

2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

SUSTAINABLE GROWTH



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Introduction

Management Solutions views Corporate Social Responsibility as acting in accordance with its corporate principles of trust and commitment to excellence and quality, going beyond the basic legal requirements.

The Firm recognizes the importance of carrying out its activity while contributing to society's sustainable growth. For this reason, Management Solutions takes on a commitment to help the communities of the countries in which it operates. Supporting the academic world and job creation, respect for human rights and care for the environment form a part of the Firm's business strategy, guiding its growth in a responsible manner with the Sustainable Development Goals.

The purpose of this publication is to provide Management Solutions' stakeholders with transparent and detailed information on the Firm's activities that have a significant impact on its wider environment, and could substantially influence our stakeholders' perceptions and decisions.



ManagementSolutions



Message from the Chairman



“We live in a world in permanent transformation. A transformation that has shown to be of value to society as a whole”

“Generating value through digital transformation is a challenge today, but what really matters is that this value generation translates into sustainable growth”

We live in a world in permanent transformation. A transformation that has shown to be of value to society as a whole (in terms of increased life expectancy, poverty reduction or eradication of illiteracy, among other benefits).

This transformation has been accelerated by digitalization. A kind of virtual space on a global scale that facilitates the removal of numerous physical barriers to growth.

Changes in consumer habits, hyperconnectivity and greater access to information, the exponential increase in IT capabilities (coupled with a reduction in costs), the vast possibilities offered by the use of artificial intelligence, etc., are good examples of a transformation that has fully impacted the scale and nature of business.

Companies are looking for innovative solutions, built in increasingly collaborative environments, that take advantage of technological disruption to make their processes efficient and improve their customers' experience, while also making the available information more valuable.

Creating value through digital transformation is a challenge today, but what really matters is that this value creation translates into sustainable growth, that is, growth that does not compromise future growth and even facilitates it.

Some of the key characteristics of organizations that have managed to grow sustainably are: talent and continuous learning, innovation, diversification, customer focus, and organizational flexibility.

At Management Solutions we want to contribute to our clients' sustainable growth, which is how we can best ensure that our own growth remains sustainable. We have grown to be thirty times larger over the course of 17 years, always sustainably and regardless of the economic cycle.

Many companies, leaders in their respective markets, rely on Management Solutions to transform their business models for the new digital environment and thereby achieve sustainable growth.

This means we have to keep our value proposition permanently updated, by strongly supporting research and knowledge development, intensifying our international presence, enhancing our IT and quantitative analytical capabilities, and further specializing our industry knowledge.

But at Management Solutions we not only care about what we do but also how we do it, we care about our culture. Our work is governed by principles that generate value for our clients, our professionals, and society as a whole.

Service-minded attitude, humility, generosity and solidarity, teamwork, integrity and critical thinking, "meritocracy", passion for a job well done and an entrepreneurial spirit, perseverance in the pursuit of objectives. In short, a constant search for excellence, which in turn requires talent, effort and training.

The year 2019 has been very positive for Management Solutions, with turnover growth and job creation in all our offices, an expanded client base and greater industry and geographical diversification.

We have also significantly increased our investment in training and research, extended our ties with universities, expanded cultural and educational sponsorships, and boosted all solidarity activities.

We have an extraordinary team of 2,300 professionals with a strong analytical profile and deep knowledge of the industries they serve. A young, well-trained, cohesive and multicultural team comprising more than 40 nationalities, working in more than 40 countries across Europe, the Americas, Asia and Africa, through the Firm's twenty-seven offices.

We provide services to global and local clients that are leaders in their respective industries and offer a differential value proposition supported by cutting-edge R&D.

Social responsibility is a strategic element in the management of our organization: a long-term commitment that we acquire with our clients, professionals and communities in the countries in which we operate.

With the publication of our 14th CSR Report, we intend to provide a transparent and detailed account of our progress in 2019 across many fronts, with a special emphasis on our social commitment in line with the principles of the United Nation's Sustainable Development Goals and Global Compact, which we joined in April 2019.

A fundamental line of our social responsibility policy has always been the link with universities. We collaborate with more than 350 universities by signing agreements for scholarships and internships, teaching masters, classes and specialized seminars, cooperating in research programs,

participating in employment forums, sponsoring and supporting foundations and university associations.

Promoting entrepreneurship and innovation is another line of action in our social responsibility policy. We have extended our initiatives in this area to the field of education by supporting projects aimed at fostering entrepreneurship, and innovative values, attitudes and skills through education in the initial stages of children and young people.

Our social commitment also includes our presence in professional associations related to our activity. This includes associations that support the development and dissemination of science, and in cultural associations through our sponsorship and patronage policies.

We are highly attuned to the fact that we need to work together to ensure sustainable development and we make sure our policies contribute to the conservation of the environment.

We continue to enthusiastically support and encourage all solidarity activities in which our professionals engage through the Management Action Social Action Group, of which we are especially proud for their selfless dedication to those most at a disadvantage.

At Management Solutions we face the future with great enthusiasm and confidence and with the firm purpose to continue helping our clients grow in a sustainable way.

Alfonso Serrano-Suñer
Chairman of Management Solutions

“At Management Solutions we want to contribute to our clients’ sustainable growth, which is how we can best ensure that our own growth remains sustainable”

“At Management Solutions we not only care about what we do, but also how we do it, we care about our culture”

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Corporate Social Responsibility is a strategic element of Management Solutions' activity

Aware that the growing success of our organization should lead to greater accountability in all areas and to all stakeholders (clients, employees, suppliers, universities and other institutions), in 2006 we published our first Corporate Social Responsibility Report.

Since then, we have prepared our annual Corporate Social Responsibility Report with the goal of sharing our experience and results with all our stakeholders, detailing the most significant consequences of our activities, as well as our commitments regarding the future.

As such, each year we update the milestones achieved by the Firm throughout the year, both in terms of employment and from an economic, social and environmental standpoints. This applies to all countries where we operate, setting targets that will serve as guidelines for the coming year.

We wish to express our confidence in this responsible business model, to make our commitment public and to engage our stakeholders, who are the focus of our actions but may also help us to achieve our objectives.

This Corporate Social Responsibility Report details Management Solutions' achievements for the period between January 1 and December 31, 2019 in our offices in Europe (Spain, UK, Germany, France, the Netherlands, Norway, Poland, Switzerland, Italy and Portugal), the Americas (USA, Mexico, Puerto Rico, Colombia, Ecuador, Brazil, Peru, Chile and Argentina) and Asia (China).

Report preparation process

To prepare this CSR Report and determine its content, we have identified all relevant issues and conducted an analysis to determine their materiality, taking into account the both the internal and external impact that these issues may have on our stakeholders.

Our CSR report preparation process has followed the guidelines and recommendations of leading international organizations such as the Global Reporting Initiative (GRI), an institution whose mission is to improve the quality, rigor and usefulness of Corporate Social Responsibility reports. Specifically, this report was drawn up in line with GRI standards: Essential option.



¹Management Solutions refers to GMS Management Solutions S.L. and subsidiaries. For more details you can visit www.managementsolutions.com/sociedades-grupo.

Materiality

In order to identify and prioritize key issues which, if not taken into account, could significantly affect the Firm's sustainability due to their potential impact on its business, market positioning, stakeholders or reputation, Management Solutions has conducted a materiality analysis taking three aspects into account: i) economic (diversification, profitable growth, innovation, talent, culture, organization, communication, internal control, etc.), ii) social (human capital management, recruitment, diversity and equality, training, evaluation, promotion, security, social action, etc.), and iii) environmental (research, climate risks, impact control, energy efficiency, responsible consumption).

Stakeholders

We believe that our clients, our professionals and the environment (including universities as well as potential Management Solutions candidates and society as a whole), are our main stakeholders.

Satisfying these groups remains a central focus of our corporate strategy, therefore establishing an optimal relationship with them is a key objective. For this reason, a section is devoted to each of these groups (Commitment to the client, Commitment to our professionals and Commitment to the environment), describing how we understand our relationship with them.

Stakeholder communication channels

At Management Solutions, we are aware that the communication channels established with each of our stakeholder groups are key in identifying and understanding their needs while also allowing us to successfully respond to them.

The information obtained through these communication channels is key to better understanding the environment in which Management Solutions operates, and the channels represent an important asset allowing us to anticipate the needs of our stakeholders, identify paths for improvement as well as new opportunities, evaluate new ideas and initiatives and launch new projects.



Main stakeholder communication channels		
Clients	Professionals	Environment
<ul style="list-style-type: none"> ▶ Website: www.managementsolutions.com ▶ Social media: Facebook, LinkedIn, Twitter, YouTube and Instagram ▶ Management Solutions' ethical channel ▶ Corporate Social Responsibility Report ▶ Direct communication with clients via those responsible for projects and teams ▶ Organization of and involvement in different forums, meetings, working breakfasts, conferences, seminars, etc. ▶ Participation in business institutions and industry associations 	<ul style="list-style-type: none"> ▶ Corporate intranet ▶ Website: www.managementsolutions.com ▶ Social media: Facebook, LinkedIn, Twitter, YouTube and Instagram ▶ Management Solutions' ethical channel ▶ Corporate Social Responsibility Report ▶ Regular internal meetings: committees, Yearly Meetings, internal events, etc. ▶ Email communications ▶ Suggestions mailbox ▶ Mentoring program ▶ Evaluation program ▶ Professional business forums 	<ul style="list-style-type: none"> ▶ Website: www.managementsolutions.com ▶ Social media: Facebook, LinkedIn, Twitter, YouTube e Instagram ▶ Management Solutions' ethical channel ▶ Corporate Social Responsibility Report ▶ Organization of and participation in university events, forums, teaching of degree subjects, conferences, seminars, sponsorships, etc. ▶ Sponsorship, patronage and collaboration agreements with associations, cultural institutions and other non-profit associations ▶ Organization and/or participation in solidarity and volunteer activities in collaboration with NGOs

CSR Road Map

In April 2019, Management Solutions joined the United Nations' Global Compact



Our true commitment to responsible and sustainable practices means we do not just carry out this important task, but we also continue our ongoing search for the most appropriate formulas to maximize efficiency.

The Firm's CSR strategy is aligned with the business philosophy, culture and values embedded in its ethical principles of conduct. These values and principles are reflected in three key areas for the Firm: clients, team and environment.

This business philosophy is the basis of our commitment, which we have decided to extend to include some international standards that will provide us with guidelines to steer our CSR and direct our efforts so that we may work towards a common, long-term goal.

For this reason, in December 2010 Management Solutions committed to the United Nations Millennium Development Goals (MDGs) and later to the Sustainable Development Goals

(SDGs), also set by the United Nations as a follow-up to the former. Both the MDGs and SDGs seek to contribute to the protection of the planet and the prosperity of all its inhabitants, especially those most at a disadvantage. SDGs are articulated around a set of goals that synthesize our way of thinking as an organization in terms of CSR, particularly in areas such as combating poverty and hunger, promoting health and well-being, fighting against all types of discrimination, protecting the environment, investing in quality global education and contributing to entrepreneurship and quality work.

Also, to show its firm commitment to CSR, Management Solutions abides by the principles of the UN Global Compact, an international initiative that promotes corporate social responsibility (CSR).

As a result, Management Solutions will become a partner of the Spanish UN Global Compact Network, committing to integrating the principles endorsed by this Agreement into its business activities:

- ▶ **Human Resources:** in terms of human rights, Management Solution carries out a number of actions in the area of human rights (see table on the next page). The Firm also has mandatory policies that govern the conduct of all its professionals and ensure everyone commits to these goals.
- ▶ **Workers' rights:** Management Solutions supports the eradication of child labor and all forms of forced labor or work under coercion. Additionally, the Firm has an Equality Plan and an Anti-Discrimination Policy, and complies with applicable labor regulation in all countries where it operates. All its professionals are covered by the laws and collective agreements that protect their rights.
- ▶ **Environment:** In addition to a guide to good environmental practices, Management Solutions has an environmental management system that reflects the Firm's effort to preserve the environment. Also, our professionals are

actively involved in different initiatives towards the conservation of the environment.

- ▶ **Anti-corruption:** Management Solutions is firmly committed to rigorous compliance with applicable legislation, and holds the UNE19601 Criminal Compliance Certificate (on best practices to prevent crime, reduce risk and promote an ethical and law compliant corporate culture), putting all its operational processes through continuous auditing.

These two United Nations initiatives are the backbone of our CSR strategy and will mark the main strategic lines of action in these areas for the coming years.

Approach

At Management Solutions we understand CSR as a commitment we undertake in our daily business. Thus, respect for human rights is always present in our activities, guiding our growth in a manner consistent with the principles of sustainable development.

We take on a commitment to support the local communities in the countries in which we operate, as we believe that our involvement with society should go beyond the economic development and job creation aspects inherent in our activity. It is precisely because our commitment goes further that we collaborate as far as possible with initiatives aimed at improving our socio-economic environment through social action as well as sponsorship and patronage activities.



CSR Road Map



Goals

A few years ago, we set a number of general CSR commitments. These commitments, which are a true reflection of Management Solutions' business philosophy, allow us to coordinate and further advance our efforts in the area of corporate social responsibility.

Our first commitment is to excellence and quality in all our actions, achieved by minimizing any negative impacts that may arise from our business activity.

While the environmental impact of our activity is very limited (typical impact of an office-based business), there is a special sensitivity towards this subject in the Firm.

Another key objective is to continue to promote social values. We therefore intend to continue to increase the number of responsible initiatives we carry out in line with the Sustainable Development Goals and Global Compact principles.

Finally, we will continue to work towards increasing the global reach of our CSR actions by consolidating our partnerships with universities, our social action and other initiatives, in all countries in which we have a presence.

Management system

Every year we strive to improve our internal Corporate Social Responsibility management system by enhancing the functions carried out by our CSR area. This area, which reports directly to the Firm's Executive Committee, has primarily led the management responsibility for CSR matters and performs the following functions:

1. Ensuring CSR is integrated into our strategic business vision. CSR has to be a cross-cutting area affecting all business lines and present throughout the value chain.
2. Promoting programs that meet the SDGs and Global Compact principles, both from a business perspective and from the point of view of the work carried out by our Internal Corporate Departments and Social Action Group.
3. Fostering initiatives that add value to the different stakeholders. This requires integrating the expectations of our clients, professionals and the communities in which we operate.
4. Involving all of the Firm's areas and units in CSR, and instilling the necessary attitudes and procedures.
5. Monitoring and evaluating the commitments and obligations voluntarily included in our Master Plan, following up on the extent to which objectives have been met and analyzing the reasons for any deviations.

Sustainable Development Goals (SDGs)

Management Solutions recognizes the importance of carrying out its activity in a responsible, committed and respectful manner, both in relation to its clients and professionals and to the communities in which it has a presence. For this reason, the Firm operates under a responsible consulting model, compatible with SDGs, with a double objective: to create value for all of the Firm's stakeholders and to participate in society's sustainable development.

With this double approach in mind, we will now describe those activities that Management Solutions has carried out during 2019 in connection with SDGs that the Firm may be better able to influence in light of its business and the likely concerns of its stakeholders.



No poverty and zero hunger

The Management Solutions Social Action group, set up on the initiative of our professionals with the Firm's full support, has sought to respond to poverty and hunger related social needs through solidarity activities such as:

- ▶ Organization of charitable collections of essential goods for natural disasters or emergency situations.
- ▶ Collection of food and essential goods to support shelters and social canteens (Missionaries of Charity, Bizkaia's Food Bank and Barcelona's Banc dels Aliments in Spain, Frankfurtel Tafel in Germany, Clara Moreno y Miramón Foundation in Mexico, San Ricardo Home in Chile).
- ▶ Printing of Christmas cards together with Ayuda en Acción to support the "Schools for the Future" project launched by this NGO in Mozambique to rebuild schools affected by Cyclones Idai and Kenneth, rehabilitate the educational system, and provide a daily meal to children in school canteens.
- ▶ Solidarity Christmas Campaign with collection of basic goods and gifts for children's day centers and shelters (Spain, United Kingdom, Germany, France, Italy, Portugal, United States, Mexico, Colombia, Peru, Brazil, Chile and Argentina).
- ▶ Participation in the "No child without a mustache" milk collection campaign promoted by Caixabank in collaboration with a Food Bank.
- ▶ Participation in charity races ("UNICEF Race" in Colombia, "Somerville 5K Detour Road Race" in the United States).
- ▶ Organization of the "Festa Junina Solidária" in Brazil, aimed at collecting warm clothing items and non-perishable food to collaborate with a shelter for homeless people.
- ▶ Donation of computer equipment for disadvantaged groups.

Sustainable Development Goals (SDGs)



Good health and well-being

Management Solutions offers its professionals a safe working environment as well as an Occupational Medicine and Occupational Risk Prevention Service. In addition, Management Solutions has a policy in place to promote sport and corporate wellness by organizing various sports activities for its employees throughout the year and offering subsidized gyms and other sports center memberships. The Firm has also organized or participated in other activities to promote health and well-being, such as:

- ▶ Blood donation campaigns in the different ManagementSolutions offices.
- ▶ Solidarity at Work Programs, in collaboration with the Spanish Cancer Prevention Association, for the dissemination of health messages and awareness about the importance of prevention and early detection.
- ▶ Collaboration with two Mother Teresa centers, the Pre Dam center for the terminally ill and chronically ill, the Shanti Dan center for women and girls with disabilities, and the Shishu Bhavan orphanage during the Solidarity Summer activity promoted by the Firm in Kolkata (India).
- ▶ Collection of solidarity caps to raise funds to combat childhood diseases through the SEUR Foundation.
- ▶ Participation in different solidarity races to support the fight against diseases ("En marcha contra el cáncer" in Madrid and Barcelona, "Winter Run" and "JP Morgan Corporate Challenge" in London, "Race for the cure" in Rome, "FUCAM Race" in Mexico City, "Rumpshaker Race" in Birmingham, etc.).



Goal 4: Quality education

Management Solutions attaches special importance to the training of its professionals, dedicating approximately 10% of its capacity to this end.

- ▶ More than 250,000 training hours spanning 575 courses.
- ▶ 250 students complete their internship with the Firm each year.
- ▶ Teaching of specialized subjects in universities, both for degree and postgraduate courses, and in business schools.
- ▶ Sponsorship of best Final Year Project awards in universities.
- ▶ Support to Créate Foundation through different activities that aim to help promote quality, entrepreneurship and innovation in the field of education.
- ▶ Participation in activities to bring education closer to disadvantaged groups (in collaboration with New Light during the Firm's Solidarity Summer in Kolkata, India; "Run for a cause, run for girls to Shine race").



Blood donation campaigns, Mexico



"From code to project", Spain



Gender equality

Management Solutions has a corporate culture that holds equal opportunities, with no discrimination whatsoever, as a basic principle. For this reason, the Firm has always implemented measures aimed at promoting equality and has an Equality Plan in place that ensures equality between women and men in some key areas such as access to employment, job permanence and remuneration policies, regardless of the legal system in force in each of the countries in which the Firm has a presence. Some of these measures include:

- ▶ Development and monitoring of Equality Plans (in all countries where Management Solutions has a presence).
- ▶ Participation in events aimed at supporting groups of vulnerable women (“Run for a cause, run for girls to Shine”, in Madrid and Barcelona).



Decent work and economic growth

At Management Solutions, we are committed to excellence at work (quality work that creates value for our clients and for society as a whole). The Firm maintains high organic growth rates year after year, ensuring career growth for all its members as there is a need to onboard new recruits (young graduates) to meet the growing business. Some of the highlights of this commitment are:

- ▶ Creation of quality employment (500 recruits).
- ▶ Collaboration agreements with schools, giving high school students the opportunity to have their first work experience in a business environment.
- ▶ Collaboration with universities and business associations by teaching numerous seminars and courses on entrepreneurship.
- ▶ Participation in the “From code to project” program of Créate Foundation, which promotes innovation and entrepreneurship, fosters critical thinking and problem solving, teaches programming and robotics skills to children and young individuals in Spain.
- ▶ Support to the BBVA Foundation in Microfinance, which promotes access to credit and finance by those groups most at a disadvantaged in society.
- ▶ Sponsorship of the Family Entrepreneurship and Family-owned Business program developed by Deusto Business School and INSEAD, with the aim of supporting these types of companies.



Sustainable Development Goals (SDGs)



Industry, innovation and infrastructure

The Firm is committed to Research and Development as a key element that differentiates its market offering. Also, Management Solutions' strong industry focus allows it to gain in-depth knowledge of the businesses in which its clients operate. Some of the keys to this commitment to innovation and industry specialization are:

- ▶ Investing 10% of the Firm's capacity in R&D.
- ▶ Creation of the IDanae Chair in Big Data and Analytics, thanks to collaborative work between Management Solutions and the Polytechnic University of Madrid (UPM).
- ▶ Sponsorship and collaboration with the Royal Academy of Sciences Foundation of Spain in the dissemination of scientific content.
- ▶ More than 1,800 projects (70% of which are new) that are largely related to hot topics such as digital transformation or the development of artificial intelligence.
- ▶ Accredited by supervisors and supranational organizations (ECB, BoS, FCA, PRA, BNH, BNG, BNS, BNM, SBIF, SBS, BCCR, SSN, EIOPA, MEDE/ESM, WB, BEI, etc.).
- ▶ Participation in knowledge sharing activities and presence in specialized forums.
- ▶ Sponsorship, patronage and participation in industry associations: ENERCLUB, Risk Management Club, Institute of Spanish Actuaries, Entrepreneurs Circle, Alastria Consortium in Spain; British Bankers Association in the UK, Bundesverband deutscher Banken in Germany, AIFIRME in Italy, Chambers of Commerce, etc.



Reduce inequalities

Management Solutions has an Anti-Discrimination Policy that aims to avoid any discrimination or inequality based on race, gender, sexual identity, sexual orientation, age, religion or belief, disability, marital status, pregnancy or maternity, or any other characteristic protected by law.

The Firm's Anti-Discrimination Policy promotes:

- ▶ Collaboration agreements with Down Madrid and Ilunion Viajes aimed at facilitating and promoting social and labor inclusion of people with disabilities in ordinary work environments.
- ▶ Participation in the Training Program for Labor Inclusion of Young People with some kind of disability (Promentor) launched by Prodis Foundation.
- ▶ Participation in the "By yourself" race and volunteer days for the integration of people with Down syndrome and other intellectual disabilities.
- ▶ Pro-Am charity golf tournament organized by the Sports and Challenge Foundation for the social integration of people with disabilities through sport.



Responsible Consumption and Production and Climate action

Although the environmental impact of our activity is very limited (typical environmental issues arising in an office), there is a special sensitivity toward this issue at the Firm, with initiatives such as the following currently in place:

- ▶ Reduction of the impact of our activities on the environment (through implementing energy efficiency policies, reducing our carbon footprint, recycling and reducing paper consumption, eliminating plastics, etc.) in all countries in which Management Solutions has a presence.
- ▶ Investment in new technologies with the aim of facilitating communication between employees as well as with clients in order to avoid travel.
- ▶ Environmental protection and recovery related activities, such as the “Green Race” in Bogotá, to promote the recovery of local forests.
- ▶ Collaboration with Auara, a social enterprise whose dividends go towards promoting projects to provide drinking water to disadvantaged communities, all through solidarity races, football soccer and paddle tennis marathons, and golf tournaments.
- ▶ Sponsorship of the “Climate Change Econometrics and Fisheries - Natural Resources” conference held in Madrid.



Peace, justice and strong institutions

Management Solutions is firmly committed to compliance not only with the legislation and regulations in force in all countries in which it operates, but also with its own internal regulations. This includes a control framework that aims to foster legal, ethical and professional conduct among employees, managers and directors while implementing initiatives such as:

- ▶ Training on our code of conduct, ethics, compliance and corporate policies for all our professionals.
- ▶ Zero tolerance on any type of criminal act, especially, due to our area of activity, those related to corruption, money laundering, confidentiality and personal data protection.
- ▶ Internal Criminal Compliance Management System in accordance with the UNE 19601 standard for business consulting activities and related technologies.

Management Solutions, Making things happen

Management Solutions is an international consulting Firm whose core mission is to deliver business, risk, financial, organizational and process-related advisory services, targeting both functional aspects and the implementation of related technologies.

Management Solutions
Making things happen



2,300
professionals
employed



28
offices in Europe
the Americas and Asia



>10%
of capacity
invested in R&D





ManagementSolutions
Making things happen

YEARLY MEETING 2019
SUSTAINABLE GROWTH

x 30
LARGER

17 YEARS LATER

- 40+ countries and 28 offices
- 2,300+ top talent professionals
- 900+ clients (global and local)
- Differentiated value proposition supported by cutting-edge R&D
- Constant annual growth



ManagementSolutions
Making things happen

YEARLY MEETING 2019
SUSTAINABLE GROWTH



Strategic principles

We create value propositions for our clients and commit to their effective implementation



Today, Management Solutions is a leader in business consulting services to regulated industries. This leadership results in more than two and a half million annual consulting hours, a global team of more than 2,300 professionals, 28 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 900 clients –all leaders in their respective industries–, and more than 1,800 projects of varying nature and scale. The key to our Firm’s success lies in our strategic principles, shared by all professionals at Management Solutions.

Positioning

Our positioning is based on a single concept: leadership. A leadership that shows on a day-to-day basis in all our areas of activity, in the services we provide and in the markets in which we are present as we take on our clients’ challenges. This leadership is made possible by a global, multidisciplinary, young and responsible team that is able to provide the best solutions to the challenges our clients face.

Mission

Our motto is a perfect summary of our mission as an organization: Making things happen. At Management Solutions, we create value propositions for our clients and commit to their effective implementation. We focus far beyond the standard provision of advisory services to partner with our clients in the pursuit of their objectives.

Objectives

Our main goal is to exceed the expectations of our clients and to become their trusted partners. This can only be achieved by implementing concepts such as responsibility, rigor, high standards, preparation and training. Ensuring that our clients feel our Firm as their own, involving them in the definition of our own strategic challenges.

Culture and values

Commitment to excellence, client focus, teamwork and organizational flexibility are cornerstones of our corporate culture, a culture that sets standards in the industry and is governed by strict ethical principles.

Making things happen requires a strong corporate culture that is results-oriented, merit based, and constantly dedicated to service - a culture and values shared by all of our professionals - while fostering unity and solidarity.

Commitment to our clients

Our commitment to our clients goes beyond the standard threshold for advisory services by partnering with their goals, which we take on as our own and strive to achieve through our work and commitment. We are well aware that we have come this far because our clients have made it possible.

It is for this reason that at Management Solutions we feel our clients' challenges as if they were our own and provide them with the best path towards meeting those challenges.

Commitment to our professionals

Management Solutions provides its professionals with a clearly defined career plan based on results, which allows them to develop and enhance their abilities.

These results translate into personal achievements, but getting there involves overcoming barriers. Our professionals are, however, not alone in this journey, as they have the backing of the entire organization. For this reason, the values of generosity and pride in belonging develop naturally, as it becomes clear that the team adds more value than the sum of its parts. At Management Solutions the client is first, followed by the team and the individual.

Commitment to society and the environment

Management Solutions has a commitment to society and the environment in which it conducts its business activities. This commitment takes the form of job creation for young people, contributing to their comprehensive training and promoting their integration at work.

The Firm also organizes other initiatives which are carried out by the Social Action Committee, such as sponsorship and patronage activities as well as internal environmentally-friendly policies.

Commitment to excellence...

...in the relationship with clients and in our level of service and performance, by giving our best in each project...

...in the development of our professionals' skills, by providing the best possible environment to foster potential and retain talent...

...in our support of society's progress and the environment in which we operate.



Ethical principles in our code of conduct

Principles that govern the conduct of all our professionals



Exercising our profession while staying true to sound principles and values is one of the things that defines who we are. At Management Solutions, we do not only care about what we do, but also how we do it.

Commitment and dedication to service, integrity, humility, solidarity and generosity, critical thinking, meritocracy and focus on results, perseverance in the pursuit of our objectives, an entrepreneurial spirit, passion for a job well done, and the constant search for excellence are principles and values that inspire our code of conduct.

We believe our business culture is essential to achieve a profitable and sustainable business model in the long term. This is why, as soon as they join Management Solutions, all our professionals receive training on the Firm's code of conduct with the aim of ensuring they know and understand it. In addition, training in principles and values accompanies Management Solutions professionals throughout their professional careers.

Integrity and honesty

We commit ourselves to acting with integrity and honesty at all times, consistently applying the highest ethical standards.

Integrity and honesty are the values underlying the trust we share with our clients and others within our firm.

Our performance is based on ethical behavior, achieving the highest levels of quality, excellence in the provision of our services and long-term development of relationships based on trust and mutual respect.

Dedication to excellence

We have an ongoing commitment to our clients, our colleagues and society as a whole to deliver excellence in all aspects of our professional performance.

We give our best effort in client relationship management and the provision of services to clients in order to deliver high quality projects.

We commit to developing and strengthening the abilities of our professionals by providing the best working environment in order to foster potential and retain talent.

Commitment

We take on our clients' challenges as our own while focusing on excellence and results, supported by a strong culture of commitment. This commitment is evident in our management approach, service provided to our clients, and in our ongoing effort to deliver the best consulting services on the market.

We meet our clients' highest demands, going beyond their expectations in an environment of trust and close cooperation between the client and Management Solutions' professionals.

Management Solutions' management takes on the commitment to create opportunities for all professionals and it is their duty and responsibility to transmit the Firm's values and corporate culture.

Professionalism

Each employee stands out for their high level of professionalism. We aim to get the best results by cooperating with other teams and staff members, while taking care of our own training and that of our colleagues. We make an effort to convey an unrivaled image of correctness and professionalism in all situations.

We comply with all legal requirements, taking the professional standards and rules established in each case as our guide, while avoiding any situation which could compromise the reputation of the Firm.

Emphasis on the human factor

Beyond what is required for an acceptable working relationship, we realize that both employees and clients are people, and therefore deserve to be treated as such. This involves both respect for human rights in all of our actions and the desire to contribute to the personal growth of those who are part of the Firm.

We favor a working environment that stimulates personal growth, development and success, supported by an atmosphere of continuous collaboration and teamwork. This is made possible by the generosity of each of its members, with the team's objectives prevailing over individual aims.

Our success is dependent on our professionals. Accordingly, we select and train employees so that they can provide services of the highest quality in all areas of our professional practice.

We evaluate performance through objective and agreed-upon criteria, offering a professional career without limitations in which employees earn their own promotion based on merit.

We commit ourselves to investing time, effort and resources into selecting top professional talent, as well as developing and maintaining their abilities through training plans adapted to each level and position.

Privacy and confidentiality

Management Solutions complies with the data protection regulations in force in all countries in which the Firm operates.

All members of our organization are prohibited from disclosing confidential client information to third parties and are obliged to keep the Firm's reports and internal documentation confidential, treating all information with particular responsibility, control and protection and without using it for personal gain or for that of third parties.

All of the Firm's strategic information, as well as client and employee data accessed in the course of professional activity, is considered confidential.

Management Solutions applies the strictest security standards to all its IT and communications systems to ensure they do not violate confidentiality protocols.

Responsibility to society

Our services and client-oriented focus allow us to deliver projects of considerable added value, which makes it possible for the Firm to positively contribute to society's economic environment. This responsibility takes the form of job creation for young adults, as we contribute to the provision of comprehensive training and promote their entry into the job market. The Firm also promotes initiatives that facilitate employee participation in different volunteering activities (Social Action).

Organization and structure

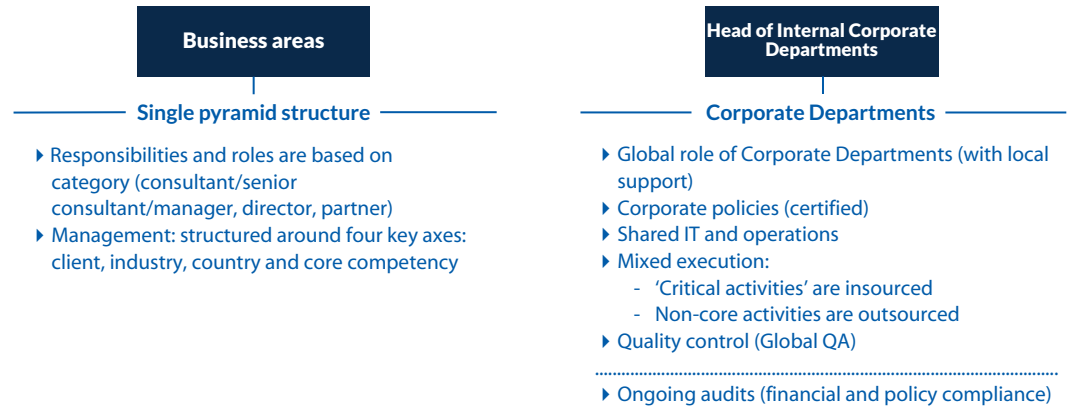
Management Solutions' business model is a partnership, a group of partners that actively participate in the Firm's development.

The Firm's top managing body is the Partners Committee, in which all partners participate. The Committee continuously monitors business activity and business development.

Management Solutions has a flexible and agile organization that allows it to offer the quality of service level that its clients demand, keeping in mind its mission and vision. The Firm is structured by geographical area, by industry, by service and by client.

