

2020 CORPORATE SOCIAL RESPONSIBILITY REPORT



BUILDING
TRUST

Credits

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Some of the photographs shown in this publication were taken during events prior to the COVID-19 Pandemic Declaration by the World Health Organization on March 11, 2020, or were taken from Management Solutions' photographic archive prior to that date.

We thank all those who, by contributing information, direct experience accounts and photographs, have made publication of this report possible.

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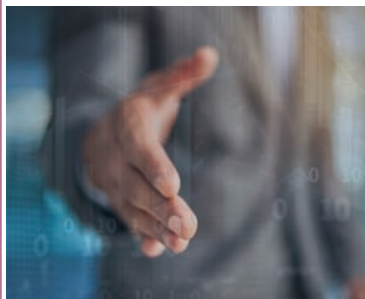
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Introduction

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.



*Management***Solutions**



Message from the Chairman



Alfonso Serrano-Suñer, Chairman of Management Solutions

Over the past year, we've all lived in a different world. The health crisis caused by COVID-19 has spread across the globe at a rate unknown to date. The pandemic seems to have taken advantage of the great achievements of recent decades for its expansion, moving through the great global nodes of a hyperconnected and globalized humanity.

Between the months of April, May and June more than 6.5 billion people, representing around 85% of the world's GDP, were confined to their homes to stop the spread of the virus. This "activity freeze", and its consequent supply and demand shocks, have posed a serious threat to business continuity and have led to strong liquidity strains in companies. This has affected supply chains in some sectors.

On the other hand, the lockdown has also put to the test the ability of IT infrastructures to handle mass remote work.

In short, we have been suddenly immersed in an environment of fragility and uncertainty in which, more than ever, we need to build trust. In fact, the greater the problem we face, the greater the opportunity we have to help solve it, and to generate trust among our stakeholders.

Our business activity is based on trust and to generate trust we need to get the "what" right, that is, offer services that create tangible value for our clients, and we also need to get the "how" right, meaning always delivering our services with excellence, based on sound principles and values.

To do this, we strive to design and implement innovative solutions, built in increasingly collaborative environments that take advantage of technological disruption to improve the customer experience, make processes more efficient, better control risks and make the most of the available information.

These solutions aim to address challenges that affect worldwide growth sustainability and have a strong social impact, such as advanced management of risks from climate change, ethics in the use of Artificial Intelligence, or the very response to the crisis caused by COVID-19, to mention some examples.

Many companies, leaders in their respective markets, rely on Management Solutions to adapt to the new reality and transition their business models into the digital space, thus maintaining or resuming sustainable growth.

This means we have to keep our value proposition permanently up to date, investing on research and knowledge development in collaboration with the university world, intensifying our international presence, enhancing our analytical, quantitative and technological capabilities, and specializing our industry knowledge.

For this we have the talent, effort and continuous preparation of an extraordinary team of professionals. A team with a strong culture that generates trust. A culture of strong principles and values that makes us easily recognizable: dedication to service; humility, generosity and solidarity; integrity and critical thinking; meritocracy and passion for a job well done; an entrepreneurial spirit, and perseverance in the pursuit of our goals.

In short, a team in constant search of excellence, which puts the customer at the center of all its actions and is not only concerned with what it does, but also how it does it. In short, a team that builds trust.

The year 2020 has been very positive for Management Solutions. One more year, and despite the extraordinary circumstances we face, we have exceeded all our goals in all the geographies and industries in which we operate, and in all our service lines.

Today we are a leading business-consulting firm serving over 1,000 global and local clients who are leaders in their respective industries. We have grown 30-fold in 18 years. Always growing, regardless of economic cycles.

Today we form an extraordinary team of 2,400 professionals with a strong analytical profile and a deep knowledge of the industries for which we work; a young, well-trained, cohesive and multicultural team (consisting of over 40 nationalities), which operates in more than 40 countries in Europe, the Americas, Asia and Africa, through our 31 offices.

We have also significantly increased investment in training and research, extended links with the University world, expanded cultural and educational sponsorships, and boosted solidarity activities in a particularly significant way.



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 where we operate.

With the publication of the fourteenth edition of our CSR Report, we aim to provide a transparent and detailed account of the progress made in 2020 in different areas, particularly regarding our social commitment under the Sustainable Development Goals and the United Nations Global Compact, which we joined in April 2019.

A fundamental line of our social responsibility policy has always been our link with the University world. We collaborate with more than 300 universities through agreements to provide scholarships and internships; through teaching master's degrees, classes and specialized seminars; cooperating in research programs; participating in career fairs; sponsoring and supporting university foundations and associations.

Encouraging entrepreneurship and innovation is another course of action in our social responsibility policy. Initiatives in this field have been extended to the field of education through supporting projects that pursue the development of entrepreneurial and innovative values, attitudes and skills, through early education of children and young people.

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

We are particularly sensitive about the need to work together towards sustainable development, and we make sure we design policies that contribute to environmental protection.

We continue to enthusiastically support and encourage all the solidarity activities undertaken by our professionals through the Management Solutions Social Action Group, of which we are especially proud for their selfless dedication to those most at a disadvantage. A group that has done an extraordinary job this year in response to pressing social needs.

At Management Solutions, we face the future with enormous amounts of enthusiasm and trust. The same trust we aspire to earn from our clients, our professionals and society as a whole.

Alfonso Serrano-Suñer
Chairman of Management Solutions

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 economic, social and environmental standpoints. This applies to all countries where we operate, setting targets that will serve as guidelines for the coming year.

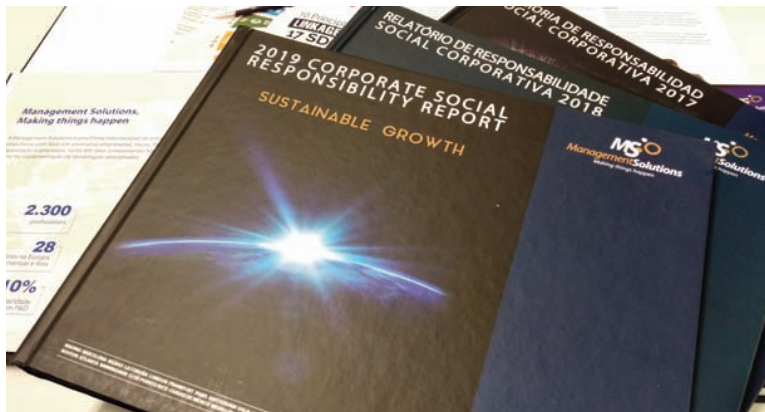
We wish to express our confidence in this responsible business model, to make our commitment public and to engage our stakeholders, who are the focus of our actions but may also help us to achieve our objectives.

This Corporate Social Responsibility Report details Management Solutions' achievements for the period between January 1 and December 31, 2020 in our offices in Europe (Spain, UK, Germany, France, the Netherlands, Denmark, Norway, Poland, Switzerland, Italy and Portugal), the Americas (USA, Mexico, Puerto Rico, Costa Rica, 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 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.



¹ Management Solutions refers to GMS Management Solutions S.L. and subsidiaries. For more details you can visit www.managementolutions.com/group-companies.

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 each of 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.



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 who are most disadvantaged. 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 much as possible with initiatives aimed at improving our socio-economic environment through social action as well as sponsorship and patronage activities.





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 2020 in connection with SDGs where the Firm's influence may be greater in light of its business and the likely concerns of its stakeholders.



