was 0.31. With respect to 2012 Corporate Social Responsibility Report, electricity-derived CO₂ emissions for 2012 have been recalculated using the definitive values of the gross electricity production mix (3 kgs CO₂ per kWh).

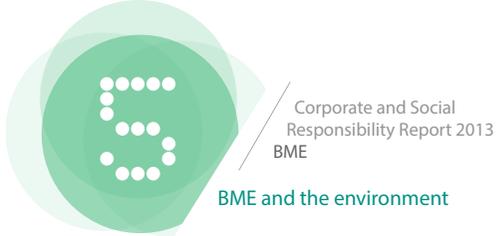
(2) Emissions relating to the direct consumption of electricity in 2012 and 2013 have been calculated on the basis of the total consumption of the offices in Madrid, Bilbao, Valencia and Barcelona as data for MEFF offices are not available.

Emissions relating to direct consumption of electricity in 2013 have been calculated on the basis of the total consumption of the offices in Madrid, Bilbao and Valencia, as data for the Barcelona headquarters (Barcelona stock exchange and MEFF) are not available.

(3) Includes, in accordance with the methodology described in note 1 above, emissions relating to business trips made by employees by train (does not include trips made by employees by train to the Majadahonda railway station to take the company shuttle service to the Las Rozas headquarters).

(4) Includes, in accordance with the methodology described in note 1 above, emissions relating to use by employees of the company shuttle. Trips made by employees using the company shuttle service have been calculated based on the distance between the offices in Las Rozas and Plaza de la Lealtad in Madrid (20 km) and the distance between the office in Las Rozas and the train station in Majadahonda (2 km), considering the following technical parameters: minivan: one vehicle and two return trips a day / coach: 18 return trips a day, and 219, 220 and 216 working days in 2011, 2012 and 2013, respectively.

(5) Includes, in accordance with the methodology described in note 1 above, emissions relating to trips made by employees to their place of work using their own vehicles. Trips made by employees using their own vehicles have been calculated on the basis of the number of parking places at the Las Rozas office (Madrid) and the following technical parameters: Petrol car 1.4L-2.0: 93,922, 88,913 and 84,185 vehicles in 2011, 2012 and 2013 respectively, accessing the Las Rozas (Madrid) work centre, and a 40km round trip for each employee (the distance between the Las Rozas building and the centre of Madrid) as well as 219, 220, and 216 working days in 2011, 2012 and 2013, respectively.



5.2. Waste management

In addition to efforts to reduce the consumption of resources, reuse and recycling are also important parts of BME's commitment to preserving the environment.

As with the consumption of resources, BME's activities generate little waste. Any waste they do generate is usually due to the replacement of computer workstations and the consumption of paper and other office materials.

- **IT equipment:** Company computers have an average lifespan of three to eight years, which is lengthy for these products, thanks to employees' responsible use and ongoing maintenance by the Technical and Systems Support Department.

BME encourages the reuse of computers that have become out of date. Therefore, in 2013, 47 computers were given to employees and 34 were donated to the non-profit San Sebastián de los Reyes Association of Parents of Disabled Children.

In accordance with legislation governing electric and electronic equipment and the management of waste thereof, the remaining equipment is returned to the supplier, who then disposes of the devices at facilities able to properly treat and manage these materials and to the companies that deal with recycled materials in each municipality where the company has offices.

In 2013, 166 pieces of equipment were recycled in Madrid, 190 in Barcelona, and 2 in Valencia.

- **Water:** The insignificant amount of water consumed and type of utilisation (restricted to habitual use by BME employees and therefore largely non-contaminating) means that the company's waste water systems are connected to the city's conventional drainage systems, and there are no specific recycling or reusing measures in place.
- **Paper:** Agreements have been signed with town councils corresponding to BME's different offices to install containers for paper and cardboard which is collected, treated and recycled.
- **Office material:** Office materials required by the company that are especially damaging to the environment, such as printer toner and replacement cartridges, are 100% recycled through suppliers.
- **Other waste.** Since 2008 each area and department actively contributes to waste management by using recycling stations to collect waste generated by personnel and sort organic waste, packaging and plastics. Each day, the company's cleaning crews remove the material collected in the recycling stations and deposit it in larger containers, which are in turn emptied by municipal authorities.

Special measures have been implemented to ensure that waste generated in the staff cafeteria, located in Las Rozas, is correctly managed. These include:

- Grease separator tanks, so that any waste considered especially hazardous, such as used oils, are removed by a specialised company.
- The installation of a wastewater purification and filtering system to process water after it is used in the company cafeteria. The system allows wastewater to be purified before it is flushed into the municipal drains to which all BME's systems are connected.

Lastly, the scant sanitary waste generated by the medical services unit is removed by duly-authorised companies. Where allowed, medicines are also recycled at pharmacies' SIGRE recycling points.



5.3 RENADE

Since 2005, BME, through Iberclear, has been collaborating in the fight against climate change by means of the National Registry for Emission Rights for Greenhouse Gases (RENADE), an instrument for ensuring that data on the ownership and control of greenhouse gas emission rights are publicly available and always up to date.

Iberclear has been entrusted by the government to manage this registry, under the direct supervision of the Spanish Office for Climate Change (OECC), belonging to the Ministry of Agriculture, Food and the Environment. This activity commenced on 20 June 2005. In the public tender process for running the registry, published in the Official State Gazette on 25 September 2013, Iberclear duly submitted the required documentation in order to continue its activity in this regard, after winning a tender to continue performing its ongoing functions providing support to the National Administrator of the Spanish section of the European Union Registry in relation to the European Union trading scheme of greenhouse gas emission allowances and the Kyoto Protocol, for the period 2014-2017. The mandate incorporates an option to extend it until 2019.