Organizational flexibility

Management Solutions is a single, global partnership (its partners own the parent company) with a flexible organization focused on creating value for its teams.



Risk management and control framework

Management Solutions has a control framework whose purpose is to provide reasonable assurance that its objectives will be achieved, thereby providing value and security to its different stakeholders. This control framework is articulated through internal regulations that are contained in policies, procedures and manuals.

The Firm's policies are mandatory and group-wide (applicable in all of its offices). Some of our main risk management and control policies are the following: Code of Conduct (for employees and suppliers), Compliance Policy Confidentiality Policy, Physical and Logical Security Policies, Human Resources Policy, Anti-discrimination Policy, Anti-bribery and Anti-corruption Policies Quality Policy Communication Policy, etc.

The Firm has three Risk Management and Control lines of defense: i) the first are employees themselves as they perform their duties in accordance with the policies they undertake to observe; ii) the second is our internal control function (which has among its responsibilities to obtain external compliance certifications that show we implement our control framework), iii) the third is our audit function (both internal and external).

Ethical and responsible conduct of our professionals

Management Solutions is firmly committed to acting ethically and responsibly in the way it operates, which translates into a requirement that its professionals not only act in strict compliance with the law, but also refrain from performing any action or giving any advice that could be considered questionable from an ethical perspective.

As such, all Management Solutions professionals must ensure that their behavior and conduct do not give rise to bribery or corruption.

Also, Management Solutions' anti-corruption and bribery policy forbids donations to individual political parties, political campaigns and/or individual politicians.

Internal control and compliance

Management Solutions is firmly committed to compliance not only with the legislation and regulations in force in each country in which it operates, but also with its own internal regulations.

All of Management Solutions' personnel are bound by the Firm's internal control and compliance policies. Consequently, all our staff, managers and directors must act lawfully, ethically and professionally in the performance of their duties.

Likewise, although our Internal Control and Compliance function touches on all regulations regardless of their subject matter, the main focus falls on matters pertaining to Fiscal/Tax, Data Protection, Money Laundering Prevention, Criminal Risk, Occupational Risk Prevention, Social Security, Commercial/Corporate and Administrative.

Internal audit

The audit function aims to ensure compliance with both our Internal Control Framework (policies and procedures) and the different regulations by which Management Solutions is bound. For this, a number of internal audits are carried out to review specific processes of particular relevance each year, and there is oversight of all planned external audits (both mandatory and those voluntarily requested by the Firm) to ensure they are duly carried out. In addition to the annual accounts audit, the Firm periodically undergoes the following audits:

- ▶ Computer Security Audit – aims to assess the security of the Firm's information systems, against good practice and recommendations included in the "ISO/IEC 27002: 2013 Code of good practice for data security management". More specifically, it analyzes the overall result and maturity level of Management Solutions' Corporate Information Systems Security Assessment (ESSI), and the Technical Audits performed by the external auditor.

Management Solutions has a robust control framework



Risk management and control framework



- ▶ Personal Data Protection Audit (GDPR) - aims to review the extent to which the Firm complies with the EU General Data Protection Regulation (GDPR).
- ▶ Occupational Risk Prevention Audit - an audit of the Firm's occupational risk prevention system is carried out in accordance with Chapter V of the Spanish RD 39/97 Prevention Services Regulation.
- ▶ Energy Efficiency Audit - an in-depth analysis of the level of energy efficiency of our Madrid and Bilbao facilities, examining the energy-consuming equipment, the thermal enclosure and the energy usage habits.
- ▶ AENOR ISO9001 Quality Management System Audit - External audit that certifies the Firm's Quality Management System (the Firm's control framework is common to all its different geographies).
- ▶ AENOR UNE19601 Criminal Compliance Management System Audit - External audit that certifies the Firm's Criminal Risk Management System in accordance with the Spanish criminal code.
- ▶ AENOR ISO27001 Information Security Management System Audit - External audit that certifies the Firm's Information Security Management System (the Firm's control framework is the same for all of its different geographies).

Control framework

As a consequence of all of the above, and on a regular basis, the Firm implements ongoing measures that reinforce its control environment and add to its commitment to quality in all it does (and which are reflected in our external ISO 9001 certification attesting to the quality of our processes). The following are some of our key risk management and control measures:

Criminal Compliance Management System

Management Solutions' Criminal Compliance Management System implements zero tolerance to all types of criminal acts. In particular, in light of their activity, those affecting corruption, money laundering, confidentiality and personal data protection. As a result, the Spanish Association for Standardization and Certification (AENOR) has recognized that our Criminal Compliance Management System meets the UNE 19601 standard for business consulting activities and related technologies.

The UNE 19601 standard lays down best practices to prevent crime, reduce risk and promote a corporate culture that is ethical and compliant with the Law. In particular, this standard focuses on the analysis of policies and procedures established for:

- ▶ Preventing the commission of crimes that may entail criminal liability for the Company.
- ▶ Disseminating the culture of prevention and compliance in the organization.
- ▶ Establishing adequate surveillance and control measures to prevent crimes and to significantly reduce the risk of committing them.
- ▶ Improving management, helping to reduce criminal risk and providing greater security and trust assurance to government bodies, shareholders and investors, among other stakeholder groups.

Although the scope of the UNE 19601 is limited to the Parent company, the policies and procedures that comply with it in the Firm are global, which once again shows our firm commitment to strict compliance with the applicable legislation and its extension to other countries in which we provide services.

Corruption and bribery prevention

Working together with Management Solutions' Partners, the Firm's Compliance and Internal Audit function implements measures to prevent corruption and bribery:

- ▶ Employee training: the training provided to all Management Solutions professionals includes the content of this policy with the appropriate level of detail.
- ▶ Performance incentives: the Firm's remuneration system makes sure that professionals are not encouraged to carry out practices that could be considered bribery and/ or corruption.
- ▶ Suspicious activity: The Firm has established procedures that allow its employees and/or third parties to report suspicious activities. These procedures are clearly communicated and are available to all employees and stakeholders.

Money laundering prevention

Management Solutions is committed to all national and international rules and regulations in force in the fight against money laundering (and terrorist financing).

In the pursuit of this commitment, the Firm has established internal procedures that mitigate the risk of money laundering. Both our Client and Business Supplier Registration Procedure and our Supplier Management Procedure establish the requirements that our clients and suppliers must satisfy before we establish business relationships with them (e.g. compliance with the Know Your Customer regulations).

Control of the firm's supply chain

To be able to increase the quality of our services, and improve the effectiveness and competitiveness of our organization, at Management Solutions we require our suppliers to carry out their activity under principles that are similar to ours, as well as to respect the law and regulations in force in the countries where they operate.

Management Solutions has a supplier registration policy in place that requires a prior analysis of suppliers, especially of those that provide relevant services. This analysis considers data on the company as well as its corporate structure and reputational aspects. The Quality and Internal Audit area analyzes the supplier questionnaire and issues a final assessment before the organization can be registered as an authorized supplier.

Management Solutions also has a Supplier Code of Conduct through which the Firm seeks to extend its firm commitment to business ethics to include its suppliers, business partners and third parties in general.

Slavery and human trafficking statement

Our policies reflect our commitment to human rights and to the highest standards of integrity, making slavery incompatible. Although the risk assessment carried out by MS found that the risk of slavery within our business activity is low, this risk is mitigated through our internal policies (Code of Conduct and Supplier Code of Conduct, Compliance Policy, Criminal Risk Management Procedure and Human Resources Policies), and through strict control of our suppliers (all our contracts with third parties are governed by specific and globally aligned Business Terms and Conditions that specifically mention our "Slavery and human trafficking statement" and the obligation not to commit any related crime). The detail of all our measures in this regard are contained in the "Slavery and human trafficking statement" published on the Management Solutions website.

Control over contributions to foundations and non-profit organizations

Management Solutions is proud of its contribution to society based on a number of social activities that include donations and support to charities as well as sponsorships.

The Firm has mechanisms in place to ensure that such activities are not designed to create any competitive business advantage. These mechanisms include an analysis of the specific charities

to ensure that their mission and objectives are aligned with those of Management Solutions.

Once this analysis has been conducted, our Social Action Committee (which is chaired by the Firm's Head of Corporate Departments and has the Marketing and Human Resources managers as members) approves the activity, which is then endorsed by the Partners Committee if appropriate.

Management Solutions has signed several collaboration agreements with different foundations and organizations that promote solidarity, entrepreneurship or social integration causes. These causes are described in more detail in the "Commitment to the environment" chapter.

Cyber-environment control

In a context of increasingly significant cybersecurity risks, arising mainly from technological development (or the digitalization of companies), as well as from company integration processes in different industries and the professionalization of attackers, Management Solutions has an Information Security Management System (ISMS) recognized with the ISO 27001 certification, issued by AENOR, an international standard that lays down the necessary requirements to set up, implement, maintain and improve an ISMS.

Management Solutions' ISMS, supplemented by the Firm's Security Policy, aims to guarantee information security, ensuring the proper operation of the Firm's information systems through efficient and secure management of the computer and communications systems that compose it. They also establish guidelines for controlling system access, security of communications, and system use by personnel.

The ISO 27001 cybersecurity certification issued to us by AENOR in 2019 following an audit on the organization, processes, methodologies and controls in place at the Firm, shows Management Solutions' commitment and quality in the processing of confidential information.

Our brand

Our brand conveys our culture and values

The purpose of the Management Solutions brand is to convey the Firm's culture and values to all stakeholders while strengthening the sense of belonging among Management Solutions professionals in all countries where the Firm operates.

Our name, logo, colors and lettering represent the Firm's identity, convey our values and differentiate us from our competitors. It is therefore essential to protect them, to use them appropriately and to ensure we instill them with our principles, including most notably reliability, trust, leadership and teamwork.

Our logo was reinforced by the inclusion of our motto: *Making things happen*, which summarizes the Firm's mission.

Consequently, all the places where our brand is displayed automatically become a vehicle through which our values are transmitted, whether these are sponsored initiatives, publications, fairs, events, presentations, social network channels, business proposals or deliverables.

Also, brand uniformity is particularly important for an international firm such as Management Solutions. Our brand plays an integrating role, since it represents those values that are shared by more than 2,300 Management Solutions professionals around the world who, in turn, project it on a daily basis in the relationship they establish with their clients and stakeholders.

Corporate image

Our corporate culture is carried through a particular image, covering all areas:

- ▶ The image our professionals convey to the Client.
- ▶ The style of our presentations, proposals, deliverables and any other documents, such as publications, advertisements, campaigns, etc. in any format.
- ▶ How our image is present in society: universities and job fairs as well as foundations, sponsorships and corporate events.
- ▶ How our offices are designed (to facilitate collaborative work).



Management Solutions website and Social Networks

Our corporate website (www.managementsolutions.com) constitutes our main vehicle for reaching out to society, and is therefore one of the fundamental pillars supporting our external communications.

Our site, delivered in three languages (Spanish, English and Portuguese), meets the accessibility guidelines set by the World Wide Web Consortium (W3C), and includes general information about Management Solutions, the industries in which we operate and services lines offered, a section on careers targeted at potential candidates, a section on our specialist publications (including macroeconomic outlook reports, relevant industry regulatory developments and technical notes on regulations) and an events section (featuring the Firm's news) related to the university,

professional and cultural worlds, as well as news on our community-action campaigns and sports competitions.

The Management Solutions' website has an updated design and new content incorporating responsive technology to improve the mobile browsing experience.

The Firm's communication strategy has been reinforced in recent years by the creation of two corporate channels in Youtube (in English and Spanish), and the active use of social network profiles (LinkedIn, Facebook, and Twitter), created to share the Firm's specialist content (white papers, reports, regulatory alerts, technical notes, etc.) and events with its stakeholders.

In 2019 visits to our website increased by 25% as we had hundreds of thousands of visitors from more than 180 different countries.



“We are a Firm with a strong corporate culture that unites us and distinguishes us from others. Our brand is a true reflection of who we are”

Our brand reflects our firm commitment to a mission: "making things happen."

We have well-established principles and values, based on commitment, dedication to service, integrity, unity and teamwork, with a goal above all others: to exceed our clients' expectations, thus becoming their trusted partners.

We are proud to see how our clients clearly identify Management Solutions with a specific way of acting. And this is thanks to a strong corporate culture, a culture that fosters a spirit of self-improvement.

Teresa Elorza
Partner at Management Solutions



Geography

An international outlook remains one of the Firm's strategic priorities

Management Solutions' strong international focus since inception has made its global approach one of its hallmarks. Currently, our presence concentrates in four major geographical areas: Europe, the Americas, Asia and Africa, with 28 offices from where we serve more than 40 countries.

Covering the needs of our clients in all countries in which they are present has made our Firm a leader in the provision of business consulting services in regulated industries. This leadership has been achieved through the committed work of our professionals on a day-to-day basis, always searching to identify new opportunities.

Our geographical positioning responds to the "one team" and "multi-location" principles. By thinking globally and acting locally we have been able to reinforce the importance of our offices within their markets while, above all, maintaining a global view of our business.

During 2019 we have again expanded our presence not only in the countries that historically have been central to our growth, and where we have consolidated offices, but also by extending our scope of action beyond their borders, which has resulted in the opening of 4 new offices in La Coruña (España), Ámsterdam (Países Bajos), Oslo (Noruega) y Quito (Ecuador).

In the United States, results have again been excellent, with a more than a 20% increase in operations thanks to stronger activity in New York, Alabama and Massachusetts, and to projects carried out in other states such as Texas, Virginia and Florida.

In Latin America, and despite the economic slowdown experienced in the region, all Management Solutions offices have achieved their objectives, with double-digit aggregate growth. This has helped to bolster our leading position in business consulting within regulated industries in the countries in which we operate in the region.

Mexico and Brazil have once again been the main pillars of the Firm's growth in the region, closely followed by Colombia

(Bogota and Medellin), Peru, Chile and Argentina. Moreover, our activity in Ecuador has also intensified, resulting in the opening of a new office in Quito. Our presence in the Central American countries in terms of both number of clients and number of projects continued to grow as well.

In Europe we have also achieved strong growth in all main economies. Thus, our German office has maintained an excellent performance during the year, increasing penetration in the local market and successfully playing its role as the Firm's regulatory hub by further deepening ties with the European banking supervisor. For its part, the United Kingdom office has again achieved double-digit growth, increasing the number of clients and projects and also strengthening its links with the British banking supervisor.

France operations have grown fourfold while, working on important projects for local leaders. In addition, our Spain and Portugal offices continue to strengthen their leadership position in business consulting for regulated industries in their respective markets.

Also to be highlighted are the excellent results achieved by our Italy, Poland and Switzerland offices (with growth of around 50%), as well as our performance in the Nordic countries (Denmark, Finland, Sweden and Norway) and the Netherlands, where the Firm has opened offices in Oslo (to support the activity in Norway, Denmark, Sweden and Finland) and in Amsterdam, to meet the increase in activity generated in recent years.

Lastly, our Asian operations have seen steady growth. Leveraging our office in China, strong momentum in our Turkey activity, and our operations in Africa have increased around 8%, with an active presence in countries such as Senegal, Equatorial Guinea and Angola the Firm continues to grow globally.

Permanent Management Solutions offices



Europe

- Madrid**
Pza. Pablo Ruiz Picasso, 1
28020 - Madrid
- Barcelona**
Avda. Diagonal, 654
08034 - Barcelona
- Bilbao**
Pza. Euskadi, 5
48009 - Bilbao
- La Coruña**
Avda. de Linares Rivas, 30
15005 - La Coruña
- London**
6 Bevis Marks
EC3A 7BA - London
- Frankfurt**
Bockenheimer Landstraße, 51-53
60325 - Frankfurt am Main
- Paris**
14 Avenue D'Eylau
75116 - Paris
- Amsterdam**
Strawinskylaan 3051
1077 ZX - Amsterdam
- Oslo**
Edvard Storms gate 2
0166 - Oslo
- Warsaw**
Emili Plater, 53
00-113 - Warszawa
- Zürich**
Bellerivestraße, 201
8034 - Zürich
- Milan**
Via Giuseppe Mengoni, 4
20121 - Milano
- Rome**
Via Vincenzo Bellini, 22
00198 - Roma
- Lisbon**
Avenida da Liberdade, 245
1250-143 - Lisboa

Asia

- Beijing**
1 Jian Guo Men Wai Avenue
100004 - Beijing

Americas

- New York**
1120 Avenue of the Americas
NY 10036 - New York
- Boston**
21 Custom House Street
MA 02110 - Boston
- Birmingham***
420 20th Street North
AL 35203 - Birmingham
- San Juan de Puerto Rico**
105 Ponce de León Avenue
00917 - San Juan
- Mexico City (Santa Fe)**
Prof. Paseo de la Reforma, 1015
01376 - Ciudad de México
- Mexico City (Anzures)**
Mariano Escobedo, 748
11590 - Ciudad de México
- Medellin**
Carrera 43 A, 1-50
050021 - Medellín
- Bogota**
Carrera 7, 71-21
110231 - Bogotá
- Quito**
Avenida Río Amazonas 4545
170135 - Quito
- São Paulo**
Rua Funchal, 418
04551-060 - São Paulo
- Lima**
Avda. Coronel Andrés Reyes, 437
San Isidro 27 - Lima
- Santiago de Chile**
Enrique Foster Norte, 21
755-0163 - Santiago
- Buenos Aires**
Avda. Alicia Moreau de Justo, 140
C1107AAD - Buenos Aires

* From which Atlanta is managed

Industry

We strive to develop an in-depth understanding of the industries in which our clients operate



Thanks to our industry focus, at Management Solutions we are able to understand the specific needs of our clients and provide solutions to their unique problems.

Even more than the particularities of each company, the industry environment in which they do business shapes their key action strategies. Our professionals work in multidisciplinary teams that have a deep knowledge of the industry in which their clients operate. Only then is it possible to make a proper assessment and to implement methodology that is suitable for each market.

Management Solutions' practices are structured around three main industry areas (Financial Institutions, Energy and Telecommunications), with professionals dedicated exclusively to the industries they cover. The Firm also dedicates resources to other industries, specifically focusing on the market leaders in each industry.

Financial Institutions

The banking business is undergoing a profound transformation driven primarily by three major factors: the macroeconomic environment, regulation/supervision, and digital transformation. These three factors directly impact banks' profitability by reducing margins, pressuring costs, and lowering ROE. According to the EBA, 30% of European banks expect to make changes to their business models as a result of these factors.

In global terms, the current macroeconomic situation is characterized by deceleration in a scenario of low inflation and low interest rates. There is however a trend of falling unemployment and default rates, which in the short term has made it possible to maintain asset prices and reinvigorate risk appetite, but over the medium term reduces banking business profitability and makes it more vulnerable.

As for the regulatory and supervisory context, requirements are increasingly more numerous, demanding and affect more areas (capital, provisions, balance sheet structure, liquidity, leverage, etc.). This leads to a system that overall, is more secure and solvent, but which structurally reduces the profitability of banks. The direct costs of adapting to these requirements are proving to be very significant for banks, reaching \$2,000 million a year for the largest financial institutions. But the expectation is for a degree of stability over the medium term, as the process of regulatory and supervisory transformation gradually concludes.

In relation to digital transformation, there is an unprecedented technological revolution with a profound impact on the business model of organizations. This transformation can be broken down even further into three constituent components: an exponential increase in data volume as well as in storage, processing and modeling capabilities, with lower associated costs; a change in customer behavior towards a more digital and informed profile; and the emergence of new competitors heavily leveraged in technology.

Financial institutions are responding to these challenges by transforming themselves in at least four areas: business models, transformation and efficiency, finance, and risk management.

Insurance

The insurance industry is immersed in profound changes that require a huge effort to adapt. The main challenges are linked to the aging of the population and increased longevity, digital transformation, improving operational efficiency, and the emergence of new business models and ecosystems in the insurance business.

Customer behavior has changed in recent years. Particular importance is given to immediacy, simplicity and accessibility in services, and increasingly to personalized attention to

select coverage. This forces insurance companies to strive to adapt in order to efficiently meet their customers' new demands and alter their market offering in a more innovative and segmented way, with a need to incorporate exponential technologies.

Also, changes in the Data Protection Regulation (GDPR) or the Insurance Distribution Directive (IDD), require that insurers become more involved in the management and processing of their customers' data, as well as in the control of their internal processes, and stipulate that regulators and supervisors should focus on reviewing organizations' policies vis-à-vis the customer, as well as their governance and organizational structures.

In addition, the new IFRS 17 regulation implies a very significant development in the improvement of financial processes, with more uniform and transparent reporting and information disclosure to third parties.

Energy

Progressive deregulation in the industry has revealed that there is little perceived product/brand differentiation in traditional utilities (water, electricity, gas, etc.). Customers are accustomed to contracting utilities from government-designated suppliers and do not associate quality with the supplying brand, as is almost always the case in other industries. This has coincided with the emergence and increasingly widespread use of new technologies, digital transformation, the value of data and the new, more agile ways of working, as well as with a changing environment due to new regulations, a modified global energy map and a complex economic situation that affects energy consumption.

These circumstances pose many management challenges related not only to the effort of "defending" the current positioning and to diversification, but also with measuring, supporting and effectively managing business while properly



Industry

monitoring and controlling the various risks and opportunities associated with these activities, all while ensuring best practices are implemented so as to comply with business obligations.

Additionally, corporations are facing the challenge of digital transformation (intelligent use of data as a lever for generating value, sensorization, advanced analytics, etc.) which, together with the global macroeconomic situation, society's growing sensitivity towards climate change, and the changes in business models, requires focusing on improving efficiency and creating value for clients and shareholders. In this respect, organizations are focusing their attention on innovative actions that maximize their potential.

Telecommunications

The telecommunications sector is at the center of society's digital transformation, which increasingly demands services that offer more mobility, immediacy and interaction, both in the personal and the professional sphere. These changes are encouraging the emergence of new business models, players and services while adding additional complexity to an already competitive market.

Traditional operators face a new investment cycle linked to the deployment of new generation networks (5G) to meet the exponential growth of different demands. At the same time, they are seeing how margins in their traditional business (voice and data) are rapidly diminishing, and the new income generated by the "new economy" is going to new entrants (those called "over the top").

To adapt to this uncertainty, operators need to develop digital services to monetize data and other strategic assets while focusing on growth. This will require knowledge of analytical tools and new ways of working, and will require concentration and simplification steps at all levels (regulation, organization, business, technology, etc.) in order to achieve the efficiency, agility and flexibility necessary to adapt to current changes and future challenges.

Government

The current market continues forcing government agencies to optimize their budgets for public sector activities. This necessitates an improvement in the productivity and efficiency of all government agencies, which devote much of their activity to maintaining service quality by optimizing the management of their structural costs.

Furthermore, government agencies are undertaking programs to embed new technologies into the functioning of the public sector. These so called "e-government" programs, seek to increase efficiency, transparency and public involvement through better use of information and communication technologies. This is complemented by a growing interest in modeling massive amounts of data as a tool to contribute to these objectives.

All of this encourages the transformation of public services through organizational, process and system improvements that incorporate the advantages derived from the digitization of society as a whole.



Other sectors

Distribution: consumer and retail

The current distribution industry environment is marked by changing business models that require the review of some of the key areas of management. This sector is evolving its value proposition towards a more customer-centric approach by better managing the data available and delivering value on this data through advanced analytics. In the quest for operational efficiency, companies are undergoing a continuous process of improvement and transformation of their organizational, operational and technological structures that will lead to increased productivity and better use of resources.

In addition, changes in consumer habits and customer behavior, who demand better service (based on greater speed, availability and comfort) and the way in which customers interact with new channels as a result of new technologies with the prevalence of mobile devices continue to shape the industry. This makes it necessary to have business and logistic models capable of making the most of the physical distribution model combined with current e-commerce opportunities.

Finally, the emergence of new risks such as cybersecurity, or the need to better manage existing risks such as supplier risk management or fraud, have become critical elements in this industry's highly competitive environment.

Manufacturing

After a few years of efficient growth, industry is once again threatened by economic recession. European industry is accusing the impact of trade wars between the US and China and other global shocks that are destabilizing the economic and political landscape.

The automobile sector is the one most affected, with indices that reflect a drop in production and exports. The steel and chemical sectors seem to be withstanding this impact better, experiencing a cooling of growth compared to last year but maintaining the upward trend.

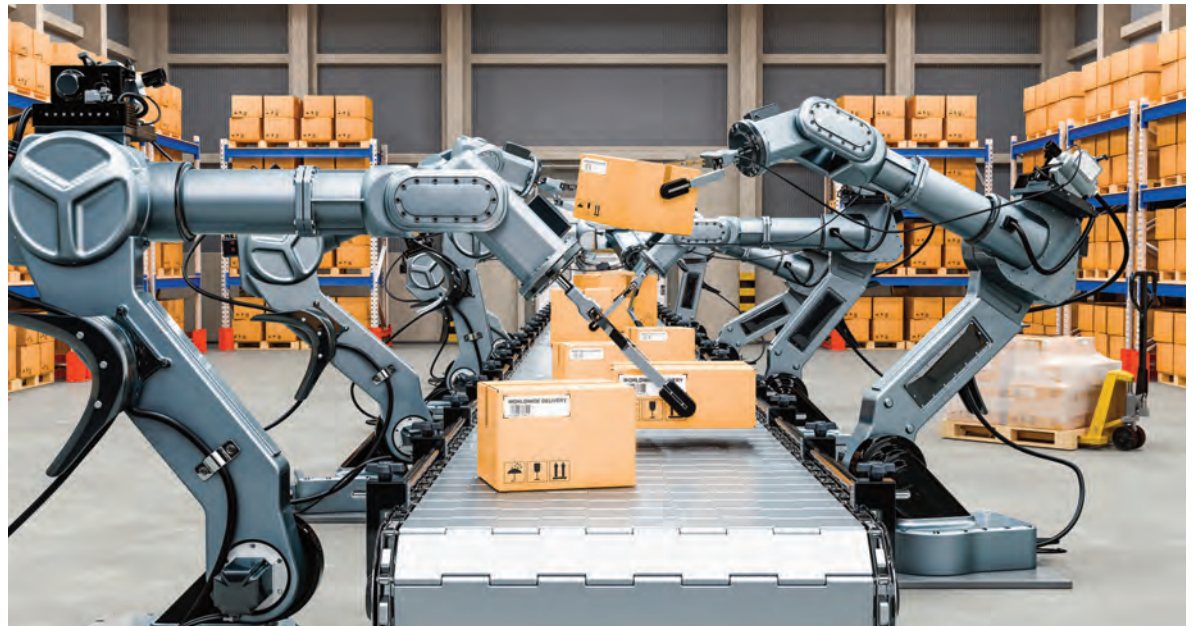
As a consequence of this global slowdown and value chain delocalization, companies require a constant process of continuous improvement and transformation to minimize the impact of external threats and internal weaknesses.

In this context, digital transformation, by which we mean the different forms of data value extraction, automation and robotization, intelligent management and sonorization, new ways of working and new business models, plays a fundamental role in the industry in terms of increased competitiveness and fewer costs from inefficiencies.

Construction

The construction sector shows a favorable growth forecast, although its main constraint comes from public spending restrictions in almost all world economies, which makes it necessary to find new budgetary funding schemes and attract private capital for infrastructure investment, in an environment of decreasing returns and increasing volatility (such as in the price of raw materials).

For their part, companies in this sector have made great efforts to develop and incorporate digital transformation into their business processes in the form of innovative technologies that represent a competitive advantage in the sector. One of the trends that is gaining ground is data-driven decision making.



Industry

At the regulatory level, global technological development and trends in other industry sectors (electric mobility, decarbonization objectives, etc.) are a fundamental driver when determining medium and long term needs for this industry.

Pharmaceutical industry

The pharmaceutical industry has become a significant engine for growth in major economies that have developed their own business fabric, being, in some cases, the industry with the greatest level of investment in R&D and one that contributes significantly to the creation of employment (both direct and indirect).

Currently, the industry faces major challenges such as the following: regulatory compliance during a period of heightened regulations, operating globally while adapting locally, leveraging new technologies (big data, artificial intelligence, etc.), adopting new organizational models to boost efficiency and profitability, and considering risk management implications such as reputational risks.

Logistics and transportation

The logistics and transport industries are facing a profound transformation in the face of huge challenges such as those brought about by new protectionist policies, adaptation to the requirements arising from the transition to a low carbon economy, strong price competition, and the rise of large e-commerce operators with their own logistics structures.

These challenges have made it necessary to put the focus on efficiency, seeking an increasingly effective use of resources. Similarly, efforts have been made to improve the traveler's experience, taking advantage of the advantages offered by digital transformation, increased personalization, the use of mobile technologies, advanced modeling and data management.

On the other hand, the rise of e-commerce continues to be the growth driver in the logistics sector, where the use of new technologies is also disruptive. Trends such as robotic warehouses, distribution flexibility to meet customer needs, the use of artificial intelligence to optimize routes and, at a less mature stage, autonomous transport, will mark an unprecedented business transformation in this sector.

IT industry

The technology industry is currently at the epicenter of the transformation of other industries, being central to the fourth industrial revolution, the source of major changes in the economic and social sphere. The exponential growth of technological capabilities and their lower cost, increased connectivity, universal access to information and the development of artificial intelligence, among other factors, have made technology the engine of profound changes leading to the emergence of new business models that take better advantage of installed capacity, are more efficient and encourage open innovation.

The rapid evolution of technology is speeding up the digital transformation process, giving rise to new concepts such as "hyper-automation" (automation tools combined with machine learning), "multi-experience" (changed user experience based on augmented and mixed virtual reality), "data democratization" (expert system development and knowledge with professional support), "augmented human beings" (with devices that improve cognitive skills), the



“ethical approach” to AI, “distributed cloud computing” (moving from a centralized cloud model to a geographically distributed one), “edge computing”(supporting data processing and content delivery near the data sources), “autonomous and collaborative objects ”(based on intensive use of AI or the consolidation of blockchain as a platform for transaction optimization and asset tracking).

It is key that companies in the technology sector are able to adapt their organizations by directing talent management towards innovation and addressing the risks in the new landscape (e.g. improving cybersecurity), thus facilitating solutions that will make it possible for other industries to generate value through their own digital transformation.

Tourism

The tourism industry has become one of the key areas of growth in developed countries. This is a highly competitive industry in which destinations and operators compete to be the most attractive for customers in a changing environment marked by the entry of new players, the changing needs of customers and the emergence of new business models in the market (such as tourist rental housing).

To effectively operate in this environment, the industry must be able to put the client at the center of strategic planning in order to provide a more personalized offer and increase its efficiency ratios in all areas (operational, management, etc.), leveraging on digitalization and the use of new technologies.

Professional services

The professional services sector continues to face the challenges brought about by globalization, technological advances and related regulations, as well as strong price competition.

To meet these challenges, companies must continue to pursue further differentiation and leadership through knowledge, improving the customer experience, transforming their organizations into more flexible and agile structures, and having adequate governance and control models that minimize professional risk.

Education industry

Digital transformation, economic impacts, the political situation and constant changes in society are determining factors for the education industry in its role as a key training tool for future generations.

This industry is facing transformation, because although the university demand continues to be strong in traditional sectors (education, health, etc.), for some time now there has been a huge need for specialized profiles in the quantitative and new technology fields (data management and modeling, digitization, robotics, big data, cybersecurity, etc.), making it necessary to review the educational model and its governance.



“Our value proposition is constantly refined in order to be able to solve the new challenges our clients bring to us”

Our clients face complex business model transformation processes. In order to meet their demands, we offer them a highly specialized and multidisciplinary team, supported by a cutting-edge R&D service.

Our specialization by service line allows us to quickly design bespoke solutions to our clients' challenges.

Our industry specialization allows us to adapt our solutions to the characteristics of the sectors of activity in which our clients operate.

Finally, our geographic specialization allows us to capture the local or regional reality and to incorporate local regulatory, sociological and cultural factors into our solutions, as well as other particularities of the economies in which our clients operate.

In short, we ensure that our value proposition is permanently adapted to the changing and specific needs of our customers.

Ana Díaz
Partner at Management Solutions

Service lines

Our functional specialization allows us to offer high-value added services to our customers



To cover client needs, Management Solutions' practices are structured by industry and by business line (Financial & Commodities Risk Consulting, Retail Business Consulting and New Technologies), which in turn encompass a wide range of competencies.

FCRC (Financial and Commodities Risk Consulting)

The wholesale business, more specifically treasury and capital market operations, is developing at a speed that makes it difficult for entities to adapt their processes and control structures to this ongoing change.

The growing sophistication of corporate and institutional clients, as well as the increase in the volume and complexity of transactions and their progressive contribution to the global bottom line, call for the parallel adaptation of trading, administration, control and risk supervision processes.

Similarly, making the most of transaction-based services, which involve managing large transaction volumes, requires advanced support structures, posing new challenges for the industry.

Other challenges faced by different industries are the current sophistication of methods used in measuring and controlling risks, the integration of advanced metrics (capital) in business management (largely driven by new regulatory frameworks), and the estimates of impact under stress scenarios.

From the FCRC line we help our customers to optimize and adapt their processes and systems architecture to the new business logic and nature of financial risks (credit, market, operational, liquidity and structural) and non-prudential risks (paying special attention to compliance and conduct as well as model risk).

