

SUPPLIERS



- » Suppliers are crucial to BME as they help the company carry out its activities by providing equipment, technical assistance and necessary supplies.



Suppliers' profile

In 2015, the company used 1,296 suppliers, 91.20% of whom are local, i.e. they are from the same area where the purchase, service and invoicing are carried out.

	2013	2014	2015
Local suppliers	1,259	1,255	1,182
Non-local suppliers	139	136	114
TOTAL	1,398	1,391	1,296

9.56% of all suppliers are new suppliers from different business sectors.

In the 2015 fiscal year, the main categories of goods and services procured by the company have been IT equipment, consultancy services and facilities maintenance services.



Madrid stock exchange



Communication Channels

Suppliers





Volume of procurements

In the 2015 fiscal year, BME's procurements of goods and services managed through the group's supplier contracting system (SI3) totalled €41,872 thousand euros.

Procurements from local suppliers accounted for 91.03% of all the goods and services purchased by BME.

Revenue for services supplied by external suppliers

	2013	2014	2015
Supplier invoicing (€ thousand)	39,079	38,936	41,872
Local suppliers (%)	84.75%	90.66%	91.03%
Non-local suppliers (%)	15.25%	9.34%	8.97%

Average payment period

As in the previous year, in the 2015 fiscal year all our suppliers were paid within the legally-established deadline. BME's average payment period in 2015 was 31 days – information reported on the corporate website (www.bolsasymercados.es), in compliance with prevailing legislation to combat late payment in commercial transactions and corporate governance regulations.

Average payment period to suppliers, days

	2013	2014	2015
BME	36	31	31
Other group companies	30	28	35



4.1. SUPPLY CHAIN

Goods and services are procured taking into account a raft of corporate values and ethical and socially responsible commitments, which BME encourages all the suppliers in its supply chain to adopt. In recent years, it has therefore introduced mechanisms into its goods and services procurement process to continue managing supplies in a responsible manner.

In this regard, the supply chain – defined as the series of activities through which the company procures goods and services – is orchestrated through an organised system for contracting and managing the services of external suppliers, the Order Approval System (SI3), underpinning all the phases of BME's procurements process: ordering, approval, cost control and payments management. The company's supply chain did not change significantly during 2015.

This Order Approval System (SI3) features a registration and evaluation tool in order to assess the level of quality of the products and services received, which:

- Makes the procurements process more efficient and automated;
- Enhances the company's cost controls by providing business unit and corporate area officers with an effective mechanism to control spending on external services;
- Enables the source and location of a procurement to be determined. CO2 emissions can be kept down in the case of local procurements (accounting for practically all purchases) as they are sourced from nearby;

- Allows supply chain risks to be managed and minimised by ensuring suppliers are compliant with social, employment, environmental and economic regulations;

- Enables information to be continuously and directly shared and exchanged by officers in the different companies requiring the same good or service and suppliers. This constitutes a useful tool for the group as information is standardised and recorded.

The corporate commitment to manage procurements responsibly extends to the supply chain. All new suppliers are therefore required in the initial stages of contracting to sign a statement declaring that as well as fulfilling the financial and technical requirements,

they comply with occupational health and safety, social and environmental criteria. As part of its sustainability drive, BME is working to include new human rights criteria in the statement of compliance for new suppliers. During 2015, 124 new suppliers eligible for consideration signed the statement of compliance representing all new suppliers registered.

This year, the company did not reject any suppliers or cancel any contracts due to breaches of any of the criteria set forth in the statement of compliance.

The company also has mechanisms in place to control payments to suppliers, which involves issuing payment for the good or service once an initial assessment of the order has been performed using the order approval platform.



Supplier evaluation process

BME uses its SI3 system to approve carry out an initial assessment of the level of compliance of suppliers and with whom BME has placed an initial order worth in excess of €10,000 or where the goods or services are deemed critical, i.e. those that represent a high risk given the size of the purchase and/or the direct impact they have on BME's activities or services rendered to its clients.

The main aspects evaluated during this process are as follows: economic and financial solvency; human and technical resources; supply capability; quality of goods/services; and warranty and after-sales service.

Following this initial assessment, registered suppliers are monitored through regular reviews to ensure that they remain committed to the arrangement over the contract term and that the expected quality of their supplies is maintained.

This process entails the following actions:

1. Evaluation of all goods delivered and services supplied.
2. Detection, recording and follow-up of any incidents, delays or claims occurring.

During 2015, 1,570 orders were placed with 323 suppliers eligible for consideration. As a result of the evaluations carried out of the aforesaid 1,570 orders, 10 orders from 10 suppliers were rejected.

These processes are designed so that BME can guarantee a supply chain that is sustainable and socially and environmentally responsible in the long term.





4.2. QUALITY STANDARDS FOR GOODS AND SERVICES

In 2015, BME maintained the quality standards for certain services or goods established in previous years.

For the 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 6.0-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 140001:2004 and OHSAS 18001:1999.

Although it may appear less important, the coach operator used by the company holds certificates issued by 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 Bus and Coach Operator Safety Certificate, boasting a good level of Safety in the Carriage of Passengers by Bus and Coach in accordance with the criteria contained in the CSEAA-INSIA certification procedure, as well as quality certifications in the transport services, of an energy management system and of greenhouse gas emissions in accordance with UNE-EN 13816 ,UNE-EN ISO 50001 : 2011 and UNE-EN ISO 14064 -l, respectively.



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Quality air certification at Bolsa de Madrid premises