

5. HUMAN CAPITAL



BME's employees are the company's main 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 concerns, consultations or requests they may have.

To such effect, BME's Human Resources policy is based on the following inspirational principles:

- i) the professional development of persons in a motivating work environment which ensures and respects the responsible contribution of each one of its employees;
- ii) identifying and attracting the best professionals to perform the different activities of BME while ensuring the principles of equality and non-discrimination;
- iii) retaining talent by encouraging training, programmes and tools for all employees to improve their skills and abilities;
- iv) the internal recognition of the culture of effort, identifying specific objectives and granting the necessary autonomy in order to attain them within a framework that recognises the goals achieved, and
- v) promotion of project-based work of a transversal nature involving different divisions for their completion.

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 Manager.

[G4-DMA: Employment]

There is no record of fines or sanctions against BME for non-compliance with laws and regulations concerning workplace or social aspects.

[G4-SO8]

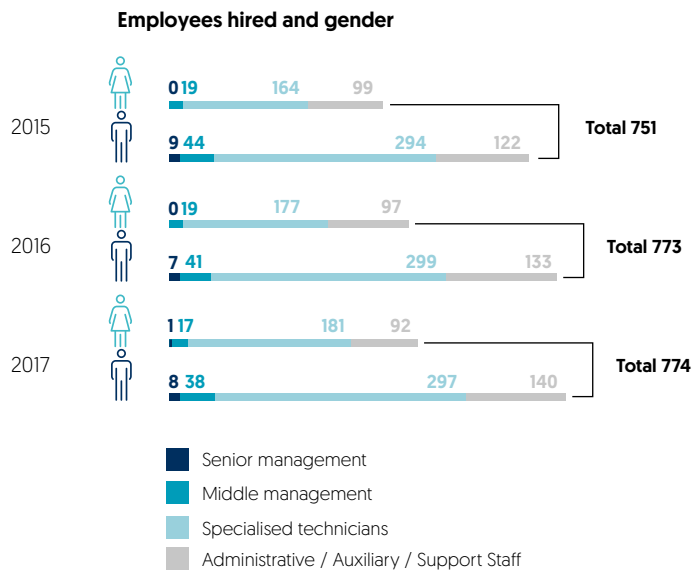
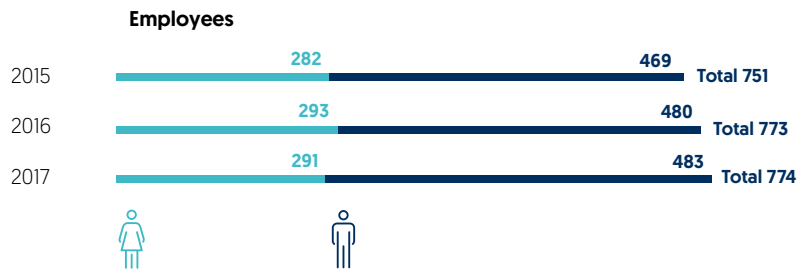
Hiring type
93.8%
 Permanent contracts