RBC (Retail Business Consulting)

The retail business is making great efforts to identify customer clusters or segments to target while adjusting their product

and services to the needs of each segment. This change from a "selling products" approach to an approach based on "managing customer needs" requires the complete transformation of an organization's value chain, its processes and the activities of its main business and support areas (management control, sales, marketing, organization, resources, etc.).

This trend is taking place in a market environment where a "pre-digital" and a "digital" generation co-exist, which requires developing very different relationship models. At the same time, as customers are becoming increasingly demanding, sales margins are getting slimmer and economies of scale need to be attained.

In this context, the focus of the RBC line is to help clients achieve their goals and objectives by supporting them along the way, from the planning of their strategic needs to the effective implementation of their functional requirements.

NT (New Technologies)

The world is changing, and doing so at a high speed. We are witnessing a technological revolution of a magnitude never seen before. This is not a transitory event. The paradigm shift rate (the rate at which new ideas are adopted) doubles every decade: while it took nearly half a century for the telephone to be adopted, and while acceptance of television and radio took several decades, it took under 10 years for computers, internet and mobile phones to catch on.

The result is exponential growth in the quantity of available technology and an equivalent reduction in cost, regardless of the crises experienced over the past few years, and this trend is expected to continue in the coming decades.

But this technological revolution has taken on a new dimension in recent years. Increased technical performance requires capacity to generate, store, and process information, and at an exponential rate, a situation that has been called the "big data" phenomenon.

All of this is giving rise, among other things, to a discipline which is the fundamental axis for transformation in the industry: data science, which is also the study of the generalizable extraction of knowledge from data through the combined use of automated learning techniques, artificial intelligence, mathematics, statistics, databases and optimization, together with a deep understanding of the business context.

From the NT line, we help our clients to enhance the value of technology. We also develop and provide support for technological solutions with a high level of penetration in the industries in which the Firm operates.

Core competencies

Management Solutions aims to turn its clients' objectives into tangible realities, from strategic guidance to implementation of the required technology (Making things happen).

Our teams offer concrete solutions and commit to their implementation and operation. At Management Solutions we are able to lead the different stages that result in a project being successful, from initial strategic analysis to the functional, organizational and operational phases, to effective implementation.

In this section, rather than including a product and services catalog, our aim is to highlight Management Solutions' work around the key competencies it has developed.

Core competencies



Strategy

We accompany Management from client companies in their strategic decisions, providing our view of the challenges they face, both from a global perspective (trends, best practices, etc.) and from the standpoint of each individual company (alternative courses of action, planning, recommendations for implementation, etc.).



Management & financial information

We address information requirements for management by validating, modifying and determining the information sources, defining transformation processes (calculations and metrics), and becoming involved in the implementation of the required technology for its proper deployment.



Sales & marketing management

We design and develop commercial efficiency multi-channel and business intelligence programs, thereby supporting our clients in their growth efforts.



Transformation: organization & processes

We tackle our clients' transformation projects from three different perspectives: organizational, operational and technological, achieving significant improvements in the effectiveness and control of the tasks performed, increased user and customer satisfaction and appropriate cost reductions.



Risk management & control

We provide the best solutions to effectively manage and control the risks associated with doing business: credit, market, operational, liquidity, structural, reputational, conduct, model, business, and other risks, and to provide an integrated view of them (and of their impact on capital requirements or provisions).



New technologies

We are specialists in defining and implementing the technologies that are best suited to meeting the needs and potential of each organization, and we design frameworks to strengthen information and data governance.

Our value proposition is supported by a cutting-edge R&D department

The current international environment is characterized by weak growth that is expected to slow down, low but growing inflation and low interest rates in mature economies, and a slowdown in emerging economies. Other characteristics are a more demanding regulatory environment and an accelerated transformation of technology, with a special focus on the incorporation of new machine learning techniques and the use of big data in business development. In this context, anticipating change is more important than ever.

Faced with this, Management Solutions' R&D department reflects the Firm's strong commitment to stay at the forefront of the industry and to meet the growing need for innovation in the market.

The R&D department is tasked with analyzing, developing, and disseminating knowledge about methodologies, regulations and the macroeconomic situation, to all of Management Solutions' stakeholders: clients, professionals, collaborators and

universities, thus driving the Firm's pro-active approach to anticipating change.

From a methodology standpoint, the R&D team provides advisory services to Management Solutions' professionals and their clients in quantitative aspects that are necessary to undertake projects with rigor and excellence through the implementation of best practices and the continuous monitoring of the latest trends in data science, machine learning, modeling and big data.

For this, our R&D team works in collaboration with a specialized team of data scientists dedicated to researching new applications together with other external groups, devising and developing specific solutions capable of meeting new industry challenges.

With this purpose, the R&D department collaborates closely with different universities, participates in applied research

Signing of a collaboration agreement for the creation of the iDanae Chair, Spain



The Polytechnic University of Madrid (UPM) and Management Solutions have signed a collaboration agreement for the creation of the iDanae Chair (intelligence, data, analysis and strategy) in Big Data and Analytics with the aim of promoting training, research and R&D&i advancement activities.

The formal act to sign the agreement was chaired by Mr. Guillermo Cisneros, Rector of the Polytechnic University of Madrid, and Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions, and was also attended on behalf of the University by Mr. Francisco Javier Jiménez Leube, Vice-Chancellor of Institutional Communication and External Promotion; Mr. Javier Soriano, Director of the School of Computer Engineering; Ms. Ana Goicolea, Head of the Office for the Transfer of Research Results and Intellectual Property Area, and Mr. Alejandro Rodríguez González, Professor at the School of Computer Engineering. On behalf of Management Solutions, attendees were Ms. Cristina López, partner at Management Solutions, and Mr. Manuel Ángel Guzmán, Head of R&D at Management Solutions.

The Chair was created with the aspiration of leading research in Spain in the field of Artificial Intelligence applied to the treatment of natural language. To achieve this and other Analytics and Big Data related objectives, external researchers will work with Management Solutions' R&D department.

conferences and directs projects in postgraduate and doctoral studies as well as professional practices in Mathematics, Statistics and Physics faculties and Engineering Schools. It is also a member of the monitoring committee within the iDanae chair (iDanae stands for “intelligence, data, analysis and strategy”) for Big Data and Analytics, created through the collaboration between Management Solutions and the Polytechnic University of Madrid, and jointly leads the activities and publications developed by this Chair.

R&D’s commitment to training is also evident at the internal level, as it constitutes the Leadership of the Firm’s Studies, coordinates the Knowledge Chairs (together with those responsible for Management Solutions’ different core competencies) and is an active part of the management of postgraduate programs offered by the Firm: Master’s degree in Business Consultancy offered jointly by Management Solutions and the ICADE Business School, and Diploma in Business Consultancy offered jointly by Management Solutions and Instituto Tecnológico de Monterrey (among others).

With regard to knowledge management, the R&D team directs and coordinates Management Solutions’ publications system, both external and internal (white papers, alerts on publication of new regulations, macroeconomic outlook reports, briefing papers and implications of new rules, etc.), which helps our professionals to update their knowledge on a daily basis.

This knowledge management activity is possible thanks to intensive collaboration from all our offices in all countries in which Management Solutions operates. The R&D area monitors new regulatory developments in these countries with support from on-the-ground professionals who collaborate to identify and analyze developments.

R&D uses the Knowledge Area on the corporate intranet as the basic channel for sharing much of this knowledge with Management Solutions professionals.

It also disseminates knowledge through an app, developed to deliver alerts on the publication of regulatory news. R&D continues to work alongside those responsible for New

Technologies in the Firm on projects which leverage big data to maximize value from knowledge management.

Also, in terms of methodology, R&D has established itself as a quality assurance service through the rigorous review of ongoing projects and new project proposals.

The R&D area focuses its efforts on four fields (methodology, economic analysis, regulatory analysis and knowledge management), and its goals are set according to a multi-year plan approved and monitored by the Firm’s Executive Committee.

Methodology (R&D&i)

- ▶ **Research:** compiling and design of client/industry best practices in regulatory adaptation and management (credit, market and liquidity risk, economic capital, stress tests, business models, etc.).

- ▶ **Innovation:** a number of models are developed through a center specializing in data science and machine learning including classification, regression, optimization, simulation models, natural language processing, etc., for different areas in the industries in which the Firm operates.

- ▶ **Prototype:** development of support tools to verify and demonstrate the correct operation of methodologies in real client environments (pilot testing), and the generation of specific tools to respond to new regulatory requirements or client transformation needs, in order to facilitate the implementation of global corporate solutions.

- ▶ **Software:** maintenance of the data science tools developed, and relationship management with scientific software providers.

Commitment to Science

According to Unesco, science is a key tool for the advancement of knowledge, progress, peace and societies, and is at the origin of all economic, social and political development. It is because of its immense value that Management Solutions integrates science into its CSR.

Management Solutions has been fostering the advancement of Science since its incorporation. Our R&D department was established as a platform to promote knowledge and serves, among other things, to promote the continuous training of its employees in various scientific subjects (e.g. Mathematics, Statistics and Algorithms).

Also, as a central component of its patronage activity, Management Solutions collaborates with the RAC (Royal Academy of Exact, Physical and Natural Sciences) and its Foundation through active sponsorships that include a number of activities in addition to financial support:

- ▶ Participating in science outreach actions and events.
- ▶ Contributing to the RAC think tank to promote initiatives for the advancement and dissemination of science.
- ▶ Pro-bono support to the RAC through our R&D function.
- ▶ Working with RAC’s Mathematics Area to research the most advanced mathematical algorithms and models for risk management.

With more than 700 scientists among its professionals, Management Solutions is fully committed to constant development and to positioning science as one of the fundamental pillars of its CSR, aimed at both its employees and society.

- ▶ **Quality Assessment (QA):** certification of the quality and consistency of the methodologies applied in projects.

Economic analysis

- ▶ **Outlook reports:** the R&D area is expanding the coverage of its quarterly outlook reports both in countries and in industries. The R&D area currently produces reports on 19 countries with the support of experts from the Firm's network of offices: Spain, the United Kingdom, Germany, France, Poland, Portugal, Italy, the Nordics (Denmark, Norway, Sweden and Finland), the United States, Mexico, Brazil, Argentina, Peru, Chile, Colombia and China.
- ▶ **Benchmark analysis:** based on the knowledge base generated from these reports and through analysis of alternative information sources, R&D also carries out benchmark analysis from public information on the clients and countries in which the Firm operates.

Regulatory analysis

- ▶ **Regulatory monitoring:** the R&D area has an active system in place to monitor regulations on the Firm's areas of activity, which enables R&D to anticipate and detect regulatory publications at an early stage in geographical areas of influence.
- ▶ **Alerts:** publication alerts allow for immediate knowledge of regulatory changes by our professionals and clients.
- ▶ **Analysis:** on those new regulations with a greater impact on or interest for clients, R&D prepares overviews and analysis of implications, contributing their synthesis and critical thinking capabilities.

Knowledge management

- ▶ **New business models observatory:** the R&D area supports the detection and analysis of new business models that emerge in the industries in which the Firm carries out its activity, generally focused on digitally transforming current businesses.
- ▶ **White papers:** the R&D department produces in-depth, innovative and concise monographic studies on hot topics within the Firm's areas of activity that are of interest for our clients and professionals. An example of this is the last white paper prepared by R&D about organizational transformation towards agile approaches.
- ▶ **Training materials:** the R&D area provides support in the centralization and review of newly updated training materials, both internal and those used in third-party training.

First Management Solutions Datathon



The "First Management Solutions Datathon" was launched at the end of 2019 exclusively for the Firm's professionals, consisting of a real business case to be solved using artificial intelligence, data science and machine learning tools.

The challenge offered by this competition was to develop an automated machine learning system. These systems automate the development process of machine learning models: from data preprocessing to the prediction of the model that best fits that data.

The projects will be submitted in January 2020 and the Management Solutions R&D methodology team will evaluate the projects based on their originality, quality of their code, and predictive capacity of the models. The prize for the winner will be attendance at the "London AI in Finance Summit", that will be held on March 31 and April 1, 2020 in London.

Making things happen

We owe what we are to the trust that our clients have placed in us. They have made it possible for Management Solutions to be a leading international firm in business consulting just 17 years after it was established. It is a great pleasure for us to present the achievements listed throughout this publication.

Management Solutions was formed on December 30, 2002. Upon its inception, the Firm was composed of 80 professionals and three offices in Spain (Madrid, Bilbao and Barcelona).

17 years later, Management Solutions is more than thirty times larger, with a multi-disciplinary team of more than 2,300 highly talented professionals, and more than 900 clients, all of which are leaders (global or local) in regulated industries, and 28 offices which serve as a base for carrying out recurrent projects in more than 40 countries across Europe, the Americas, Asia and Africa.

The Firm has continued to grow at all times since its inception. In each and every one of our past years as a firm, we have seen growth in revenue, number of professionals, number of clients and number of countries in which we operate.

It should be emphasized that these results have been achieved organically, with a well grounded growth model. A model based on the organized transmission of a culture, values and principles that we understand to be differential and that have remained unchanged regardless of economic cycles.

During this fiscal year, the Firm has faced a complex macroeconomic scenario, though far less difficult than other situations it has had to face since its incorporation. The beginnings were particularly demanding, with reduced critical mass, no brand recognition and lacking the capacity to respond globally in all geographies in which our client base operated. Two years later, when Management Solutions began to consolidate in the market, there was a fire at our headquarters in Madrid (the Windsor building), which led to its complete destruction but served to demonstrate the resilience of our team of professionals, who were able to keep focused on their projects with clients.

Despite these initial difficulties, our development has been extraordinary, averaging annual double-digit growth over the years.

At Management Solutions we have remained true to our founding culture: a strong culture that unites us and simultaneously sets us apart from our competitors. A culture based on the principles of commitment and dedication to service, delivered with humility, generosity and integrity.

We have also sought to perform our profession by relying on an in-depth knowledge of the business and the social reality, with the necessary critical approach. We have always understood that if something has value to our clients then it makes sense and, as difficult as it may seem, can be achieved.

In short, we understand that our constant pursuit of excellence, based on talent, effort and training, is a necessary requirement to meet our goals.

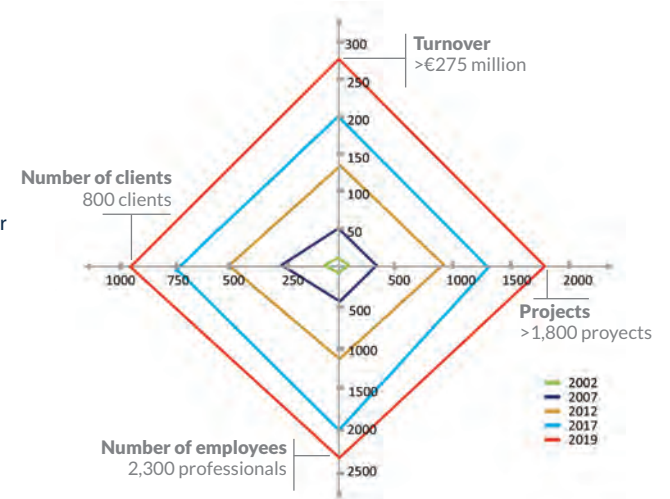
An equally promising future

Management Solutions looks to the future with the same enthusiasm today as it did in year one. We are facing major challenges, but if something has defined Management Solutions throughout its history, it has been its desire to excel and deliver.

We intend to continue to achieve our ambitious new goals to lead the consulting business in regulated industries in all geographies in which we operate, always for the benefit of our clients, who are the most important stakeholders we look to support.

We have seen organic and sustained growth to 30 times our original size

The Firm's development



Making things happen

Management Solutions was incorporated on December 30, 2002

2003, Commitment to Excellence

With 80 professionals from Arthur Andersen and offices in Madrid, Barcelona and Bilbao, Management Solutions set out on a journey at the end of 2002. The trust placed by clients in this new business project made the launch of our Firm possible. Committed to a strong global presence from the very beginning, the Firm gained a foothold in Spain, the United States, Puerto Rico, Mexico, Chile, Brazil and Argentina in our first fiscal year.

2004, Making things happen

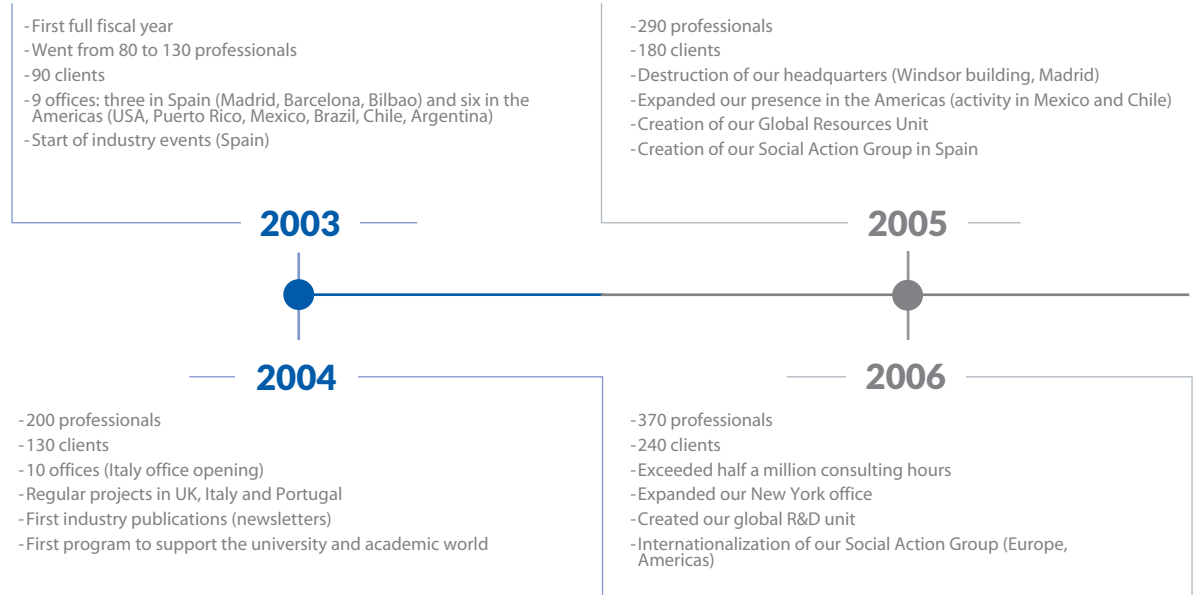
The first fiscal year closed with growth of 18%. Management Solutions won its first projects in Europe (Italy, United Kingdom and Portugal) while expanding its presence in the Americas with the opening of a new office in São Paulo, going from 80 professionals to over 200 in only one and a half years.

2005, A world of solutions

The year began with a fire at the Windsor building (our headquarters in Madrid), a significant challenge that was successfully overcome and did not prevent us from increasing our staff by 46% and strengthening our activity with major international players. In 2005, we expanded our Mexico City and Santiago de Chile offices and also strengthened our Support Services Unit.

2006, The value of a committed team

With an increasingly expanding brand, the New York office was enlarged, the milestone of 500,000 consulting hours was exceeded and the Firm threw its weight fully behind the creation of a R&D unit to be at the forefront of knowledge. Social action and sport became part of the Firm's everyday life.



2007, One Team

In 2007 Management Solutions had over 500 professionals, growth of 40%; and a client portfolio of more than 300 leading organizations; 2007 noted the publication of our first Corporate Social Responsibility Report.

2008, Passion for the future

The Firm's strategy going forward included expanding our presence in other markets and geographies. This fact led to the launch of our first projects in Asia, entry into the Portuguese market, the opening of our London office, expansion of our energy and telecommunications practices into other countries, and the organization of the first regional conventions in Latin America.

2009, New challenges, same principles

In 2009, despite an increasingly adverse scenario, we reached one million consulting hours and initiated activities in Germany, while maintaining a sustainable and diversified growth strategy. The Firm expanded its presence to other geographies and industries, and reinforced its support of universities.

2010, Spirit of achievement

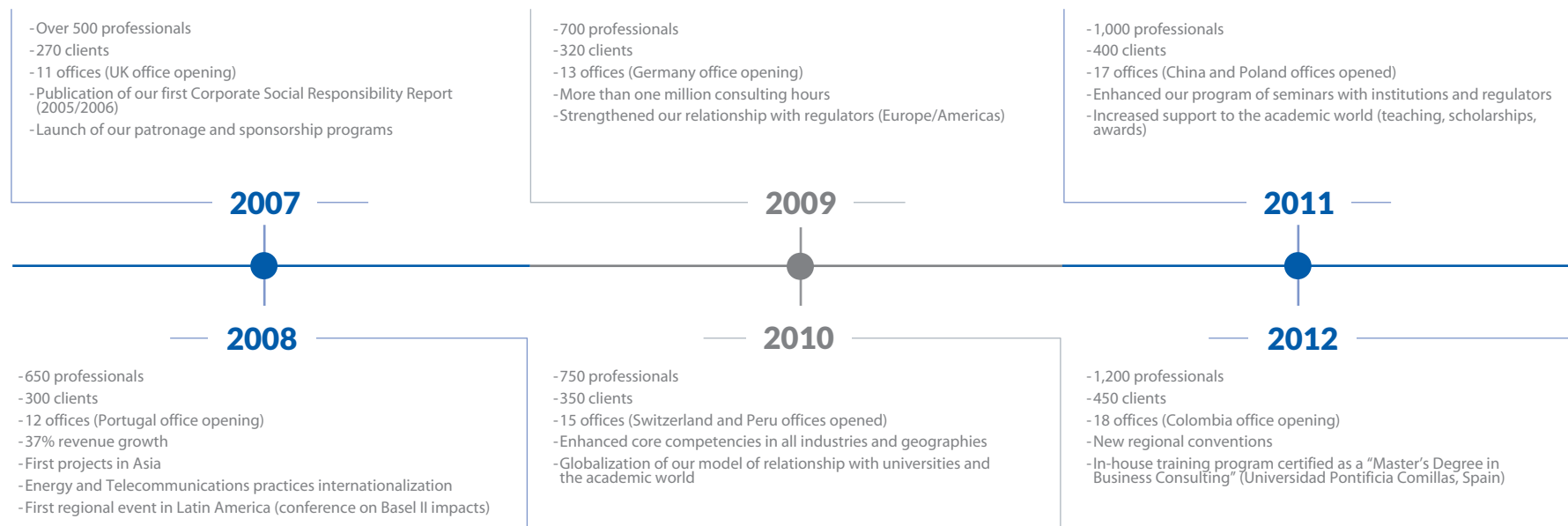
A permanent effort was made to extend and adapt our range of solutions in order to provide the best response to our clients' needs. Also this year, we expanded our horizons by opening new markets such as Switzerland and Peru, and globalizing the social action and the sports clubs with activities in all our offices.

2011, Values that make the difference

Despite a market in decline, at Management Solutions we were able to increase our commitment to achieve a growth rate of 19%, strengthening our commitment to talent, reaching the size of 1,000 professionals and opening new offices in Beijing and Warsaw, as well as enlarging our offices in Lisbon, Lima and Buenos Aires.

2012, Generating trust

2012 was another successful fiscal year in which we collaborated with more than 450 clients and expanded our boundaries with the opening of a new office in Bogota and two more offices in the United States (Massachusetts and Alabama). We continued to foster knowledge-sharing with new regional



Making things happen

conventions in the Americas. Our commitment to training was further demonstrated through the launch of the first Master's Degree in Business Consulting, developed jointly with the Universidad Pontificia Comillas in Spain.

2013, Focused on our clients

With growth at over 15%, 2013 was a successful year, especially in the Americas. We reached more than 500 clients (large global or local leaders in their respective markets), the activity with regulators and supervisors was strengthened and internal functions were enhanced to improve efficiency and control of our activity (creation of the Internal Audit function, review of global and local policies and procedures, external certification on the quality of processes –ISO 9001, etc.).

2014, Managing transformation

In 2014 Management Solutions saw growth in all its: i) offices (especially in the US), also initiating activities in Africa, ii) industries (particularly in Telecommunications) and iii) service lines (undertaking more than 800 projects whose common denominator was transformation). Governance of the relationship with strategic suppliers was enhanced as was investment in R&D and training (which grew around 20% with respect to the previous year).

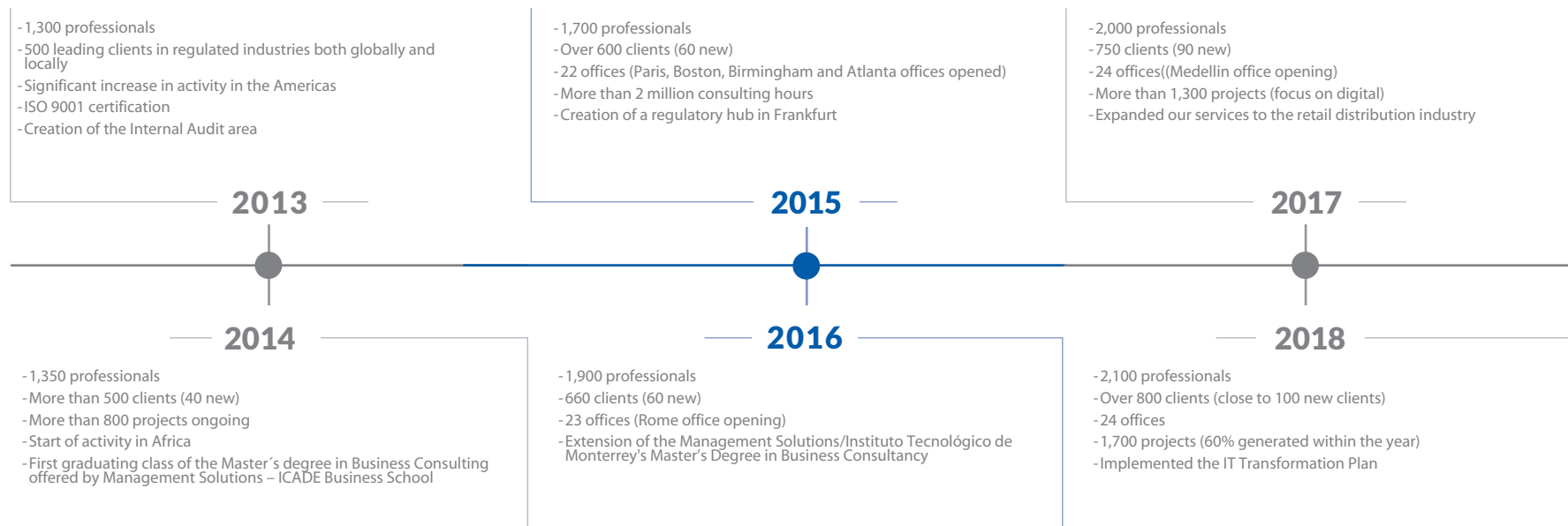
2015, Innovation for growth

In 2015 we achieved growth above 16% and exceeded two million consulting hours (900 projects were formalized). During that year, Management Solutions France was created, new offices were opened in the United States (Boston, Atlanta and Birmingham), and we expanded our offices in the UK, Germany,

Chile and Mexico (a new second office was opened in Mexico City). We also established closer links with regulators (particularly with the European Central Bank) through the creation of a regulatory hub in our Frankfurt office.

2016, Building the digital era

In 2016 Management Solutions once again grew by more than 16%, doing so in all regions (especially in the USA and the main European markets), industries and service lines, adding more than 60 new clients and going over the 2.5 million consultancy hours mark in the delivery of over 1,000 projects. During that year, new offices were opened in Rome, Paris and Birmingham, and the São Paulo headquarters were changed and expanded. Training investment also increased (by more than 30% compared to 2015) and our Master's Degree in Business Consultancy program was extended to Mexico in collaboration with the Instituto Tecnológico de Monterrey.





“Our clients are the reason we are here and are at the center of all our actions”

At Management Solutions we have always been clear about our priorities: first the client, then the team and finally oneself. We work with enthusiasm, combining talent, knowledge and skills to effectively solve their problems.

Our main objective is to become our clients’ trusted partners, and for this we have to be permanently attentive to their needs and fulfill our commitment to excellence. Our aim is to develop lasting relationships that generate value on both sides.

Our commitment to those who place their trust in us is unlimited. If we are where we are today, it is because our clients have made it possible, and we always have that in mind when we plan our future.

José Ramón Gorrochategui
Partner at Management Solutions

2017, New Business Models

In 2017, Management Solutions grew particularly strong in Europe (Germany doubled its size) and the US (by more than 50%), adding more than 750 clients (90 new ones) and carried out over 1,300 projects. There was also increased activity in other industries (with a focus on the retail distribution sectors). A new office was opened in Medellín, and the Madrid, Bilbao, Rome, Warsaw, Boston and São Paulo offices were expanded.

2018, Generating Value through Digital Transformation,

In 2018 Management Solutions’ turnover exceeded 250 million euros, and grew once again above 10% in an organic and diversified way, increasing its activity in all the geographies and industries in which it operates, and in all its service lines. Also, the Firm’s IT Transformation plan was successfully implemented (migration of environments, IT architecture with Big Data

technologies, new telecommunications systems, development of management control systems, etc.). A new office was opened in Bilbao and our Bogotá office was expanded.

2019, Sustainable Growth

In 2019 Management Solutions delivered close to 3 million consulting hours, once again growing above 10%. It also opened three new offices - in Amsterdam (Netherlands), Oslo (Norway) and Quito (Ecuador), reinforcing its commitment to geographic diversification. In addition, during the same year the Firm joined the United Nations Global Compact, strengthening its commitment to sustainability and CSR, obtained the ISO 27001 certification in cybersecurity, and furthered ties with the academic and research communities with the launch of the iDanae Chair in Big Data and Analytics in collaboration with the Polytechnic University of Madrid.

- 2,300 professionals
- Over 900 clients (100 new clients)
- 28 offices (La Coruña, Amsterdam, Oslo and Quito offices opening)
- 1,800 projects (70% generated within the year)
- ISO 27001 cybersecurity certification
- Member of the United Nations Global Compact

2019

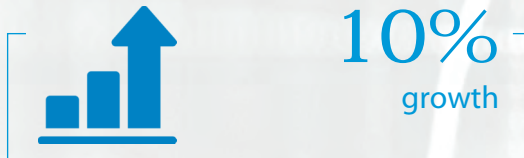
Today Management Solutions...

- Is more than 30 times larger.
- Has a multidisciplinary team of over 2,300 professionals with a strong corporate culture.
- Serves more than 900 global and local clients from regulated industries.
- Is a global partnership that effectively responds to its clients’ needs.
- Has a presence in more than 40 countries across Europe, the Americas, Asia and Africa, through 28 offices.
- Has a differentiated value proposition supported by cutting-edge R&D.



2019 milestones

Management Solutions continues to focus on profitable growth and is becoming increasingly international and more diversified from both an industry and a geographical perspective. Above all, Management Solutions has an outstanding portfolio of global and local clients who are leaders in their respective industries.





Sustainable Growth

Digital means we have to do things differently



Under the motto “Sustainable Growth”, Management Solutions organized its Yearly Meeting in July to review the Firm’s achievements after analyzing the international environment and to set goals for the next year. This section summarizes many of the ideas expressed during the Meeting.

We are facing major challenges, the world is transforming and doing so at great speed and in all areas. A change that we can say generates value for society in terms of life expectancy,

poverty reduction and eradication of illiteracy. This is because digitalization offers a virtual space on a global scale that facilitates the removal of physical barriers to growth.

Some good examples of this are changes in consumer habits, greater connectivity and access to information, an exponential increase in technological capabilities, the fact that data is seen as a source of value, and the possibilities offered by artificial intelligence.

Consequently, business models are also transforming. Companies are looking for innovative solutions, built in increasingly collaborative environments, that take advantage of technological disruption in order to make their processes more efficient, improve the customer experience and make the most of available information. Generating value through digital transformation is a clear challenge today.

But what really matters is that this creation of value should translate into sustainable growth; that is, growth that does not compromise future growth and even facilitates it.

Many companies rise strongly, but many also fade away. At least 50% of all the companies listed on the Standard & Poor's 500 Index will have changed within the next 10 years (and the five top companies on the list over the last ten years have been tech companies, when before there was only one). Relatively few companies are able to implement sustainable growth models.

Against this backdrop, many companies have relied on Management Solutions to transform their business models to the new digital environment and thereby achieve sustainable growth.

At Management Solutions we want to be protagonists of this gigantic change by doing the following: introducing the digital dimension in strategic thinking, redesigning governance and organizational structures (particularly those related to data and models) reviewing work culture and techniques to make them more agile and collaborative, promoting a greater focus on results, redefining business processes to improve the customer experience, redesigning operational processes to gain in efficiency and effectiveness, advancing in data management and models to strongly develop artificial intelligence, protecting information and systems from unwanted uses, redesigning systems architectures that incorporate new technologies, and developing mechanisms for monitoring and evaluating business digitalization levels.

All of this means we necessarily have to keep our value proposition permanently updated by intensifying our investment in Research and Development (to which we devote more than 10% of our turnover), advancing in industry specialization, further internationalizing our operations, and also reinforcing our commitment to talent, delivering excellence in recruitment (screening of some 200,000 candidates to cover 500 openings), investing in training (over 250,000 hours dedicated to training our professionals), promoting career development based on merit and managing teams under a "one team" vision.