RENADE provide industrial facilities with the technical and human resources necessary to comply with their annual obligation of turning over to the government rights in an amount equivalent to CO₂ emissions made during the prior year. The close collaboration between the Registry and local governments, as verifiers of these annual CO₂ emissions, and the personalised attention provided by the authorised representatives of the installations through the Iberclear Service Desk, have enabled the 2013 compliance objectives to be reached across Spain.

In 2013, RENADE made it possible for virtually all such facilities (99.99%) to satisfactorily exchange their rights, thereby fully complying with the commitments assumed under the Kyoto protocol.

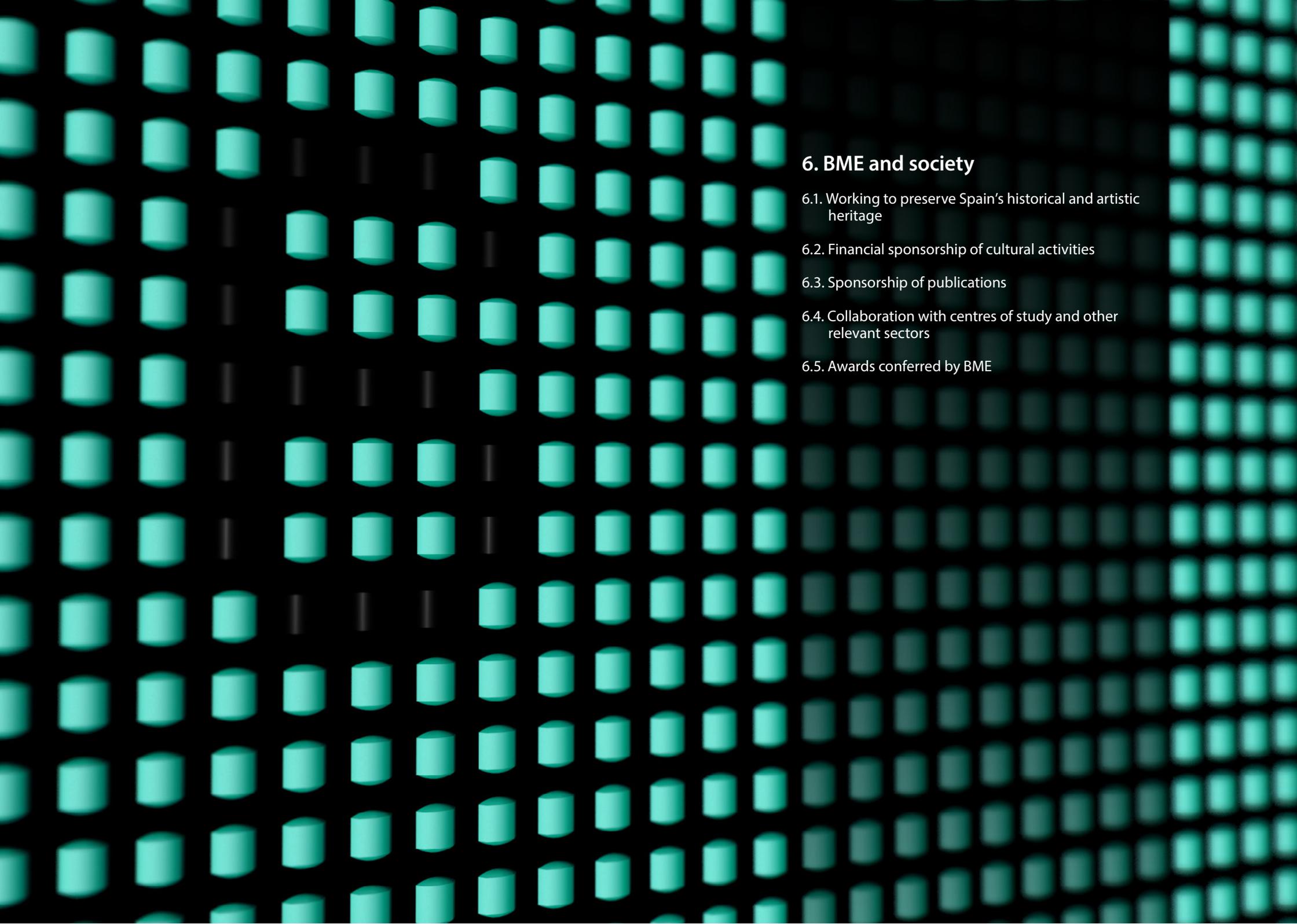
"Con estas omisiones bamos dejando a los enemigos que agan lo que quisieren"



Blas de Lezo exhibition at the Naval Museum.

Right: Male civil attire. End of XVIIIth. century.

Background: Combat of a Spanish frigate against English vessel "Stanhope" 1900-1912.

The background of the page is a black grid with a pattern of teal-colored cylinders. The cylinders are arranged in a regular grid and have a 3D effect, with a lighter teal top and a darker teal bottom. The grid is slightly offset, creating a sense of depth and movement.