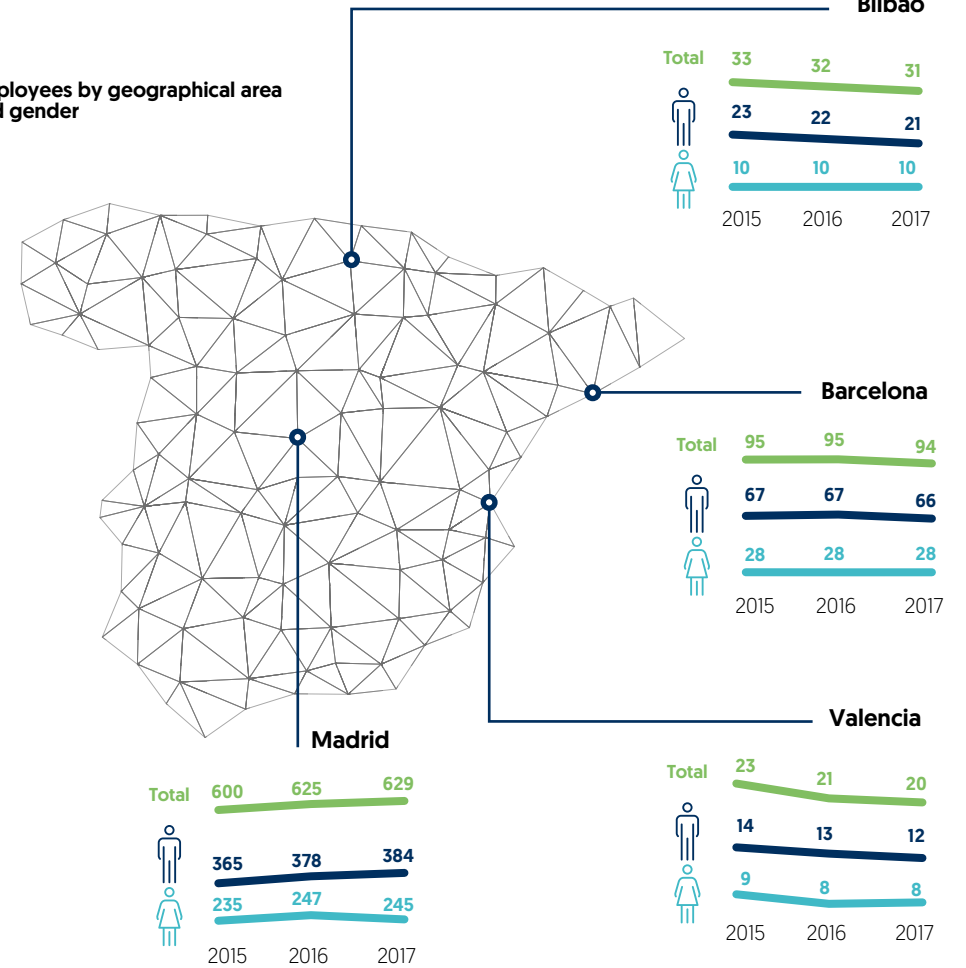
5.1 Employee Profile.

[G4-I0, G4-LA1, G4-LA12]

EMPLOYEE PROFILE



Employees by geographical area and gender



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER.
(G4-10)

	2015	2016	2017
Employees by contract type and gender			
<i>Permanent contract</i>	723	725	726
Women	269	269	268
Men	454	456	458
<i>Temporary contract</i>	28	48	48
Women	13	24	23
Men	15	24	25
Total	751	773	774

TOTAL NUMBER OF PERMANENT EMPLOYEES BY CONTRACT TYPE AND GENDER.