Christmas Solidarity, Germany



Double your aid against COVID-19 solidarity campaign, Brazil



No poverty and zero hunger

The Management Solutions Social Action group, set up by 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, such as the one originated by the COVID-19 health crisis ("Double your aid against COVID-19" solidarity campaign carried out in all our units).
- › Collection and donation of food and essential goods to support shelters and soup kitchens (Missionaries of Charity, Bizkaia's Food Bank and Barcelona's Banc dels Aliments in Spain, Casa Hogar Amparo in Mexico, San Ricardo Home in Chile).
- › Printing of solidarity Christmas cards in partnership with various NGOs.
- › Solidarity Christmas Campaign with collection of basic goods and gifts for children's day centers and shelters (Spain, United Kingdom, Germany, France, Poland, Italy, Portugal, United States, Mexico, Colombia, Peru, Brazil, Chile and Argentina).
- › "Dia das crianças" campaign in Brazil for the donation of food and basic hygiene products for the Casa Lar, Saica I and Saica II centers in Sao Paulo.
- › Participation in "The Big Walk", a London initiative to help the homeless or those at risk of losing their jobs and homes, especially in the face of the COVID-19 crisis.
- › 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. During 2020, the Firm set up a COVID-19 Monitoring Committee that implemented certain measures aligned with local authority recommendations to protect the health of employees and to contribute to containing the pandemic (development of remote work and telepresence applications, medical monitoring, provision of individual protection means, and specialized training on COVID-19).

In addition, Management Solutions continues to promote sport and corporate wellness, organizing various sports activities for its employees throughout the year and offering subsidized gyms and other sports centers. The Firm has also organized or participated in other activities to promote health and well-being, such as:

- › Blood donation campaigns in various Management Solutions 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.
- › Collection of solidarity caps to raise funds to combat childhood diseases through the SEUR Foundation.
- › Participation in some solidarity races to support the fight against diseases (such as "Cancer Research UK London Winter Run" in London).



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 700 courses.
- › 200 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 and best academic record 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, such as the "Run for a cause, run for girls to shine" race.
- › Collaboration agreement with the Tajamar Foundation in support of the "SAS-TAG" course with the aim of collaborating in content definition and sponsoring one of the students in the course.
- › Collaboration with the "Resilient Digital Schools" project by Ayuda en Acción, helping schools face crises such as COVID-19 by ensuring every student's right to a quality, inclusive and equal education opportunity.





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 key areas such as access to employment, permanence, or 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 and actions taken by the Firm, include:

- › Development and monitoring of Equality Plans (in all countries where Management Solutions has a presence).
- › Participation in the “#UnDíaSinMujeres” (A day without women) initiative (Mexico), aiming to make women’s contribution visible in all areas of society.
- › Participation in the “Women in Consulting Dinner” (Spain), organized by the IE Women in Business Club.
- › 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 Créate Foundation’s “e-FP” program, an entrepreneurship space offering methodologies, teaching resources and awards to promote innovation and entrepreneurship among young people.
- › Support to the BBVA Foundation in Microfinance, which promotes access to credit and finance by those groups most disadvantaged in society.



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.
- ▶ Participation in the iDanae Chair in Big Data and Analytics, born from a collaborative effort between Management Solutions and the Polytechnic University of Madrid (UPM).
- ▶ Creation of the Social Impact Chair alongside Universidad Pontificia Comillas, Open Value Foundation and Repsol Foundation.
- ▶ Sponsorship and collaboration with the Royal Academy of Sciences Foundation of Spain in the dissemination of scientific content.
- ▶ More than 1,800 projects (80% 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.
- ▶ Publication of macroeconomic reports, industry reports and other specialized studies.
- ▶ Organization of a Datathon around Automated Machine Learning.
- ▶ Sponsorship, patronage and participation in industry associations: ENERCLUB, Risk Management Club, CERO Group, Institute of Spanish Actuaries, Entrepreneurs Circle, Alastria Consortium in Spain; UK Finance 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 Viajes 2000 to facilitate and promote 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 (Promotor) launched by Prodis Foundation.
- ▶ Sponsorship and participation in the "Your kilometers, my inclusion" virtual race organized by Down Madrid to promote the inclusion of people with intellectual disabilities through sport.
- ▶ Participation in the Pro-Am charity golf tournament organized by the Sports and Challenge Foundation for the social integration of people with disabilities through sport.
- ▶ Participation in the "Knowledge Trail" solidarity career in Amsterdam (Netherlands), in collaboration with Het Gehandicapte Kind, a foundation for disabled children that aims to promote and support their integration into society through financial and volunteering initiatives.



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:

- Production of white papers and delivery of conferences and seminars that deepen into the problem associated with climate change and the actions that must be carried out by organizations under the current regulatory framework.
- Support to international organizations such as the World Bank in the areas of impact analysis, regulatory adequacy, climate risk management review, and the incorporation of climate risk into the valuation of financial assets.
- Creation of the Social Impact Chair with the aim of promoting knowledge, research and innovation around impact investment, business philanthropy and its metrics, as well as the sustainable growth of companies and its growing association with social and environmental impacts.
- Reduction of the impact of our activities on the environment (through implementing policies for energy efficiency and reduced water and electricity consumption, reducing our carbon footprint, recycling and reducing paper usage, 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 sport events and business meetings.



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, a control framework that aims to foster legal, ethical and professional conduct among employees, managers and directors, 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, certified by AENOR.
- Business Continuity Management System in accordance with UNE-EN ISO 22301:2015 Citizen Protection and Security, certified by AENOR.

Management Solutions, Making things happen

Management Solutions is an international business 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



2,400
professionals
employed



31
offices



+40
countries where
we are present





MS&S
ManagementSolutions
Making things happen



STRATEGIC FOUNDATIONS PRINCIPLES AND VALUES

The key is a strong corporate culture that unites us and differentiates us; at MS, "what we do and how we do it" matters

- Commitment and dedication to service
- Humility, integrity
- Unity, solidarity, generosity
- Critical thinking, meritocracy, results-oriented
- Passion and determination to achieve goals
- Entrepreneurial spirit
- Constant pursuit of excellence (talent, effort and training)

MS&S
ManagementSolutions
Making things happen



ManagementSolutions
Making things happen

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 three million annual consulting hours, a global team of more than 2,400 professionals, 31 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 1,000 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.

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.

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 our professionals that has been particularly evident during the management of the COVID-19 pandemic.

The exceptional circumstances experienced during the pandemic have led to a situation of fragility and uncertainty in all economic and business activity, threatening the continuity of operations in companies. At Management Solutions, we have focused all our efforts on building trust in our environment through the design and implementation of solutions adapted to the new context and through generating value for our clients.

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.

Management of the pandemic

Given the relevance of the circumstances surrounding the management of the health crisis caused by COVID-19, Management Solutions has undertaken a number of initiatives that aim to minimize the impacts of the pandemic on society at large, and on its employees and clients in particular, which can be grouped into three sections:

- ▶ Guarantee of robustness and effectiveness of Management Solutions procedures in the continuity of its operations towards its clients, suppliers and professionals, through certification of our Business Continuity Management System by AENOR under the UNE-EN ISO 22301 Citizen Protection and Security standard obtained in July 2020, which took account of our successful internal management during the lockdown and restrictions of the first wave of the pandemic in the first half of 2020.
- ▶ Commitment to the dissemination and sharing of recommendations and best practices for our stakeholders, mainly clients, on the management by

organizations of the different implications arising from the pandemic, through the release of three publicly accessible white papers: "COVID-19: proposals to ensure the continuity of operations", "Measures to mitigate the impact of COVID-19 on the financial sector" (both in March 2020) and "COVID-19: reactivation plan" (May 2020), as well as participation in various seminars such as the "Evaluation of COVID-19 Risk Scenarios" webinar, organized both in Brazil and the Dominican Republic in June 2020.

- ▶ Design and implementation of concrete solutions for our clients through the various projects in which we have participated in 2020 from almost all of our offices.
- ▶ Establishment of strict medical protocols, exceeding the requirements set by the health authorities of the countries in which we conduct our activity, to protect the health of our professionals, clients and suppliers, and to contribute to the containment of the pandemic.

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.

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).