6. BME and society

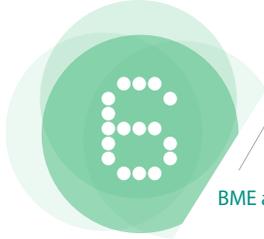
6.1. Working to preserve Spain's historical and artistic heritage

6.2. Financial sponsorship of cultural activities

6.3. Sponsorship of publications

6.4. Collaboration with centres of study and other relevant sectors

6.5. Awards conferred by BME



Corporate and Social
Responsibility Report 2013
BME

BME and society

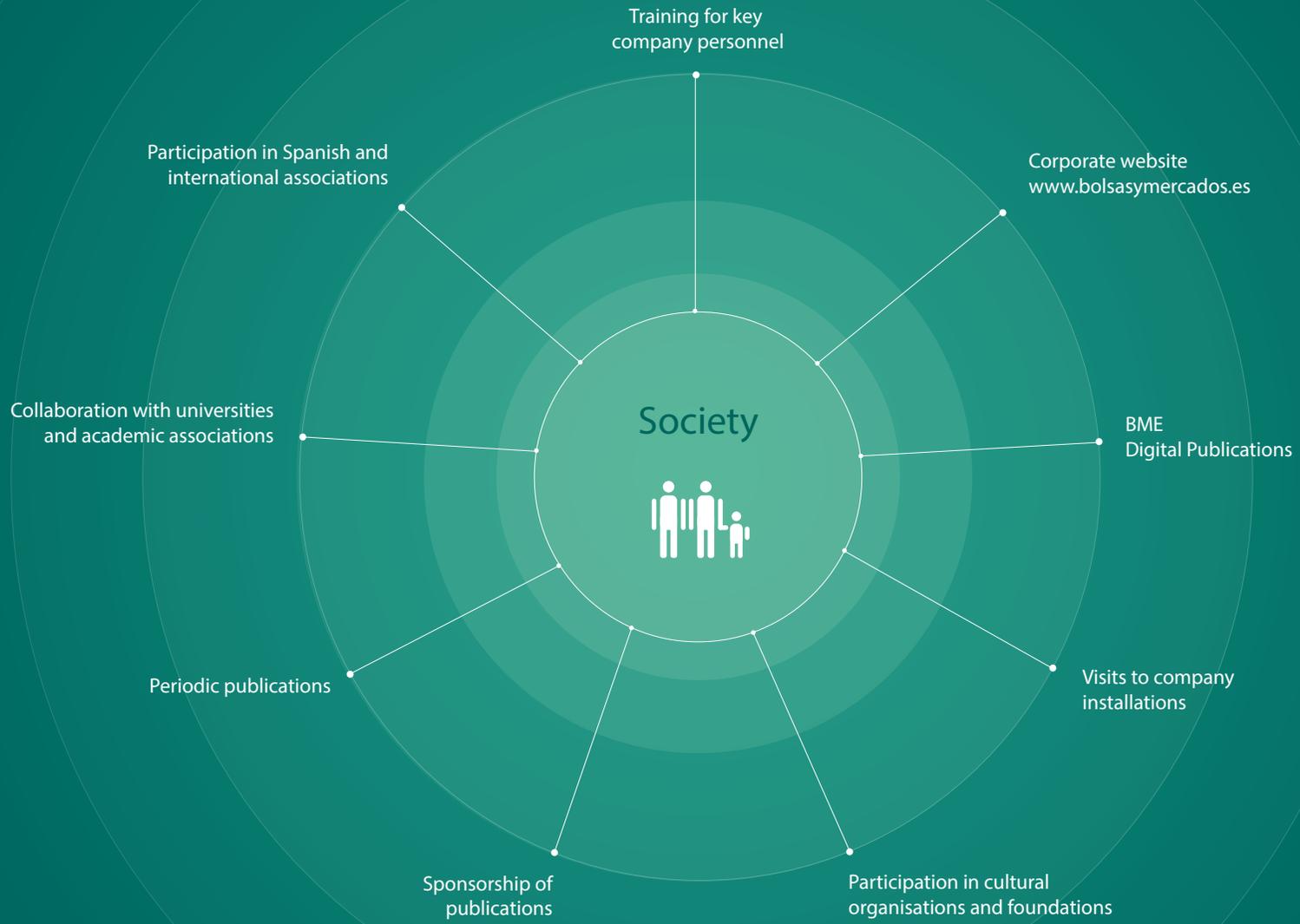
BME complements its main activity with initiatives aimed at fostering the development of the society in which it operates. Specifically, it does this by supporting financial culture and corporate social responsibility.

In doing so, BME draws from the vital support of the companies admitted for trading on the markets and systems it manages. As such, according to the Trends in Sustainability Disclosure: Benchmarking the World's Stock Exchanges 2013 report issued by the Canadian firm CK Capital, which evaluates 45 stock exchanges in 40 countries to assess how well their large listed companies report on seven sustainability indicators (employee turnover, energy, greenhouse gases, lost-time injury rate, payroll, waste and water), in 2013 the Spanish stock exchange was at the global forefront in terms of sustainability information provided by the companies listed on its markets and systems.



The Spanish stock exchange, world leader in sustainability. Cover of CK Capital Report.

Communication Channels



6.1. Working to preserve Spain's historical and artistic heritage

The Madrid Stock Exchange is housed in the late 19th Century Palacio de la Bolsa, a building of great cultural value. The Palacio, which showcases Spain's historical and artistic heritage, stirs an enormous interest and curiosity among the general public. To satisfy this interest, free guided tours, in Spanish and English, are held throughout the year. These visits also serve to highlight the importance of the work carried out by BME. The other three stock exchange buildings in Barcelona, Bilbao and Valencia also offer guided tours that promote the educational and informative aspects of the stock markets.