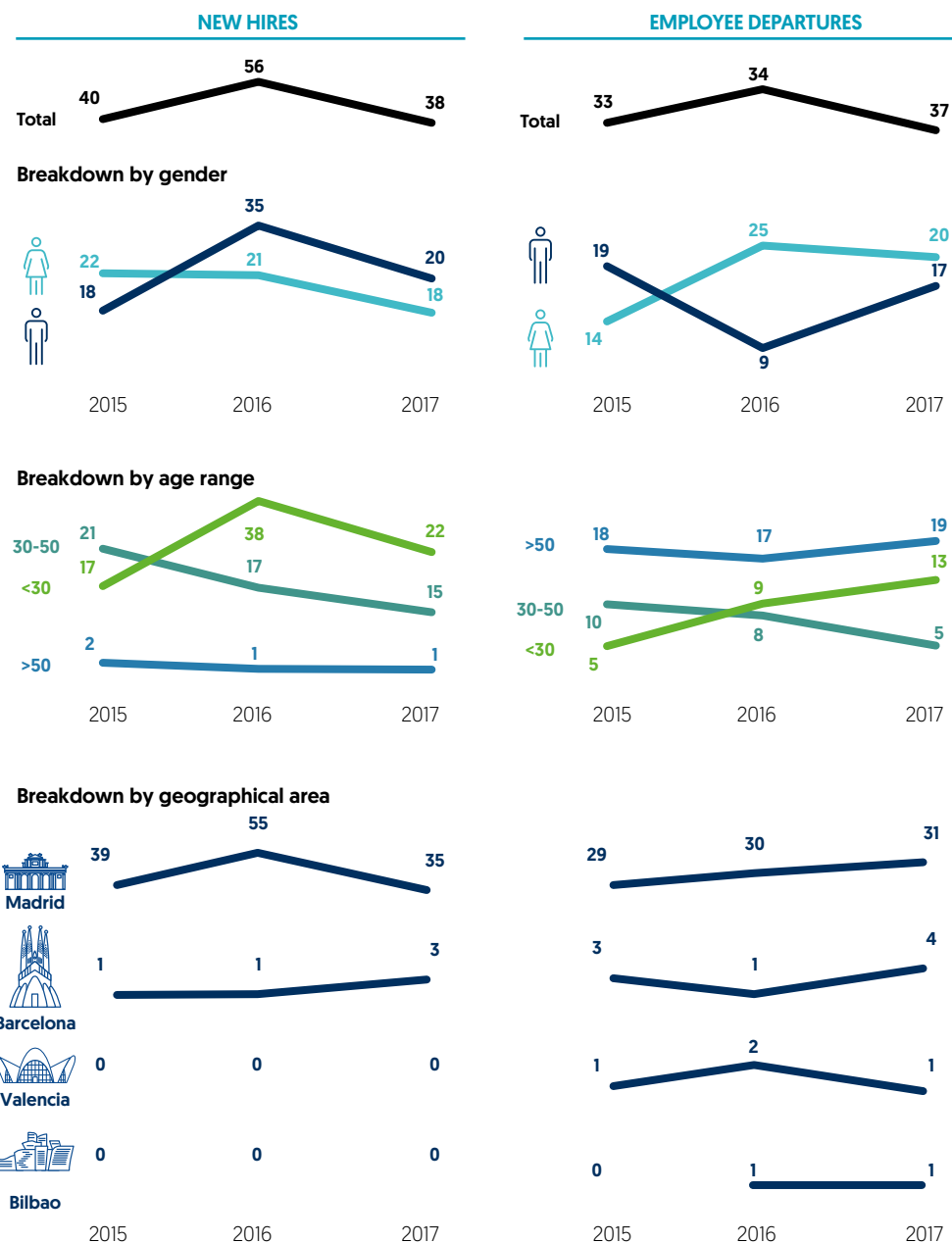
	2015	2016	2017
Permanent employees by contract type and gender			
<i>Full-time contract</i>	751	773	774
Women	282	293	291
Men	469	480	483
<i>Part-time contract</i>	0	0	0
Women	0	0	0
Men	0	0	0

CONTRACTED AND SUBCONTRACTED WORKFORCE

	2015	2016	2017
Contracted employees	744	751	774
Subcontracted employees	127	134	131
Employees and management hired locally	100%	100%	100%

[1] The figures in the above table take into consideration the effective hire and departure dates.

BME GROUP EMPLOYEE HIRES AND DEPARTURES ⁽¹⁾ (G4-LA1)

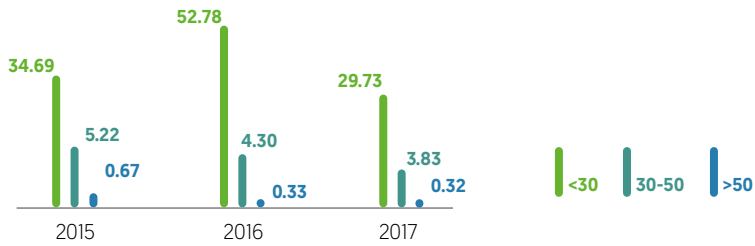


EMPLOYEE HIRE RATE (%) (G4-LA1)