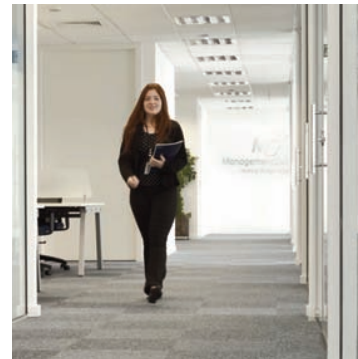
Organization and structure

Management Solutions is a single, global partnership

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, Making things happen



Management Solutions has a robust control framework

Management Solutions has a risk management and 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 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, Conflict of Interest 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

Risk management and control framework

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 audit on the financial statements (consolidated and individual for the parent company and main subsidiaries), 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.
- ▶ 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 ISO 9001 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 UNE 19601 Criminal Compliance Management System Audit - External audit that certifies the Firm's Criminal Risk Management System in accordance with the Spanish criminal code.
- ▶ AENOR ISO 27001 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).
- ▶ AENOR ISO 22301 Business Continuity Management System Audit - External audit that certifies the Firm's Business Continuity Management System.

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 set 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).



Risk management and control framework

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 competence in the processing of confidential information.

Business Continuity Management System

In order to strengthen the Firm's corporate Control Framework and respond to a growing need by clients and regulatory and supervisory entities, Management Solutions has a Business Continuity Plan in place that ensures the

continuity of the Firm's critical activities in the event of a serious incident (both internal and external activities for the provision of services).

In 2020, within a context marked by the pandemic, Management Solutions' Business Continuity Management System received certification in UNE-EN ISO 22301:2015 Citizen Protection and Security from AENOR, proving that the Firm meets the best standards in business continuity procedures in any event that may interrupt its activity, with special mention to the Firm's continuity management effort during the COVID-19 health crisis.



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.

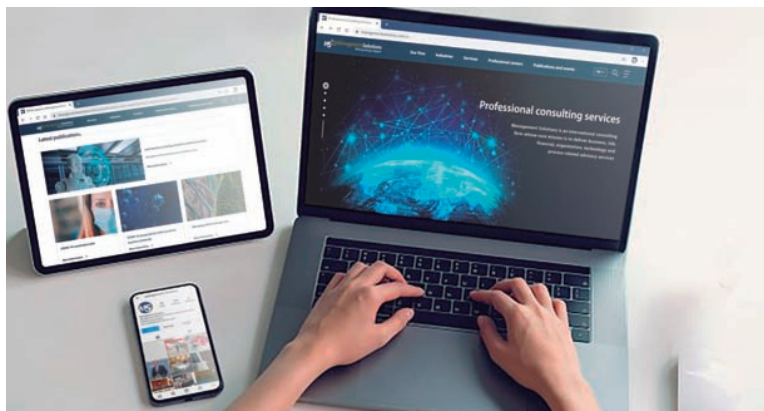
Consequently, all the places where our brand is displayed automatically become a vehicle through which our values are transmitted, whether these are sponsored initiatives,

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 2,400 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.

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.



During 2020, Management Solutions launched a new website with updated content and design that aimed to share information of interest created by the Firm and to project a more accurate image of what Management Solutions represents.

Our site, available 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 in connection with the university,

business and cultural worlds, as well as news on our community action campaigns and sports competitions. The new website also contains microsites on highlighted aspects, such as CSR or the Firm's proprietary solutions.

In addition, 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, Twitter and Instagram), created to share the Firm's specialist content (white papers, reports, regulatory alerts, technical notes, etc.) and events with its stakeholders.

In 2020, visits to our website increased by 10% 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"

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

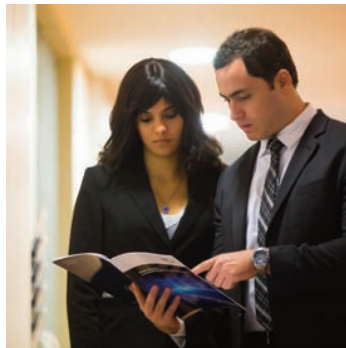
It is precisely in difficult circumstances like those experienced during the pandemic that the values that define us are tested the most. We can say that we feel really proud of how we have responded, always maintaining service excellence towards our clients and always staying close to our people.

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

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).



Félix Ramírez
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 is concentrated in four major geographical areas: Europe, the Americas, Asia and Africa, with 31 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 2020 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 three new offices in Copenhagen (Denmark), Houston (United States) and San José (Costa Rica).

In the United States, results have again been excellent, with a more than a 25% increase in operations thanks to stronger activity in New York, Alabama and Massachusetts, the excellent results from our Texas operations conducted from our new Houston office, and the projects carried out in other states such as 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 (Bogotá and Medellín), Peru, Chile and Argentina. Moreover, our activity in Central America has also intensified in terms of both the number of clients and number of projects, which has led to the opening of a new office in San José that serves the Costa Rican market as well as other countries in the Central American region.

In Europe we have also achieved strong growth in all main economies. Spain has been reinforced through the opening of our new office in La Coruña. As for our office in Germany, it has maintained an excellent performance throughout the year, achieving growth above 20% compared to the previous year, increasing penetration of 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 strengthened its positioning, increasing the number of clients and projects, and tightening its links with the British banking supervisor.

In addition, our Spain and Portugal offices continue to strengthen their leadership position in the business-consulting field for regulated industries in their respective markets.

Our other European offices have achieved excellent results with over 75% growth, particularly France, Italy, Poland and the Netherlands (which has been close to doubling its size in its first full year of operation), all this despite the challenging macroeconomic context.

Also to be highlighted are the excellent results achieved in the Nordic Countries, where a new office in Denmark (Copenhagen) has been added to the one in Norway, thus consolidating the increase in activity generated in recent years.

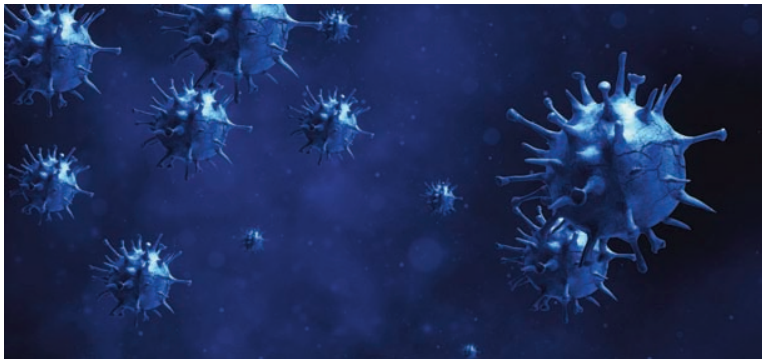
Lastly, our Asian operations have seen steady growth, leveraging our office in China, strong momentum in our Turkey activity, and our operations in Africa have increased around 3% (with an active presence in countries such as Senegal, Equatorial Guinea and Angola).

Permanent Management Solutions offices



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.

COVID-19 impacts on industries

The COVID-19 crisis has highlighted the fragility of our economic and social model and is having significant global impacts, to be added to the already delicate pre-crisis context resulting from events such as trade wars, Brexit, or the effects of climate change. The decline in the global GDP per capita is expected to be substantially larger than it was in the 2008 crisis, although the recovery process is also estimated to be faster.

Both the health threat posed by the expansion of the new virus and the containment measures taken by the authorities with the aim of mitigating the effects related to the spread of the pandemic, have posed a serious threat to the continuity of operations in many companies, also generating much liquidity stress.

The most negatively affected industries have been those whose services are closely related to the mobility of people (Transport, Tourism), and those in which physical presence is a critical factor for a satisfactory service provision (Hospitality, Culture and Leisure, Retail Trade – except for the Food Industry). In addition, the sharp drops in demand resulting from increased uncertainty and rising unemployment have affected industries across the board (Real Estate and Construction, Automotive, Energy, etc.).