In 2013, the four stock exchanges welcomed approximately 23,573 visits during 841 tours. These visitors, both from Spain and abroad, were mainly university students, secondary school students, participants from training centres, associations, cultural centres, companies and individuals.

In order to ensure the utmost quality of the stock exchanges' educational activities and guided tours, during recent years BME has engaged Lloyd's Register Quality Assurance Limited to carry out a quality audit of these activities. Following the reviews, Lloyd's has issued and maintained the ISO 9001:2008 certificate for quality management systems.

In a separate endeavour to preserve Spain's historical and artistic heritage, in 2013 BME engaged experts from the National Library's Preservation and Conservation Department to restore and digitalise two 15th-Century parchment scroll charters. These scrolls, one of which was signed by the King of Castile Juan II in 1408 and the other by King Enrique III in 1400, are housed at the Madrid Stock Exchange's library.

BME investment in social initiatives (thousands of euros)

	2011	2012	2013
Financial sponsorship and development of cultural activities	260	225	200
Financial culture and training	1,154	950	950
Socio-economic development (awards)	50	40	40

6.2. Financial sponsorship of cultural activities

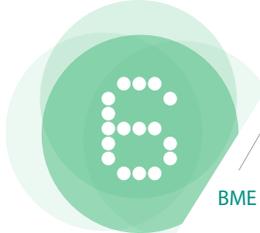
The importance given by BME to cultural activities is clearly reflected in the company's interest in taking part in cultural and academic organisations, even where its activities are not directly related to these disciplines.

BME is a member of the Friends of the Prado Foundation, a sponsoring partner of the Reina Sofia museum in Madrid, and a partner of the Teatro Real in Madrid. Through the Bilbao Stock Exchange, BME is also a strategic patron of the Guggenheim museum in that city.

In 2013, BME helped sponsor the "Blas de Lezo, el valor de Mediohombre" exhibition inaugurated at the Madrid Naval Museum in September 2013 in order to preserve and disseminate the story of the admiral Blas de Lezo.



BME has trusted the restoration of its cultural resources to the National Library.



6.3. Sponsorship of publications

In order to contribute to the study and knowledge of the Spanish economy, finance and stock markets, BME encourages the dissemination and research of these topics through the direct publication of books and magazines and through sponsorship of various publications.

BME is therefore one of the sponsors of *Agenda de Medios de Comunicación Económica*, edited by the Spanish financial press association, *Asociación de Periodistas Económicos (APIE)*.

BME also has a research service that distributes and makes available to members of the public a range of texts, documents, books and magazines on a variety of issues (financial topics as well as other disciplines). The service provides this information to anyone interested in the Spanish financial markets and systems, continually researching and analysing the situation of financial markets.

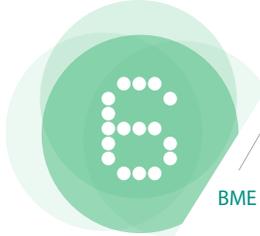
BME's digital publications service aids the research service in distributing, via Internet, all available information, thereby reaching a wider audience.

Among the publications made available through the digital publications service, the research service released its in-house reports titled "Report on Shareholder Remu-

neration Formulas among Spanish listed companies" and "Ownership Breakdown of Listed Spanish Shares" (both in Spanish), with a formal report launch at the *Palacio de la Bolsa*. Together with *Iberdrola* and *Correos* (Spain's postal company), BME sponsored the book "*Comunicación financiera: transparencia y confianza*", created in collaboration with *Estudio de Comunicación, S.A.* The book was distributed through the BME digital publications service.

Each quarter, BME publishes *Bolsa* magazine in order to inform readers of recent events in the financial markets. In 2013, the magazine was adapted for digital format, offering content enriched by virtual tools while maintaining the same high standards of content selection and preparation that have been a hallmark of the publication for over 20 years. This magazine is available free of charge in electronic format on the corporate website (www.bolsasymercados.es) and through BME's digital publications service.

BME's offices in Madrid and Barcelona also have libraries and documentation centres. These libraries and documentation centres may be used by both BME employees and the general public, and aim to provide users with easy access to the wide range of information offered by the company.



6.4. Collaboration with centres of study and other relevant sectors.

BME's deep commitment to general culture and specifically financial culture and its dissemination is also evidenced in the company's collaboration with a variety of organisations, universities and academic associations, and the participation of its professionals in training programmes related to the stock market.

Collaboration with universities and centres of study.

Since June 2008, BME has been a patron of the Fundación de Estudios Financieros (Foundation for Financial Studies), which dedicates its resources and efforts to independent research, education and opinion. The Foundation is committed to working to promote faithful adherence to economic freedom based on efficiency, transparency and ethical practices.

In the area of training, Instituto BME, the company's training centre, has entered into numerous collaboration agreements with universities, centres of study and other institutions, and helps organise courses directed at both private- and public-sector professionals working in finance.