We do this by always staying true to our principles, particularly in times of great change such as now, when science and technology need to work hand in hand with strong principles that help determine right (what is beneficial to society) from wrong (what is detrimental to society).

In 2019 we once again surpassed our qualitative and quantitative objectives for the year, growing in excess of what we had budgeted. Once more the Firm increased our market share, and did so in a way that is organic, diversified and sustained, irrespective of economic cycles while applying a management model that maximizes our potential, guarantees professional development for our people and creates the basis for sustained growth in the coming years.

We have continued to widen our scope of activity to cover new markets, as well as to consolidate our presence in countries in which we were already operating (we are now present in more than 40 countries across Europe, the Americas, Asia and Africa). All of our service lines have grown in a balanced way and we have also made important progress in industry diversification.

As a result, we have increased our presence in many of the organizations which we already collaborate with. By extending the provision of our services to new areas and business divisions, with industry diversification driven by our expansion into the distribution sector, we have continued to

increase our client base. This client base is composed of large multinationals, corporations and leading local entities to which we have added 100 new clients with strategic importance in their respective markets. Also during 2019, we further developed our relationship with regulators and supervisors in the markets in which we operate.

Such growth would not have been possible without the extraordinary team of professionals that make up our firm. A talented, committed team that has inherited a strong corporate culture based on a set of values that make a difference. A global, multicultural, multidisciplinary, fully integrated team that has grown from the base. A young, principled and responsible team capable of providing solutions to the challenges our clients bring to us.

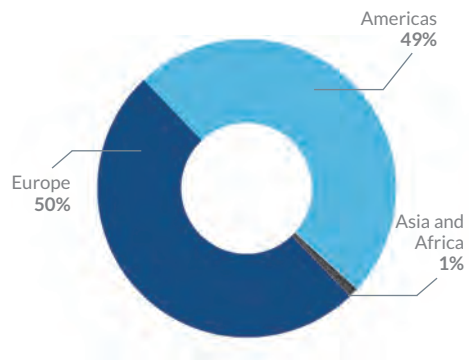
In short, we have again exceeded all of our goals in all of the regions in which we have a presence, in all of the industries in which we operate and in all of our service lines. We face the future with enthusiasm and confidence, with the firm purpose of helping our clients grow in a sustainable way.

Diversification

During 2019 we have continued to make progress in our diversification process:

- ▶ Achieving consistent growth in the Americas, Europe and Asia, and consolidating our activity in Africa.
- ▶ Intensifying our activity in all regulated industries, maintaining our leadership in Finance, gaining market share in Energy and becoming increasingly active in Telecommunications and Other industries.
- ▶ Expanding our client portfolio.
- ▶ Updating our solutions offer:
 - Strategy
 - Sales and marketing management
 - Management & financial information
 - Risk management and control
 - Governance, organization and processes
 - New technologies

Geographical diversification¹



Americas

- ▶ USA leads growth (+20%)
- ▶ Sustained two-digit growth in Latin America, with Brazil, Peru and Chile exceeding 25%
- ▶ Presence in 10 countries in Central America, with the opening of our Quito office in Ecuador

Europe

- ▶ Strong activity in the Spanish market and opening of our La Coruña office
- ▶ UK and Germany remain at the lead
- ▶ Our United Kingdom and Germany offices consolidate their leadership
- ▶ Our offices in France, Italy, Switzerland, Poland and Portugal took off with growth above 50%
- ▶ Recurring activity in the Nordic countries and the Netherlands, with the opening of new offices in Oslo and Amsterdam
- ▶ Continued growth in the rest of Europe

Asia

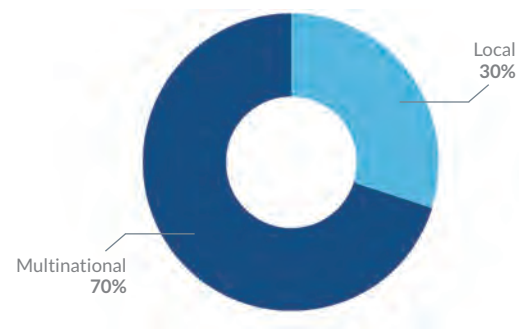
- ▶ Growth of our operations in Asia with our activity in Turkey and China continue to experience a strong momentum

Africa

- ▶ Increased presence and activity in Africa

¹measured in consulting hours

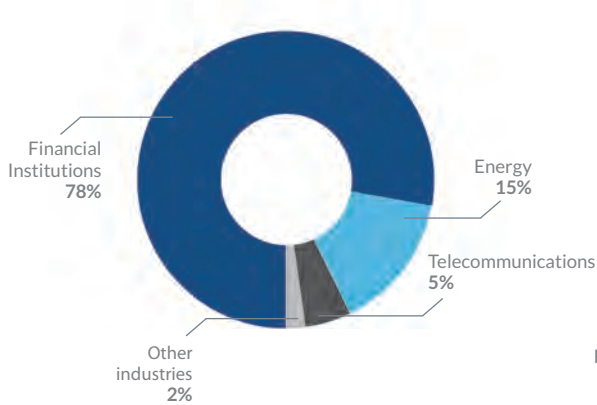
Client diversification¹



- ▶ Over 900 active clients
- ▶ More than 100 new clients:
 - across industries
 - across geographies
- ▶ Reinforced presence in leading clients:
 - global leaders
 - local leaders
- ▶ Stronger relationship with Regulators, Supervisors and International Organizations
- ▶ Reinforced relationship model with strategic suppliers

¹measured in consulting hours

Sector diversification¹



Finance

- ▶ Sustained growth (+5%) based on:
 - Greater specialization by business
 - Leadership in regulatory compliance (Basel III, TRIM, IFRS 9, Stress Test, etc.)
 - Leaders in Digital Transformation

Energy

- ▶ Strong growth of our operations (+35%) as a result of:
 - A broader client base
 - A broader service offering (based on digital transformation, artificial intelligence, agile, etc.)
 - Practice deployed in other countries (especially in the Americas)

Telecommunications

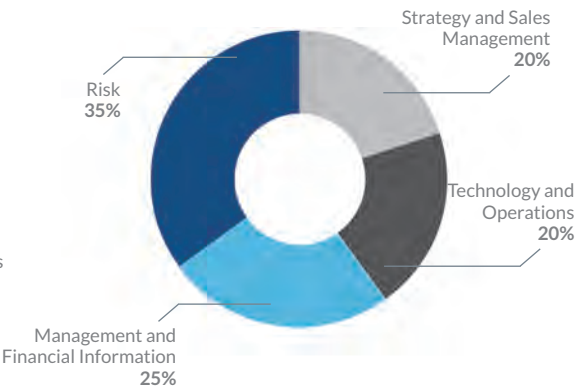
- ▶ Growth of operations (+6%) based on:
 - The addition of new clients
 - Wider range of services
 - Practice extended to other geographies

Other industries

- ▶ Increased activity in industries such as distribution, IT, aeronautics, manufacturing, services and education

¹measured in consulting hours

Diversification of solutions¹



- ▶ Over 1,800 projects (70% new) in all our core competencies:
 - New business models
 - Agile organizations
 - Process digitalization (customer experience, efficiency – RPA–)
 - Machine learning (artificial intelligence)
 - Data and model governance
 - Big Data and Blockchain architectures
 - Cybersecurity
 - Regulatory compliance (FRTB, NDD, IFRS 9/17, TRIM)

¹measured in consulting hours



“At Management Solutions we want to contribute to the sustainable growth of our clients in the digital age ”

The transformation in which we are immersed is taking place at a great speed, and is also a deep, global transformation.

In this context it is especially important to help our clients to generate value and to translate it into a sustainable growth, meaning, that which does not compromise future growth and even facilitates it.

This means we need to understand the new competitive dynamics in depth, properly identify the problems our clients face, provide innovative solutions and actively collaborate in the management of change.

All this with the firm purpose of helping them generate value through the transformation of their business models in a way that is sustainable over time.

Marcos Izena
Partner at Management Solutions

Growth and innovation

Profitable growth

Our high internal organic growth levels guarantee a career progression model far superior to that of our competitors.

R&D&i innovation

Investing in R&D&i and training are key differentiating elements in our value proposition to the market.

Human Resources Management

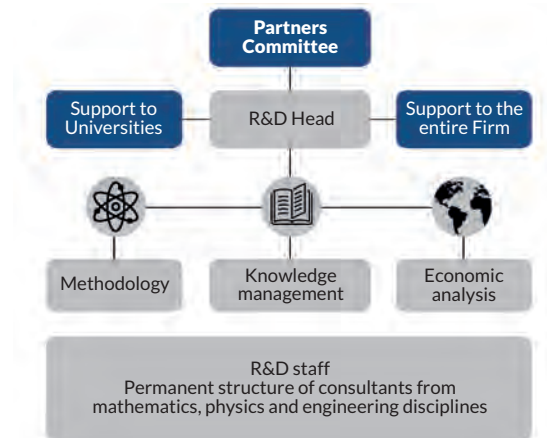
Our partnership model guarantees career progression that rewards individual merit for all our professionals.

Profitable growth



- ▶ Growth above 10%*
- ▶ Close to three million consulting hours
- ▶ Increasing share of our key markets
- ▶ Organic and diversified growth
 - All types of clients
 - All countries
 - All industries
 - All service lines
- ▶ Preserving profitability versus volume
- ▶ Proactively managing inventories, billing and accounts receivable
- ▶ Compliance with the Y20 strategic plan

R&D&i innovation



- ▶ Investment equivalent to 10% of the Firm's capacity
- ▶ Permanent structure composed of 50 professionals working in teams dealing with:
 - Methodology (Innovation)
 - Knowledge management (core competencies, regulations, benchmarks, publications, training, etc.)
 - Economic analysis
- ▶ Global coverage (all countries, industries and service lines)
- ▶ Regulatory hub in Frankfurt, seat of the ECB
- ▶ "Joint Ventures" with universities
- ▶ Global R&D Plan (more than 200 actions executed):
 - Methodology: creation of the iDanae Chair for Big Data and Analytics (UPM)
 - Development of prototypes (model generator)
 - Collaborations in Machine Learning and Deep Learning
 - Knowledge management:
 - Closely targeting of value propositions
 - Updated training plan (with a special focus on Big Data and Data Science)
 - Regulatory alerts service (through three channels: App, Web and Social Media)
 - Over 100 specialized publications (internal and external)
 - Economic analysis on 19 countries

* Exceeding annual revenue of €275 million

Human Resources Management

Annual percentage increase in number of employees



Training hours



- ▶ Growing from the base, with over 500 recruits and 250 internships during the fiscal year
 - ▶ Merit-based promotion throughout the entire pyramid:
 - Top management reinforcement (10 new partners and 17 new directors)
 - Greater managerial capacity (85 new managers and supervisors)
 - Organic growth in the senior layer
 - ▶ Global pyramid management ("one team")
 - ▶ Excellence in recruitment (over 200,000 candidates analyzed)
 - ▶ Strengthening of University and Postgraduate links:
 - Presence in more than 350 European, American and Asian faculties
 - Over 250 collaboration agreements
 - Provision of training in several of the most prestigious universities in Europe and the Americas
 - ▶ Ongoing assessment process (with enhancement of management assessment programs)
 - ▶ Biannual mentoring program (aimed at aligning professionals' needs with the opportunities offered by the Firm)
- ▶ Emphasis on training:
 - Over 250,000 hours invested in training
 - Over 575 courses taught (80 new)
 - Continuously updated training plan:
 - Sixth intake of students for the Management Solutions – ICADE Business School Master's degree in Business Consulting in Spain
 - Third intake of students for the Monterrey Tech Diploma in Mexico
 - Advanced training program in partnership with INSPER in Brazil
 - New contents: Agile, Big Data, Data Science, etc.
 - External complement: focusing on the management team (CFA, FRM, PMP, CISA, ICAI-IC, etc.)

In 2019 we again exceeded the qualitative and quantitative objectives we set for ourselves

Communication and organizational flexibility

Communication

- ▶ Promoting the Management Solutions brand to our stakeholders.
- ▶ Sharing value-added content (specialized publications, regulatory analysis, economic outlook reports, etc.).
- ▶ Maintaining a presence in prestigious institutions for all our activity areas.
- ▶ Supporting the academic world through partnerships, internships and specialized courses.
- ▶ Acting as benefactors and sponsors in order to support culture, sports and the arts.
- ▶ Becoming involved with those most in need through community outreach initiatives within our scope of action.

Organizational flexibility

A fluid and continually adapting of organizational structure oriented towards value creation allows us to adequately respond to our high growth levels.

Communication



- ▶ New content on our corporate website and social media channels (with our debut on Instagram)
- ▶ Further specialist publications:
 - Publication of white paper "From Agile projects to Agile organizations"
 - Quarterly situational reports (64 reports)
 - Technical Notes and Regulatory Developments
- ▶ Enhanced presence in professional and supervisory forums
- ▶ More Social Action, patronage and sponsorship:
 - More than 40 community support activities organized by Management Solutions: Solidarity Summer, Solidarity Cinema, Solidarity Christmas, Charity race, blood donations, IT equipment donations, corporate volunteering, participation in charity sports events, etc.
- ▶ Partnerships with NGO's and foundations
- ▶ Joined the United Nations Global Compact
- ▶ More support to our Sports Clubs in in all our offices:
 - Over 1,000 participants in internal and external sports tournaments
 - Organization of new sports events: Charity race, MS golf tournament, seven-a-side soccer and paddle marathons, etc.

Organizational flexibility



- ▶ Enhanced internal corporate departments and functions:
 - Reinforced our corporate departments' international structure (HR IT, Compliance)
 - Stronger financial/tax management and control
 - Implemented IT transformation plan:
 - Platform migration (W10)
 - HR and Finance process digitalization
 - Information analysis using Big Data technology
 - Opening of new offices in La Coruña, Ámsterdam, Oslo and Quito, and expansion of our Madrid and Ciudad de México offices
- ▶ Global control function (Internal Audit, Quality Plan and Compliance):
 - Internal Audit and QA reports (yearly, half-yearly, quarterly and monthly)
 - External Audit of Financial Statements (consolidated and individual)
 - External certification on Processes (ISO 9001)
 - External certification on Cybersecurity (ISO 27001)
 - External certification on Criminal Compliance regarding crime prevention (UNE19601)
 - Ongoing staff training on corporate policies



“We have again exceeded all the goals we set for the year”

We try to do what we do best: serve our clients with excellence.

Once again, this year our results has been excellent, with growth above 10%.

The credit for this success undoubtedly goes to the extraordinary team of professionals that make up Management Solutions.

This includes a talented, multicultural (compromising more than 40 nationalities), young, well-trained, ethical, responsible,

and committed team with strong analytical and business profiles for the industries which they serve.

As our motto dictates, we have made things happen!

Ignacio Layo
Partner at Management Solutions



Teatro Real of Madrid, venue of our Yearly Meeting 2019

Committed to our clients

Consistently exceeding the expectations of our clients is instrumental to building our leadership position in the business consulting industry.



>900

global and
local clients



100

of which
are new



>40

countries in
which we operate





Client focus

The client is the reason we are in business and is our main management priority

Our success is due to our clear focus on the client, with whom we work closely with and whose expectations we strive to exceed in order to become a trusted partner. We implement a client relationship model that allows us to know each client's specific needs and to be in a position to offer each client a differentiated value proposition.

Management Solutions provides value-added services that stand out for the durability of results and practicality of implementation.

Client diversification

Management Solutions pursues sustained growth supported by client diversification, seeking a balance between large multinationals and national leaders. At year end, Management Solutions had over 900 active clients (100 of them acquired in 2019), grouped into three major segments: multinationals of American or European origin, local entities, and national or regional confederations, which are all leading organizations in their respective markets.

In addition, Management Solutions has continued to strengthen links with regulators (central banks, international organizations, national regulators and supervisors, etc.) in the main industries in which we operate.

Global model

Management Solutions has a strong presence in local markets, but always under the umbrella of global corporate policies. The whole Management Solutions group operates as a single unit rather than an association of local firms under one brand.

Acting and feeling as part of a team, sharing the Firm's mission, goals, culture and values, are essential to successfully meet our clients' transformation processes and strategic challenges, wherever they arise.



As a professional services firm, our mission is to develop solutions that help our clients to fulfill their objectives as effectively as possible. We are firmly committed to offering services of the utmost quality, as this is the underlying motive of all our actions and the driving force behind our growth.

For this reason, all of our internal processes are subject to strict quality rules in the belief that, with the support of our highly conscientious professionals, they will facilitate the achievement of this fundamental aim. This level of quality is based on the expertise of our professionals, for whom there are ongoing training and refresher plans, and on the direct and active participation of more experienced staff on each project.

Quality control methodology

The main aim of our quality system is to guarantee that every job meets the levels of quality, value and service expected by the client. Accordingly, as a minimum, we must ensure that:

- ▶ There is coherence and consistency between the job to be done and the final product, both being clearly documented.
- ▶ The necessary knowledge and experience have been applied.
- ▶ The specified work has been competently carried out and correctly documented.
- ▶ The final products satisfy the specific requirements and are produced within the agreed upon time frame.

Each project is broken down into different activity stages or groups of activities.

The activities to be performed, their order and required techniques are detailed for each project stage while the resulting deliverables and roles involved in their production are also specified.

We perform quality control from beginning to end on all projects in order to guarantee quality levels both internally and externally (services provided to clients).

Management Solutions has a Quality and Internal Audit Area whose aim is to strengthen the Firm's control framework and to ensure it complies with regulatory requirements (certifications, audits, etc.).

This area is global in scope and covers functions related to business activities as well as provides support to our professionals across the Firm's units. They are responsible for the following:

- ▶ Corporate policies.
- ▶ Quality (certifications from quality assurance agencies, Quality Assurance process, etc.).
- ▶ Criminal risk management and proposal contract clauses.
- ▶ Internal audit.

ISO 9001 quality certification

The Spanish Association for Standardization and Certification (AENOR) acknowledges that Management Solutions' management system is compliant with the ISO 9001 standard for business consulting activities and related technologies.

UNE-EN ISO 9001 certification shows that the management system implemented in the Firm meets the highest quality standards, ensuring resource availability, process control and continuous improvement in the provision of services.

Providing top quality service is at the core of our business

Quality Control Methodology

Activities

- ▶ Project scope review
- ▶ Definition of review milestones
- ▶ Design review
- ▶ Intermediate review
- ▶ Final review
- ▶ Project file

Deliverables

- ▶ Review plan
- ▶ Review reports
- ▶ Design/intermediate review reports (for internal use)
- ▶ Final analysis
- ▶ Final report
 - Proposal accepted by quality control
 - Document of acceptance from client
 - Authorized quality control documents
 - Finance and billing structure
 - Project plan with assigned responsibilities for each task
 - List of deliverables
 - Client satisfaction survey

Commitment to the industry

We share the expert knowledge generated by the Firm

In addition to conducting specific conferences on relevant topics of interest related to the Firm's areas of operation, we have an ongoing schedule of external knowledge sharing activities, some of the most significant being our publications and our presence in professional forums.

Publication of studies and industry reports

From Agile Delivery, to an Agile Organization

This white paper released by Management Solutions in 2019 provides insight into the main implications and challenges faced by organizations that adopt Agile methodologies.

"The only constant is change". The concept embodied in this phrase, credited to the Greek philosopher Heraclitus, has been particularly prevalent to many organizations' strategy of creating an adaptable business model, i.e. a model that allows businesses to adapt to ever-changing circumstances and stay

ahead of the competition. In the context of large organizations, this adaptability has generally been determined by their ability to change: change strategy, change processes, change products, etc.

While the principle of constant change has been generally accepted since the aforementioned phrase was first coined some 2.5 thousand years ago, over the past century the increased prevalence of another concept has been witnessed which, even though not novel, had remained fairly unexplored in the past. This is the idea that the pace of change also needs to be factored in. It is widely recognised that the rate at which variables change in today's world is both unprecedented and continuously increasing (accelerated change). As such, it is not only the ability of organizations to change that comes into question, but also the extent to which they can do so at a fast-enough pace.

Large organizations have traditionally employed various methodologies in order to deliver change, mostly involving a series of sequential steps (from ideation to delivery), performed by different teams. However, the previously mentioned pace of change is encouraging organizations to explore alternative methodologies, where change delivery is broken down into smaller components and managed by multifunctional teams.

Many factors have led organizations to seek a new way of working in order to keep up with today's accelerated pace of change, brought about by phenomena such as the exponential increase in connectivity, the global spread of mobiles, the widespread adoption of social networks, etc.

The need of organizations to increase the pace at which they deliver change is multifaceted, and are evident by multiple occurrences on a global scale, such as the rapidly changing economic environment, technological advances that are disrupting entire industries, and increased political uncertainty.



The main factors underlying this trend include:

Emergence of disruptive technologies

Innovation and speed to market are two of the key requirements to capture and retain clients. New technologies such as Data Analytics, Artificial Intelligence and the Internet of Things are enabling companies to develop state-of-the-art products and services, bring them to the market before their peers, and learn from their errors when they fail. Organizations that embrace digitalization are building resilient and flexible processes that enable them to quickly reallocate critical resources to adapt to the evolving needs of the customers. This trend goes beyond IT businesses, as more and more companies across all industries are introducing these new technologies into their operating models. In addition, the emergence of digital leaders such as Google, Apple and Amazon, or new digitally native business models such as Spotify and Uber, has reshaped customer relationships and customer expectations around quality of product, quality of service and accessibility, enabling these companies to achieve better results while being more efficient, and increasing market share.

Increased political uncertainty

The recent financial crisis, in addition to some other circumstances, have disrupted the global political framework. The rise of national extremism, coupled with various political events such as the planned exit of the UK from the European Union, have impacted international trade, while at the same time, increased overall uncertainty over the future state of global business. As a result, organizations are decreasingly able to plan for the long run.

Changed competitive landscape

The global competitive environment is rapidly changing. Fueled by factors such as globalization, easier access to information, and low barriers to entry, new disruptive competitors are emerging at a fast pace. Such organizations can use digital technologies to reach a wide audience quickly, and at the same time, rapidly deploy new products and solutions. As such, large, established organizations, often burdened with a complexity that comes with decades of

operation, need to be able to adapt and become flexible in order to keep up with the new competitive forces. This is evidenced by the continued growth of the global start-up revolution. Global venture capital funding is booming, with over \$140 billion invested and creating value at global level estimated to be \$2.3 trillion during the period 2015-2017 (a 25.6% increase from previous years).

In the financial services industry, for instance, GAFA (Google, Apple, Facebook and Amazon) & FinTechs have shaken the confidence of leading institutions, right after the major setback suffered due to the financial crisis and the regulatory wave that followed it. Global investment in FinTechs increased steadily between 2014 and 2017 and accelerated in the first half of 2018.

The fact that these new digital-born competitors do not suffer the constraints that traditional major entities have, such as out-of-date legacy platforms and tighter regulations, has enabled an exponential growth of their influence and market share; their long-term potential is even greater.

Shift to customer focus culture

Customers' expectations and behaviors are evolving far faster than most companies can address them. Expectations have become much more unpredictable than they used to be, stimulated by increased access to information through channels such as social media and the internet. This has in turn increased customers' expectations of their service providers and limited their tolerance to unfair outcomes. At the same time, increased competition and lower costs for switching providers have amplified customers' bargaining power, making it more difficult for companies to develop and retain a loyal customer base.

As a result, top organizations have shifted their focus in order to try to meet the changing needs of their clients, placing the customer at the center of their processes and strategies. Companies need to become flexible, adaptive and receptive to change to succeed in an environment with ever-changing demands.

Increasing relevance of data

The amount and quality of information that organizations are able to gather regarding their customers, products and markets is also changing at a fast pace. The rate of change in information creation is best demonstrated by the amount of data created: 90% of worldwide data was generated in the past 2 years. There are 2.5 quintillion bytes of data created each day at our current pace, and that pace is only accelerating with the growth of the Internet of Things (IoT).

Increased availability of information, coupled with advanced techniques that can be used to analyse it, have led to data becoming a core strategic asset in successful organizations. A successful exploitation of this asset can drastically improve the service provided to the client, reveal ways to make processes more cost-efficient, and enable senior management to make better informed business decisions.

The accelerated pace of change has curtailed organizations' capacity to anticipate the future and make long-term bets. This has resulted in shorter strategic cycles, where companies define their strategy for the next 2-3 years, as opposed to 5-10 years. As such, organizations are required not only to change their strategy, operations and culture, but also to accelerate and transform the way they deliver new products, services, processes and software.

Organizations need to quickly adapt to changes in the market and the behavior of customers, owning the latest innovations is not enough. Being capable of quickly designing and building minimally viable products, test them with the clients, refine them in rapid iterations, and finally select the one that meets the customer's and the business's expectations, is a key element for success in the current environment. In short, organizations need to become agile. This concern seems to be shared across most industries. More than 500 senior executives from around the world were interviewed in 2018, and 92% of them said they believe organizational agility is critical to business success.

Commitment to the industry

Within this context, the present study aims at providing insight into the present and future of Agile organizations. The document is structured in three sections, which correspond to three objectives:

- ▶ Outlining the journey from traditional delivery techniques to an Agile way of working.
- ▶ Reviewing the implications and challenges for organizations in adopting Agile methodologies.
- ▶ Analyzing some misconceptions and lessons learned through practical implementation experience, and providing an overview for the upcoming future of Agile methodologies.

Macroeconomic outlook reports

Management Solutions continuously monitors developments related to the key macroeconomic indicators for the economies in which the Firm operates so that the Firm can draw conclusions on expected developments for the future..

This monitoring activity is reflected in our quarterly “Macroeconomic Outlook Report”, a document that also provides insight into the key indicators affecting the industries in which Financial Institutions operate (Banking and Insurance), and the Energy and Telecommunications industries.

Regulatory notes

As a firm providing professional consulting services for regulated industries, Management Solutions specifically monitors the regulatory environment affecting the industries in which it operates. On a weekly and quarterly basis, the Firm tracks major regulatory developments in the industries to which it provides advice, and compiles technical notes on regulatory developments that will have the greatest impact on those industries. Regulatory notes seek to summarize the rule, put it into context and explain some of its potential impacts.

During 2019, Management Solutions prepared more than 10 technical briefs on the most relevant regulations published by leading authorities.

FinRegAlerts, Management Solutions’ financial regulatory alerts app



Since 2018, Management Solutions’ financial regulatory alerts service was renewed through the launch of FinRegAlerts, an app for mobile devices developed by Management Solutions to monitor financial regulatory alerts issued by international, European and local regulators (United States, United Kingdom or Spain).

FinRegAlerts currently includes access to the following contents:

- ▶ **Publication alerts:** summaries of documents published by international regulators (BCBS, FSB, etc.) and European regulators (European Commission, ECB, EBA, etc.), as well as summaries of documents published at local level (United States, United Kingdom or Spain).
- ▶ **Quarterly and yearly regulatory outlooks:** reports that collect publication alerts and anticipate key regulatory changes.
- ▶ **Technical notes:** summaries containing details of regulations that have a major impact on or hold the greatest interest for the financial industry.

The App is available for free download from major application stores.

Organization and participation in specialized conferences and seminars

InspirAltion Day, Spain

Management Solutions was a sponsor and participated as a speaker at the InspirAltion Day Congress, organized by SAS in Madrid and attended by representatives of organization from different industries.

The event, the largest on Artificial Intelligence and Innovation held in Spain and in which Management Solutions was the main sponsor, was organized with the aim of sharing the key current and future issues in IT development that already have an impact on people and organizations.

The conference featured more than 30 speakers and discussion panels divided into two broad areas: Inspiration for Business (I4BIZ) and Bootcamp Inspiration for Data Scientists (I4DS), which dealt with real cases of application of Artificial Intelligence, Machine Learning and Computer Vision in business, without losing sight of the human side of technology.

Management Solutions' presentation was entitled "Graph theory applied to the assessment of default in companies" and shared with the audience Management Solutions' experience in Machine Learning (subject matter of a white paper published by Management Solutions) as well as current trends in default modeling.

The Spanish CDO Club

Management Solutions sponsored and participated as a speaker in the event entitled "Security and self-service: new challenges in the age of data democratization", organized by the Spanish CDO Club. The firm demonstrated its experience and knowledge of the enterprise use of owning data, presented a cross-industry benchmark and moderated a debate.

The Spanish CDO Club is a forum in which more than 50 Chief Data Officers and data managers from major Spanish companies in the financial, insurance, energy, telecommunications, tourism and retail industries participate in.

We implement an ongoing program of outreach activities and participation in specialized forums



The Spanish CDO Club

Commitment to the industry

IFRS 17 Practical Applications course, Spain

For the second consecutive year, Management Solutions participated in the teaching of a course about the main implications of the new IFRS 17 accounting standards for insurance companies, that was organized by the College of Actuaries of Catalonia (CAC).

The conference, which was attended by more than 30 representatives from different insurers, looked into the quantitative impacts of the new principles on insurance companies' financial statements under the different contract valuation methodologies proposed, which are expected to take effect in 2022, and the substantial impacts of these principles on different areas within insurance companies.

IX annual "Challenges for the Immediate Future" seminar, Spain

Management Solutions participated as a speaker at the IX annual "Challenges for the Immediate Future" seminar organized in Madrid by the Centro de Cooperación Interbancaria - CCI (Center for Bank Cooperation), which is composed of 130 entities (banks, savings banks, rural savings banks and other deposit institutions).

On this occasion, the Observatory - held at the Bank of Spain's conference hall - took place in two parts: one dedicated to the global payments situation, and another focused on the new tools and services that are evolving in traditional banking. The presentations focused on the future of cash, innovation in payments and new tools (blockchain) applied to payments, as well as data management, outsourcing to the cloud and AI applied to processes.

Management Solutions' presentation shared with those present the Firm's experience in the management of IT risks within the cloud outsourcing lifecycle.

Cycle of Conferences on New Technologies and their Economic and Social Impact, Spain

Management Solutions participated in the Cycle of Conferences on New Technologies and their Economic and Social Impact, organized by the Foundation for Applied Economics (Fedea) and the Circle of Entrepreneurs of Spain with the aim of showing the degree of implementation of Artificial Intelligence in Spain as well as its uses and potential development paths.

Management Solutions had the opportunity to share its knowledge of digital transformation in the business field while also participating in the discussion panel on Artificial Intelligence and its uses in different productive sectors.

European Energy Trading CIO Forum, Spain

Management Solutions participated for the second time in the European Energy Trading CIO Forum by conducting an analysis among conference participants regarding innovation trends in the energy trading service and support model.

The CIO Forum is an initiative born to help boost IT innovation and efficiency in highly specialized sectors such as energy trading, and to facilitate the adoption of technology that allows trading activities to be carried out within the new regulatory requirements. The event brought together CIOs from some of the most important energy trading players at European level (including companies in the Oil & Gas sector - BP, REPSOL, Shell, Equinor and Petroineos, as well as Utilities -



INTEGRA, a transformation experience, Spain

Endesa, Iberdrola, RWE, E.ON, Uniper, Engie, EDF, Vattenfall, Statkraft and Axpo).

The analysis carried out by Management Solutions, which was presented at the Endesa facilities in Madrid, revealed key innovation trends in the service and support models trading activities. The results obtained were of prime interest to the participants and revealed the most significant challenges facing energy companies related to capturing value from innovation in service and support models.

INTEGRA, a transformation experience, Spain

Management Solutions participates as a speaker in the event "INTEGRA, a transformation experience" that was held in the Campus building that Red Eléctrica de España (REE) has in Tres Cantos (Madrid) and attended by employees of REE Group and representatives of other guest companies, mainly from the electricity sector.

Apart from participating in the opening discussion panel featuring REE's General Manager for Transportation Ms. Eva Pagán and Information Technology Director Ms. Ana María Anca de Ramos in addition to representatives of other guest companies, Management Solutions gave a presentation on risk management in electrical infrastructures together with Ms. Eva Rodicio, Risk Control Department Head at REE.

Climate Change Econometrics and Fisheries - Natural Resources, Spain

Management Solutions sponsored the "Climate Change Econometrics and Fisheries - Natural Resource" conference organized by Universidad Pontificia Comillas ICAI-ICADE, which brought together academics from different fields of expertise, representatives from the business world and regulatory authorities with the aim of providing answers to

current issues relating to the scarcity of resources and to global warming.

The conference dealt with topics relating to the Sustainable Development Goals (SDGs 14, 15, 16) promoted by the United Nations and brought together several experts on the subject, such as Mr. Christopher L. Gilbert (SAIS Bologna Center, Johns Hopkins University) or Mr. Eduardo Schwartz (Distinguished Research Professor at UCLA and Ryan Beedie Chair in Finance SFU), in addition to renowned professors in the area of resources and econometrics such as Ms. María José Gutiérrez (UPV-EHU University of the Basque Country), who reviewed the consequences of shortages in some natural resources for economic sectors such as fishing and mining.

Model Risk Management in Banking, United Kingdom

Management Solutions sponsored and participated as a speaker in a Model Risk Management in Banking conference organized in London with the aim of sharing key trends in model risk management and assessing the effectiveness that both Artificial Intelligence and Machine Learning can add to model management.