However, some industries have revealed their strategic nature throughout the crisis (Pharmaceuticals, Food, Telecommunications, etc.), and their demand has not been compromised in the short term – it has even increased, in some cases – but they are still exposed to risks such as increased default levels or supply chain disruptions.

In any case, the proper management of emerging risks, organizational agility and efficiency, operational resilience, technological and innovation capabilities, and the capturing of opportunities arising from the new context, have become key elements for any type of organization even more so than before.

Financial Institutions

The financial industry 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 financial institutions 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



Industry

emergence of new business models and ecosystems, and the tighter control environment and regulatory requirements.

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

Also, changes such as 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 and Solvency II modifications imply a very significant effort to improve financial processes in order to achieve 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 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, adding additional complexity to an already very 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 captured by new players, 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, focusing on growth beyond the essential. 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.

Distribution

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.

Technology

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. This is 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.

Other sectors

Manufacturing

After a few years of efficient growth, industry is once again threatened by economic recession. European industry is experiencing 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 reflecting a drop in production and exports. The steel and chemical sectors seem to be withstanding this impact better.



Industry



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, understood in its various meanings of data value extraction, automation and robotization, intelligent management and sound, new ways of working and new business models, has a key role within the industry in terms of increased competitiveness and fewer costs from inefficiencies.

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). This has been amplified by the pandemic, with the industry demonstrating unprecedented responsiveness.

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 transportation 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 completely 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.

Tourism

The tourism industry has become one of the key areas of growth in developed countries.

However, as already mentioned, it is one of the industries most affected by the pandemic. As a result, the strong impact of restrictions on mobility and infrastructure use on this sector has greatly conditioned its performance.

This is nevertheless 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 competitors, 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, and once the pandemic has been overcome, 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 support the research and development of innovative solutions, evolving their differentiation and leadership capabilities 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 tool for training future generations and developing life-long learning opportunities.

This industry is facing transformation, because although the demand for university courses 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, digitalization, robotics, Big Data, cybersecurity, etc. These changes, together with the emergence of new digital players with new training programs and paths, and the industry's own digital transformation, make it necessary to review the educational model as well as its governance.

Construction and infrastructures

The construction sector is expected to grow over the medium term, even though its main constraint comes from public spending restrictions in almost all world economies, making 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.

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

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 or improving service quality by optimizing the management of their structural costs.

In the current pandemic context, and in order to mitigate the effects of COVID-19 on the economy while promoting a transformation of production systems towards a more sustainable and digitized economy, important transition plans have been developed, such as the Next Generation EU initiative in the case of the European Union. This is a 750 billion-euro temporary recovery tool that will help to repair the immediate economic and social damage caused by the coronavirus pandemic. It is thus intended that post-COVID-19 Europe will be greener, more digital, more resilient and better adapted to current and future challenges.

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 managing 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.



“Our value proposition is constantly updated to deal with the new challenges our clients bring to us”

Our clients face complex processes to transform their business models. Additionally this year, the COVID-19 crisis has forced entities to design shock plans to ensure the continuity of their operations. In order to meet these and other 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 value propositions that accurately meet our clients' challenges, as we adapt our solutions to the specific characteristics of their sectors of activity. In addition, 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 try to ensure that our value proposition is permanently updated to meet our clients' changing and specific needs.

Ana Díez
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 (Core 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.



Service lines

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 support management in their strategic decisions, contributing our vision of their challenges both from a global perspective (trends, best practices, etc.) and specifically for each company (action alternatives, planning, execution recommendations, etc.).



Management & financial information

We meet management information requirements by validating, modifying and establishing information sources, defining transformation processes (calculations and metrics), and supporting the technological implementation required for a successful roll-out.



Sales & marketing management

We design and develop business efficiency, multi-channel and business intelligence programs that support our clients' growth.



Transformation: organization & processes

We approach our clients' transformation projects from a triple perspective: organizational, operational and technological, achieving significantly improvements in the effectiveness and control of business activities, increased customer and user satisfaction, and an adequate cost reduction.



Risk management & control

We provide the best solutions for effective management and control of the risks associated with the business activity: credit, market, operational, liquidity, structural, reputational, conduct, model, business, and other risks, as well as to facilitate a comprehensive view of all risks (and their impact on capital requirements and provisions).



New technologies

We specialize in defining and implementing the most appropriate technology for each individual organization according to its needs and possibilities, designing frameworks that strengthen data reporting and data governance.

Our practice in the face of COVID-19 challenges

Management Solutions has incorporated practical and innovative solutions into its value proposition that allow companies to face the challenges and opportunities arising from the current pandemic context. These solutions address five main areas:

1. Continuity of operations

Methodology for the development or review of plans for business continuity and crisis event governance, considering any aspects related to organization, HR, technology, facilities, suppliers and communication processes, with special focus on the preparation of tactical plans for the implementation of remote work, subsequent "reactivation" plans, and monitoring processes to ensure a successful performance during the crisis, including the design of Apps for the management of specific events (convening of crisis committees, protocols management and communication with employees, etc.).

2. Liquidity risk management, financial planning and management information

Key elements for reviewing liquidity contingency plans and scenario planning methodology that allow organizations to (i) perform sensitivity/liquidity stress analyses and (ii) quickly project the income statement so as to facilitate the identification of containment levers. In addition, we offer our own methodology for the elaboration or reformulation of strategic plans and operational planning, as well as for the design and adaptation of management information models (business information, cost distribution and profitability analysis, dashboards, etc.).

3. Anticipatory credit risk management

Proposals for the adaptation of anticipatory credit risk management strategies (clustering, modeling, sensitivity analysis, policy adaptation, mitigation levers, etc.) and for the optimization of recovery processes (cost analysis of the process at its different levels and adaptation of strategies, models, organization and processes).

4. Transformation and efficiency

Identification of aspects key to a successful transition into a strategic remote working model (conciliation, smart working, technological impacts, adaptation of contact centers and Agile methodologies, etc.), methodology for the development of sizing models, talent identification and employee termination plans, process optimization (e.g. claims management, changes

in the distribution model and multichannel service models, etc.), capture of new business opportunities and comprehensive efficiency plans for revenue improvement and cost optimization.

5. Management and control of other risks

Such as conduct risk, reputational risk, IT, cybersecurity and fraud risks, supply chain resilience and business risks (adaptation of the value proposition and offer, capture of opportunities and competition monitoring, etc.).



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

The current international context is characterized by a convulsive economic situation, greatly affected by the COVID-19 pandemic, with a strong impact on GDP levels in all major world economies, and with prospects of prolonged low inflation and low interest rates, as well as an uneven recovery. 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.

These activities have been strengthened by the creation of an Expert Advisory Committee tasked with advising and providing

Creation of the R&D Expert Advisory Committee



Management Solutions has created an R&D advisory committee of experts from the research, university and business worlds to guide and advise the Firm's R&D area.

The R&D Advisory Committee, made up of research experts from both Management Solutions and the university and business worlds, was born with the mission of providing guidance and advice on the research and development activities carried out by the Firm mainly in the fields of Machine Learning, Deep Learning and Artificial Intelligence and related technologies, as well as assisting in trend detection and potential research avenues.

The Committee is chaired by Mr. José María Fuster, President of the Royal Academy of Sciences Friends Association, ad honorem professor at the Polytechnic University of Madrid (UPM) and Adviser to the IDanae Chair's monitoring committee. Its members include H.E. Mr. José Francisco Duato, Academic of the Royal Academy of Sciences (RAC); Ms. Ernestina Menasalvas, UPM Professor and iDanae Chair Director, and those Management Solutions partners most involved in the Firm's R&D activities.

The creation of this Committee, together with other research-related activities such as the Firm's involvement in the iDanae Chair or the various collaborations with the RAC, once again highlights the Firm's commitment to R&D and to remaining at the forefront of knowledge.

guidance, particularly in the areas of Machine Learning, Deep Learning and Artificial Intelligence and related technologies, as well as assisting in trend identification and potential research avenues.