Instituto BME also collaborates on numerous training projects, offering specialised courses at private and public universities, such as the Autónoma de Madrid, Burgos, Castilla La Mancha, Carlos III, Complutense, Granada, Huelva, Málaga, Oviedo, Pablo Olavide of Sevilla, País Vasco, Pontificia de Comillas (ICADE), CEU San Pablo, Santiago de Compostela, Valencia, Vigo, Zaragoza, Navarra, Universidad Nacional de Educación a Distancia (UNED) and Colegio Universitario de Estudios Financieros (CUNEF) de Madrid etc., as well as educational institutions such as Colegio de

Economistas de Aragón, Escuela de Finanzas de la Coruña, Asociación Universidad de Empresa (AUNE), Fundación de las Cajas de Ahorros (FUNCAS), Institut d'Estudis Financiers, Instituto de Estudios Bursátiles (IEB) and the ESESA business school in Malaga.

In addition to sharing financial culture through the guided visits mentioned earlier in this chapter, the four stock market companies maintain their own collaboration agreements with educational institutions, as follows:

- **The Madrid Stock Exchange** participates in a stock exchange and financial markets course (Curso de Bolsa y Mercados Financieros) with Asociación Universidad Empresa (AUNE) and in an online stocks and derivatives course through the company Software Financiero Bolsa (SFB).
- **The Barcelona Stock Exchange** takes part in several training projects in collaboration with Universidad Abat Oliba CEU and Universidad Autónoma de Barcelona.
- **The Bilbao Stock Exchange** carries out a collaborative education programme with Universidad de Deusto.
- **The Valencia Stock Exchange** works with the Universidad de Valencia to carry out several programmes not directly related to financial activities, such as "La Nau Gran", aimed at improving access to this university for people aged over 55. The exchange also organises the Olimpiadas de Economía (Economic Olympics) in collaboration with Fundación Bancaja and the Colegio de Economistas de Valencia.

BME also organises a Masters in stock markets and finance, specialising in financial products, services and markets, in collaboration with Fundación Universidad Empresa de Valencia, and a professional specialisation degree in Spanish financial markets and stock markets (DEPU) together with Fundación Universidad Empresa de Valencia.

BME has continued to support, participate and advise in the 2nd "Profesionales desde la escuela" programme organised by Fundación Marazuela, the Las Rozas City Council, and the Junior Achievement Foundation. Thanks to the initiative, between 2012 and 2013 over 1,000 students from 155 schools were able to see, first hand, what it is like to work in about 30 of the country's top companies. The purpose of the programme is to teach young people about working and the financial world, and to incite an entrepreneurial spirit in them.

Collaboration with other relevant sectors.

BME carries out training seminars for members of the General Council of the Judiciary (Consejo General del Poder Judicial) and the Spanish national police force, in order to impart knowledge of how financial markets and their products work.

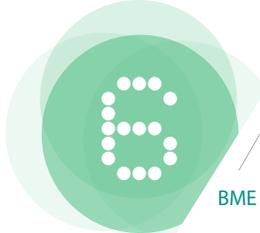
In addition, BME, together with Ferrovial, extended five grants for economic journalists, allowing them to attend the 6th edition of the advanced course in investor relations.



Reading BME's BOLSA Magazine becomes easier thanks to its new digital format.



Sponsoring culture. Exhibition about Blas de Lezo in the Spanish Maritime Museum.



BME in Spanish and international associations

Spanish

- Asociación Española de Contabilidad y Administración de Empresas (AECA)
- Asociación Española de Financieros y Tesoreros de Empresas
- Asociación de Mercados Financieros
- Asociación de Periodistas de Información Económica (APIE)
- Asociación para el Progreso de la Dirección (APD)
- Barcelona Centro Financiero Europeo
- Círculo de Economía
- Colegio de Economistas de Cataluña
- Instituto de Auditores Internos (IAI)

International

- WFE (World Federation of Exchanges)
- Federation of European Stock Exchanges (FESE)
- Ibero-American Stock Exchange Federation (FIAB)
- European Capital Markets Institute (ECMI)
- International Organization of Securities Commissions (OICV-IOSCO)
- Centre for European Policy Studies (CEPS)
- Associations for Investment Management and Research (CFA)
- International Capital Market Association (ICMA)
- European Association of Central Counterparty Clearing Houses (EACH)
- Futures Industry Association (FIA)
- International Options Market/Clearing Association (IOMA/IOCA)
- Grupo español de usuarios de SWIFT (SWIFT GNUSE)
- International Securities Services Association (ISSA)
- European Central Securities Depositories Association (ECSDA)
- Extensible Business Reporting Language (XBRL) Association
- Futures and Options Association (FOA)
- Financial Services in Europe (EUROFI)



Employees of BME and young students work together in the "Profesionales desde la escuela" initiative.



Promoting talent. BME awards the best work in financial research.

6.5. Awards conferred by BME.

In 2013, BME continued to sponsor awards to drive and encourage stock market investment.

As per its tradition, BME has awarded and sponsored the following prizes:

- Base Ibex and Base ETF prizes to the mutual funds obtaining the largest accumulated return in the past year and whose portfolio reflects the Spanish and ETF indices, respectively;
- Foro Finanzas award, given for the best works submitted at the 21st Foro de Finanzas (Finance Form) organised by Asociación Española de Finanzas (AEFIN) on equity, fixed-income and derivative products;
- Morningstar Fondos 2013 awards, which, in collaboration with newspaper El Economista, are granted to those managers, funds and pension funds that have provided the most value to their participants over the past years;
- Robotrader 2013 Awards for algorithmic trading systems for financial markets;
- CFA Spain Awards, which CFA Society Spain, together with CaixaBank, El Economista and BME, bestows on the winners of the CFA analysis competition.



Blas de Lezo exhibition at the Naval Museum.