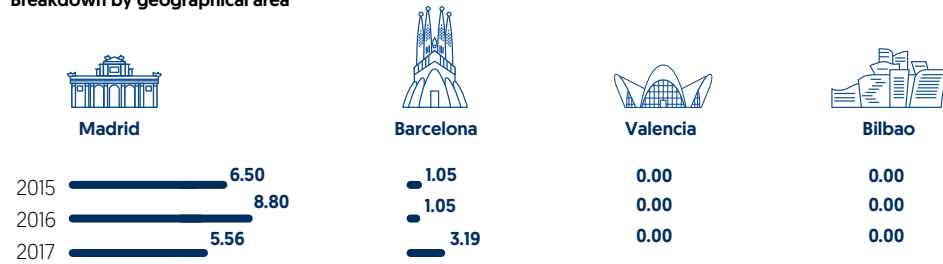
Breakdown by gender and total workforce



Breakdown by age range

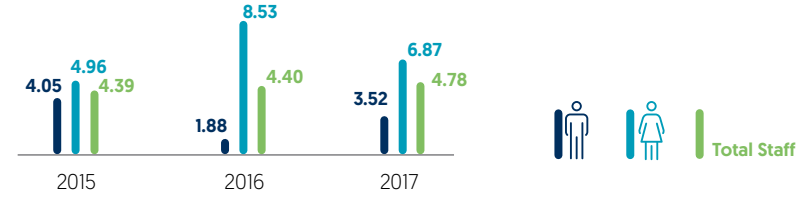


Breakdown by geographical area

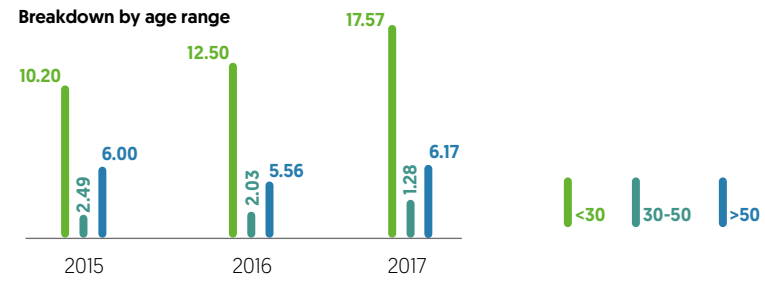


EMPLOYEE TURNOVER (%) (G4-LA1)

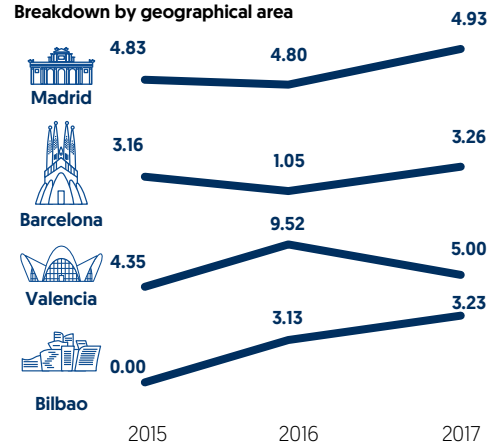
Breakdown by gender and total workforce



Breakdown by age range



Breakdown by geographical area



5.2. Collective Agreement and employee representation.

[G4-I1]

All group employees are subject to the [state Statutory Collective Agreement for Companies Sharing Organisational and Productive Factors Corresponding to the period 2015-2017](#), which regulates the employment relationships between different companies of BME Group and its employees, with exception to the employees of the Barcelona Exchange and the Bilbao Exchange which are regulated by their own Collective Agreements, the clauses of which are equivalent in all their aspects (social benefits, rights and obligations of the employees and any other concepts) with the contents of the statutory Collective Agreement. The above-mentioned Collective Agreements are available for employees on the HR intranet.

These agreements classify 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 applied to the data as at 31 December 2017 included in the tables in chapter 5. In 2017, there were no significant changes to the workforce.

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS			
	2015	2016	2017
Percentage of employees covered by collective agreements	100.00%	100.00%	100.00%
<i>Statutory Collective Agreement for Companies Sharing Organisational and Productive Factors</i>	88.42%	89.00%	89.54%
<i>Collective Agreement of Sociedad Rectora de la Bolsa de Valores de Barcelona</i>	7.19%	6.86%	6.46%
<i>Collective Agreement of Sociedad Rectora de la Bolsa de Valores de Bilbao</i>	4.39%	4.14%	4.00%

Pursuant to the 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 the work or work contracts. No labour disputes occurred in 2017.

The Interpretations and Monitoring Committee was established to interpret the application of the clauses of the Agreement, 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.

5.3. Our team. Diversity and equality.

[G4-DMA: Equal opportunities]

BME fosters and guarantees a discrimination free working environment, built on respect and equal opportunities among all employees in their personal and professional development, regardless of gender, race, religion, age, sexual orientation, disability or nationality.

In this manner, the company's practices for selection, recruitment, remuneration, promotion, training, classification and working conditions follow the criteria of merit and capability in relation to the post's requirements, as highlighted with the measures adopted by BME to promote diversity, equal opportunities and prevent discrimination as detailed in this report.

Diversity and equal opportunities

[G4-DMA: Ethics and integrity]

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, the group adhered to the [United Nations Global Compact in 2011](#).



The concept of gender equality permeates all BME's human resources management policies, such as hiring, recruiting, training, performance evaluation, promotion, compensation, working conditions, work/life balance and communications. BME created a Joint Equality Commission to study and, where necessary, implement possible measures concerning equality within the Group companies.