The event, of which Management Solutions was the main sponsor of, was attended by representatives from institutions such as the Bank of England, Santander, Société Générale, Bank of America, HSBC, UBS and Barclays, among others.

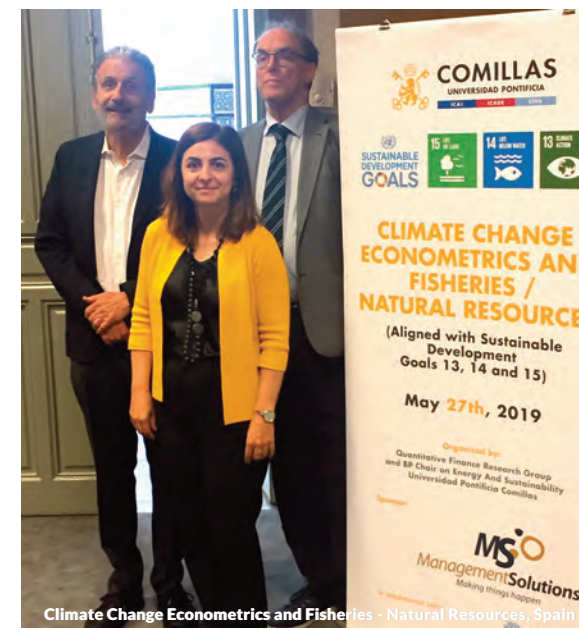
Management Solutions' presentation, "Model risk: Myths debunked and burning trends", shared the Firm's experience in MRM (subject matter of a white paper published by Management Solutions) as well as current trends in model risk management.

Risk.net Model Risk Management conference, United Kingdom

Management Solutions participated as a speaker at a two-day training conference on Model Risk Management (MRM) organized in London by Risk.net and attended by representatives from the main local and international financial institutions with a presence there.

During the conference, which brought together the industry's main leaders in the area of risk management and was attended by representatives from financial institutions such as HSBC, DekaBank, Barclays and Bank of England, attendees had the opportunity to discuss key issues for the industry and share their views on model risk management applied to ALM, IRB, IFRS 9, CECL and other models.

Management Solutions' presentation, co-delivered by Mr. Javier Calvo and Mr. Diederick Potgieter (from the PRA/Bank of



Climate Change Econometrics and Fisheries - Natural Resources, Spain

Commitment to the industry



England, author of UK regulations on model risk), was titled "Building a risk management model framework" and reviewed the current MRM regulation in the United Kingdom and its future outlook. It provided a detailed view of the components in a model risk management framework: organization, governance, policies and procedures, inventory, data and MRM tools.

Risk.net Model Risk Management conference, Germany

Management Solutions participated as a speaker at a two-day training conference on Model Risk Management (MRM) organized in Frankfurt by Risk.net and attended by representatives from the main local and international financial institutions with a presence in Germany.

During the conference, which brought together the industry's main leaders in the area of risk management and was attended by representatives from financial institutions such as



DekaBank, DZ Bank AG, Rabobank, Sberbank, attendees had the opportunity to discuss key issues for the industry and to share their views on model risk management applied to IRB, IFRS 9, CECL and other models.

Management Solutions' presentation was entitled "Building a risk management model framework" and reviewed the current MRM regulation and its future outlook, providing a detailed view of the components in a model risk management framework: organization, governance, policies and procedures, inventory, data and MRM tools.

"Model risk management and model validation in banks" seminar, Germany

Management Solutions participated again in a model risk event that brought together the heads of the modeling, validation and audit departments from some of the leading German and International banks present in Germany.

The seminar, entitled "Model risk management and model validation in banks", brought together the heads of the modeling, validation and audit departments from some of the leading local financial institutions and International banks present in Germany, who met to exchange the latest trends and tips about dealing with model risk in their day-to-day operations.

Management Solutions' presentation, analyzed the components that should be in place when building a solid Model Risk management framework while providing advice about regulatory expectations and industry best practices regarding the required governance set-up, as well as information on more specific topics such as the evaluation of model risk in a tiering system.

Risques de Modèle, Mythes et tendances, France

Management Solutions sponsored and participated as a speaker in the "Risques de Modèle, Mythes et tendances" conference organized by Revue Banque in Paris, attended by representatives from international financial institutions.

The event, of which Management Solutions was the main sponsor, was organized with the aim of sharing key trends in model risk management and assessing the effectiveness that both Artificial Intelligence and Machine Learning can add to model management. The conference, moderated by Management Solutions, was attended by representatives from institutions such as Banque de France, Société Générale, BNP Paribas and ABN Amro.

Management Solutions' presentation entitled "Model risk: Myths debunked and burning trends", aimed to share the Firm's experience in MRM (subject matter of a whitepaper published by Management Solutions) as well as current trends in model risk management.



Head of Non-Financial Risks for the Group), together with other Bank executives.

Management Solutions' presentation (*A importância da integração do Risco Operacional na gestão num contexto de mudança*) was aimed at increasing attendees' awareness about how the accelerating and deep changes affecting the financial industry today are impacting the operational risk profile of financial institutions, and discussing how Operational Risk can be integrated in the bank's management processes as well as in day to day activities.

Model Risk Management: Risk, Pricing and other modeling types, Sweden

Management Solutions participated as a speaker in the seminar "Model Risk Management: Risk, Pricing and other modeling types" organized by Risk.net in Stockholm and attended by representatives from some major Nordic and international financial institutions.

The event aimed to share the key trends on model risk, review the main regulatory guidelines and the governance that goes with MRM, and provide an overview of how to build a model risk framework for both pricing and other types of models such as retail banking. The seminar was attended by representatives from entities such as Danske Bank, Nordea, Swedbank, the European Investment Bank and Lloyds, among others.

Management Solutions' presentation was entitled "Building a model risk management framework", and shared with those present the Firm's experience in MRM (subject area of a whitepaper published by Management Solutions) and the current trends in model risk management.

Risk Nordics 2019, Sweden

In addition to being one of the sponsoring firms, Management Solutions gave a presentation on Basel III

Conference on MRM in the financial industry, Francia

In 2019 Management Solutions continued to organize semiannual seminars on Model Risk Management for Société Générale within the framework of its MRM Group program. The seminars were aimed at showing key developments and future challenges in MRM, as well as conducting different work sessions to reach a consensus on key issues.

In addition to Management Solutions' presentations, the conference was attended by MRM experts from global financial institutions.

Adapting to the New Definition of Default, Poland

Management Solutions teamed up with the Association of Polish Banks (ZBP) to organize an event on adapting to the New Definition of Default which was attended by more than 50 financial institutions in the country.

The conference dealt with the challenges arising from the new regulatory framework, providing a very practical view that leveraged the experience acquired by the Firm from implementing these regulations in Polish financial institutions.

Annual meeting on Operational Risk, Portugal

Management Solutions participated as the only external speaker at the annual Operational Risk meeting organized by Santander Bank Portugal to raise awareness within their organization about the importance of managing this risk.

The meeting was attended by more than 200 employees of the Bank including managers and coordinators of the business and support areas (first line of defense) and, since it was promoted by the Risk Division, was also attended by Mr. Alfredo Fernández (CRO) and Mr. Andrea Pozzi (Global

Commitment to the industry

finalization and Basel IV impacts at Risk Nordics 2019, one of the most relevant industry events in the Nordic countries held in Stockholm.

The two-day event, which focused on key risk issues for banks in the Nordic region, brought together more than 50 risk management leaders from the region's largest institutions, as well as European and local regulators such as the EBA and the ECB.

Management Solutions' presentation was entitled "Basel III Finalization & Basel IV Impacts" and reviewed the key regulatory changes as well as the expected impact on the European industry.



Regulatory challenges and the role of the actuary, Chile

12th Annual Banking Credit Risk Management Summit, Austria

Management solutions sponsored and delivered a presentation at the 12th Annual Banking Credit Risk Management Summit in Vienna (Austria), attended by representatives from major local and international financial institutions with a presence in the country.

The conference brought together some of the industry's leading experts in risk management and was attended by representatives from institutions such as Unicredit, ING, Credit Suisse, Nordea, etc. Attendees had the opportunity to discuss key issues for the industry such as the challenges and implications of credit risk management, IFRS 9, the new regulation for AIRB models, how to define and develop an adequate risk appetite framework, the main challenges in stress testing, and major innovations associated with credit risk management digitization.

Management Solutions' presentation, delivered by Javier Calvo and entitled "Model risk: myths debunked and burning trends", reviewed the latest trends in model risk management, going beyond best practice in European and US banks and raising a discussion on issues still unresolved in relation to this subject, such as the management of the risk implied in the use of artificial intelligence models and the quantification of model risk.

Governing Big Data: Challenges and Key Factors to Success, United States

Management Solutions organized a discussion panel for Chief Data Officers (CDOs) in New York, attended by a number of professionals from top financial institutions.

Under the title "Big Data governance: Challenges and Key Factors to Success", attendees were able to discuss the challenges and keys to successfully implementing Data Governance strategies in Big Data environments, a critical issue for the industry given the exponential growth in the

sources, nature, volume and uses of the information utilized by financial institutions for strategic development.

The forum focused on the evolution of Big Data environments from a project (siloed) approach to a Data Lake integration approach, including the need to create an enterprise-wide harmonized logical data model that will ensure the information can be properly understood and updated so it can later be used to its full potential. Other issues discussed included Data Lake hosting approaches, the best approaches to install reporting layers in or on the Data Lakes, and alternatives to support business cases that will allow the CDO areas to obtain the significant investments required to build a data governance model in these environments.

IV International Congress on Risk Management in the Dominican Republic

Management Solutions participated in the IV International Congress on Integral Risk Management for the Banking Sector in the Dominican Republic, organized by the Banking Superintendence (SIB).

The conference, which aimed to analyze current financial system trends and their impact on the risk management of financial intermediation institutions under international best practices, brought together nearly 400 attendees, mainly members of Boards, Chair persons, Executives and risk managers in EIFs throughout the region.

Management Solutions' presentation, entitled "Trends in Model Risk Management", reviewed MRM regulations and their future development, addressing in detail the key elements for defining and implementing an integral MRM framework.

29º Congreso de la AMA, México

Management Solutions participated in the 29th AMA (Mexican Association of Actuaries) Congress held in Puerto



CDO Latam Summit, Peru

Vallarta and attended by more than 400 representatives of the actuarial, financial and risk areas of nearly 90 companies in the Mexican insurance sector.

The conference, titled "Growth with profitability and solvency within the framework of good governance", was attended by speakers from the CNSF (Mexico's National Commission of Insurance and Bail Bonds), international insurance companies present in Mexico and other local firms.

Management Solutions participated in the discussion panel "Impacts of Solvency II type regulations: from actuarial results to decision-making", which closed the conference that included different speakers who presented their experiences regarding the role of the actuary in the German, English, Spanish and Mexican markets within the context of Solvency II.



Model Risk Management: Risk, Pricing and other modelling types, Sweden

Informative breakfast about Solvency II, Colombia

Management Solutions organized in its Bogota office an informative breakfast about Solvency II with teams from 20 Colombian insurance companies.

On this occasion, Management Solutions shared its experience with the implications of adapting to Solvency II, a challenge for insurance companies with an impact on the areas of business, methodology, data, processes and systems.

Insurance Day, Peru

In addition to being one of the sponsoring companies, Management Solutions participated in the Insurance Day organized by the Peruvian Association of Insurance Companies (APESEG), attended by key representatives from the Peruvian insurance industry.

Under the title "Adopting change", the congress reviewed the overall changes that the insurance industry has been experiencing and the implications for the Latin American market, as well as the current situation and perspectives for the Peruvian insurance sector, with a focus on the opportunities arising from innovation and the use of emerging technologies in the industry.

Management Solutions participated in the seminar "Digital Health", which dealt with current trends, opportunities, and the challenges faced by the health insurance sector to adapt to new technologies.

CDO Latam Summit, Peru

Management Solutions participated in the "CDO Latam Summit" that was held in Lima. The event, which aimed

Commitment to the industry



9th International Congress on Risk Management, Brazil

to share new trends and technologies on data science that will be key in the future, brought together top company executives from a number of industries in the region, including the financial, energy and telecommunications sectors, among others.

In addition to being a sponsor, Management Solutions moderated a panel on "Culture: how to get the company to adopt and use data" in which Marco Bonilla, Global Executive Director of Advanced Analytics at BBVA, was the guest speaker.

Regulatory challenges and the role of the actuary, Chile

Management Solutions participated as a speaker at the first annual seminar on "Regulatory challenges and the role of the actuary" organized in Santiago de Chile by the Society of Actuaries of the United States (SOA), the world's most prestigious actuarial institution.

The event was held at the Pontifical Catholic University of Chile and attended by representatives from Chilean insurance companies. The seminar consisted of two sessions, one focused on the role of the actuary under a risk-based supervision model and on the implementation of IFRS 17, and another one that included two technical workshops, taught by SOA members, which dealt with Solvency II and IFRS 17 topics.

Management Solutions' presentations shared the Firm's experience in the industry, notably the implications of adapting to Solvency II and IFRS 17.

Basel III application to credit risk in Europe, Chile

Management Solutions participated in the presentations on the application of Basel III to credit risk in Europe, delivered to the Association of Banks and Financial Institutions of Chile (ABIF). Prior to the publication of a law that will govern the

implementation of Basel III in the Chilean market, Management Solutions had the opportunity to share its experience with applying the standard in Europe to representatives of the main Chilean financial institutions.

9th International Congress on Risk Management, Brazil

In addition to its role as a sponsor, Management Solutions participated, for the ninth consecutive year, as a speaker in the international congress on risk organized by FEBRABAN (Brazilian Federation of Banks), which was attended by representatives from regulators and major financial institutions from Brazil as well as other parts of the world.

The goal was to share the view of regulators, financial institutions and professional service providers on certain aspects relating to the latest risk management trends and challenges in financial institutions.

Management Solutions' presentation was entitled "IFRS 9: Integration in Management" and shared a framework of practical challenges based on the international experience that the Firm has in IFRS 9.

Finance 5.0 seminar organized by Banco Santander, Brasil

Management Solutions participated as a speaker at the "Finance 5.0" seminar organized by Banco Santander in São Paulo, attended by transformation leaders from the Bank's Finance Area.

The event, which brought together close to 350 guests from the areas of finance and technology, addressed key issues on how technology is impacting the Finance function and how it will affect processes and required roles in the future.

Management Solutions' presentation was titled "Technology and the challenges faced by the Finance function" and reviewed the challenges the Finance function needs to address

as a result of a changing environment marked by new business models, increasingly demanding regulators, the emergence of new risks and the development of new technologies.

Workshop on IFRS 9 and GDPR, Brazil

Management Solutions organized, in collaboration with ACREFI (Associação Nacional das Instituições de Crédito, Financiamento e Investimento), a workshop entitled “Regulatory Challenges: IFRS 9 and the General Data Protection Regulation (GDPR)” that was attended by representatives from regulators and the local and international financial institutions present in Brazil.

The workshop aimed to share key trends and challenges in both IFRS 9 and the Brazilian Data Protection Regulation (LGPD) approved in August 2018.

The workshop presentations, given by Management Solutions professionals with expertise in this area, shared the Firm's experience in IFRS 9 implementation at the international level, with particular emphasis on the challenges that this could pose for institutions present in Brazil, and examined the key operational impacts of the new General Data Protection Regulation on systems and processes on a strategic and governance level.



“Our deep sector knowledge helps to develop differential value propositions for our clients”

This specialization allows us to anticipate clear answers to key challenges for the different industries in which we work.

We are firmly committed to sharing our sector knowledge. This is why we have a selective presence in major industry forums in the countries where we operate, and publish specialized studies on relevant issues for each industry.

We also seek to transfer best practice between industries, identifying issues that are better resolved in one industry than in another. All of this is possible because we work for organizations that are leaders in their respective industries and geographies.

Javier Calvo
Partner at Management Solutions



Finance 5.0 seminar organized by Banco Santander, Brazil

Committed to our professionals

The human factor is essential at Management Solutions. Engaging our professionals is a primary objective for us. For this reason, we strive to provide the best professional environment for them to develop their talent.





One team

We strive to provide our professionals with the best environment to develop their talent

We are convinced that Management Solutions offers all its employees everything necessary for maximum professional development, such as working:

- ▶ in the industry's most relevant consulting projects,
- ▶ for major companies, leaders in their respective markets,
- ▶ next to top management at companies as they face national and international challenges,
- ▶ with an extraordinary team of professionals whose values and corporate culture are a reference in the industry,
- ▶ by following a clearly defined career plan and continuous training.

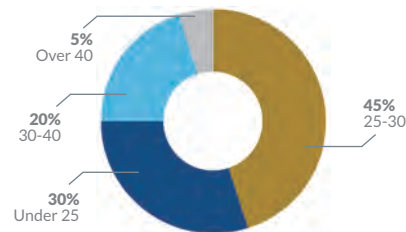
We are aware that both optimum professional development and achieving excellence in our projects require effort and sacrifice, two words that form an undeniable part of our corporate culture. In our experience, this effort is rewarded by our clients' recognition and by the achievements attained by our professionals as they gradually shape their career.

Aside from the rewards our professionals reap through this effort in the professional sphere, we devote special attention to facilitating the best working environment and supporting them in everything we can: training, IT resources, supporting documentation, accessible internal communication (Intranet), Human Resources policies (employee benefits, mentoring programs, international relocations, evaluations), medical services, etc.

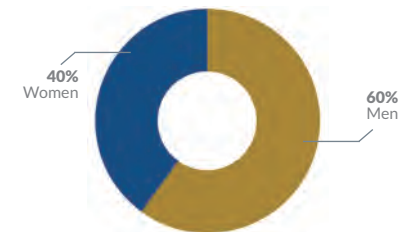


Distribution of workforce

By age



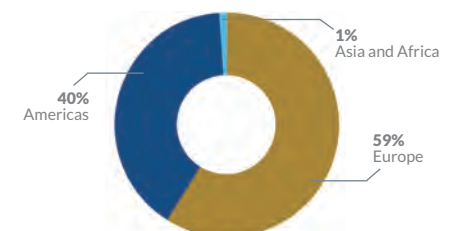
By gender



By profile



By nationality



Human Resources policies

Recruitment and selection

Onboarding new professionals and therefore creating jobs for young people is one of our goals. Recruiting the best talent is one of our greatest challenges. Our Human Resources team is always on the look for professionals who share our corporate values and fit the right profile: people with a solid academic history, who are dynamic, have a drive toward self-advancement, have endurance, maturity, responsibility and the ability to integrate themselves into cross-functional teams.

Recruitment is essentially carried out through the following channels: presentations and seminars at universities, job fairs, our corporate website, contacts with career services at key European and American universities and business schools and employment portals.

Our Human Resources team ensures that the selection process is transparent and fair, based on equal opportunities, objectivity and candidate confidentiality.

During the process, candidates have the opportunity to get to know the Firm, discover our values and become acquainted with our work methodology.

Mentoring program: the mentor's role

Our mentoring program, aimed at all professionals in the Firm up to Experienced Senior level, was created with the goal of listening and providing guidance to our professionals and helping us do our best to align their aspirations with the needs of the Firm.

Mentorship is performed by Partners, Directors, Managers and Supervisors, and its main function is to identify the concerns of professionals, advise them and become fully involved in their future career.

The scope of the mentoring program was expanded a few years ago to include future employees of the Firm (candidates

who have passed the selection process and received a letter of offer). All of them are assigned a mentor (Senior or Experienced Senior) whose mission is to guide them, answer any questions they may have, offer advice on project types and corporate culture and, thus, create a sense of belonging to facilitate their future onboarding.

Around 2,000 people participated in our mentorship program in 2019. Close to 400 members of our management team (Partners, Directors, Managers and Supervisors) acted as mentors to over 1,600 professionals in their first to sixth year, contributing to their professional development within the Firm.

The mentoring program forms part of our corporate policy, which is why it is applied on a global scale and uniform basis throughout all Management Solutions units.

Internal career advancement

Career development within the Firm is one of Management Solutions' basic pillars. Thus, a new graduate can progress quickly to become a qualified professional in highly sophisticated areas of business management.

This is possible mainly due to two factors: Management Solutions' professional career and hierarchical structure. The Firm guarantees a clearly defined career plan, where professional development depends only on own merit and proven results. This development is aided by our evaluation system, in which professional skills and possible areas for improvement are identified.

The evaluation process at Management Solutions is based on recognition of the each person's effort in the exercise of their professional responsibilities. Therefore, this process is key to assessing performance throughout the year, as well as identifying each consultant's professional skills and potential areas for improvement.

More than 200,000 résumés were received in 2019



Human Resources policies

The evaluation for managerial profiles differs from that for non-managers given the nature of their work and the responsibilities acquired. Consequently, the evaluation is conducted based on objectives that each manager defines and validates with the partner responsible at the beginning of each fiscal year.

The evaluation process is carried out in two phases throughout the fiscal year: the first, to ensure the correct understanding of the objectives set; the second, to evaluate overall performance during the year and determine the variable component and the promotion based on the degree to which objectives were achieved.

The evaluation is an excellent opportunity for improvement, for exchanging comments and views between the evaluatee and the evaluator and providing the correct guidance on the work to be carried out.

Management Solutions is a partnership, offering each professional the opportunity to become a partner of the Firm.

Employee benefits

Management Solutions' professionals receive a number of benefits in addition to their salaries. These benefits vary depending on the regulations in each country, the most common being:

- ▶ Health insurance.
- ▶ Accident insurance.
- ▶ Life insurance.
- ▶ Luncheon vouchers.
- ▶ Childcare vouchers.
- ▶ Special conditions with financial institutions.
- ▶ Sports and corporate wellness programs.
- ▶ Corporate agreements.

International assignments

Management Solutions' multinational activity is on the rise. This growth calls for increased travel between offices and, in some cases, relocation abroad. Work in other locations provides an opportunity for the Firm's professionals to acquire international experience while working in teams that are not only multidisciplinary but also multinational.

In all cases, particularly with regard to long-term postings, the goal of the Human Resources department is to make relocation as smooth as possible by taking the following into account:

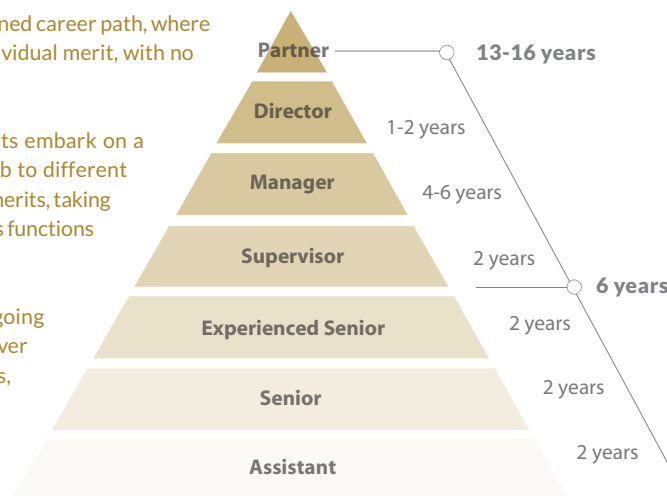
- ▶ The personal preferences of the professionals involved.
- ▶ Compensation and benefits (meals and accommodation, relocation bonus, flybacks, insurance and other benefits to facilitate relocation).
- ▶ Logistical support to relocate.
- ▶ Employment, tax advice and procedural formalities.

Career plan

Management Solutions guarantees a clearly defined career path, where career development depends exclusively on individual merit, with no limit to professional growth.

From the time they join the Firm, all consultants embark on a professional career during which they will climb to different levels of our corporate ladder according to their merits, taking on new responsibilities and leaving their previous functions to the upcoming consultants.

This annual promotion system supports ongoing development and ensures all professionals can, over time, and depending on their achievements, potentially become partners of the Firm.



Remuneration policy

Our Remuneration Policy reflects the distribution of fixed and variable pay for our professionals, as well as the different social benefits offered.

All professionals have a fixed pay component according to their profile and evaluation. For some profiles, this fixed component is supplemented with a variable pay component. Receiving the variable pay component will in any case be subject to each professional's evaluation, permanence in the Firm until the end of the fiscal year, and participation in the achievement of the Firm's objectives.

Equality Plan and Anti-discrimination Policy

Management Solutions' corporate culture establishes equal opportunities, without any form of discrimination, as one of its basic principles. For this reason, since its

inception, the Firm has implemented measures to promote equality, regardless of the provisions of the legal system in each of the countries where it operates.

In order to articulate all measures implemented and to ensure strict compliance, Management Solutions has an Equality Plan that establishes the Firm's policies on equal treatment and opportunities for men and women, designed to prevent any situation of professional discrimination, direct or indirect, especially on grounds of sex, access to employment, professional classification, training, promotion, remuneration, working time arrangements, as well as the reconciliation of work, personal and family life.

An Anti-Discrimination Policy was approved in 2016, which served to formalize principles already being applied by Management Solutions to avoid any type of discrimination in the Firm.

Also, Management Solutions, aware of the importance that work-life balance has for its professionals, has established some measures in order that all employees may have a satisfactory professional career, and to make sure that achieving a work-life balance does not prevent women from accessing jobs, or from being promoted later in their careers.

Among the measures aimed at helping employees reconcile their work and family life are reduced working hours, permits, leave, flexible working hours, summer work hours, etc.

In its commitment to equality, the Firm will continue to strengthen its policies in this area. In particular, through the following actions:

- ▶ Continue to disseminate and inform employees about existing measures within the Firm's work-life balance policy.
- ▶ Continue to promote the use of new technologies available to the company for meetings: videoconferencing, teleconferencing, wireless, etc.

Finally, Management Solutions' compensation policy makes no distinction between men and women. Our salary bands are exactly the same regardless of gender, based only on category and goal achievement.

Universal accessibility for people with disability

Management Solutions has an ongoing commitment to fight against any type of discrimination. In addition to complying with the regulations applicable in each country (e.g. in Spain, the law on integration of people with disabilities), this commitment is articulated through a number of actions:

- ▶ Collaboration agreements with different organizations (such as Down Madrid and Ilunion Viajes) with the aim of facilitating and promoting the social and job insertion of people with disabilities in ordinary work environments.

- ▶ Participation in the "Promentor" training program for the inclusion at work of young people with disability, launched by the Prodis Foundation.
- ▶ Participation in events promoted by third parties with the aim of achieving the integration of people with different disabilities.



Training

Management Solutions places special emphasis on training its professionals, investing more than 250,000 training hours in 2019

Management Solutions pays particular attention to training its professionals, spending more than 10% of capacity on this goal.

Our consultants join the firm with a wide variety of academic profiles. For this reason, professional life at Management Solutions begins with a training plan aimed at ensuring a strong common knowledge base that will prepare our people for the new challenges and responsibilities they will immediately assume.

In the first two years, training is provided through our Master's degree or Diploma programs in several offices, meaning that all professionals joining Management Solutions in these offices receive the Master's/Diploma in Business Consultancy, which is jointly provided by

Universidad Pontificia Comillas/Instituto Tecnológico de Monterrey and Management Solutions and, in the case of the Master's degree, comprises around 600 training hours over two years.

Both the Master's degree and the Diploma aim to provide the knowledge and skills needed to deliver excellent performance in the field of business consulting. This includes the following:

- ▶ Mastering the basic subjects essential for the performance of consultancy work, including economics, accounting, applied mathematics and statistics.
- ▶ Learning the regulatory framework, market trends and current situation of the financial, energy and telecommunications industries.



- ▶ Acquiring advanced expertise of the financial sector, its products, and the management of its risks and processes.
- ▶ Mastering the technological tools necessary for undertaking professional consultancy work, including office automation, statistical software and database design.
- ▶ Applying the skills and knowledge acquired in different contexts and using them to solve a wide range of problems.

Since 2016, the Management Solutions - ICADE Business School Master's degree in Business Consulting has included a specialization in Data Science targeted at technical and methodological profiles, which provides the necessary tools

to put data analysis at the center of the Firm's value proposition.

A Business Training Program was launched this year for senior professionals in our Brazil office in collaboration with the Insper Institute, one of the most prestigious higher education institutions in Latin America.

The contents of this program include commercial management and marketing focused on financial services, digital transformation and problem solving.

In addition to the initial training plan, Management Solutions' consultants have extensive training opportunities throughout their career, averaging 600 hours devoted to

training in the first two years, 100 hours at senior and experienced senior level and 40 hours from supervisor level onwards.

Through our training courses, designed for each professional category and seminars to develop specific capabilities, we aim to provide the best training opportunities to expand knowledge and develop skills.

For the purpose of advancing the knowledge areas most relevant to each region, and thus contributing to local business growth, Management Solutions offers regional courses as part of an overall training program comprising local, global and regional courses.

Graduation of the sixth Master's Degree in Business Consulting intake



ICADE's Main Hall held the Commencement Ceremony of the 6th Graduating Class of the Master's Degree in Business Consulting offered jointly by Management Solutions and ICADE Business School, which saw the graduation of 170 Management Solutions professionals.

The graduation ceremony was attended by the Master's sixth graduating class students, tutors and teachers in the Master's program, and friends and family who wanted to accompany students in their graduation. The event was hosted by Ms. Ana Soler (Vice-Rector for Institutional Relations and University Registrar at Comillas Pontifical University), Mr. Alfonso Serrano-Suñer (Chairman of Management Solutions), Mr. Jaime Pérez Renovales (General Secretary and Secretary of the Board and Head of Human Resources at Grupo Santander), Mr. Javier Márquez (Vice-Dean of the Economics and Business Studies Faculty at Comillas Pontifical University) and Mr. Tomás Curto (Director of the Master's program).

Before the graduates were handed their diplomas, attendees were addressed by Mr. Víctor Sánchez Pollo, who represented the students, Mr. Jaime Pérez Renovales, who acted as the honorary sponsor for this graduating class, and Mr. Alfonso Serrano-Suñer, who represented Management Solutions at the ceremony.

After the diplomas were presented, with a special mention to Mr. Víctor Sánchez Pollo, Ms. Irene Jubeto and Mr. Ander Barrutia who achieved the three best academic records, the ceremony was closed by Ms. Ana Soler.

Training

- ▶ Local courses. Courses designed for professionals in a particular office or unit and supported by the Human Resources team.
- ▶ Global courses. Courses designed for professionals within a specific category or across categories in all of Management Solutions' offices.
- ▶ Regional courses. Courses designed for all professionals within a particular region.

Specialized Knowledge courses

On-site courses involving an evaluation test are delivered by the Firm's Partners, Directors, Managers and Supervisors throughout the first years of the professional's career.

Specialized external courses

Specialized courses or seminars for professionals to update knowledge, obtain certifications or receive specialized training in a specific area, for a specific project or for R&D&i.

Skills courses

Courses aimed at developing the skills needed for professional practice (team management, leadership, development of lasting customer relationship models, etc.), mostly taught by leading outsourcers in the market, targeted at professionals from all our offices who have reached Senior level or above.

Language courses

Language courses - English, Portuguese, Italian, German, Spanish, etc., are offered depending on the specific needs of our professionals in each of the Firm's units. These can be group courses (for all professionals) or one-on-one private lessons (for Supervisors and above).

Online training platform

Management Solutions has an e-learning training portal that complements the online training section available on the corporate Intranet. The portal makes it easier for the Firm's professionals to follow Management Solutions' training plan, allowing them to access specific training materials

Training program in collaboration with Insper, Brazil

In 2019, Management Solutions launched a training program for senior professionals in our Brazil office, designed in collaboration with Insper.

Insper, a leading higher education and research institution in Brazil, has designed a training program targeted at senior professionals in our Brazil office that includes contents related to commercial management and marketing in financial services as well as digital transformation and problem resolution.

Around 30 Management Solutions professionals participated in the program's inaugural session held at the Insper headquarters in São Paulo. The program is a strong addition to the Firm's training plan.



Training program in collaboration with Insper, Brazil

(documentation, multimedia support, exercises and case studies) online.

Every year we review and update the Firm's global training plan, expanding it while adding new courses in order to provide greater uniformity and consistency among the different countries, as well as improving contents and adapting them to the new environments. In particular, during 2019 i) content was updated, ii) improvements were made in the group-wide alignment of the Firm's training plan, and iii) teaching methods were further improved.

Content update:

- ▶ Content relating to methodology, machine learning and new technologies was reinforced.
- ▶ Content relating to regulatory developments in risk management and accounting, proprietary tools, specialist

content and skills was incorporated into the training plan through the creation of new training hubs: Banking and Transactional Banking, Public Administrations and Servicing.

- ▶ Emphasis was made on training aimed at earning international certifications, including certifications in risk management and assessment (such as FRM, ERP and CFA), technology (CISA for systems auditing, CCA for Big Data, AI solutions and specialist vendor solutions), and certifications in project management (PMP) and Agile (PSM and PMI) were maintained.

Content alignment:

- ▶ There has been further alignment of courses taught in all units, in terms of subject matter, category and teaching hours.

- ▶ There have been more collaborations with universities around the world.

Improved teaching methods:

- ▶ The use of distance learning tools has been encouraged, with new online content.
- ▶ Physical presence has been reinforced for some courses considered to be particularly significant.

One-day Executive Seminar



A one-day training course for Management Solutions' senior executives was held on June 20 at the Teatro Real in Madrid (Spain).