Top: Remembrance medallion on the supposed capture of Cartagena de Indias. 1741 Golden Bronze. Reverse.

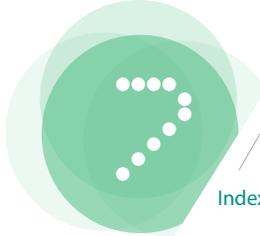
Background: British-Dutch joint attack against Gibraltar and naval encounter of Vélez-Málaga. XVIIIth. Century. Unknown.

"... retirarme a mi tierra a criar a mis hijos y cuidar y establecer mi familia con los pobres terrones de mi casa pues ni siquiera el sueldo de comandante me es suficiente para mi manutención"





7. Index of GRI contents



■ Principal
■ Additional

1. Strategy and analysis

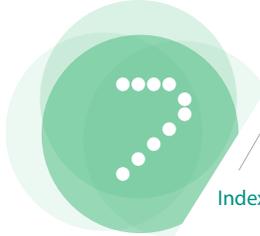
		CSR headings/ Other reports	Pages
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Letter from the Chairman	6-7
1.2	Description of key impacts, risks, and opportunities.	Corporate Governance	21
		1.1	24
		Annual Statements	

2. Organizational profile

		CSR headings/ Other reports	Pages
2.1	Name of the organization.	Introduction	8
2.2	Primary brands, products and/or services.	About BME	12-17
		1.1/1.2	24/25-27
2.3	Operational structure of the organization.	About BME	12-21
2.4	Location of organization's headquarters.	About BME	12
2.5	Number of countries where the organization operates.	About BME	12
2.6	Nature of ownership and legal form.	About BME	12
		2.1	35
2.7	Markets served.	About BME	12-17
		1.1/1.2	24/25-27
2.8	Scale of the reporting organization.	About BME	12-17
2.9	Significant changes during the reporting period regarding size, structure or ownership.	About BME	14
		2.1	35
2.10	Awards received in the reporting period.	BME's Corporate outlook	10
		2.2	36

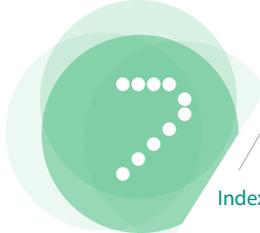
3. Report parameters

		CSR headings/ Other reports	Pages
Profile of the Report			
3.1	Reporting period for information provided.	Introduction	8
3.2	Date of most recent previous report (if any).	Introduction	8
3.3	Reporting cycle (annual, biennial, etc.).	Introduction	8
3.4	Contact point for questions regarding the report or its contents.	Adresses and contacts	105-106
Scope and boundary of the Report			
3.5	Process for defining report content.	-	-
3.6	Boundary of the report.	Index	5
		GRI Index	97-102
3.7	State any specific limitations on the scope or boundary of the report.		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Annual Statements	
		The information is specified by footnote under the tables containing the data	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	5.1	79-80/82
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	5.1	79-80/82
Index of GRI content			
3.12	Table identifying the location of the Standard Disclosures in the report.	Index GRI Index	5 97-102
Verification			
3.13	Policy and current practice with regard to seeking external assurance for the report. If the verification report is not included in the sustainability report, explain the scope and basis of any existing external assurance. Explain the relationship between the reporting entity and verification supplier or suppliers.	The Company has not demanded verification of Corporate and Social Report from an external party	



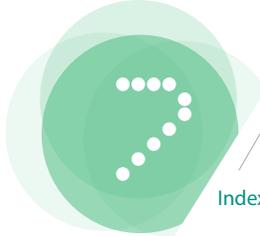
4. Governance, commitments and engagement

		CSR headings/ Other reports	Pages
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance Annual Corporate Governance Report	17-21
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance Annual Corporate Governance Report	17-18
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body who are independent and/or non-executive members.	Corporate Governance Annual Corporate Governance Report	17-19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	2.2/2.3/2.4/2.5 3.2.1/3.3/3.5.2	36-38/39/40-41/42 53/56-57/62
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Report on remuneration of directors Annual Corporate Governance Report	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Corporate Governance Report	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Annual Corporate Governance Report	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	BME's Corporate Outlook	9
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities.	Annual Corporate Governance Report	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Report on Activities carried out by the Board of Directors Annual Corporate Governance Report	
Commitment to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	- Letter from the Chairman	- 6-7
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	BME's Corporate Outlook 5 6.2/6.3/6.4/6.5	10 77 89/90/91-92/94
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations supported.	6.4	93
Stakeholder engagement			
4.14	List of stakeholder groups engaged by the organization.	BME's Corporate Outlook	9
4.15	Basis for identification and selection of stakeholders with whom to engage.	BME's Corporate Outlook	9
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	-	-
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	-	-