In addition, Management Solutions collaborates closely with different universities, participates in applied research 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 Universidad Politécnica de Madrid, and jointly leads the activities and publications developed by this Chair. Management Solutions is also a founding member of the Social Impact Chair, born through collaboration between Management Solutions, the Repsol Foundation, Open Value Foundation and Universidad Pontificia Comillas, for the research and dissemination of best practices around impact management and sustainability.

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; Diploma in Business Consultancy offered jointly by Management Solutions and Instituto Tecnológico de Monterrey, and the Training Program in collaboration with Inspier in São Paulo, 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.

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).

As a central component of its patronage activity, Management Solutions is part of the Board of Trustees of the RAC Foundation through its Chairman, Mr. Alfonso Serrano-Suñer, and is also a member of the Association of Friends of the Royal Academy of Sciences of Spain (aRAC). The Firm collaborates through active sponsorship, beyond financial support, in actions and events for the dissemination of Science, and works with academics from the RAC's exact



sciences department on researching the most advanced algorithms and mathematical 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.

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 a specifically created 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.

First Management Solutions Datathon

A "Management Solutions Datathon" was held in December 2019 to January 2020 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.

Throughout the competition, participants faced various choices on data processing, model selection and hyperparameter optimization, mostly done through grid

searches. Notably, some teams used random search, genetic algorithms or Bayesian search methods.

The Datathon was entered by 46 Management Solutions professionals from different backgrounds (physics, mathematics, engineering and economics) and geographies (Germany, Brazil, Chile, Colombia, Spain, the United States and Peru). Between them (either individually or in pairs), they designed 27 Auto ML algorithms.

The competition winners were Mr. David Ara and Mr. Juan Martin Fornell.

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.

Methodology (R&D&i)

- ▶ Research: compiling and design of client/industry best practices in regulatory adaptation and management (credit, market, liquidity, reputation, climate and other risks, 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.
- ▶ 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

Knowledge management

- ▶ New business models observatory: the R&D area supports the detection and analysis of new business models emerging in the industries in which the Firm carries out its activity, generally focused on the digital transformation of existing 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. Some examples of this are the latest white papers produced by R&D on the impacts of COVID-19 on business activity (with two publications, one with proposals for ensuring the continuity of operations, and another on the reactivation plan for companies), on the management of risks associated with climate change, and on AutoML and model automation.
- ▶ 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.

Making things happen

Management Solutions, 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 18 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).

18 years later, Management Solutions is more than thirty times larger, with a multi-disciplinary team of more than 2,400 highly talented professionals, and more than 1,000 clients, all of which are leaders (global or local) in regulated industries, and 31 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 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 an unprecedented macroeconomic scenario due to the impact of the COVID-19 pandemic, one of the most difficult situations that has had to be faced since its inception.

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.



- First full fiscal year
- Went from 80 to 130 professionals
- 90 clients
- 9 offices: three in Spain (Madrid, Barcelona, Bilbao) and six in the Americas (USA, Puerto Rico, Mexico, Brazil, Chile, Argentina)
- Start of industry events (Spain)

2003

2004

- 200 professionals
- 130 clients
- 10 offices (Italy office opening)
- Regular projects in UK, Italy and Portugal
- First industry publications (newsletters)
- First program to support the university and academic world

- 290 professionals
- 180 clients
- Destruction of our headquarters (Windsor building, Madrid)
- Expanded our presence in the Americas (activity in Mexico and Chile)
- Creation of our Global Resources Unit
- Creation of our Social Action Group in Spain

2005

2006

- 370 professionals
- 240 clients
- Exceeded half a million consulting hours
- Expanded our New York office
- Created our global R&D unit
- Internationalization of our Social Action Group (Europe, Americas)

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

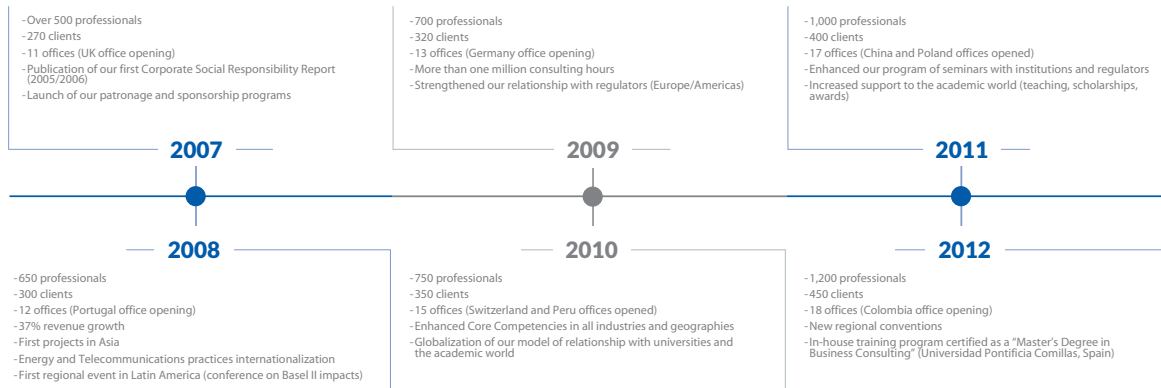
A permanent effort was made to extend and adapt our range of solutions in order to provide the best response to our clients' needs. Also this year, we expanded our horizons by opening new markets such as Switzerland and Peru, and globalizing the social action and the sports clubs with activities in all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



Making things happen

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.

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

- 1,300 professionals
- 500 leading clients in regulated industries both globally and locally
- Significant increase in activity in the Americas
- ISO 9001 certification
- Creation of the Internal Audit area

2013

- 1,700 professionals
- Over 600 clients (60 new)
- 22 offices (Paris, Boston, Birmingham and Atlanta offices opened)
- More than 2 million consulting hours
- Creation of a regulatory hub in Frankfurt

2015

- 2,000 professionals
- 750 clients (90 new)
- 24 offices (Medellin office opening)
- More than 1,300 projects (focus on digital)
- Expanded our services to the retail distribution industry

2017

- 1,350 professionals
- More than 500 clients (40 new)
- More than 800 projects ongoing
- Start of activity in Africa
- First graduating class of the Master's degree in Business Consulting offered by Management Solutions – ICADE Business School

2014

- 1,900 professionals
- 660 clients (60 new)
- 23 offices (Rome office opening)
- Extension of the Management Solutions/Instituto Tecnológico de Monterrey's Master's Degree in Business Consultancy

2016

- 2,100 professionals
- Over 800 clients (close to 100 new clients)
- 24 offices
- 1,700 projects (60% generated within the year)
- Implemented the IT Transformation Plan

2018

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

2020

- 2,400 professionals
- Over 1,000 clients (more than 150 new clients)
- 31 offices (Copenhagen, Houston and San Jose offices opening)
- 1,800 projects (80% generated within the year)
- ISO 22301 (Business Continuity Management System)

2020, Building Trust

In 2020 Management Solutions continued to grow in all geographies and industries in which it operates, despite an adverse scenario caused by the COVID-19 pandemic. We exceeded 3 million consulting hours, and opened three new offices in Copenhagen (Denmark), Houston (United States) and San Jose (Costa Rica). The Firm's Business Continuity Management System obtained the ISO 22301 Citizen Protection and Security certification this year, demonstrating that Management Solutions brings the best standards into its business continuity procedures in the face of any event that may interrupt its activity. We also continued to strengthen our commitment to sustainability, research and the university world, with the launch of the Social Impact Chair in collaboration with the Universidad Pontificia Comillas, Open Value Foundation and Repsol Foundation.

Today Management Solutions...