BME's recruitment and hiring policies ensure 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 then through external channels. To date, no incident linked to discrimination has occurred at BME.

[G4-HR3]

Minimum wage at BME (starting level)

€ 10,149.07

(+2.4% vs MW)



Although all the BME Group work centres are located in Spain, in 2017, employees working for BME had to travel and spend days outside Spain for company projects. This had no effect on their employment conditions. In the performance of the activities by all the companies that form the BME Group, the necessary actions are set into motion to ensure legal compliance and evaluate and mitigate all the negative impacts that its activity may have on local communities.

BME upholds human rights in the performance of company activities and requires that 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 clauses relating to human rights were included.

[G4-DMA: Ethics and integrity, G4-HR1]

Career development and remuneration policy

BME encourages the development of persons through the internal recognition of talent, rewarding good results and observing the culture of individual effort in an environment of compensation commensurate to performance.

i) Career development.

[G4-LA11]

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.

PERFORMANCE ASSESSMENT

	2015	2016⁽²⁾	2017⁽³⁾
Employees⁽¹⁾	89.81%	88.75%	94.31%
Number of assessable employees by professional category			
<i>Senior management</i>	1	0	3
<i>Middle management</i>	48	48	49
<i>Specialist technicians</i>	440	467	464
<i>Administrative / Auxiliary / Support Staff</i>	180	170	190

- (1) Figures for performance assessment in this table were calculated for the whole workforce at 31 December each year. The calculation of the total number of employees eligible for assessment does not include employees who have been with the Company for less than one year, of which there were 40, 61 and 44 at 31 December 2015, 2016 and 2017, respectively.
- (2) The data for 2015 has been updated in respect of that published in the Corporate Social Responsibility Report for 2015.
- (3) Figures not definitive at the date of publication of this report.

ii) Remuneration policy.

BME Group's remuneration policy, which was proposed by the Appointments and Remuneration Committee and approved by the Board of Directors during its meeting of 29 November 2017, responds to the objective of providing this Group suitable procedures to align the market trends concerning remuneration with the strategic objectives of the business.

This Policy is applicable to all persons with an employment relationship with BME or any of the companies forming the Group and those persons who, as a result of their status as members of the administrative bodies of the subsidiaries with executive powers, have had their employment relationship suspended with any of the companies of the Group. The Directors of BME are subject to the Directors' Remuneration Policy approved by the General Shareholders' Meeting.

The main principles of BME Group's Remuneration Policy are:

- a) The fixed remuneration which comprises a base salary established in the applicable Collective Agreement and a personal compliment which remunerates, without any form of discrimination, the professional track record, the responsibility inherent in the post, the level of professionalism exercised and determined by the content of the post held.
- b) The annual variable remuneration that a group of identified professionals may receive, according to the professional level and post held and dependant on the individual and area targets achieved, the aim of which, in the medium term is to attract, retain and obtain the commit of mainly the directors and prominent persons of the Group, ensuring the establishment of a stable bond and with a view to remaining with the company for a long period of time.
- c) Social benefits. Employees also have a series of social benefits through which it is aimed to obtain a balance between personal and work life, mainly through the financial support [aid for the physically and mentally disabled and attention to diversity, grants for the employees' children, nursery vouchers, assistance for employees' studies and their children's, baby bonus, wedding bonus, interest-free salary advances, personal loans, benefits for employees that are disabled].

[G4-LA2]

In 2015 the Company Set up a Committee to evaluate the pension plan for all the employees of the companies affected by the statutory Collective Agreement.

BME GROUP GENDER PAY GAP RATIO 2017 (*) (G4-LA13)

Senior management	1.43
Middle management	1.18
Specialist technicians	1.06
Administrative / Auxiliary / Support Staff	1.03

(*) BME's head office and all of its Group companies' head offices are in Spain, where the group carries out its business.

	2015	2016	2017
Spanish minimum wage	9,080.40 €	9,172.80 €	9,906.40 €
BME annual base salary for new employees	10,149.07 €	10,149.07 €	10,149.07 € (*)
Difference between the Spanish minimum wage and BME's monthly base salary	1,068.67 €	976.27 €	242.67 €

(*) BME's monthly base salary will be reviewed as per the procedure set forth in the statutory Collective Agreement described in the table above.