5. Management focus and performance indicators

		CSR headings/ Other reports	Pages
Economic dimension			
Disclosure on management approach			
Aspect: Economic performance.			
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	About BME	16
		6.2	89
		Annual Statements	
EC 2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Annual Statements	
EC 3	Coverage of the organization's defined benefit plan obligations.	Annual Statements	
EC 4	Significant financial assistance received from government.	BME's Corporate Outlook	10
Aspect: Market presence			
EC 5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	3.5.1	59
		3.6.2	66
EC 6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	4	71-74
		Annual Statements	
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	3.1	52
Aspect: Indirect economic impacts			
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	6.1/6.2	89
EC 9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	-	-
Environmental dimension			
Disclosure on management approach			
Aspect: Materials			
EN 1	Materials used by weight or volume.	5.1	81
EN 2	Percentage of materials used that are recycled input materials.	N/A	N/A
Aspect: Energy			
EN 3	Direct energy consumption by primary energy source.	5.1	78-79
EN 4	Indirect energy consumption by primary energy source.	5.1	79
EN 5	Energy saved due to conservation and efficiency improvements.	5.1	78-79
EN 6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	The services provided by the Group do not generate electric consumption	
EN 7	Initiatives to reduce indirect energy consumption and reductions achieved.	5.1	79
Aspect: Water			
EN 8	Total water withdrawal by source.	5.1	80
EN 9	Water sources significantly affected by withdrawal of water.	5.1	80
EN 10	Percentage and total volume of water recycled and reused.	Owing to the type of activity carried out by the Group, water is obtained from the municipal network, therefore no water is recycled and no recycled water is consumed except the waste management resulting from the canteen service, mentioned in page 83.	



5. Management focus and performance indicators

		CSR headings/ Other reports	Pages
Aspect: Biodiversity.			
EN 11	Description of land located in or adjacent to protected natural spaces or unprotected areas of high biodiversity value. Location and size of land owned, leased or managed in areas of high biodiversity value outside protected areas.		
EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	All Group buildings are located in urban areas and therefore they do not have any impact on conservation areas or areas of high biodiversity value	
EN 13	Habitats protected or restored.		
EN 14	Strategies, current actions, and future plans for managing impacts on biodiversity.		
EN 15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		
Aspect: Emissions, effluents and waste			
EN 16	Total direct and indirect greenhouse gas emissions by weight.	5.1	82
EN 17	Other relevant indirect greenhouse gas emissions by weight.	-	-
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	5.1	78-79
EN 19	Emissions of ozone-depleting substances by weight.	5.1	82
EN 20	NOx, SOx, and other significant air emissions by type and weight.	The Group's activities do not generate significant emissions of these gases	
EN 21	Total water discharge by quality and destination.	5.2	83
EN 22	Total weight of waste by type and disposal method.	N/A	
EN 23	Total number and volume of significant spills.	The Group's activities do not pose risk of spillage of dangerous substance	
EN 24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	This type of actions are not carried out by the company due to the type of activities developed by the Group	
EN 25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	All Group buildings are located in urban areas and therefore they don't affect the biodiversity of water and habitats associated	
Aspect: Products and services			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	The Group's products and services do not generate any relevant environmental impact	
EN 27	Percentage of products sold and their packaging materials that are reclaimed by category.	The Group's activities do not generate significant volumes of products containing recyclable materials	
Aspect: Compliance			
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	5	77
Aspect: Transport			
EN 29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	The type of activities developed by the Group do not generate any significant travel-related environmental impact	
		5.1(In relation to the transportation of employees)	82
Aspect: Overall			
EN 30	Total environmental protection expenditures and investments by type.	5.1	78

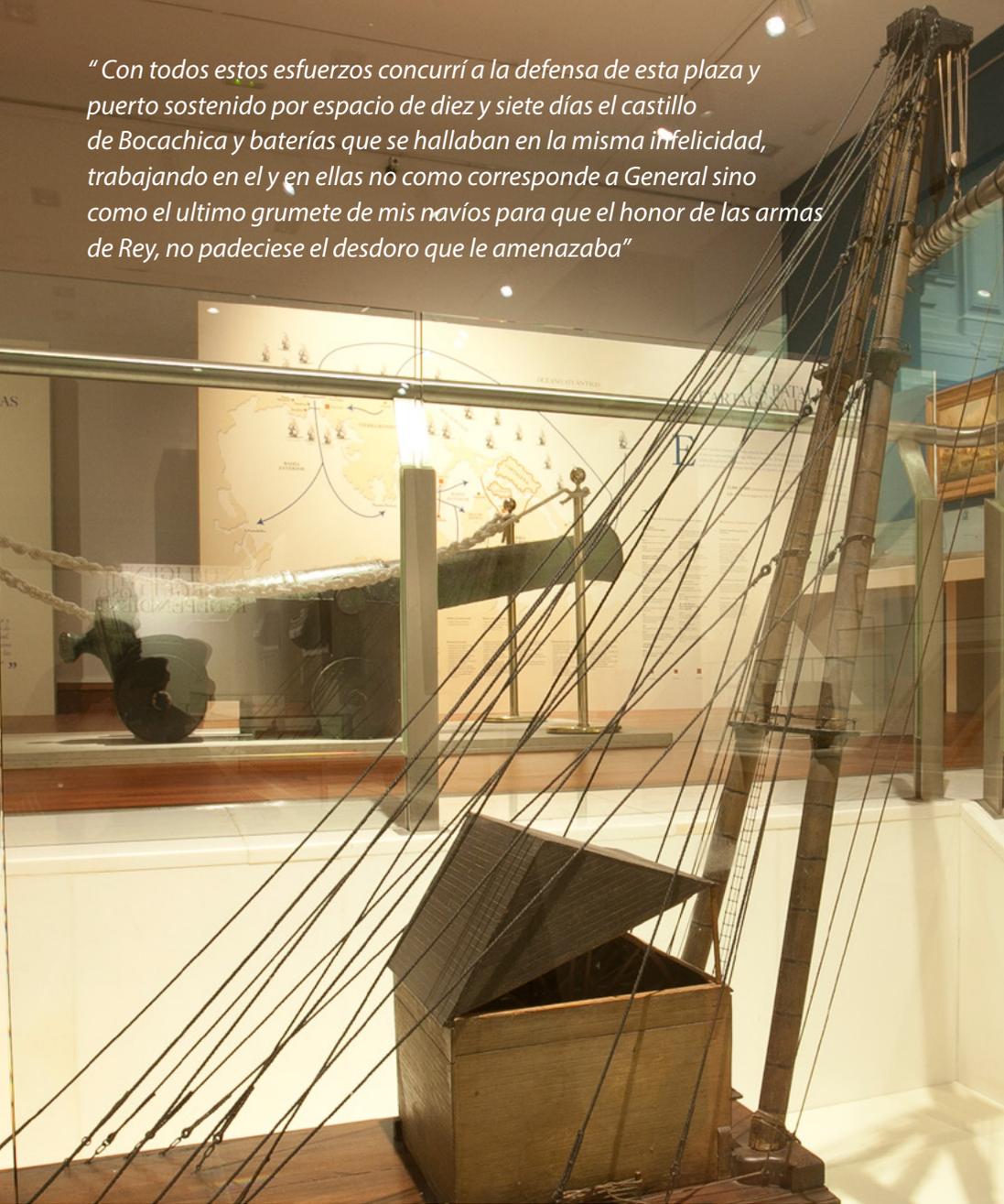
5. Management focus and performance indicators