- Is more than 30 times larger
- Has a multidisciplinary team of over 2,400 professionals with a strong corporate culture
- Serves more than 1,000 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 31 offices
- Has a differentiated value proposition supported by cutting-edge R&D



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

Our main goal is to become our clients' trusted partners. To achieve this, we have to be permanently attentive to their needs and fulfill our commitment to excellence. Our aim is to develop lasting relationship models that generate value on both sides.

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 commitment to those who place their trust in us is unlimited. Our clients are what drives us. 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

2020 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.



8%
growth



>1,800
ongoing
projects



80%
of them originated
during the year





Building Trust

Building trust as a central element of what we do and who we are



Under the motto “Building Trust”, Management Solutions organized its Yearly Meeting in July – in a virtual format due to the restrictions resulting from the COVID-19 pandemic – in order 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.

The health crisis caused by COVID-19 has spread across the globe at a rate unknown to date. Between the months of April, May and June, over 6.5 billion people, representing around 85% of global GDP, had to stay at home to avoid propagation of the virus.

This sudden decline in activity, and its consequent supply and demand shocks, have posed a serious threat to the continuity of companies’ operations, led to strong liquidity stress in companies and affected supply chains in some sectors.

On the other hand, staying at home has put strong pressure on communications infrastructures to manage the new forms of remote work on a massive scale.

The world, in short, has suddenly been immersed in an environment of fragility and uncertainty in which trust needs to be built now more than ever.

Uncertainty is overcome by building trust. The greater the problem, the greater the opportunity we have to help solve it, thus building trust in our environment.

In an increasingly changing world, accelerated through digitization, it is essential to generate value for those who trust us. Value that translates into sustainable growth.

To do this, we strive to design and implement innovative solutions, built in increasingly collaborative environments, that take advantage of technological disruption to improve the customer experience, make processes more efficient, better control risks and make the most of the available information. These solutions also have a high social impact, such as advanced management of the impacts of climate change, the management of reputational risk by applying natural language processing techniques, ethics in the use of Artificial Intelligence, or the very response to the COVID-19 crisis as we provide solutions to ensure the continuity of operations, and subsequently help to plan reactivation.

This means we need to keep our value proposition permanently up to date by investing on research and knowledge development in collaboration with the university world, intensifying our international presence, enhancing our analytical, quantitative and technological capabilities, and further specializing our sectoral knowledge.

To achieve this, we count on the talent, effort and continuous preparation of an extraordinary team of professionals. A team

that has a strong culture building trust. A culture of marked principles and values that makes us easily recognizable: dedication to service, humility, generosity and solidarity, teamwork, integrity and critical thinking, meritocracy, passion for good work and an entrepreneurial spirit, perseverance in the pursuit of goals. In short, a team in a constant pursuit of excellence that puts the client at the center of all action and that is concerned about the "how" as well as the "what". A trust-building team.

In 2020 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 with which we were already collaborating. 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 over 1,000 clients, large multinationals, corporations and leading local firms to which we have added over 150 new names, all of them of strategic importance in their respective markets. In addition, we have further developed our presence and visibility with the regulators and supervisors of the markets in which we operate.

Such growth would not have been possible without the extraordinary team of 2,400 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.

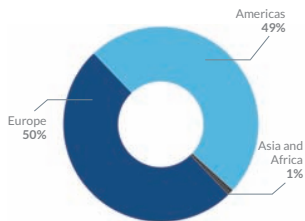
In short, we have again exceeded all of our goals in all of the regions in which we have a presence, in all of the industries in which we operate and in all of our service lines. We face the future with enthusiasm and confidence, with the firm purpose of helping our clients grow in a sustainable way.

Diversification

During 2020 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 maintains its strong growth (+25%), reinforced with the opening of our Houston office
- ▶ Sustained two-digit growth in Latin America, with Brazil, Mexico, Colombia and Peru exceeding 20%
- ▶ Presence in 10 countries in Central America, with the opening of our San Jose office in Costa Rica

Europe

- ▶ Strengthened our presence in the Spanish market
- ▶ Our United Kingdom, Germany and Portugal offices maintained their leadership
- ▶ Our offices in France, Italy, Poland and Netherlands took off with growth above 75%
- ▶ Strengthened our presence in the Nordic countries with the opening of our new office in Copenhagen
- ▶ Continued growth in the rest of Europe (with a special focus on Eastern Europe)

Asia

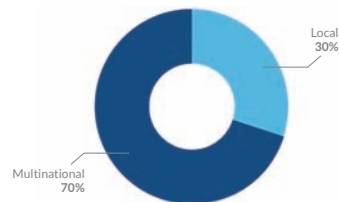
- ▶ Growth of our operations in Asia with our activity in Turkey and China continue to experience a strong momentum

Africa

- ▶ Increased presence and activity in Africa

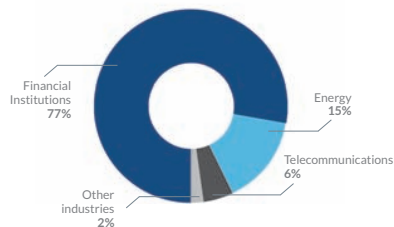
¹measured in consulting hours

Client diversification¹



- ▶ Over 1,000 active clients
- ▶ More than 150 new clients (across industries and geographies)
- ▶ Reinforced presence in leading clients (global and local)
- ▶ Stronger relationship with Regulators, Supervisors and International Organizations
- ▶ Reinforced relationship model with strategic suppliers

¹measured in consulting hours

Sector diversification¹

Finance

- Sustained growth (+8%) based on:
 - Greater specialization by business
 - Leadership in regulatory compliance (Basel III, TRIM, IFRS 9, Stress Test, etc.)
 - Leaders in Digital Transformation

Energy

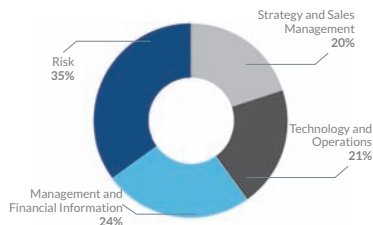
- Growth of our operations (+15%) as a result of:
 - A broader client base
 - A broader service offering (based on digital transformation, Artificial Intelligence, agile, etc.)
 - Practice deployed in other countries (especially in the Americas)

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 hoursDiversification of solutions¹

- Over 1,800 projects (80% new) in all our Core Competencies:

- COVID-19 (continuity of operations and reactivation plan)
- Profitability and financial strength (RWA optimization, Pricing)
- Non-financial risks (Climate, Reputational)
- Agile Organizations
- Processes digitation (customer experience, efficiency -RPA-)
- Data and Model Governance (MRM)
- Machine Learning (AI)
- Big Data and Blockchain Architectures
- Cybersecurity

¹measured in consulting hours

“At Management Solutions we want to contribute to trust building in order to overcome the current uncertainty”

COVID-19 has been a serious health crisis and a major threat to global economic activity.

Today more than ever, companies are looking for innovative solutions that leverage technological disruption to make their processes efficient, improve their customer experience, better control their risks, and make the most of the information available.

At Management Solutions, we try to help our customers achieve all of these goals. This gives us no option but to understand the new competitive dynamics in depth, to properly identify the problems they face, to provide valuable solutions and actively collaborate in change management.

All this with the firm purpose of building trust, a trust that translates into a sustainable growth for our clients.

Inmaculada Barroso
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.

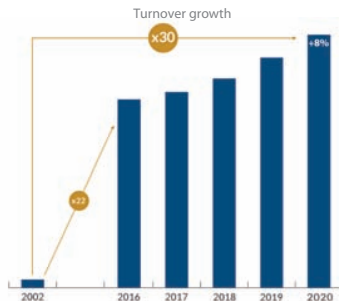
R&D&i innovation

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

Human Resources Management

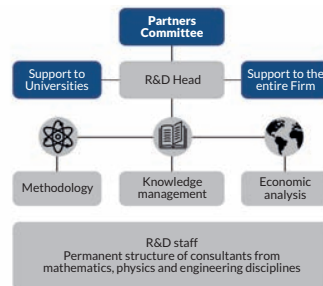
Our partnership model guarantees career progression that rewards individual merit for all our professionals.