5.4. Best employment practices.

Work/life balance policy and benefits.

[G4-LA2]

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 mothers.

Other work/life balance measures benefiting all temporary and permanent employees include flexible starting and finishing times, a 5.5 hour working day on Fridays and the days before public holidays, and the possibility of requesting holidays at any time and split over different periods.

Similarly, the number of overtime hours per employee, which is voluntary, may not exceed 80 hours a year, except for those hours worked to prevent or repair accidents or other occasional and urgent damage, without this affecting their remuneration as overtime hours. BME aims to ensure most extensive rotation possible among the workers affected by overtime hours, therefore thus preventing, insofar as is possible, the same persons always being affected. Employees may also request to work from home should this be justified.

Other services and activities.

i) Services for employees

BME provides its employees with various services to facilitate their access to the workplace and allow them to perform their duties more comfortably, such as a restaurant service, travel agent to organise trips and private holidays, educational activities, shows, workshops and games for the employees' children, as well as special conditions for different services provided by third parties.

ii) Sport and leisure activities.

In 2017, BME once again organised the Paddle Tennis Tournament for employees, sponsoring and financing the equipment and registration costs for the annual competitions of the Company's indoor football, 11-a-side football and basketball teams as well as collaborating in and sponsoring the cycling and athletics clubs, which participated in the 18th Companies Race, held on 17 December 2017. In addition, BME continues to organise a meeting with the Three Kings for the employees' children at the Stock Exchange.



BME employees have run at the "Companies race"

5.5. Employee Training

[G4-DMA: Training and education, G4-LA9, G4-LA10]

BME sets out its commitment to employee training in article 26, section b), of the statutory Collective Agreement, which in application “shall foster plans to improve training and advanced professional training of its workers, guaranteeing the possibility of training for all employees”.

The Human Resources Department encourages and promotes the training of employees through the Training Plan, which is carried out both in a classroom setting and on-line, it also has specific training programmes and other complementary courses related directly to the business objectives which contribute directly to the professional and personal development of the employees.

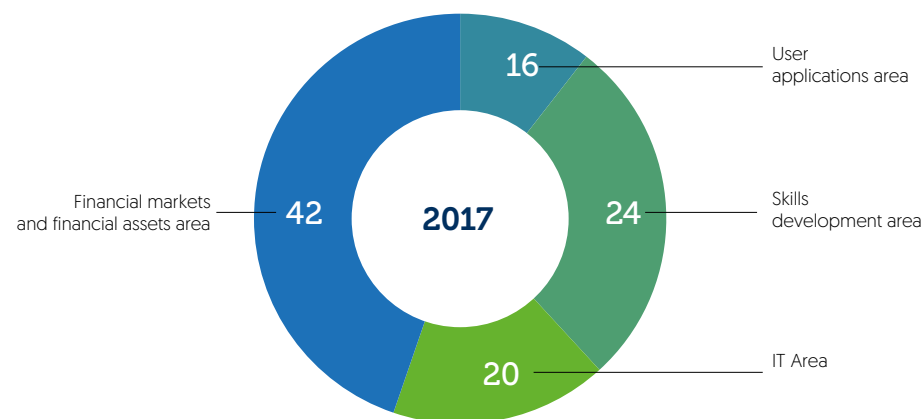
As previously mentioned in section 2.4 of this report, BME is adhered to the system that the State Foundation for On-the Job Training makes available to all companies and which consists of financial aid for the training of its employees which is made effective by way of a Social Security contribution credits.

The Training Programme was developed following analysis of the training needs identified in the annual performance assessments, taking into account requests from managers of Business Units and Corporate Areas, and initiatives by the Training department. A Training Plan Monitoring Committee, with the involvement of workers’ union representatives, has been set up to improve the quality of the Training Plan and identify training needs.

NUMBER OF COURSES CARRIED OUT UNDER BME'S IN-HOUSE TRAINING PROGRAMME (*)

	2015	2016	2017
BME's In-house Training Programme is divided into the following areas:	73	81	102
• User applications area.	7	8	16
• Skills development area.	14	21	24
• IT Area.	16	9	20
• Financial markets and financial assets area.	36	43	42

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



Ratio of training hours per employee

14.17%

(+18.70% vs 2016)



In addition to this training under the In-house Training Programme, other courses are organised as necessary to meet ad hoc and specific business needs.