After the opening address by Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions, a number of presentations were delivered by outstanding speakers that covered topics such as the current economic situation and the challenges faced by companies in the current context of digital transformation:

- ▶ Mr. Manfred Nolte, Professor at Deusto Business School.
- ▶ Mr. Roberto Maranca, Data Excellence Vice President Schneider Electric.
- ▶ Ms. Elena Gil, Global Director for Big Data at Telefonica and CEO at LUCA.
- ▶ Mr. Nicolás Oriol, Head of Digital Transformation at Bankinter.
- ▶ Mr. Juan García Cascales, Partner at Management Solutions.
- ▶ Mr. Manuel Ángel Guzmán, Head of R&D at Management Solutions.

Training

Management Solutions' training plan content

Currently our training courses are structured around 21 hubs, aligned to the Firm's areas of business.

Commercial strategy and management	Corporate strategy and business challenges, business management, digital marketing, etc.	Operational risk and internal control	Operational risk, SIRO, internal control methodology, etc.	Telecommunications	Telecommunications industry basics, regulation, etc.
Finance: accounting	Accounting, financial statement analysis, financial reporting, IFRSs, accounting process, etc.	Risks - Reporting	Regulatory and capital reporting, MIR and regulatory updates, etc.	Course on professional services for Public Administration	Professional services for Public Administration.
Finance: management control	Management control, information systems, transfer rates and costs, etc.	Other risks	Conduct, compliance, AML, Paladin, MRM and Gamma, etc.	Technology	Database design, Architectures, Big Data, NNTT, Digitalization, Technology Risk Assessment, Cloud, Blockchain.
Data Science	Applied mathematics, financial modeling, tools (SAS, R, Python), statistical models and Machine Learning sessions.	Skills	Interpersonal skills, code of conduct, ethics, training for managers, training for trainers, Moodle, etc.	Organization and processes	Organization and governance, Process transformation, Agile methods, project management, governance, wholesale/retail backoffice, etc.
Wholesales business	Financial markets, treasury, fixed and equity income, derivatives, project finance, etc.	Banking	Financial system, business analysis, banking business, etc.	AAMM and private banking	Asset management and private banking.
Credit risk	Regulation, capital and RORAC, risk management, provisions, ICAAP/ILAAP, stress test, pricing, risk appetite, etc.	Energy	Risk management in the energy industry, regulation, commodities, etc.	Servicing	Real estate and debt servicing.
Market risk and ALM	Market risk, counterparty risk, liquidity risk, ALM, structural risks, etc.	Insurance	Insurance sector and regulations, premium engines (Prophet and AFM), etc.	Transaction banking	Associated regulation (SEPA, PSD2, etc.), settlement and custody, transaction products, etc.

Other training components complement the technical content: certifications, languages, and skills courses.

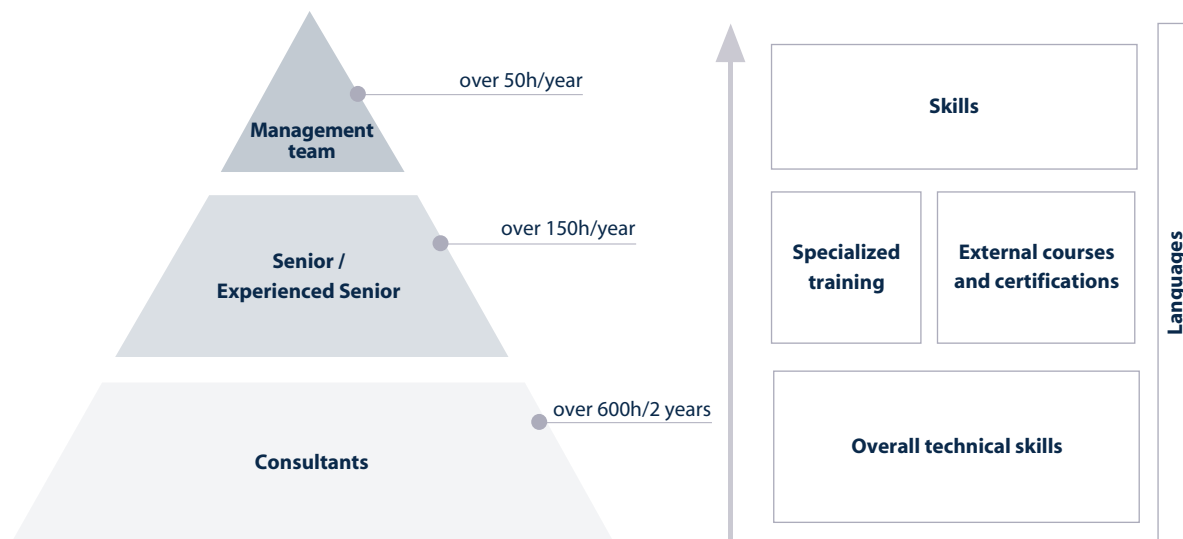
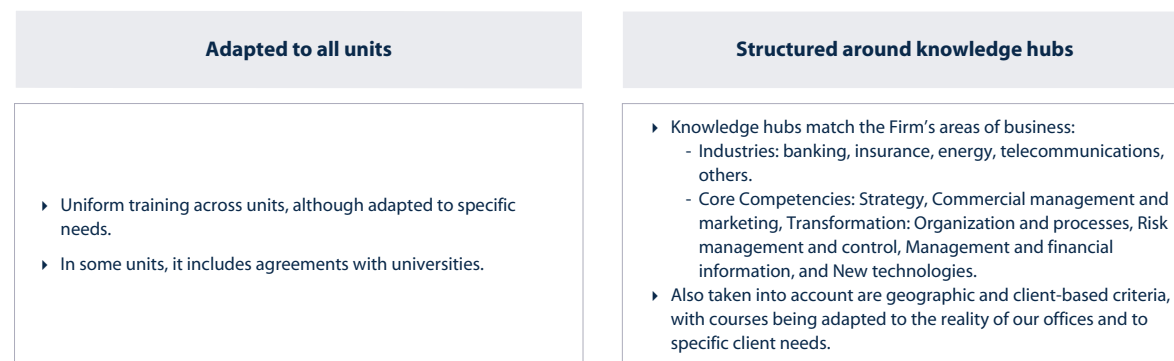
Certifications	<ul style="list-style-type: none"> ▶ Risks and valuation: FRM, ERP, CFA ▶ Systems audit: CISA ▶ Big Data: CCA ▶ AI: Azure, AWS, Google Cloud 	<ul style="list-style-type: none"> ▶ Solution: SOA, Prophet, Tableau ▶ Project management: PMP ▶ Agile: PSM, PMI
Languages	<ul style="list-style-type: none"> ▶ English, German, Portuguese, Italian, French, Spanish, etc. 	
E-learning	<ul style="list-style-type: none"> ▶ Skills: Code of Conduct and Criminal Risk, PRL ▶ Data science: Mathematical methods, modeling courses (classification models, stochastic processes and industry modeling), R and Python reinforcement, specific programming techniques ▶ Technology: Courses on Java, Cloud with AWS, Git, Cloudera, etc. 	

Our training plan's structure

Our training plan's structure, content and length are career-linked, with more than 250,000 training hours taught globally. It is also adapted to local needs and based around our areas of knowledge.

The contents cater to the needs of our consultants as they progress through their career, and includes technical, skills and language training.

The plan is structured around knowledge hubs associated with the Firm's areas of business:



“We strive to offer our professionals the best environment for their professional development”

The Firm implements a rigorous selection process that seeks excellent academic results combined with strong personal skills.

We offer a career plan based on merit and backed by organic and sustained growth. We closely monitor our employees' careers to help them develop the talent, knowledge and skills required to succeed in their profession.

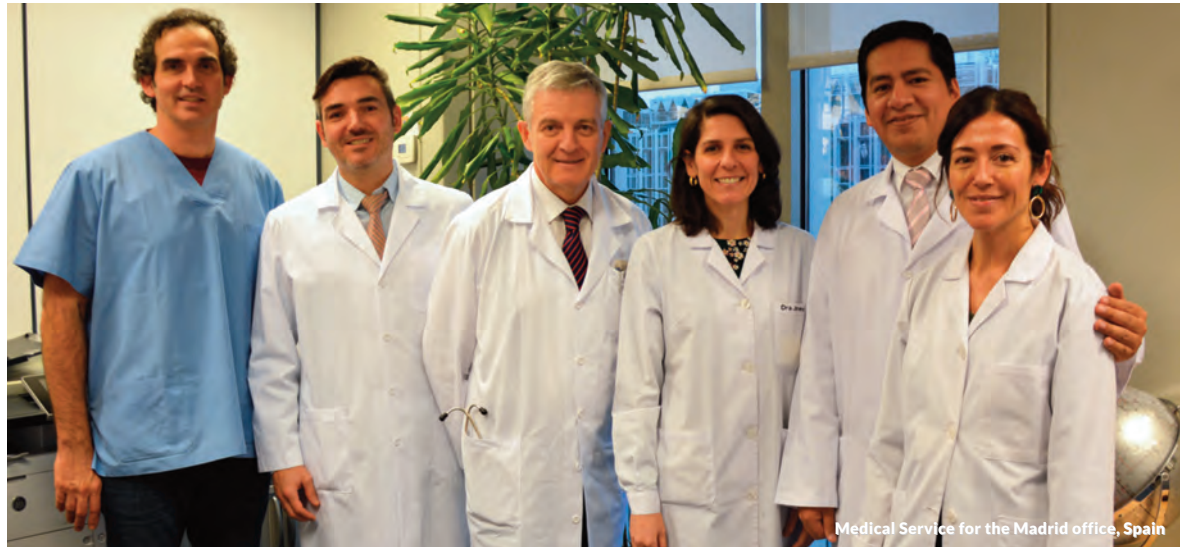
We also deploy a training plan that has the highest recognition in the market for the quality and diversity of its content.

All in all, we are proud to be able to say that our professionals are truly unique.

Cristina López
Partner at Management Solutions

Occupational risk prevention and medical service

We have robust occupational risk prevention policies in place as well as an excellent on-site medical service



Management Solutions implements occupational risk prevention and medical service policies that comply with current regulations in the countries in which the Firm is present. Our professionals are offered private medical assistance programs, as well as access to other services, depending on the country in which they are located.

For example, the following is a description of policies and services applicable to our main office in Spain.

Management Solutions' Work Health and Occupational Risk Prevention Service covers four preventive disciplines:

- ▶ Occupational Medicine
- ▶ Safety at work
- ▶ Industrial Hygiene
- ▶ Ergonomics and Applied Psychosociology

The Occupational Health Service works in four areas: prevention, care, counseling, and predictive medicine.

Management Solutions is one of the first companies in Spain to have used pharmacogenomics and genetics for personalized medical prevention measures and the treatment of serious diseases.

Prevention targets both the work environment and the workers themselves.

Environment

Studies are conducted on environmental hygiene and noise levels. A risk assessment and a prevention plan are regularly updated. Prevention guidelines are issued, and are accessible to employees via the corporate intranet. Additionally, the following environmental controls are monitored on a regular basis:

- ▶ Food supplied through the vending machines.
- ▶ Thermohygienic conditions of office space by monitoring temperature, relative humidity and light levels as well as air quality.

- ▶ Lighting levels in working areas.
- ▶ Average air velocity in the air-conditioning system.
- ▶ Classification of indoor air quality (AIDA method) based on the indoor and outdoor CO₂ concentrations in offices.
- ▶ Indoor air quality, determining airborne bacteria and fungi concentration as well as CO and CO₂ levels.

Employees

Medical assistance covers accidents at work and occupational disease, as well as pathologies due to common illness or non-work related accidents. There is also a procedure for international travel – regardless of whether travel is for professional reasons, volunteering in Social Action programs or personal reasons - consisting of the provision of hygiene-health information on the country of destination as well as information on the necessary vaccines or prophylaxis against diseases such as malaria.

The medical services provided include an on-site physiotherapy service, which is available to all Management Solutions employees as necessary.

Health insurance

Furthermore, Management Solutions professionals can sign up for an optional private health assistance service, which is subsidized by 50% by the Firm. In addition to the extensive catalogue of medical providers offered, this service includes an expense reimbursement method, reduced dental treatment rates, refractive surgery for short-sightedness and medical assistance while traveling.

Health information

The services offered by Management Solutions surpass the standards set by organizations and public institutions regarding health and safety at work. The Intranet establishes a system of communication with employees that offers professionals comprehensive information regarding health, as well as risk-prevention guides and news of interest.

Special campaigns

Influenza vaccine. Prevention of influenza development at the start of autumn.

Cardiovascular disease prevention plan. Ongoing prevention of cardiovascular disease (heart attacks, strokes, etc.) through regular checkups, following the protocols established by the National Cholesterol Education Program, Adult Treatment Panel III.

Cancer Prevention.

- ▶ During routine medical check-ups, colon cancer risk stratification tests are carried out and advice is given according to the check-up results and the personal and family history, based on guidelines from the Spanish Gastroenterology Association.

- ▶ For women over 35, the risk of having breast cancer in the next 5 years or later in life has been calculated following models from the American Cancer Society. From a certain age, men are tested for tumor markers of prostate cancer.
- ▶ Cervical Cancer Prevention Plan. Depending on the personal characteristics of each patient, HPV tests are carried out to determine the presence of this virus in the cervix.

Anti-smoking treatments. These are ongoing campaigns according to patients' needs.

Fight against high blood pressure. Holter monitoring of blood pressure is carried out as part of the medical tests needed for accurate diagnosis.

General advices and vaccines for international travel. Protection against illnesses on trips to certain countries. These campaigns are carried out on an ongoing basis.

Venous thromboembolism and lung thromboembolism prevention campaign. For women who require certain drugs (e.g. to treat polycystic ovaries) that increase the risk of venous thrombosis, there is a procedure for the study of genetic variables that will make it more likely to establish a thrombotic process so it can be prevented it before it happens.

Occupational risk prevention

Annual checks. A risk prevention expert periodically checks the facilities to prepare or update a safety and security plan while also conducting a basic safety and security assessment.

Ergonomic studies. At the request of either the employee or the medical service, ergonomic studies are carried out by a qualified Risk Prevention at Work officer to correctly adapt a workstation to the person.

Training in RP at Work. All professionals take a basic occupational risk prevention course developed by our own risk prevention technicians. Primary intervention teams also take specific courses in centers set up to provide this type of training.

Documentation. A number of useful documents on occupational risk prevention are available on the Medical Services section of the corporate intranet:

- ▶ Directory of risks and preventive measures. This document is a summary of the possible circumstances that may lead to certain risks and preventative measures that can be taken to avoid them.
- ▶ Basic rules on fire prevention and handling fire extinguishers. Prevention is key to fire safety.
- ▶ Basic evacuation procedures. Procedures to be followed should the building's evacuation alarm go off.
- ▶ Safety and Security within facilities. Basic safety and security rules to be followed while using any facilities outside office hours.
- ▶ Basic safety and security rules to be followed while at the clients' facilities. A road safety plan has been designed and as part of annual actions a study has been designed and analyze the level of drowsiness and the potential impact it can have on work-related traffic accidents, applying the Epworth scale.

Employee support services

The main purpose of our Internal Corporate Departments is to generate value for the Firm

Support areas

The main purpose of the Firm's Internal Corporate Departments is to generate value for the Firm. This value generation largely focuses on providing efficient administrative and support services to all professionals. Although some of these services have already been described in previous sections, they include other areas such as Information Technology, Documentation and General Services.

Information Technology

The Information Technology area aims to provide the Firm with the technology (applications, systems and communications) required for developing and supporting the business under four fundamental criteria: security,

functionality, mobility and connectivity, all of this is under the principle of maximum efficiency.

The Firm's professionals are provided with tools enabling them to work and access information quickly and securely from various locations: Management Solutions' offices, clients' offices, from their own homes and from transit areas (airports, employee support services hotels, etc.).

Documentation

Knowledge sharing is very important at Management Solutions. Providing access to information is an essential element of support enabling our professionals to efficiently undertake their projects. The documentation service organizes the information generated, making a distinction between internally produced and third party documentation:



- ▶ Internally produced: legislation and regulatory documents, training courses, presentations, in-house publications, macroeconomic outlook reports, etc., available via the corporate Intranet.
- ▶ Third party documentation: books, publications and specialized information sources, available upon request from the Firm's Library Services.

Infrastructure and General Services

Infrastructure and logistics management, graphic design, translation, etc., are services that complement all the above and are aimed at facilitating the work of Management Solutions' professionals.

The work of the infrastructures team is necessary for efficiently managing the opening and start-up of new offices or the extension of existing ones. In this regard, in 2019 saw the opening of our Amsterdam, Oslo and Quito offices, the expansion of our Madrid headquarters and the refurbishment of one of our Mexico City offices (Anzures).

Corporate agreements

Every Firm employee is entitled to certain benefits through their employment at Management Solutions.

Access to special deals on banking services for groups

The Firm provides its professionals with some of the best deals on banking services available for groups, including special conditions for salary bank accounts, cards, loans, mortgages, virtual banking, etc.

Credit card

Two agreements are in place to enable Management Solutions' professionals to access credit cards that are totally free of charge and offer special terms regarding payment, credit limits, insurance and other advantages.

Travel agent

Management Solutions' professionals can benefit from a number of advantages and exclusive prices, both with regard to business trips and to personal travel and vacations. This service is managed through the Intranet and via a site customized for Management Solutions by our supplier.

Corporate wellness

Management Solutions professionals' can take advantage of a program that allows them access to gyms and other corporate wellness facilities at advantageous conditions.

Other offers

Apart from the corporate agreements, Management Solutions frequently receives offers addressed to its employees from financial institutions, car dealerships, gyms, cultural institutions, etc.

Management Solutions offers a fitness platform to its professionals

To reinforce our existing sports and corporate wellness activities, in 2019 Management Solutions hired the services of a sports platform that allows Management Solutions professionals to access gyms and other activities at discounted prices.



Internal communication

Internal communication is an element of integration for all Management Solutions professionals



Internal communication is not just about conveying corporate messages, but is an element of cohesion and integration among the Firm's different offices and areas.

Corporate Intranet

Provides the main channel for internal communication other than electronic mail, and is updated, maintained and improved by the Marketing and Communication Area.

Our VPN (Virtual Private Network) connection and the recently launched MDM (Mobile Device Management) software for BYOD mobile devices enable all Management Solutions professionals to access the corporate intranet from anywhere in the world without having to be physically in the office.

Our Intranet contents, which are translated into three languages (Spanish, English and Portuguese), cover many topics. Some of the most significant are the following:

- ▶ News: current news concerning both the Firm (key projects, new clients, links with universities, events, etc.) and industries or areas of activity in which we operate (selected and summarized by our R&D Department).
- ▶ Financial and macroeconomic information on the main countries in which we operate: data on daily movements of major stock price indices, daily interest rates and exchange rates, GDP, inflation, etc.
- ▶ Documentation: documents on rules and regulations, training courses, presentations, internal publications and reports, corporate policies, etc., classified under the Knowledge Area.
- ▶ Access to corporate applications.
- ▶ Access to personal information: project assignment, payroll, personal account, etc.

- ▶ Information related to Internal Corporate Departments (Human Resources, Marketing and Communication, General Services and Infrastructure, Technology, etc.).
- ▶ Information on R&D: information on ongoing initiatives by the R&D Area as well as direct access to publications, business reports and other regulatory notes published by this area.
- ▶ Information, content, photographs, etc. on activities organized by Social Action or the Sports Club.

Global Yearly Meeting

Management Solutions' main internal communication event is its Yearly Meeting. This is an annual global convention that brings together a large part of the Firm's professionals and is held in July in Madrid, marking the close of our fiscal year.

At this annual meeting, the partners offer Management Solutions' professionals a summary of the results for the fiscal year, the milestones achieved and the challenges for the upcoming year, all grouped according to our six strategic pillars: diversification, profitable growth, R&D innovation, human resources management, communication, and organizational flexibility.

Our Yearly Meeting includes the participation of some of our main clients' CEOs, directors and top executives as well as representatives from the academic world.

This gives our professionals the opportunity to listen to different approaches and perspectives on areas related to their activity, delivered by top leaders of great prestige.



Yearly Meeting
July 2019 - Royal Theatre, Spain

Mr. C.S. Venkatakrishnan
Barclays Group Chief Risk Office

Ms. Maria Dolores Dancausa
CEO of Bankinter

Internal communication

Yearly Meeting 2019

Management Solutions' Global Yearly Meeting 2019 was held on July 19th, bringing together around one thousand professionals from the Firm under the theme "Sustainable Growth".

As in previous occasions, the event included a review of the Firm's achievements in FY19 and challenges for FY20 and featured the participation of top executives from some of our main client companies.

The Yearly Meeting, held at the Teatro Real in Madrid, began with a review of the market environment, by Mr. Ignacio Layo (Partner at Management Solutions), and continued with a presentation by Mr. Alfonso Serrano-Suñer (Chairman of Management Solutions) describing the progress made by the Firm during the year ending August 2019, as well as the challenges for the future in terms of diversification, innovation, human resource management, profitable growth, organizational flexibility and communication.

On this occasion, Management Solutions professionals had the privilege of listening to guest speakers Mr. C.S. Venkatakrishnan (Barclays Group Chief Risk Office) and Ms. María Dolores Dancausa (CEO of Bankinter).

Guest speakers at previous Management Solutions Yearly Meetings

Yearly Meeting 18. Royal Theatre

Mr. Rafael Miranda, President of Acerinox
Mr. Michael Kemmer, Member of the Board of Directors of the Association of German Banks (2010-2017)

Yearly Meeting 17. Royal Theatre

Mr. Rodrigo Echenique, Vice President of Banco Santander, Chairman of Banco Santander Spain and Chairman of Banco Popular)
Mr. Gonzalo Gortázar, Managing Director of CaixaBank, First Vice Chairman of Repsol and Chairman of VidaCaixa

Yearly Meeting 16. Municipal Congress Palace

Mr. José María Roldán, Chairman of AEB and Vicepresident of EBF
Mr. Jaime Pérez Renovales, General Secretary and Secretary of the Board - Head of Human Resources at Grupo Santander

Yearly Meeting 15. Royal Theatre

Mr. Teppo Paavola, Sr. EVP, GM of New Digital Businesses at BBVA
Mr. Juan Colombás, Executive director and Chief Risk Officer at Lloyds Banking Group
Mr. Víctor Matarranz, Head of Group Strategy and of the Executive Chairman's Office at Banco Santander

Yearly Meeting 14. Municipal Congress Palace

Mr. Emilio Saracho, Deputy CEO, EMEA at J.P. Morgan
Mr. Francisco Gómez, CEO of Banco Popular
Ms. Eva Castillo, Director at Telefónica

Yearly Meeting 13. Royal Theatre

Mr. Emilio Botín, Chairman of Santander Bank
Mr. Antonio Brufau, Chairman of Repsol
Mr. José Ignacio Goñigolzarri, Chairman of Bankia
Mr. Julio L. Martínez, Rector at Universidad Pontificia Comillas

Yearly Meeting 12. Municipal Congress Palace

Mr. Manuel Soto, 4th Vice-Chairman of Grupo Santander
Mr. José María Abril, Vice-Chairman of Telefónica
Mr. Antonio Huertas, Chairman of Grupo Mapfre

Yearly Meeting 11. Municipal Congress Palace

Mr. Alfredo Sáenz, 2nd Vice-Chairman and Chief Executive Officer of Grupo Santander
Mr. José Luis San Pedro, Chief Operating Officer of Grupo Iberdrola
Mr. Alfonso Alonso, Global Director of Transformation at Telefónica

Yearly Meeting 10. Municipal Congress Palace

Mr. Jorge Morán, Head of Global Insurance and Direct Banking at Grupo Santander
Mr. José Antonio Olavarrieta, General Manager of CECA
Mr. José Luis López, Vice President and Director at Banesto

Yearly Meeting 09. Municipal Congress Palace

Mr. Francisco González, Chairman of BBVA
Mr. Juan Carlos Rebollo, Director, Accounting and Control at Grupo Iberdrola
Mr. Fernando Madeira, CEO of Terra Latinoamérica
Mr. José Antonio Álvarez, CFO of Grupo Santander

Yearly Meeting 08. Municipal Congress Palace

Mr. Ángel Cano, CEO of BBVA Group
Mr. Francisco Iniesta, Associate Director, IESE Business School
Mr. Honorato López Isla, Vice-Chairman and CEO of Unión FENOSA
Mr. José María Nus, Director at Banesto

Yearly Meeting 07. Meliá Castilla

Mr. Adolfo Lagos, General Manager of Grupo Santander
Mr. José Sevilla, General Manager, Risk Division at BBVA Group
Mr. Gregorio Villalabeitia, Vice-Chairman and Director at Telefónica
Mr. Marcel Planellas, General Secretary, ESADE

Yearly Meeting 06. Meliá Castilla

Mr. Marcial Portela, CEO of Santander Brazil
Mr. Manuel Méndez del Río, CRO of BBVA
Mr. Jorge Gost, CEO of Banco Pastor
Mr. Carlos J. Álvarez, CFO of Gas Natural
Mr. Jaime Requeijo, Head of CUNEF

Yearly Meeting 05. Congress Palace Building

Mr. Fernando Ramírez, CFO of Repsol YPF Group
Mr. Ignacio Sánchez-Asiain Sanz, CIO of BBVA
Mr. Juan Andrés Yanes, Deputy General Manager, Global Risk Division at Grupo Santander
Mr. Francisco Gómez Roldán, CEO of Abbey Nacional PLCD
Ms. Josefa Peralta Astudillo, Dean of Faculty of Economics and Business, ICADE

Yearly Meeting 04. Royal Theatre

Mr. Matías Rodríguez Inciarte, Vice-Chairman and CRO of Grupo Santander
Mr. José María Fuster, CIO of Banesto and Head of Strategic Technology at Grupo Santander
Mr. Juan Antonio Hernández Rubio, CFO of Unión FENOSA
Mr. Juan Hoyos, Managing Director of McKinsey Spain and Portugal
Ms. Susana Rodríguez Vidarte, Director at BBVA Group and Dean of Deusto's Commercial University



“Our internal communication policy is the backbone for cohesion and integration of all our professionals”

The Firm has experienced extraordinary growth from the start. This growth has led to our presence in more than forty countries across Europe, North America, Central America, South America, Asia and Africa.

This has required us to pay special attention to internal communication as a key tool for conveying our principles and values in each and every one of the geographies in which we are present.

This is why we have a thorough internal communication plan in place allowing us to convey the Firm’s values and principles, strategy, achievements, challenges and other global information to all our professionals, no matter where they are, as well as to cater for the specific needs of each of our offices.

Bárbara Chiloiro
Partner at Management Solutions



Local Yearly Meetings

In 2019, more than 1,000 professionals participated in the Yearly Meetings held in the UK, Germany, The Netherlands, USA, Brazil, Mexico, Chile, Argentina, Peru and Colombia. These meetings have served as an effective communication outlet, allowing professionals who have not attended the Global Yearly Meeting in Spain to access the same information and be part of the Firm’s achievements and challenges.

Yearly Meeting United Kingdom

Professionals from our UK office gathered at a convention center for their Yearly Meeting 2019, during which they reviewed the Firm’s past year achievements and goals for the next year in the UK. Our professionals were also able to listen to guest speaker Mr. Marcelino Castrillo, Managing Director, Personal & Premier Banking at RBS.

After the presentations, our professionals attending the event enjoyed a dinner at a well-known venue in London.

Yearly Meeting Germany

Members of our German office met at Frankfurt for their local Yearly Meeting. The meeting reviewed the current economic environment, the achievements of 2019 and the challenges for 2020, both at Management Solutions’ global level and specifically for the German office.

After the presentations, our professionals were able to enjoy a dinner in one of the hotel’s event rooms, closing the day with a small party at a well-known venue in Frankfurt.

Yearly Meeting Netherlands

In 2019, professionals from our Netherlands office held their first Yearly Meeting. Under the motto "Sustainable Growth", the

Internal communication

Firm's achievements in fiscal year 2019 and challenges for the next one were reviewed both globally and for the Amsterdam office.

After the meeting, attendees enjoyed a dinner gathering at one of hotel's meeting rooms, where they enjoyed a pleasant evening.

Yearly Meeting Brazil

Our Brazil yearly meeting, held at an emblematic convention center, began with the review of Management Solutions' 2019 performance in Brazil. Also reviewed were the Firm's global and local goals for the next fiscal year.

After the presentations, more than 200 professionals were able to enjoy a party held at the same venue.

Yearly Meeting Mexico

Our Yearly Meeting in Mexico was held at a downtown hotel in Mexico City and was attended by more than 250 professionals from the Firm. The meeting focused on the current economic environment, the achievements of 2019 and the challenges for 2020, both at the global level within Management Solutions and specifically for the Mexico office.

The conference closed with a gala dinner at one of the conference hotel halls.

Yearly Meeting Argentina

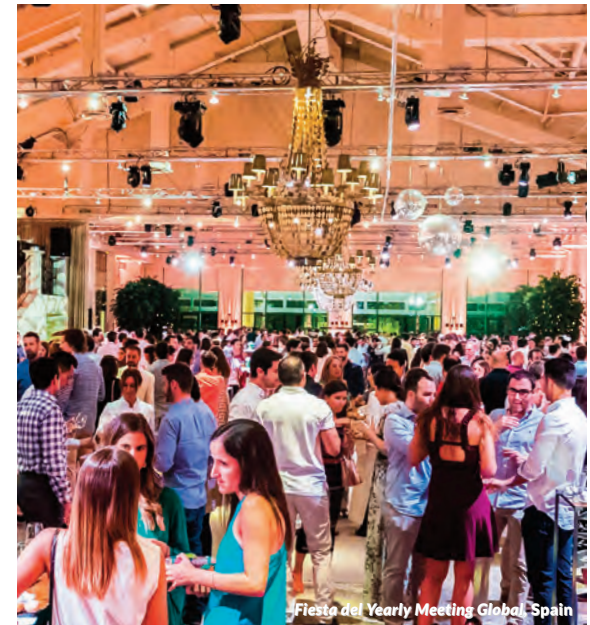
Argentine office professionals gathered at a hotel complex in Buenos Aires for their Yearly Meeting.

The meeting reviewed 2019 achievements as well as the challenges set for 2020, both globally and specifically for the Firm's activity in Argentina. The day closed with a lunch at the same venue where the convention was held.

Yearly Meeting Chile

Our Chile Office Yearly Meeting 2019 was held at a downtown hotel in Santiago and was attended by Chile professionals as well as staff from other offices currently in Santiago. More than 100 professionals attending the meeting reviewed the Firm's past year achievements in Chile as well as the goals for next year.

The Yearly Meeting in Chile ended with a dinner and party at a well-know city venue.



Yearly Meeting United States

The United States Yearly Meeting was held in Boston and was attended by US professionals from our New York, Boston, Atlanta and Birmingham offices.

Professionals attending the event had the opportunity to review the goals achieved by Management Solutions during the past year and to discuss the Firm's challenges for the following year in the US.

After the meeting, our professionals were able to enjoy a closing dinner held at an emblematic venue in the historic Boston city center.

Yearly Meeting Peru

Peru office professionals gathered in Lima for their Yearly Meeting, where they reviewed the achievements of the past fiscal year and the challenges set for the next, both globally for the Firm and specifically for the Firm's activity in Peru.

The seminar closed with a dinner at a well-known restaurant in Lima.

Yearly Meeting Colombia

Professionals from our Colombia office met in Bogota for their local Yearly Meeting, in which they reviewed past year achievements as well as the challenges set for 2020, both globally for Management Solutions and in relation to the Colombian office.

The seminar closed with a dinner at a restaurant in Bogota.



Sports Club

Around 1,000 professionals participated in the tournaments and activities organized by our Sports Club in 2019

The Sports Club started as part of an initiative by Management Solutions to promote and facilitate the practice of sports among its professionals by organizing internal championships and sponsoring participation in outside inter-company competitions.

Championships organized by the Firm

During 2019 Management Solutions organized several sporting events.

Management Solutions Golf Tournaments

In 2019 Management Solutions held a Golf Tournament at the Santander golf course, where more than 50 players participated including Management Solutions employees, clients and collaborators.

The II Charity Golf Tournament was also organized in 2019 (more information is provided in our section on Social Action).

Golf clinics

Throughout the year, about 30 Management Solutions professionals had the opportunity to participate in two initiation and improvement clinics organized at the Santander Golf Jim Mc Lean School, considered to be number one in the world by the specialized press.

3rd Management Solutions' Charity Race

In 2019 the Firm organized the third Management Solutions' Charity Race that included participation from more than 700 people including employees, family members, clients and



Internal Golf Tournament, Spain

collaborators. More information about the Management Solutions Charity Race is provided in the Social Action section.

Internal tournaments at the Madrid office, Spain

The Madrid office futsal and paddle tournaments were held for the fourteenth consecutive year in 2019. Around 100 professionals (divided into 8 teams) participated in the futsal tournament, competing in a preliminary phase and play-offs for the title. The paddle tournament brought together a total of 46 players (23 pairs) in its male, female and mixed pairs.