Profitable growth



- ▶ Growth above 8%*
- ▶ Over 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

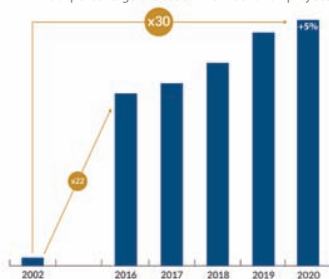


- ▶ Investment equivalent to 10% of the Firm's capacity
- ▶ Permanent structure formed of teams for:
 - Methodology (Innovation)
 - Knowledge management (Core Competencies, regulations, benchmarks, publications, training, etc.)
 - Economic outlook analysis
- ▶ Global coverage (all countries, industries and service lines)
- ▶ Regulatory hub in Frankfurt, seat of the ECB
- ▶ Joint Ventures with universities
- ▶ Global R&D Plan (more than 250 actions executed):
 - Methodology:
 - Developed the iDanae Chair for Big Data and Analytics (UPM)
 - Created the Social Impact Chair (U.P. Comillas) for ESG
 - Machine Learning Solutions (ModelCraft – Machine Learning – and Reputational Risk Management)
 - Collaborations in Artificial Intelligence value propositions (NLP, Anomaly, Speech, etc.)
 - 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

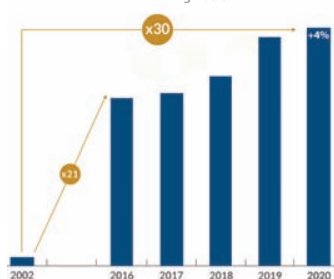
* Exceeding annual revenue of €290 million

Human Resources Management

Annual percentage increase in number of employees



Training hours



- ▶ Growing from the base, with over 500 recruits and 200 internships during the fiscal year
- ▶ Merit-based promotion throughout the entire pyramid:
 - Top management reinforcement (12 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 300 European, American and Asian faculties
 - Over 200 collaboration agreements
 - Over 10 Final Year Awards and Sponsorships for Undergraduate and Master's students
 - 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 700 courses taught (120 new)
 - Continuously updated Training Plan:
 - Seventh intake of students for the Management Solutions – ICADE Business School Master's degree in Business Consulting in Spain
 - Fourth intake of students for the Monterrey Tech Diploma in Mexico
 - Advanced training program in partnership with INSPER in Brazil
 - e-Learning development (Moodle) for standard/voluntary training
 - External complement: focusing on the management team (CFA, FRM, PMP, CISA, ICAI-IC, etc.)



In 2020 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



- ▶ Digital communication channels:
 - New content and services on our Intranet (with special focus on COVID-19)
 - Improved corporate website
 - Strengthening of our presence on social media (Instagram channel)
- ▶ Further specialist publications:
 - Publication of four white papers:
 - *Auto Machine Learning, towards models automation*
 - *Managing climate change risks*
 - COVID-19: proposals to ensure the continuity of operations
 - COVID-19: reactivation plan
 - 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 50 community support activities organized by Management Solutions: Double your help against COVID-19, 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 all our offices:
 - Participation in sports tournaments
 - Implementation of corporate wellness apps

Organizational flexibility



- ▶ Enhanced internal corporate departments and functions:
 - Strengthening of functions structure and integration (Legal and Tax)
 - Implementation of the technological transformation plan:
 - Process digitation (Ticket app)
 - New apps (remote work, medical service, etc.)
 - Improvements in HR and Finance MIS
 - Exploitation of information in Big Data (credentials)
 - Opening of new offices in Copenhagen, Houston and San Jose, and refurbishing of our Buenos Aires office.
- ▶ 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)
 - External certification of our Business Continuity Management System (ISO22301)
 - Ongoing staff training on corporate policies



“In spite of the difficult context we find ourselves in since March, we have once again exceeded all the goals we set for the year”

We try to do well at what we do best: serve our clients with excellence. Once more, and facing a particularly complex and challenging environment, our results have been excellent this year, with growth above 8%.

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

A talented team, with a strong analytical profile combined with deep knowledge of the business of the industries for which they work; multicultural (comprising more than 40 nationalities); young and well trained; ethical, responsible and committed.

As our motto dictates, we have made things happen one more year! And we have done so by building trust.

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.



>1,000

global and local
clients



150

of which
are new



>100

specialized
publications



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 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 1,000 active clients (150 of them acquired in 2020), 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.

In this chapter, we highlight the main activities carried out in the field of specialized dissemination during the year.

Publication of studies and industry reports

During 2020, Management Solutions published four white papers related to the management of risks associated with climate change, the automation of machine learning models (AutoML), and the management of the COVID-19 pandemic (dealing with both business continuity and reactivation plans for companies). The content of these documents, which are available for consultation in the "Publications and events" section on our website, is summarized below.

Managing climate change risks

Over the past two decades, concern for environmental degradation and climate change has gradually increased; as a result, it has been occupying a relevant place in the political agenda.

Scientific studies conducted so far have set out to demonstrate the man-made origin of this change, arguing that the continuous emission of greenhouse gases (GHG) is causing an increase in the average temperature of Earth, which will have serious social and economic consequences in the medium term.

Initially, the focus was on the impact of economic activity on the environment and, derived from it, the necessary promotion of more respectful environmental practices. This is reflected by the extensive adoption of international standards such as the GRI Sustainability Reporting Standards. However, in recent years, numerous internationally renowned actors in the public and private sectors have strongly emphasized the consequences to which countries, companies, the financial system and the global economy are exposed. This has brought the need to understand the risks associated with global warming and the necessary transformation of the current production model to the top of the international political agenda.

The environmental impacts derived from climate change

Together with the increase in the rise of sea level caused by the melting Arctic areas and the acidification of the oceans, various sources point to the increase in the frequency and severity of extreme events such as hurricanes or floods as one of the main consequences of climate change. These phenomena could cause serious damage to the world economy. According to the



latest study by the renowned Carbon Disclosure Project, the world's largest 215 companies estimate that their potential loss in asset value due to adverse climate impacts would be around 170 billion dollars, representing about 1% of their market capitalization.

An example of this is that of PG&E, the main electricity supplier for the state of California, considered by many to be the first case of bankruptcy to be directly caused by the impact of climate change. After the devastating fires that ravaged California in the fall of 2018, the electricity company officially declared itself bankrupt, as a consequence of the terrible damages suffered in its infrastructure as well as having to face millions of obligations for its role in the origination of those fires due to its electrical system. It is broadly accepted that extreme drought and heat conditions were decisive in the start, spread and severity of the fires. Another example is that of the insurance sector, known to be one of the industries most exposed to physical risks arising from climate change. Annual insured losses globally have increased 20-fold since the 1970s, reaching an average of 65 billion dollars during that decade. In 2018, this figure already was 85 billion dollars.

Some regions of the world and economic sectors will be particularly exposed to the risks of an increasingly unstable climate and rising water levels. However, in a globalized economy, climate change will affect all countries and industry sectors to a greater or lesser extent and will pose an important challenge to the stability of the global financial system.

Finally companies will have to face the challenges of adapting to greater social awareness, new regulations and their impact on financial markets.

Social context

Concern for climate change has taken a leading place in global collective consciousness. Many studies show that a large number of consumers would not only change their habits in order to lessen their impact on the environment, but would also like companies to help them live more sustainably. In the US market, data shows that during the 2014-2017 period there was growth in sales of products classified as "sustainable", superior to conventional products.

This trend is leading to the emergence of new opportunities and business models based on respect for the environment, resource sharing and sustainability criteria. It is also generating risks, such as those derived from how society has come to perceive certain industries as having a negative impact on the environment, as reflected by the increasingly common social movements demanding that governments and companies take drastic measures to combat global warming.