EMPLOYEE TRAINING [G4-LA9]

	2015	2016	2017
Average employee training hours (by professional category)			
hrs/employee - senior management			
• Men	0.88	1.71	3.13
• Women	0.00	0.00	0.00
• Total	1.00	1.71	2.78
hrs/employee - middle management			
• Men	3.34	2.13	2.16
• Women	21.12	7.98	4.89
• Total	9.27	4.05	3.05
hrs/employee - specialised technician			
• Men	10.13	7.99	13.79
• Women	7.16	9.72	9.02
• Total	9.03	8.63	12.00
hrs/employee - administrative/auxiliary staff			
• Men	13.15	19.62	14.04
• Women	27.42	20.06	32.82
• Total	12.20	19.80	21.54

BME also has a library service allowing employees to take out books and periodicals. This keeps employees abreast of the latest publications, 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's intranet. Subsequently, employees can occasionally and regularly consult information on projects and actions in different group companies and departments, as well as on events carried out by the company.

5.6. Occupational health and safety.

[G4-DMA: Occupational Health and Safety, G4-LA5]

BME guarantees the health, safety and risk prevention measures established in the Law on Occupational Health and Safety at all 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 equipment and routine checks.

BME has established the following regulated health and safety committees under the statutory Collective Agreement, which monitor and advise on occupational health and safety issues. These committees represent all staff and are made up of both management staff and employees: Health and Safety Committee, Evacuation Team, Emergencies Team and First Aid Team. In particular, the Health and Safety Committee has a dedicated e-mail for the health and safety and prevention officers of BME Group as a mechanism so that complaints and/or suggestions relating to health, comfort and ergonomics in the workplace and other safety aspects may be communicated. Further to the issues relating to health and safety which are governed in the statutory Collective Agreement which BME negotiated and signed in 2017 with the workers' representatives, the agreement relating to the improvement in life-insurance of employees has resulted in a noticeable increase in the amounts and cover during this period.

In 2017, BME's Board of Directors approved the "Internal Protocol in cases of presumed workplace and sexual harassment", which shall be made permanently available to employees on BME's intranet and aims to be a tool that guarantees the protection of the fundamental rights of all BME Group employees, to ensure zero tolerance and the prohibition of behaviour that may be considered as harassment. No cases of workplace or sexual harassment were reported or identified in 2017.

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 implements effective prevention and protection systems. In addition, the Online Human Resources tool lists the names of the members of the Evacuation, Emergency and First Aid teams, and includes the Health and Safety in Offices Manual.

Workplace risk prevention programmes are implemented at all BME centres, and regular testing, as well such as fire drills, is carried out in order to prevent workplace risk.

Rate of workplace-related illnesses

0%

(0% vs 2016)

	2017							
	Breakdown by region					Breakdown by gender		
	Madrid	Barcelona	Bilbao	Valencia	Total	Men	Women	Total
Rate of accidents involving injury	1.93%	6.43%	0.00%	0.00%	2.34%	3.79%	0.00%	2.34%
Occupational disease rate	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Days lost rate	4.81%	27.65%	0.00%	0.00%	7.27%	11.76%	0.00%	7.27%
Absenteeism rate	1.79%	3.00%	6.18%	4.80%	2.19%	2.06%	2.40%	2.19%

Employee health.

[G4-LA6]

Despite the professions of BME employees, with the exception of maintenance, not having a high occurrence or risk of disease, BME provides its employees with a healthy working environment. To this end, BME has a Health Monitoring Programme whereby, among other services, it instructs employees on how to act in the event of accidents or serious health problems occurring at work. In addition, primary medical care stations have been set up at work centres, complete with automated external defibrillators (AED) for immediate response to cardiac arrest.

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.

Health and safety training.

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

The Medical Service, in partnership with the Human Resources and Corporate Communication Departments, informs regarding current blood donation campaigns and publishes informative Health Bulletins, in addition to offering theoretical/practical first aid workshops to employees.

The personnel of security companies hired by BME to manage the security of its buildings comply with all requirements under prevailing legislation governing the provision of security services and the protection of property, people and auxiliary services, and hold the quality certifications for their services issued by SGCS ICS Ibérica, S.A. and AENOR. In 2017, the security companies hired by BME continued running refresher and recycling courses for their employees.