2nd Management Solutions Paddle Marathon

30 Management Solutions professionals participated in the 2nd Management Solutions Paddle Marathon held at the

Financial City sports facilities in Boadilla del Monte (Spain). The marathon, divided into male and mixed brackets, consisting of a qualifying, one-set semifinals phase, and finals played in best-of-three set matches, on a day where a friendly atmosphere prevailed among the participants.

3rd Paddle Tournament at Management Solutions Portugal

20 professionals from our Lisbon office, divided into 10 pairs, participated in Management Solutions Portugal's III Paddle Tournament, an activity that was held in the Campo Grande Paddle Club and stood out for its positive atmosphere and competitiveness.

Beach volleyball tournament, Germany

Professionals from our German office met in Düsseldorf for their first beach volleyball championship. The activity began on Friday with dinner at a restaurant in the city during which players were able to meet both their partners and their rivals for the tournament, and continued the next morning with the competition's matches.

Tennis League, United Kingdom

The UK Office Sports Club organized a tennis league for the first time, with players divided into two categories according to level of skill - beginner, intermediate, or advanced - and included 20 participants. Before the tournament, participants had the opportunity to attend weekly training sessions where the advanced players were able to share their skill with the



Sports Club

beginners, helping them with exercises to improve their technique, mobility and endurance.

Soccer Championship, United Kingdom

The UK office also organized its first mixed soccer tournament, with more than 50 professionals participating. The competition featured a mini-league phase and a number of qualifying matches, after which the senior team beat the young team of new consultants.

Soccer Championship, Brazil

45 Management Solutions professionals, divided into four teams, participated in the fifth Management Solutions soccer championship, held during the months of October and

November in São Paulo. The tournament, which consisted of a qualifying round with two teams advancing to the final, featured a high level of competitiveness and friendly atmosphere.

Mixed Soccer Championship, Peru

The Management Solutions' Lima Sports Club organized an internal mixed soccer championship in which 28 people participated. Divided into four teams, the Firm's professionals met for 30-minute matches, cheered on by other colleagues from the office who watched the event from the stands, creating a fun and competitive environment for everyone involved.

Mixed soccer championship, Chile

Our Chile Sport Club organized a new edition of the internal mixed soccer championship in which more than 40 employees participated, divided into four mixed teams, as they competed on a day marked by competitiveness and sportsmanship shown by all participants.

External championships

Inter-company team sports tournaments

Management Solutions participated in the 2019 Madrid RC indoor soccer intercompany championships, both in the men's and women's categories, and in the male indoor soccer category in Barcelona.

Management Solutions is runner-up in women's 7-a-side inter-company soccer tournament



Management Solutions' women's 7-a-side soccer team won a silver medal for finishing second in the Madrid RC Intercompany League.

After competing in a previous rounds during April and May, the team managed to finish in fourth place, making it to the qualifying rounds for the title. Management Solutions defeated Deloitte by 3 to 2 in the semifinals, but was defeated 3-0 by the Kunlaburu Foundation in the final.

The winners of the Firm's internal men's soccer tournament are currently competing in the 2019/2020 edition of this inter-company tournament. The women's soccer team from Madrid and men's team from Barcelona are also participating in this tournament.

Our New York office mixed soccer team came in first place for the second year in a row at the New York Corporate Co-Ed Indoor Soccer League and the Management Solutions' Mexico male and female soccer teams participated once again in the inter-company tournaments held in the Mexican capital.

Races

Management Solutions professionals participated in various races organized in different countries during 2019.

In Madrid, more than 50 professionals from the Firm, divided into 16 teams to participate in the "2019 Corporate Race", a race for teams of 2, 3 and 4 people (running 6 or 10 km routes) with more than 20,000 runners involved.

Professionals from our São Paulo office had the opportunity to participate in the "Pão Açúcar" marathon, the largest relay race in Latin America, for the eleventh consecutive year. 44 runners, divided into mixed teams, ran the 42 km on behalf of Management Solutions.

In addition, many Management Solutions professionals took part in different charity runs held in various countries, such as a Management Solutions' Charity Race, the Entreculturas Foundation "Run for a cause" race (in Madrid and Barcelona), the IX Down Madrid race, the AECC's "On the move against cancer"

race (in Madrid and Barcelona), all organized in Spain. Also the "J.P Morgan Corporate Challenge" in UK and Germany, and the "Winter Run" in United Kingdom; "Race for the Cure" in Italy; "Somerville 5K 'Detour' Road Race" and "Rumpshaker Race" in United States; "FUCAM race" in Mexico; the "UNICEF race" and "Bogota's Green race" in Colombia, and the "Global 6K for water" worldwide. More information on all these events is provided in the Social Action section.

Management Solutions achieves second place in the Madrid Corporate Run



Sixteen Management Solutions teams participated in the twentieth edition of the Madrid Corporate Run, held in Madrid with over 20,000 people running individually and in teams of 2, 3 or 4 runners that formed a composite time.

The Firm's participants delivered an outstanding performance with the Management Solutions team winning second place in the mixed 6K category.

Committed to the environment

Management Solutions is aware of how its activities contribute towards sustainable growth, and is therefore committed to supporting society in the countries in which it operates.

Working in partnership with the academic community, creating employment, upholding respect for human rights and caring for the environment are a part of its corporate strategy. The Firm's growth is managed as to be compatible with the principles of sustainable development.



>350
collaborations
with universities



>7,000
Social Action
Volunteers



>30
Social Action
campaigns





MSO
Management Solutions
Making things happen

CARRERA SOLIDARIA
MANAGEMENT SOLUTIONS

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CARRERA SOLIDARIA
MANAGEMENT SOLUTIONS

1^{er} CLASIFICADO
1000 M. - FEBRERO

1^{er} CLASIFICADO
1000 M. - FEBRERO

2^{er} CLASIFICADO
300 M. - FEBRERO

3^{er} CLASIFICADO
1000 M. - FEBRERO

601

51

623

626

678

508

558

21

3

University

University interaction is key to our social responsibility policy

Interaction with universities is an essential objective for Management Solutions. Management Solutions has always recognized the value of maintaining close relations with universities. Besides contributing towards employment for new graduates, Management Solutions has provided them with the opportunity to develop an excellent professional career. Management Solutions was able to do this through collaborative agreements that allow the Firm to provide internships and work placement programs, teach lectures and seminars, cooperate in research programs, present practical case studies, participate in job fairs, and support university foundations and associations.

In September 2012, Management Solutions reinforced its links with the university world by launching Spain's first ever Master's degree in Business Consulting, taught jointly with

Comillas Pontifical University over two years. The sixth intake of new Master's students graduated in 2019, while the eighth class began.

Mexico saw the completion of our second class for the Diploma in Business Consulting taught in partnership with the Monterrey Institute of Technology to all new recruits in our Mexico offices, and the start of the fourth cohort.

Also in 2019, Management Solutions launched a training program for senior professionals in the Brazilian office in partnership with the Insper Institute, one of the most prestigious higher education institutions in Latin America, offering commercial management and marketing content applied to financial services, digital transformation and problem solving.



Commencement Ceremony of the 6th Graduating Class of the Master's Degree in Business Consulting Management Solutions - ICADE Business School, Spain

Work experience programs

Management Solutions contributes to the transmission of University-Business knowledge through agreements with the most prestigious universities in the world while onboarding interns that, depending on their merits, may become future Management Solutions professionals.

In fiscal year 2019 more than 200 students took university internships with the Firm. This work experience allows the students selected by the Firm to receive early exposure to the business world.

Seminars and expert courses

Through its partners and other members of the management team, Management Solutions has an active and pro bono presence in education within its sphere of action. In 2019 we continued our work with universities, both in undergraduate and post-graduate studies and in business schools:

- ▶ Centro Universitario de Estudios Financieros (CUNEF)
- ▶ City University
- ▶ ESADE
- ▶ Facultad de Ciencias de la Universidad de Lisboa
- ▶ ICADE Business School
- ▶ Imperial College London
- ▶ ISM International School of Management Frankfurt
- ▶ London School of Economics
- ▶ Politecnico di Torino
- ▶ Pontificia Universidad Católica de Chile
- ▶ Pontificia Universidad Católica del Perú
- ▶ The University of Alabama - Tuscaloosa
- ▶ Universidad Autónoma de Barcelona
- ▶ Universidad Autónoma de Madrid
- ▶ Universidad Carlos III
- ▶ Universidad Complutense de Madrid
- ▶ Universidad de Buenos Aires
- ▶ Universidad de Burgos
- ▶ Universidad de Deusto
- ▶ Universidad de Extremadura
- ▶ Universidad de las Américas Puebla
- ▶ Universidad de León
- ▶ Universidad de los Andes
- ▶ Universidad de Málaga
- ▶ Universidad de Navarra
- ▶ Universidad de Utrecht
- ▶ Universidad del País Vasco
- ▶ Universidad Diego Portales
- ▶ Universidad Nacional de Colombia
- ▶ Universidad Politécnica de Madrid
- ▶ Universidad Politécnica de Valencia
- ▶ Universidad Pontificia Comillas
- ▶ Universidad Rey Juan Carlos
- ▶ University of Warwick
- ▶ Warsaw School of Economics

LSE Careers Patrons, United Kingdom

In 2019, Management Solutions joined LSE Careers Patrons, one of the main sponsorship programs at the London School of Economics (LSE), a university renowned both in the UK and worldwide.

The LSE Careers Patrons program, involving around 30 leading companies in different industries, aims to serve as a contact point between the university and the business world, facilitating the organization of networking events with students and alumni, specialized seminars, access to job offers, etc. Also, thanks to the contributions of the participating companies, the LSE can continue to support some of its community programs, such as its volunteer center.

Management Solutions gave a presentation as part of an advanced program on Connected Industry, Leadership and Digital Transformation run by Comillas Pontifical University, Spain

Management Solutions collaborated with the Comillas Pontifical University Chair for Connected Industry for the third consecutive year, giving a presentation as part of the University's advanced program on Connected Industry, Leadership and Digital Transformation, which involves professionals from various industries such as energy, manufacturing, aeronautics, professional services, etc.

The presentation, given by Mr. Alfonso Serrano-Suñer, President of Management Solutions, and attended by Mr. Mariano Ventosa, Vice-Rector for Research and Internationalization at Comillas Pontifical University, Mr. Antonio Muñoz San Roque, Director of ICAI, and Mr. Bernardo Villazán, Co-Director of the Connected Industry Chair, reviewed the context of profound transformation in which we are currently immersed in terms of changing consumer habits, greater accessibility to information, hyper-connectivity, technological disruption, etc. In addition to the global nature of the digital revolution and how it impacts the strategic thinking of companies, their organization, work culture, governance, processes and systems was also a topic of discussion.

University

Company presentations and job fairs

Company presentations and job fairs constitute a fundamental meeting point between University students in their senior year and employers.

Management Solutions maintains a high profile in major job fairs. Our stand attracts thousands of university graduates interested in learning more about the consultancy business, our projects and the career opportunities offered by a rapidly expanding firm such as ours.

The value added by the participation of Management Solutions in job fairs comes from the presence of professionals from the Firm who once studied at the university hosting the

fair, and whose experience can be of great value to students in their final year as well as recent graduates who aspire to join our organization.

In addition to collecting résumés, Human Resources also conducts psychological tests on-site as well as working breakfasts and case studies with students to speed up the recruitment process.

Sponsorships and Collaborations with Foundations

Management Solutions regularly supports Foundations and University Faculties through sponsoring awards, commencement ceremonies, etc.

Cátedra iDanae en Big Data y Analytics en la UPM, Spain

In 2019, the Polytechnic University of Madrid (UPM) and Management Solutions signed a collaboration agreement for the creation of the iDanae Chair (intelligence, data, analysis and strategy after its Spanish acronym) on Big Data and Analytics with the aim of promoting technology knowledge development, dissemination and transfer, and fostering R&D&i in the area of Data Analysis.

This chair aims to focus on developing four components that are part of the value chain of society's most important assets today: information and knowledge.

- ▶ Intelligence, through the generation of algorithms that provide solutions to current challenges.

Business Challenge Modeling Contest, Spain

The Mathematics Faculty of Complutense University of Madrid (UCM), with the support of four professional services firms, organized the Business Challenge Modeling Contest, aimed at the Faculty's degree and double degree students, who had to solve business challenges using mathematical methods within the scope of Machine Learning.

Management Solutions sponsored one of the awards, consisting of a monetary prize for the students, which went to the Pythonidae team (made up of Mr. Arturo Acuaviva, Ms. Beatriz Herguedas, Ms. Inmaculada Pérez and Mr. Jorge Villarrubia) for their solution to the problem "Bicimad route and stand optimization". The Arcano team (composed of Mr. Enrique García, Mr. Héctor García and Mr. Juan Francisco Ramos) received an honorable mention.



- ▶ Data, as a source of information for obtaining knowledge.
- ▶ Analysis, through robust techniques and advanced models, incorporating machine learning techniques.
- ▶ Strategy, designed based on the analysis of trends in knowledge technology so as to generate a long-term development plan going forward.

The chair has a clear formative and informative intent. For this reason, it organizes training sessions on topics of interest related to data analysis, as well as other outreach events and informative sessions. The chair also has a scholarship plan to support the best students in their academic career, and awards a prize to the best final year project.

iDanae Chair quarterly newsletter

One of the lines of work developed by the iDanae Chair (where iDanae stands for intelligence, data, analysis and strategy) is the analysis of meta-trends in the field of Analytics. To identify meta-trends, it is important to analyze public and private investment projects as well as the issues highlighted by organizations, companies and other related stakeholders.

The iDanae Chair will conduct active surveillance through observing and monitoring different sources, such as the outcome of different European analytics working groups, the strategic plans of the United States Government on artificial intelligence research and development, and other relevant international analyses and publications.

For educational and information purposes, the findings of this surveillance are reflected in an updated list of themes (interpretability of models, ethical, legal and social implications of Artificial Intelligence, predictability and modellability, data augmentation and data democratization, etc.) that will be developed in quarterly reports with the aim of providing a view on specific trends or topics of interest.

In 2019 the Chair published the first of these quarterly reports entitled "Interpretability of Artificial Intelligence models", available through the iDanae Chair's website and Management Solutions' website.

iDanae Chair Awards in Big Data and Analytics

The iDanae (intelligence, data, analysis and strategy) Chair in Big Data and Analytics, which emerged within the framework of the collaborative work between the Polytechnic University of Madrid (UPM) and Management Solutions, awarded prizes for the best Final Year Projects to Mr. Alejandro Fernández Cabrera, class of 2017/2018, and Mr. Mariano Blanco Cantero, class of 2018/19.

The prizes were awarded after a competitive process among students qualifying for an honors scholarship, whose work was assessed based on criteria that takes into consideration the project's technology and innovation, its applicability in business, and the creator's ability to explain the project in front of a project evaluation panel.



iDanae Chair Awards in Big Data and Analytics, Spain

Breakfast conference organized by the ICADE Business Club, Spain

The conference, organized by the ICADE Business Club and moderated by Management Solutions President Mr. Alfonso Serrano-Suñer and the club's Vice President, was addressed by Ms. María Dolores Dancausa, CEO of Bankinter, with the presence of Mr. Julio Luis Martínez SJ, Rector of Comillas Pontifical University. This was attended by more than 150 Club members, including several Management Solutions partners and directors.

The presentation given by Ms. María Dolores Dancausa was entitled "Bankinter and the challenges facing the financial industry", and was followed by a discussion during which the CEO of Bankinter answered questions asked by attendees about the economic context, the financial industry and Bankinter's specific case.



ICADE Business Club

The ICADE Business Club is a non-profit association founded by a group of former University students who are now business professionals, together with the Dean and Deputy Dean of the Faculty of Economic and Business Sciences at the University of Comillas, to foster entrepreneurship among the university community and to create a true forum for reflection and influence in Spanish society.

Through some of its partners, Management Solutions collaborates with the initiatives that the Club organizes for the benefit of both alumni and current students of Comillas Pontifical University.

The Bilbao School of Engineers Foundation

In 2007, Management Solutions became a partner in the Bilbao Higher Technical School of Engineers Foundation, which aims to ensure excellence in all the educational and research activities carried out by the School of Engineers. The

Foundation, created in 1997, fulfills its purpose through organizing lectures, courses and seminars, issuing reports, publications and studies, promoting research, etc. always with the purpose of improving and promoting education and research in the field of engineering. It also participates directly in the corporate world by offering prizes and awards to recognize outstanding engineering work.

Deusto University Foundation, Spain

The Firm works together with the Deusto Foundation (Deusto Fundazioa) of prestigious Deusto University in the Basque Country, Spain, to give significant donations to use on furthering the Foundation's goals. The goals include investing in research, promotion, studies and dissemination projects.

UCLU Business Society, UK

Management Solutions joined the UCLU Business Society as a sponsor in 2013. UCLU Business Society is a university society within University College London whose main function is to

support university students in their final years of study by helping them to enter the labor market through the organization of networking events, internship programs, case studies, seminars, etc.

XIII Modelling Week, Spain

Management Solutions participated in the XIII Modeling Week, an annual meeting organized since 2007 by UCM's Mathematics Faculty and the Institute of Interdisciplinary Mathematics.

The event, which is the result of a collaboration between universities and industry, presents Master's students from several universities - UCM, Oxford, Florence and Leicester, etc., with real problems, proposed by companies from different sectors of activity, to be solved using mathematics as a tool, under the supervision of instructors.

On this occasion, Management Solutions, which has been participated in the Modeling Week since 2009, raised a case of fraud detection in credit portfolios, supporting a group of students in its resolution.

Management Solutions taught a Machine Learning seminar at ICAI, Spain

As part of the "Machine learning II" subject taught in the Master's degree in Big Data, Management Solutions collaborated with Comillas Pontifical University to teach a seminar on the use of data science techniques for the characterization of energy customers and their integration in the commercial management process.

The seminar dealt with the definition of segmentation models for commercial purposes and the development of a methodology for integrating these models into the business and measuring their profitability.

Workshop on Agile/Scrum at the University of Utrecht, Netherlands

Management Solutions conducted a training session for University of Utrecht students as part of the University's Career Services program. The agenda of the day consisted of a theoretical introduction to Agile methodologies followed by a dynamic Agile Lego Session for students to be able to experience the challenges and benefits of these new working methods.



“Our support to the academic world is one of the pillars of the firm's commitment to its environment”

Developing a close relationship with universities has been a priority for Management Solutions from the start.

We have shown this commitment through multiple initiatives, from collaboration agreements for scholarships and internships with key universities in the countries where we operate, to the provision of specialized classes and seminars, to cooperation in research programs, and even sponsorship of university foundations and associations.

We are also happy to be able to contribute to the creation of young employment for recent graduates every year, offering them the possibility of embarking on an excellent professional career.

Arantza Zárate
Partner at Management Solutions



Awards to the best Final Year Project at ICAI, Spain

University

"Imperial Tank" business game organized at Imperial College London, UK

Management Solutions organized a business game for students of Imperial College London. Called Imperial Tank, the game divided the students into two groups: the entrepreneurs, who had to develop an innovative business idea and sell it to as many investors as possible; and the investors, whose aim was to choose the most profitable options, taking into account the entrepreneurs' negotiation and communication skills as well as their creativity and critical thinking.

Business case on Cybersecurity and Technology Risk at UPM, Spain

In this day and age of digital transformation, managing technology risk is critical to ensuring the viability of a company. Management Solutions conducted a seminar at the Polytechnic University of Madrid's Computer Science Faculty, during which students were presented with a practical case on decision-making and also given the factors to be taken into account in a security incident such as the management of the Wannacry event, the most notable ransomware attack in recent years that attracted a large media attention due to its global scope.

Business case on Machine Learning Techniques and their implementation in the financial industry at UDLAP, Mexico

Management Solutions organized a business case at the University of the Americas Puebla to explain the basic mathematical methodologies in a Machine Learning model (functional part) and their use in commercial software, as well as in product acquisition models in banking and in helping to prevent unrecognized charges (technical part).



ETSINF Commencement Ceremony at UPV, Spain

Try IT! 2019, Spain

In addition to sponsoring the event, Management Solutions participated as a speaker at Try IT! 2019, a conference aimed at sharing trends in the information technology industry that was organized by the School of Computer Science of the Polytechnic University of Madrid (UPM).

During the conference, experts in different computer science fields shared their knowledge of the latest trends in IT and their implications for business with the School's students.

Management Solutions' presentation, titled "Data lakes and Lambda architecture", explained how this architecture integrates and makes sense of the Hadoop ecosystem components, and allows you to maintain response times to real-time data requests despite increased data volume.

Awards for the best 2017/2018 ICAI Final Year Projects, Spain

Management Solutions sponsored one of the award categories for the best 2017/2018 Final Year Projects from the ICAI (Comillas Pontifical University) School of Engineering.

Since the awards are organized around themes, Management Solutions sponsored the "Integration of Artificial Intelligence into the business processes" prize, which was awarded to the project "Analysis of the European cross-border physical flows applying machine learning techniques", developed by Ms. Laura Estevez and directed by Mr. Santiago Moreno and Mr. Eugenio Sánchez.

Mr. Miguel Ángel Poblet, a partner at Management Solutions, handed the award during an event chaired by University Rector Mr. Julio Martínez SJ with the presence of Mr. Antonio Muñoz, Head of the School, and Mr. Agustín Delgado, Head of Innovation, Sustainability and Quality at Iberdrola, who was guest of honor at the event.



Awards to Computer Engineering graduates from UPV, Spain

Management Solutions sponsored the diploma award ceremony for graduates of the Technical School of Computer Engineering at the Polytechnic University of Valencia (UPV). The event was attended by approximately 1,100 people including students, and their families, UPV teachers and representatives of companies engaged with the University. The diplomas were presented to academic year 2018/2019 students of the Computer Engineering Degree, the Master's Degree in Computer Engineering, and the University-specific Master's Degree in Information Management, graduating from the Technical School of Computer Engineering at UPV, and included an award to the best academic records in each degree category.

The event was chaired by Mr. Eduardo Vendrell, Vice Rector for Studies, Quality and Accreditation at UPV, and addressed on behalf of Management Solutions by Mr. José Manuel Navas, who received a recognition award for the firm's special relationship with the University.

Prizes and awards to the best End of Year Projects and academic results, Spain

During 2019 the Firm reinforced its involvement with university students by sponsoring a number of prizes to the best Final Year Projects and best academic results.

Specifically, Management Solutions sponsored awards for the best Final Year projects from the IT departments at Universidad de Deusto, Universidad del País Vasco/Euskal Herriko Unibertsitatea (UPV/EHU), Universitat de Barcelona and Universitat Autònoma de Barcelona for the 2018/19 academic year with the aim of recognizing the most innovative Final Year Projects within the digital transformation area, placing particular emphasis on the proposed technologies, the possibility to innovate on the solutions provided and their practical use in business.

Mr. Iker Yabar, Director at Management Solutions, handed the prize to the best Computer Science Final Year Project from Deusto, which went to Mr. Jon Ibáñez Gilsanz for his work

"SmartXa: technology solution for mobility monitoring in neurodegenerative diseases." The award ceremony took place during the Forotech, an event organized by the Deusto Faculty of Engineering that aims to bring engineering and technology closer to society. Mr. Iker Yabar also presented the prize for the best Computer Science Final Year Project from UPV/EHU, which went to the work "Extracting indicators of similarity between bilingual documents" by Mr. Mikel Laburu.

In Barcelona, Mr. Josep Rotés, a partner at Management Solutions, presented the prize for the best Computer Science degree results from Barcelona University that went to Mr. Martí Huerta for his performance over the four-year period. The award ceremony took place at the Assembly Hall of Barcelona University's historic building, on the emblematic Gran Via de Les Corts Catalanes. Mr. Víctor Alicart, a manager at Management Solutions, presented the prize for the best Computer Science degree for the Barcelona Autonomous University. The ceremony took place as part of the graduation ceremony organized by the University's School of Engineering at the Campus de la Vila hotel.

University

Conducting workshops on “conflict management and decision making” at ICAI, Spain

In 2019, Management Solutions professionals conducted 11 workshops on “conflict management and decision-making” (as part of Professional Skills Diploma for Engineering degrees at ICAI), which were attended by more than 200 second-year ICAI degree course students.

During the workshops, students were able to review the importance of teamwork through different dynamics and exercises aimed at reinforcing teamwork skills and achieving objectives while working as a team. Specifically, students proactively participated in dynamics focused on improving group decision making, managing stress using different techniques, and practicing how to give and receive criticism within the team. This workshop allowed them to experiment

with real case studies from typical consulting projects, exploring the importance of teamwork in order to achieve objectives.

Sponsorship of Awards to the best Final Year Project at ICAI, Spain

In 2011 Management Solutions joined the sponsorship of awards to the best Final Year Project at ICAI (Escuela Técnica Superior de Ingeniería, Universidad Pontificia Comillas), thus continuing the work carried out by the Firm to support senior year projects in collaboration with ICAI since 2005.

Organized by subject areas, in 2019 Management Solutions sponsored the award to the area of “Integration of artificial intelligence into the management process”, by making a financial contribution towards the awards and becoming

involved in the evaluation of the projects as a member of the panel created for each area - composed of the Head of the School, a representative of the sponsoring Firm and the professor responsible for the project, who are tasked with deciding which projects are to be awarded.

Business Family and Family Business Program at Deusto, Spain

In 2019, Management Solutions sponsored the Business Family and Family Business program developed by Deusto Business School and INSEAD with the aim of systematically addressing the essential concerns of the business family/ family business, sharing and comparing experiences, generating open and inspiring debates, provoking critical reflections, and consolidating an agenda for the future.



Management Solutions Award for the best ADE Final Year Project on “Data Analysis and Data Science”, Spain

In 2019, Comillas Pontifical University ICAI-ICADE and Management Solutions signed a collaboration agreement for the creation of the Management Solutions Data Analysis and Data Science Award, aimed at recognizing the best ADE Final Year Project in this field.

The formal event to sign the agreement was chaired by Ms. M^a Teresa Corzo, Dean of the Economics and Business Studies Faculty at Comillas ICAI-ICADE Pontifical University, and Mr. Alfonso Serrano-Suñer, President of Management Solutions, and was also attended by Mr. Javier Márquez, Vice Dean for Institutional Relations and Research and Ms. Marta Ramos Aguilar, Final Year Project Awards coordinator, as well as by Ms. Cristina López and Mr. Miguel Ángel Poblet, Management Solutions partners.

Sponsorship and patronage

The sponsorship and patronage of business and cultural activities is always present in Management Solutions' business strategy. Thus, the Firm collaborates, to the best of its abilities, with university foundations, cultural institutions and other non-profit associations.

Royal Theater in Madrid, Spain

Management Solutions is a Sponsor of the Royal Theater in Madrid. With the economic contribution we make to the Royal Theatre (for the fourteenth consecutive year now), we help with the dissemination, appreciation and knowledge of lyrical arts, music and dance. In addition, through the contribution we help with the following: protecting and promoting the enrichment of our artistic heritage, preserving and advancing the research of Spain's musical and operatic heritage while promoting and encouraging attendance by the general public to its performances and other activities.

Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions, is a member of the Royal Theater's Board of Trustees, which forms the institution's main sponsors under the chairmanship of Mr. Alfredo Sáenz. The Board of Trustees aims to promote the participation from society in the smooth running of the Royal Theater.

Spanish Energy Club (ENERCLUB)

Management Solutions is a member of the Spanish Energy Club (ENERCLUB). The ENERCLUB was established to provide a forum for dialogue and for the exchange of ideas among companies and professionals in the energy industry, with the main goals of fostering new ideas on the rational use of energy, the conservation of the environment and sustainable development.

Thanks to the support and financial contribution of its members, this Club has managed to sustain its activity for over 20 years in four broad areas: energy know-how, training, publications and on-line dissemination.

Spanish Risk Management Club

Management Solutions is a member of the Board of Trustees of the Spanish Risk Management Club and, with its financial contributions, helps to create and sustain the activities that form part of the Club's founding purpose.

The main objectives of this new association are to act as a meeting point and provide a forum for debate on the systems and methods used to manage, monitor, analyze and measure the risks arising from financial activity. The association also acts to foster the exchange of ideas,

The Firm keeps an active policy on sponsorship and patronage



Board of Trustees of the Royal Theatre of Madrid, Spain

Sponsorship and patronage

experiences and opinions on best practices in this field. Its objectives also include maintaining close contact with regulatory authorities and other bodies pursuing the same goals, and disseminating knowledge through the organization and development of FRM (Financial Risk Manager) training programs and internet courses.

As a trustee of the Club and with one of its partners sitting on the Board of Directors, Management Solutions contributes to the financing and maintenance of the various activities that are organized.

British Bankers' Association, UK

In 2014 Management Solutions became an associate member of the British Bankers' Association (BBA), a leading UK organization that represents the interest of more than 240 financial institutions operating in more than 180 countries.

The BBA promotes and supports policies and initiatives that are favorable to both their members and the wider public, with their centered on 3 priorities: i) Ensuring the correct relationship between financial institutions and customers, regardless of size, ii) Promoting growth in the UK, working towards consolidating it as a global financial center, iii) Raising standards in the banking industry – both professional and ethical.

AIFIRM Associazione Italiana Financial Industry Risk Managers

Management Solutions has been a member of AIFIRM (Associazione Italiana Financial Industry Risk Management) since 2016. AIFIRM is an association that brings together and represents professionals in the financial, banking and insurance industries working in the risk departments of the country's main financial institutions. The organization aims to

improve the organizational standards of the corporate functions involved in risk measurement, and to share knowledge of risk measurement criteria in order to improve their operation and use.

Bundesverband deutscher Banken, Germany

Since 2015, Management Solutions has been a member of the Bundesverband deutscher Banken (German Banking Association), which represents 200 private commercial banks and 11 regional associations. The association aims to serve as a meeting point between the financial industry, the government, the industry's regulators and supervisory authorities through forums, industry events and specialized publications.

Royal Academy of Exact, Physical and Natural Science, Spain

Management Solutions sponsors the Friends of the Royal Spanish Academy of Sciences Association (ARAC) as a sign of its social commitment to the academic world and research. Through this sponsorship the Firm also supports the sharing and transformation of scientific knowledge. With the Royal Academy of Exact, Physical and Natural Science (RAC) and its Foundation, the active patronage goes beyond financial support.

The Royal Academy of Exact, Physical and Natural Science is a Spanish public organization devoted to the study and research of mathematics, physics, chemistry, biology, engineering and other science related disciplines.

The ARAC's goals are mainly to facilitate RAC's objectives and to facilitate the dissemination of scientific and technological advances and outreach activities.

Institute of Spanish Actuaries

Management Solutions is a supporting member of the Institute of Spanish Actuaries (IAE), Spain's main actuarial association and a full member of the Groupe Consultatif Actuariel Européen and the International Actuarial Association.

The Institute's main functions are to: represent its members in any issues related to its activity, organize and foster all kinds of studies and activities related to the actuarial profession, collaborate with the competent bodies and authorities when the professional activity needs to be regulated (this regulation will adhere to the most rigorous scientific and ethical principles), exercise authority, protect and monitor the professional activities of the Institute members, resolve any professional issues that may arise among its members and establish and maintain relationships and exchanges with national or international bodies of a technical, scientific or professional nature while pursuing activities totally or partially related to the Institute's purposes.

Consortio Alastria, Spain

In 2017, Management Solutions, together with Spain's key banking, energy and telecommunications organizations, founded the world's first multi-industry network that uses Blockchain to enable and speed up digital transformation across industry and business.

The Alastria network safeguards the identity of participants and ensures all operations carried out on the network are indelibly recorded, allowing participants to offer and receive services with legal effectiveness in Spain and in accordance with European regulations.

Management Solutions supports the Friends of the Royal Theater Foundation, Spain

For the third consecutive year, Management Solutions collaborated with the Foundation through an economic contribution, once again showing its commitment to the sponsorship and patronage of cultural associations and institutions as part of its Corporate Social Responsibility strategy.

In addition, in 2019 more than 70 Management Solutions professionals renewed their support for the Friends of the Royal Theater Foundation, whose aim is to support, encourage, and develop Teatro Real's activities and cultural projects, also supported by an economic contribution from the Firm.



Management Solutions' participation in the consortium will allow the Firm to participate in the design of Spain's first DLT, build projects and offer services on the platform, as well as innovate and contribute to society in Spain by creating a Blockchain products and services platform.

Círculo de Empresarios, Spain

Círculo de Empresarios in Spain is a thought and debate think tank that serves the Spanish society. It aims to promote free market and free enterprise principles, recognize the social value of entrepreneurs as creators of jobs, wealth and general wellbeing, and to advance entrepreneurial spirit.

Through its Chairman, Management Solutions collaborates with the Institution, and since 2017, has been directing the Working Group on Digital Transformation. Their main

objective is to prepare documentation that facilitates the understanding and implications of digital transformation, primarily focusing on companies while providing educational and practical content that is supported by academics and experts.

Currently, more than 30 professionals with expert knowledge on subjects from the most important sectors of the Spanish economy participate in this venture.

Chambers of Commerce

Management Solutions is a supporting member of the Spanish Chamber of Commerce in China, the Brazil Chamber of Commerce in Spain, the Spanish Chamber of Commerce in Brazil, the Polish-Spanish Chamber of Commerce, the Spanish Chamber of Commerce in Italy, the British Chamber

of Commerce in Spain and the Spanish Chamber of Commerce in the UK. The aim of these institutions is to strengthen ties between organizations.