	CSR headings/ Other reports	Pages	
Social dimension			
Labour practices and decent work			
Disclosure on management approach			
Aspect: Employment			
LA 1	Total workforce by employment type, employment contract, and region.	3.1	48-52
LA 2	Total number and rate of employee turnover by age group, gender, and region.	3.1	48-52
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	3.1	52
		3.2.2	54
LA 4	Percentage of employees covered by collective bargaining agreements	3.2.1	53
LA 5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	3.2.1	53
LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	3.7	67
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	3.7	68
LA 8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	3.7	68
LA 9	Health and safety topics covered in formal agreements with trade unions.	3.2.2/3.7	54/67-68
Aspect: Training and education			
LA 10	Average hours of training per year per employee by employee category.	3.5.1	61
LA 11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	3.5	59-62
LA 12	Percentage of employees receiving regular performance and career development reviews.	3.6.2	64
Aspect: Diversity and equal opportunities			
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Corporate Governance	18
		3.1	48-50
		Annual Corporate Governance Report	
LA 14	Ratio of basic salary of men to women by employee category.	3.6.2	65
Human rights			
Disclosure on management approach			
Aspect: Investment and procurement practices			
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	3.6	63
		4.2	74
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	3.6/4.2	63/74
HR 3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	BME fully observes in its work practices the Universal Declaration of Human rights of the United Nations and its protocols. Owing to the non-risk nature of this matter, BME does not offer its employees training on policies and procedures relating to human rights.	
Aspect: Non-discrimination			
HR 4	Total number of incidents of discrimination and actions taken.	3.6	63
Aspect: Freedom of association and collective bargaining			
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	3.2.1	53
Aspect: Child labor			
HR 6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	3.6	63
Aspect: Forced and compulsory labor			
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	3.6	63
Aspect: Security practices			
HR 8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	3.7	68
Aspect: Indigenous rights			
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken.	All BME employees work in Spain	

5. Management focus and performance indicators

		CSR headings/ Other reports	Pages
Company			
Disclosure on management approach			
Aspect: Community			
SO 1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		
Aspect: Corruption			
SO 2	Percentage and total number of business units analyzed for risks related to corruption.	About BME 3.4	21 58
SO 3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Annual Corporate Governance Report 3.4	58
SO 4	Actions taken in response to incidents of corruption.	3.4	58
Aspect: Public policy			
SO 5	Public policy positions and participation in public policy development and lobbying.	BME's Corporate Outlook	10
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	BME's Corporate Outlook	10
Aspect: Anti-competitive behavior			
SO 7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	N/A	N/A
Aspect: Compliance			
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Annual Statements	
Product responsibility			
Disclosure on management approach			
Aspect: Customer health and safety			
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	The products and services provided by the Group do not have any impact on the health and safety of its clients	
PR 2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome.		
Aspect: Product and service labelling			
PR 3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	The products and services provided by the Group are not subject to tagging	
PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome.	-	-
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	-	-
Aspect: Marketing communications.			
PR 6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	-	-
PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome.	-	-
Aspect: Customer privacy			
PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	There haven't been any well-founded complaints concerning privacy and personal data misuse	
Aspect: Compliance			
PR 9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Annual Statements	

"Con todos estos esfuerzos concurrí a la defensa de esta plaza y puerto sostenido por espacio de diez y siete días el castillo de Bocachica y baterías que se hallaban en la misma infelicidad, trabajando en el y en ellas no como corresponde a General sino como el ultimo grumete de mis navíos para que el honor de las armas de Rey, no padeciese el desdoro que le amenazaba"



Blas de Lezo exhibition at the Naval Museum.

Left: Machine model from the Cartagena arsenal XVIIIth. century.

Right: Cannon and Blas de Lezo uniform.



The background of the slide features a repeating pattern of teal-colored cylinders on a black background. The cylinders are arranged in a grid that is slightly offset and blurred, creating a sense of depth and movement. The text '8. Addresses and contacts' is positioned in the upper right area of the slide.

8. Addresses and contacts



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