Our membership in these chambers of commerce reinforces our ties with leading institutions and organizations in the markets in which Management Solutions operates.

Cooperation agreements

Management Solutions has signed several cooperation agreements with various foundations and organizations that promote charitable, entrepreneurship and social integration causes



"From code to project", Créate Foundation

Síndrome de Down Madrid Foundation

To strengthen its commitment to facilitating job integration for people with Down syndrome and intellectual disabilities, Management Solutions signed an agreement with the Síndrome de Down Madrid Foundation (Down Madrid) in 2015 as part of the "Stela Aided Employment" program, which aims to facilitate and promote the social and professional integration of people with Down syndrome and intellectual disabilities into ordinary work environments.

Down Madrid is a non-profit organization declared of public usefulness whose mission is to achieve individual autonomy and social inclusion for people with Down syndrome and other intellectual disabilities.

Créate Foundation

Management Solutions is a founding sponsor of Fundación Créate, a non-profit organization established in 2011 in response to the need to train people to adapt to a continuously changing society.

As part of its board of trustees, Management Solutions collaborates with the Foundation's mission: promoting quality and innovation in education to awaken the talent and entrepreneurial spirit of children and young people by researching, developing and implementing educational methodologies, techniques and innovative tools for use in schools and other learning environments.

In addition to actively participating in events and programs organized by the Foundation, in 2018 Management Solutions sponsored the 2nd Madrid Mini-Marathon, organized by the Créate Foundation with the aim of promoting individual and team sports as a holistic endeavor that develops different personal dimensions. The event involved nearly 5,000 young people between the ages of 10 and 17 from 43 schools in Madrid that ran 4.2 kilometers, 10% of a marathon.

National Organization of Spanish Blind People

In 2014, Management Solutions signed a cooperation agreement with Ilunion Travel, an agency belonging to the ONCE Group of Companies and their Foundation (National Organization of Spanish Blind People), that strengthened its commitment to employing people with disabilities. Since then, Ilunion Travel has been providing travel agency services to the Firm (including everything related to booking transportation, managing hotel bookings for business trips, etc.).

Ilunion Travel is qualified as a Special Employment Center (for companies whose goal is to provide people with disabilities with productive and remunerative work). Ilunion's commitment is to promote equal opportunities and full inclusion for people with disabilities through job creation and to work towards universal accessibility.

Microfinance Project

The BBVA Foundation for Microfinance is a not-for-profit entity whose purpose is to promote access to credit and other financial services for society's most disadvantaged groups in order to facilitate the development of small-scale productive activities, while contributing to the improvement of living standards of families and the sustainable development of the communities in which the Bank operates.

The Foundation has initially focused its efforts in Latin America (work is already underway in Puerto Rico, Panama, Peru, Colombia, Chile and Argentina), since this region constitutes the network's corporate center. In addition to capital, this region will benefit from shared governance and management systems, a common technological base, facilities to raise finance on international markets, the general advantages derived from economies of scale and from the scope afforded by this network.

Management Solutions has worked in partnership with the Foundation's Risk Area to design and implement a credit risk model for microfinance, integrate this model in the contracting process, design and implement an IT platform for risk management and improve commercial and operational efficiency.

Solidarity Program at work in collaboration with AECC

In March 2012, Management Solutions joined this initiative launched by Asociación Española Contra el Cáncer (AECC), which consists of spreading monthly health messages targeted at business groups related to the prevention and early detection of cancer.

Management Solutions has continued participating with the Solidarity Program in 2019 through distribution of AECC newsletters on healthy eating, which explain the importance of prevention and instilling healthy habits among young people while raising awareness about different types of cancer.

Prodis Foundation

Management Solutions collaborates with Promentor, a training program launched by the Prodis Foundation for the inclusion of young people with disabilities in the workplace, by hiring professionals from the Foundation.

Prodis Foundation's aim is to provide people with disabilities with the necessary support to improve their lives and the lives of their families. The Foundation launched the Promentor initiative in 2005 in partnership with Universidad Autónoma de Madrid.

This initiative seeks to help people with intellectual disabilities to design a Life Project through individualized plans based on PCP (Person-centered planning). The Foundation also provides

"From code to project" educational program

As a member of the Créate Foundation board, in 2018 and for the sixth consecutive year, Management Solutions encouraged its professionals to participate in program "From code to project", a new way of teaching the Technology, Programming and Robotics subject with the goal of promoting the development of an entrepreneurial IT project. This program also fosters critical thinking and problem solving skills while teaching students about programming and robotics by professionals from the Firm who are experts and knowledgeable in this field.

This program allows students to learn the subject in an applied and real way; a group of Management Solutions professionals shared a session with 11-year-old (6th grade) students from the CEIP Gonzalo Fernández de Córdoba school in Madrid, advising them in a personalized way about the design of their project (project model, mission and values, brand).

individualized occupational training to enable people with intellectual disabilities to be placed in ordinary jobs while offering employment services with ongoing support to encourage equal opportunities in hiring, retention and promotion in the workplace. The Foundation also provides intellectually disabled workers who exercise their right to work in ordinary jobs with continuous training throughout their lives and gives them the necessary support so that they are able to enjoy their leisure time and fully participate in their community.

In order to meet these objectives, the program starts with a "Training for Job Inclusion" course (recognized by Universidad Autónoma de Madrid as their own qualification), after which all graduating students enter the "Supported Employment" program, which provides them with the necessary support to join the labor market.

Collaboration agreements with schools

In 2018, Management Solutions signed a Collaboration Agreement with the French Lycée and the Everest School in Madrid to offer their high school students their first work experience. For three days, groups of students from both schools were able to learn about the Firm's operation, mission and goals, the values shared by Management Solutions professionals as well as the industries in which the Firm operates and the lines of service it provides. This was achieved by meeting with different professionals to get a close view of the different types of projects carried out, in addition to participating in a case study on consulting.

Social Action

The Firm encourages and supports initiatives for solidarity carried out by its professionals

Since the Social Action Group was first created, Management Solutions professionals have conducted numerous activities in association with various NGOs and charities.

Throughout 2019, Management Solutions has organized and sponsored community development projects promoted by the Social Action Group and has endorsed and financially supported many other solidarity activities carried out by staff.

Solidarity projects organized by Management Solutions:

Solidarity Summer

Since 2006, Management Solutions has been facilitating participation by its professionals in a summer volunteer program organized by an NGO, through which those who are interested are given the opportunity to collaborate with a solidarity project that seeks to help the most disadvantaged in

society. That year, a group of fifteen Management Solutions professionals accepted the proposal offered by the Firm - which would cover all travel expenses, to spend their summer vacation collaborating with the Missionaries of Charity in Kolkata, India. This is how our Solidarity Summer was born, an activity that continued in 2007 with Guayaquil, Ecuador, as a destination, and took place again in Kolkata from 2008 to 2011.

Since 2012, our Solidarity Summer involves collaborating with the "Volunteers on the ground" program run by NGO Ayuda en Acción. In 2012 and 2013, our professionals travelled to Hogar Teresa de los Andes in Bolivia, a home supported by this Spanish NGO that looks after 200 children with different levels of intellectual disability. Between 2014 and 2016 the volunteer program took place in Santo Domingo de los Tsáchilas, in Ecuador; while in 2017 the activity was carried out in Waslala (Nicaragua), together with the Madre Tierra Foundation (FUMAT), with the aim of reducing the poverty of rural households.



Solidarity Summer in Kolkata, India

In 2018 and 2019 our Solidarity Summer program took place again in Kolkata. In 2019, more than 50 volunteers joined from our offices in Spain, United Kingdom, Poland, the United States, Mexico, Colombia, Brazil, Peru and Chile. Given the high participation, volunteers were organized into different groups and had the opportunity to teach some support classes and organize a number of daytrips for children cared for by different New Light centers, in addition to collaborating with Mother Teresa centers, Pre Dam center for the terminally and chronically ill, Shanti Dan for women and girls with a disability, and the Shishu Bhavan orphanage, where they undertook different tasks such as washing clothes, preparing food, and helping to care for the children.

Solidarity Film Preview

In 2005 Management Solutions launched its Solidarity Cinema initiative, a family activity to collect food for those in

need by taking advantage of the proximity of the Christmas season and using a movie release as a way to encourage participation. In Spain, in 2019 this event was held simultaneously in Madrid, Bilbao and Barcelona.

The Madrid event brought together more than 2,500 people, including our professionals, former members of our Firm and some of our main clients and their families. Thanks to the generosity of all attendees, we were able to collect almost 6,500 kg of non-perishable food, baby food and diapers, which were delivered that morning to the Madrid headquarters of the Missionaries of Charity to be distributed to people in need who visit their charitable dining halls every day.

In Bilbao, the ninth edition of Management Solutions' Solidarity Film Preview event gathered 800 people who together were able to collect around 1,500 kg of food that was

given to the Bizkaia Food Bank to be later donated to people without resources.

In Barcelona, where the Solidarity film screening event was held this year for the first time ever, more than 300 people gathered and managed to collect more than 600 kilos of food and children's products (porridge, diapers, etc.) that were delivered to the Banc dels Aliments in Barcelona.

The children were the real stars of the day and those who most enjoyed the screened movie and videos, as well as the shows and workshops offered by the actors upon arrival and throughout the reception following the movie. Social Action volunteers organized these activities, arranged the logistics for the day and delivered all that was collected to the charitable institutions.



Solidarity Film Preview, Mexico City



Solidarity Film Preview, Santiago de Chile

Social Action

The success of this initiative in Spain has gradually spread to other Management Solutions offices. In 2019, Solidarity Cinema events also took place in Mexico City, São Paulo and Santiago de Chile.

In Mexico, Solidarity Cinema was held for the fourth time and brought together close to 300 Management Solutions professionals and clients and their families. Their generosity made it possible to collect 1,000 kilos of nonperishable food that was delivered that same day to Fundación Clara Moreno y Miramón, an institution whose purpose is to transform the lives of girls and adolescents at risk of ending up on the streets through comprehensive care programs.

The Chile office held their third Solidarity Cinema in 2019, bringing together around 200 people including MS professionals, some of our main clients and collaborators, and their families. The Firm collected nearly 300 kilos of non-perishable food that were delivered to Hogar San Ricardo, a residence for children with severe mental disabilities who are sent there by the National Service for the Protection of Minors when they are in a situation of abandonment, are socially vulnerable and/or do not have a parent or guardian.

In Brazil, the volunteers from our São Paulo office accompanied the children from the Santo Amaro Home (an institution that cares for 30 children and adolescents between the ages of 0 and 17 who have no resources and are in situations of extreme social risk) in what was a great afternoon full of fun. The activity began with the screening of a children's movie at a cinema in a well-known mall in São Paulo. The children enjoyed the film with popcorn and soft drinks, and at the end had dinner at a local restaurant.

3rd Management Solutions Charity Race

In 2019 Management Solutions held its third Charity Race, organized to raise funds to collaborate with the educational programs and activities of Créate Foundation. Management

Solutions is a founding patron of this organization that helps to promote innovation and entrepreneurship among children and young people.

Both races had an added social purpose, since the water distributed to the runners was from AUARA, a social enterprise that dedicates 100% of its dividends to a social purpose related to the lack of water in the world and the problems that this can cause.

The first of the two races, designed so that both running enthusiasts and families could enjoy a day of sports with a charitable purpose in the Financial City Forest at Boadilla del Monte (Spain), was entered by close to 300 people who participated in different runs: 5 and 10 km, 2 km non-competitive walk, and 300, 500 and 1,000 meter children's races depending on their age.

After the success of the first edition, in October the Firm organized a second Charity Race, which was attended by close to 600 people, which is double the participation achieved in the first Charity Race.

First Management Solutions' Charity Golf Tournament

In 2019 Management Solutions held its first Internal Golf Tournament at Golf Santander, organized to collaborate with Créate Foundation, of which Management Solutions is a founding sponsor of. 90 players, including Management Solutions professionals, clients and collaborators, participated in the Tournament, held at the Santander Golf Course in Boadilla del Monte.

The funds raised will be used to support the educational programs and activities organized by Créate Foundation, to



Solidarity Film Preview, Madrid

promote innovation and entrepreneurship among children and young people.

Blood donation campaigns

In 2007 Management Solutions' Social Action Group launched the Firm's first blood donation campaign in collaboration with the Spanish Red Cross. This initiative has since taken place every year with more than 38 volunteers participating in the Madrid donation.

In 2019, the initiative was also held in both Management Solutions' offices in Mexico City, in partnership with Blooders A.C. 50 volunteers were able to participate in this initiative, which shows the awareness and impact of our professionals can have through these types of campaigns.

Donation of computers and cell phones

Management Solutions regularly collaborates with different organizations by donating used computers and cell phones once they have been replaced. This helps to reduce the Firm's environmental footprint while also allowing us to fulfill the need that society's underprivileged groups have for these tools.

Plastic tops collection for solidarity

At the beginning of 2013, following a suggestion by one of the Firm's professionals, Management Solutions launched an initiative across all its offices to collect plastic tops for charity in order to collaborate with the "Tops for a new life" program. This program, run by the Seur Foundation, seeks to help children with health problems who need medical

treatment in addition to recycling tons of plastic tops in order to eliminate some CO₂ emissions, which is one of the main causes of climate change.

Given the positive response to this initiative by the Firm's professionals, we continued to collect tops during 2019, reaching a total of 50 kilos.

Solidarity projects carried out by Management Solutions professionals and supported by the Firm in cooperation with NGOs and charities

Pro-Am Tournament organized by the Deporte y Desafío Foundation, Spain

The Tournament, in which Management Solutions participated for the tenth year, was held at the Santander golf



3rd Management Solutions Charity Race in Madrid, Spain



3rd Management Solutions Charity Race in Madrid, Spain

Social Action



course in Boadilla del Monte, and included the participation of 10 teams (including a professional golfer on the European Tour and four *amateur* players).

Christmas Solidarity

Over 500 Management Solutions professionals brought hope to families in need through a "Solidarity Christmas" campaign, organized for the eleventh consecutive year and consisting of several initiatives in Spain, United Kingdom, Germany, France, Poland, Italy, The Netherlands, Portugal, United States, Mexico, Brazil, Colombia, Peru, Chile and Argentina.

In Spain, the "True Magi" campaign was organized to raise gifts for children in shelters in several Spanish cities who would otherwise not have received any gifts on Three Kings Day. The campaign was once again a great success and, thanks to the participation of more than 140 Management Solutions professionals from Madrid, Barcelona and Bilbao, it became possible for disadvantaged children in these centers to receive the gifts they had previously asked for in a letter to "their" individual Magi.

Our United Kingdom office collaborated with the "Toy Appeal" campaign to collect gifts for children from families without resources in East London. The campaign was organized by ELBA, a foundation that seeks to combine the efforts and resources of the private sector to offer possibilities for improvement to local communities in need.

The Social Action Group in our German office once again launched a food collection to collaborate with Frankfurte! Tafel, an organization that helps disadvantaged families by delivering food packages and organizing social canteens.

Our offices in France, Poland and Italy collaborated with different local hospitals through gift collections that were delivered by the volunteers to the children admitted during the Christmas season.

Our Netherlands office collaborated for the first time with Stichting Babyspullen, an organization that helps families without resources that have recently had a baby by providing them with essential items for the little ones (clothes, bottles, milk, etc.). In addition to the donation, volunteers spent an afternoon at the center helping to sort donated clothing and preparing packages that would later be delivered to families.

Professionals in the Management Solutions Portugal office joined efforts to provide children cared for by Ajuda de Berço with the toys they asked Santa for. Ajuda de Berço is an organization that takes care of children aged 0-3 in a situation of risk at two different shelters in Lisbon.

Likewise, professionals from our US offices collaborated with St. Jude Children's Research Hospital by collecting gifts for children and teenagers with cancer and other serious illnesses who were in the hospital during the Christmas period.

In Mexico, the "Be a Child's Wise Man" campaign was organized again in collaboration with Casa Hogar Amparo, an institution whose purpose is to ensure the optimal, holistic development of the girls at risk of exclusion, providing them with education, protection and a family atmosphere with values based on love. Thanks to the participation of professionals from our Mexico City offices, all the girls in this Casa Hogar received the gifts they had asked for in their letters to "their" individual Wise Men.

Our Colombia office collaborated with the "Building dreams" project from the Catalina Muñoz Foundation, which seeks to serve vulnerable communities through the construction of prefabricated housing modules. Thanks to the Firm's contribution and selfless effort of professionals in our Bogota office, it was possible to build a prefabricated house for a family without resources.

Professionals from Management Solutions Brazil collaborated once again with Casa da Criança Santo Amaro, a São Paulo shelter for 6 to 14 year olds in need, by organizing a volunteering afternoon during which, in addition to handing

the toys that had previously been collected (especially school supplies for the next school term), they shared a day of games and activities with the children.

Also, professionals in our Peru office organized a Christmas chocolatada for more than 130 children who are supported by the Institute for the Education of Adolescents and Working Children - INFANT, an organization whose mission is the holistic development of working children and adolescents (NNATS) in Peru and the Latin American region, as well as advancing the promotion of their rights and raising awareness in order to contribute to a fair and dignified society.

In Chile, the Viejito Pascuero campaign was organized once again in collaboration with Jardín Infantil Tai Tai, a center that cares for close to 70 children between the ages of 3 and 5 in the Estación Central community. The aim of the campaign was to provide each child in the center with a Christmas present. The involvement of professionals from our Chile office meant all children received their present directly from Viejito Pascuero during a celebration organized by the center's volunteers.

In Argentina, our office collaborated for the first time with the Pedro de Elizalde Public Children's Hospital. Volunteers collected puzzles, board games and storybooks that were then delivered directly to the children in the hospital.

Christmas with Ayuda en Acción

For the thirteenth year running, Management Solutions' Christmas cards were made in collaboration with an NGO. Ayuda en Acción was the NGO chosen this year and all proceeds from the purchases of Christmas cards went to collaborate with "Schools for the future", a project that the NGO launched in Mozambique to help children in the area receive a complete and appropriate education.

To choose the card's design, a now traditional competition was organized in which more than 200 young participants (the children, nephews and nieces as well as brothers and

sisters of Management Solutions professionals) showed their artistic skills. The winning entry was produced by Martina, 5, and Samuel, 3.

Children's day in Brazil

During "children's day", professionals from our São Paulo office organized a fundraiser to buy non-perishable food, a television and board games for the Lar Grossarl Shelter, with the aim of promoting their social and family reintegration and improving the quality of life for the children at the shelter.

The volunteers also had the opportunity to share in a small party organized for the 11 to 17 year-olds supported by the Lar Grossarl shelter, during which the gifts were delivered.



Christmas with Ayuda en Acción

Social Action



Volunteering at the Saica 2 Children's Home, Brazil

Management Solutions Brazil's Social Action group organized an Easter community support campaign at the Saica 2 Children's Home, an institution that takes care of children without resources who are at risk of extreme social situations.

Management Solutions' volunteers had the opportunity to share a fun day with the children of the Home and give to each of them an "Easter kit".

Festa Junina, Brazil

On the occasion of the traditional Brazilian holiday "Festas Juninas", the Social Action Group in our São Paulo office organized its second "Festa Junina Solidária", aimed at raising funds for future Social Action activities, as well as collecting warm clothing in good condition and non-perishable food to collaborate with a shelter that welcomes homeless people.

Volunteering with Down Madrid, Spain

In January 2010, Management Solutions' Social Action Group launched an ongoing collaboration to support the Down's Syndrome Foundation of Madrid which involved the organization of indoor soccer matches between the Firm's professionals and the children under the Foundation's care.

Also in collaboration with the Foundation, our Social Action Group has organized several single day volunteering events in which Management Solutions professionals share a fun day of leisure activities (for example, at multi-adventure parks or at natural related centers) with a group of children with Down's syndrome.

In 2019, our Social Action Group once again organized a volunteering activity in collaboration with Down Madrid, in which volunteers had the opportunity to share a day at the amusement park in Madrid with Down Madrid young individuals.



Campaigns to support Mozambique after Cyclone Idai, Portugal

In light of the damages caused by Cyclone Idai, which devastated Mozambique on March 14, the Portugal Social Action Group organized a collection to help the thousands of affected families. Thanks to the generosity of Management Solutions professionals, the Firm collected non-perishable food, baby food, basic necessities and medicines. All of it was given to the firefighters in the city of Lisbon (RSB), who were organizing and sending the aid to the African country in collaboration with the Mozambique embassy in Portugal.

"No child without a mustache" milk collection campaign, Spain

In 2019, Management Solutions joined the "No child without a mustache" campaign launched by Caixabank in collaboration with the Food Bank to collect milk cartons for children without resources.



J.P. Morgan Corporate Challenge, United Kingdom

The event held in Frankfurt served as a benefit and created awareness for the German Sport Aid Foundation and the German Disabled Sports Youth, while the London race helped to raise funds for the Alzheimer's Society, the United Kingdom's leading dementia charity.

London Winter Run, United Kingdom

A group of professionals from the Firm met in Central London to complete the 10 km run past some of London's most iconic landmarks.

The race, which was entered by some 23,000 runners, was part of the "Winter Run Series", a series of races held in different UK cities, all with the aim of raising funds to help Cancer Research UK in its fight against the disease.

Management Solutions' teams performed outstandingly, with one of our professionals winning fourth place.

"Race for the Cure", Italy

Professionals from Management Solutions Rome participated for the first time in "Race for the Cure", a charity event organized in some 100 cities around the world by the Susan G. Komen Foundation with the aim of raising funds to help prevent, treat and cure breast cancer. The event, which in addition to the race included four days of charitable sporting events and health activities at Circus Massimo in the Italian capital, brought together about 80,000 people.

The Susan G. Komen Foundation against breast cancer is an international non-governmental organization that was created in 1982 and has a network of more than 75,000 volunteers with a goal of eradicating breast cancer.

6th "Running against cancer" race, Spain

Over 60 Management Solutions professionals participated for the sixth consecutive year in the "Running Against Cancer" race organized in Madrid by the Asociación Española Contra el

The campaign is carried out coinciding with the end of the school year, since over the summer many children at risk of social exclusion do not have food that is essential to their growth and they have to go to social canteens in order to eat.

Global 6K for water, Spain

Management Solutions participated in the Global 6K for water, a race organized by the NGO World Vision to raise funds for children from disadvantaged areas through projects to help them access water. In addition to the physical race held in Madrid, the organization made it possible for anyone to collaborate with the solidarity goal through a virtual race allowing runners to accumulate kilometers anywhere in the world using an app, which meant Global 6K for water has been the first global competition open to the participation of all our offices.

In both the virtual and physical race, Management Solutions made an economic contribution (by taking care of the registration costs of all physical race participants and donating 1 euro per kilometer traveled by those MS professionals who participated through the app).

World Vision, an NGO present in 100 countries worldwide, has been working since 1950 to improve the life and future of millions of children in six areas (nutrition and health, education, child protection, water and sanitation, and economic security for families).

J.P. Morgan Corporate Challenge, Germany and United Kingdom

Management Solutions professionals participated at the J.P. Morgan Corporate Challenge held in Frankfurt and London. Both races were part of an initiative organized by J.P. Morgan across different countries with the goal of promoting values such as teamwork, health and commitment to the environment.

Social Action

Cáncer (AECC) to raise funds for research on this disease. The race consisted of three course distances (2, 4 and 10 km) through the center of Madrid and included 18,000 participating runners.

AECC is an NGO, set up in 1953, that brings together patients, their families, volunteers and professionals who work side by side in prevention and awareness raising, while also supporting individuals and funding cancer research projects in order to better diagnose and treat the disease.

3rd "Barcelona running against cancer" race, Spain

Management Solutions professionals participated in the 3rd "Barcelona running against cancer" race in Barcelona by the Asociación Española Contra el Cáncer (AECC) to raise funds for research.

The race consisted of three course distances (5 and 10 km and a 2 km non-competitive walk) through Fórum Park and had 5,000 participating runners.

"Run for a cause, run for a light for girls", Spain

Management Solutions professionals participated in the Madrid and Barcelona edition of the charity race "Run for a cause, run for a Light for Girls", organized by the Entreculturas foundation to raise funds to collaborate with the "Light for Girls" program, an initiative that takes place in 12 countries in Africa and America to support over 12,700 girls and adolescents who are at risk of violence by promoting their access to education while providing prevention and care.

The race, organized by the Entreculturas Foundation (a non-profit Jesuit NGO that focuses on education as an instrument for development, transformation and dialogue between cultures) in 13 Spanish cities, resulted in the outstanding performance of the Firm's professionals who achieved victory in the male category for both the 5km and the 10km races.



9th Down Madrid race, Spain

A group of Management Solutions professionals participated in the 9th Down Madrid race organized by Down Madrid. Management Solutions was a sponsor with the aim of raising funds for leisure and sports projects for people with Down syndrome and other intellectual disabilities who are supported by the foundation.

The event, held in the Juan Carlos I park in Madrid under the motto "Your kms = their inclusion", gave participants the option of completing a 2.5km, 5 km or a 10 km run, and resulted in the participation of over 5,000 runners. After the race, Management Solutions, along with other sponsors, received recognition from Down Madrid for its collaboration in this event.



Green Race 2019, Colombia

More than 20 professionals from Management Solutions met at the Simón Bolívar Park in Bogota for the fourth time to participate in the Green Race initiative organized by Natura Foundation -a civil society organization dedicated to the preservation, use and management of biodiversity to generate social, economic and environmental benefits-, and Fundación Grupo Argos -an organization focused on the preservation, restoration, sustainable use and protection of biodiversity as part of a wider environmental conservation purpose. Banco de Bogotá also helped organize this initiative.

Under the slogan "Nature wants you to run for the forests and water" the goal of the race was to renew local forests as three native trees will be planted for each runner registered in the race. The race also focused on raising awareness about the need to respect the environment.



Thanks to the participation of 6,000 runners, it will be possible to plant 18,000 native trees that will grow in Fundación Natura reserves.

2019 UNICEF 10K, Colombia

A group of Management Solutions professionals participated at the 2019 UNICEF 10K race in Bogota, an annual initiative organized by the United Nations International Children's Emergency Fund (UNICEF) to improve the lives of children and adolescents in vulnerable areas of Colombia and safeguard their rights.

Under the slogan "I run", nearly 6,000 participants gathered at Bogota's Parque Simón Bolívar to run in support of the country's most vulnerable children.

Somerville 5K 'Detour' Road Race, United States

For the sixth year in a row, professionals from our Boston Office met in Somerville, Massachusetts, to participate in the 24th annual race "Somerville 5K 'Detour' Road Race", organized with the aim of raising funds to support local homelessness.

Somerville Homeless Coalition is a non-profit organization which has the mission to provide homeless and near homeless persons and families with individualized supportive services and tailored housing solutions with the goal of obtaining and maintaining affordable housing.

Rumpshaker Race, United States

More than 20 Management Solutions professionals participated in the 11th Annual Rumpshaker Run held in Birmingham with the goal of promoting awareness about colorectal cancer.

The race, which offered two options (a 5k run and a one-mile non-competitive walk), both through the center of Birmingham, Alabama, raised \$98,000 for Rumpshaker - a nonprofit organization whose mission is to promote awareness about colorectal cancer, raise funds to fight and treat it, and provide hope for colorectal cancer survivors and those fighting the disease.

5th FUCAM Race, Mexico

More than 50 Management Solutions professionals participated for the first time in the FUCAM race, an initiative that brought together close to 7,000 people who, under the motto "Making breast cancer a disease of the past", ran to raise funds that will go towards breast reconstruction for 150 women.

FUCAM is a non-profit organization whose mission is to provide timely diagnosis, treatment and monitoring of breast cancer for Mexico's most unprotected and marginalized socio-economic groups.



“Our professionals are the ones that lead the firm's social commitment in each and every one of our offices”

Management Solutions is actively involved in the communities where it operates. Through the Social Action Group, it organizes many solidarity activities in collaboration with different NGOs and charities.

Professionals from all our offices, backed by the Firm, show a selfless dedication to those most at a disadvantage by engaging in various solidarity activities with positive impacts.

The Firm is very proud of the strong social commitment shown by its professionals.

Rodolfo Castilla
Partner at Management Solutions

Environment

We are particularly sensitive to any environmental impact that may be caused by our activity



While our activity has very limited environmental impact (environmental aspects of office-based activities), this is a matter of special concern for our Firm. The environmental management model adopted by Management Solutions is based not only on ensuring continuous compliance with all relevant regulatory requirements regarding the environment, but also on exceeding requirements wherever possible.

Under this approach, the Firm seeks to implement best environmental practices in its internal operations to help slow down consumption and minimize waste. Also, Management Solutions is committed to raising awareness and involving its employees in environmental matters, according to their level of responsibility, and providing the necessary knowledge to enable implementation of good environmental practices.

In 2013, Management Solutions prepared an Environmental Good Practice Guide, which provided all of its professionals with a basic understanding of environmental management, and established a set of practical, useful and educational recommendations aimed at changing or improving common behaviors within the office while decreasing the environmental impact caused by office activity and by each individual.

Thus, the actions prescribed in the Environmental Good Practices Guide have the following primary goals:

- ▶ Improve energy efficiency and optimize the use of natural resources: water, energy, raw materials, etc.
- ▶ Preserve natural resources.

- ▶ Reduce production of pollutants: gas emissions into the atmosphere, soil and groundwater contamination, etc.
- ▶ Minimize and properly manage waste, cutting back waste generation and encouraging re-use and recycling.
- ▶ Raise awareness to educate and inform others of the need to protect our environment.
- ▶ Contribute to a sustainable development model, where the actual use of resources does not compromise the social and environmental development of future generations.

The measures explained below are supplemented by the Firm's participation in the Spanish Energy Club (ENERCLUB), an important platform for dialogue and a forum for companies and professionals in the energy industry to promote sustainable development and environmental preservation.

Reduced resource consumption

Our type of activity and intensive use of technology make our environmental impact very limited, as we do not generate any waste of those considered to be dangerous. In spite of the low polluting nature of our activity, we monitor our consumption levels of those resources we use the most (electricity, water and paper) and are committed to any recycling and optimization initiatives.

Paper

Because of our activity, paper consumption is without a doubt one of the Firm's most significant environmental impacts. However, increasing awareness on the part of all professionals makes it possible to achieve reduced consumption levels.

In 2019, the use of paper sheets per person decreased by 2%. This reduction was achieved through initiatives such as setting defaults on printers to double-sided mode, and through growing awareness among professionals of the need to use information in electronic form (such as training courses available online through the Intranet and our online training platform).

Also, every year we make progress in reducing the number of printed copies of publications and other paper items such as brochures, cards, event invitations, etc., as we promote the use of digital versions. As an example, in 2018 it was possible to reduce the use of paper for corporate event tickets by 100%, as these tickets were replaced by QR codes.

Power usage

The sound management of electricity in our daily activities is a key factor in reducing the Firm's energy impact. Therefore, Management Solutions not only relies on the awareness of all professionals, but pays particular attention to the location of its offices.

For this reason, all buildings housing Management Solutions offices integrate various energy saving systems, such as thermostats, advanced insulation systems, movement sensors, energy saving lights, automatic opening and closing faucets, etc.

Our Madrid headquarters in Torre Picasso obtained the Aenor Certificate for Environmental Management that accredits the Firm's commitment to environmental protection while also ensuring that it implements sound environmental practices.

In addition, we must add the energy saving systems of printers and computers. This year 50% of our office space has switched to a LED lighting system, allowing us to save approximately 50% in energy expenditure on lighting.

We intend to continue to reduce our use of these resources in 2020 by promoting responsible usage among our professionals among other measures.

Carbon footprint

The progressive implementation of technologies such as videoconferencing, telepresence, live video streaming or the VPN connection, has led to a significant reduction in the number of trips made by our professionals, allowing for more efficient energy management and contributing to the fight against global warming by reducing our corporate carbon footprint.

In addition, city (and in many cases intercity) journeys made by Management Solutions professionals take place using a transport platform that since 2019 has been emissions-neutral. The platform achieved this by investing in projects that combat deforestation in parts of the Amazon rainforest to offset the carbon footprint caused by their cars.

Waste management

Fluorescent lights and toner cartridges

For fluorescent lights and toner cartridges found in all of our offices, once depleted, they are deposited in special purpose containers in the buildings housing our offices, or they are returned to the supplier for proper reuse or recycling. In 2019, toner consumption was reduced by 2%.

Paper and packaging

Paper and packaging that can be recycled are separated appropriately so that management companies can properly recycle them. In addition, our Madrid, Bilbao and Barcelona offices have special containers for placing confidential documents that must be destroyed. An external company is responsible for collecting these containers on a weekly basis as well as destroying and recycling these documents. During 2019, the amount of recycled paper increased by 10% compared to the previous year (representing more than ten tons of recycled paper).

Computers and cell phones

As explained in the section on Social Action, the Firm's global policy on computer equipment and mobile phones involves donating devices that are still in good working condition to various NGOs. Equipment in worse condition is sold for parts that are reused, or if the model is no longer current, it is sent to a company for recycling.

If you would like to express an opinion or doubt or make a suggestion about the information in this document, please contact:

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For more information on the Firm please visit:
www.managementsolutions.com
or at our social network channels



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