As a result of the above, over the last few years there has been a wave of judicial processes that have set a new precedent, as they have introduced the concepts of "climate responsibility and climate rights". This phenomenon is gaining special strength in the United States, and it is not surprising that fossil fuel companies are the ones most affected. According to Michael Gerrard, founder of the Sabin Center on Climate Change Law at Columbia University, more than 1,000 climate lawsuits have been initiated in the US.

One of the most controversial recent cases has been the lawsuit against oil giant Exxon Mobil. The company was accused by the states of New York (and recently acquitted by this state) and Massachusetts of misleading its shareholders about the real costs and risks of climate change in the company. Total is another oil company that has also been sued by several cities and NGOs, accused of not making sufficient efforts to mitigate climate change. Also, more than 10 cities in the USA, from New

York to San Francisco, have sued large fossil fuel companies for the damages suffered as a result of global warming. In addition, in 2018, a group of fishermen from California and Oregon sued 30 large fossil fuel companies for their role in climate change and the damage caused to their activity. Lastly, in line with this wave of judicial processes, a Filipino human rights commission opened a judicial hearing in New York to study whether large oil companies are violating human rights by being direct contributors to climate change.

The public sector has also been impacted by this wave of litigation from climate change. In recent years, citizens from the US, Canada, Netherlands, Ireland and Pakistan, have sued their governments for not acting with sufficient determination to reduce greenhouse gas emissions and drive a transition to a sustainable economy.

This upward trend in litigation from climate change is a huge risk for companies, especially those in industry sectors that cause large-scale GHG emissions.

Multilateral initiatives and regulatory initiatives

The Paris Agreement established objectives at international level in order to "keep the global average temperature increase well below 2°C with respect to pre-industrial levels, and continue efforts to limit that temperature increase to 1.5°C". This commitment implies that the signatory countries must establish measures to quickly reduce their greenhouse gas emissions and favor the transition to a decarbonized economic system, which requires a drastic transformation of the economy in all productive sectors.

However, an unanticipated transition to a low-emission economy could originate major shocks in the global economy. Therefore, in recent years, various regulatory bodies and multinational entities, mainly in the financial sector, have focused on developing recommendations, and subsequently

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regulations, to favour the consideration and management of risks arising from climate change. Their aim is twofold: on the one hand, to better understand the climate risks to which the economy is exposed in order to manage them, and on the other, to favor the transition towards a low GHG emission economy through the acknowledgement of these risks. From the recommendations of the TCFD, which are being adopted by key organizations in both the public and the private sectors, to recent EU and Bank of England regulations, the standards and regulations on climate risks have not stopped moving forward, expecting momentum to continue into the coming years.

The adaptation of financial markets

On the other hand, the growing demand for “green” financial products by investors, together with unclear standards in relation to what is considered a sustainable financial product

(including significant methodological differences in how specialist agencies rate ESG issues) has resulted in the growth of the so-called “greenwashing” effect. To address this, security markets regulators from different geographies have taken different measures to make sure criteria are implemented in a more transparent and homogeneous way (e.g. Sustainable Finance Plan for the EU, or the review by the British FCA of the “ethical investments” sector).

A context of new opportunities

Despite its inherent risks, climate change also brings new business opportunities, mainly in those areas that are conceived as solutions to the problem. Such is the case of low-carbon emission products and services, transports that do not involve intensive use of fossil fuels (e.g. rail and electric vehicles), alternatives for generating and transporting

electricity through renewable or less polluting energy, engineering for the design and construction of plants in which these alternative energies are generated, etc. Additionally, climate change is perceived as an opportunity for companies to improve their positioning and reputation.

An example of these are the strong stock market revaluations experienced by those companies that have opted for green energy, so much so that it caused concerns that too high valuations might lead to a “green bubble”.

In this context of new investments, the President of the European Commission (EC), Ms. Úrsula Von der Leyen, communicated in her opening speech at the UN Climate Change Conference (COP 25) in Madrid that the EU would publish a European Sustainable Investment Plan as part of the New Green Pact, which will include an investment of one trillion euros over ten years. She also referred to that plan as the “new growth strategy for Europe”. The Governor of the Bank of England (BoE), Mr. Mark Carney, who also spoke on the matter at COP 25, estimated that an investment of about \$90 trillion dollars in infrastructure between 2015 and 2030 will be necessary, which would mean great opportunities in different sectors (e.g. energy, transport or food).

The channelling of funds towards these opportunities manifested in the financial sector with the booming supply of specific financial products such as “green bonds” (fixed income products aimed at financing projects that meet certain environmental criteria, activities identified as sustainable or projects whose aim is to mitigate climate risk).

“2020 Climate Risk Report”, Risk.net



Risk.net magazine, a leading risk management publication, has enlisted Management Solutions to participate in its special issue on climate risks. The firm sponsored Risk.net magazine's special “2020 Climate Risk Report” issue, featuring an article by Management Solutions which, under the title “Climate risk management – A self-assessment of progress”, discusses some key ideas aimed at helping companies self-assess their climate risk management maturity.

The document also includes the participation of Management Solutions partner Ms. Soledad Diaz-Noriega in its panel discussion “A sea change – Driving awareness to confront climate risk”, in which different experts address topics of interest around measurement methodologies, reporting, organization, and the management of risks arising from climate change.

Additionally, other products have been developed within the financial sector that can reduce the required impact of capital investment on climate change. Some of these new products are green loans and deposits, energy efficiency financing plans, support for innovative start-ups, linking interest rates to sustainable performance or conservation finance.

Conclusions

Economic actors will face enormous challenges to adapt to the new social context, growing regulatory pressure and increasing demands from investors as a result of climate change. The starting point is to recognize this risk as an emerging transversal risk which companies need to examine in greater depth to ensure they understand its nature, to properly assess its impact and to embed it into their risk management frameworks. In parallel, they should review their strategies and undertake plans to transform their business models.

In this context, the paper aims to offer a perspective on the present and future of the risks associated with climate change for organizations. For this, the document is structured in the following sections:

- ▶ In-depth look into the nature of the risks associated with climate change together with a vision of the associated regulatory framework.
- ▶ Review of the risk management principles for these risks applied to different aspects: risk map, governance, evaluation methodologies, embedding into business as usual and generation of reporting.
- ▶ In-depth look into the methodologies for assessing these risks in the financial sector and their different regulatory and management uses.
- ▶ Analysis of the incorporation of climate change risks in the valuation of financial assets.



Auto Machine Learning, towards model automation

A mathematical model is, in a way, a simplification of reality that takes advantage of the information available to systematize decision-making. This simplification allows hypotheses on the behavior of both variables and systems to be evaluated through their summary representation under a set of postulates, usually based on data and applying inference criteria. Its main purpose is to explain, analyze or predict the behavior of a variable.

The current revolution in modeling techniques, coupled with increased computing power and more accessible and greater data storage capacity, has radically changed the way models have been built in recent years. This revolution has been a key factor that has stimulated the use of these new techniques not only in decision-making processes where traditional approaches were used, but also in areas where the use of

models was not so common. Finally, in some industries, such as the financial sector, the use of models has also been driven by regulation. Standards such as IFRS 9 and 13 or Basel II have promoted the use of internal models with the aim of adding sensitivity and making the calculation of accounting impairment or financial risks more sophisticated.

Although it may appear otherwise, the most common modeling techniques currently used in the business field do not have a recent origin. Specifically, linear and logistic regressions date from the 19th century. However, for some time now there have been significant developments in new algorithms that, while aimed at enhancing how patterns are found in the data, also introduce new challenges such as the need for improved interpretability techniques. The use of these new mathematical models in computing is a scientific discipline known as Machine Learning, since it allows systems to learn and find patterns without being explicitly programmed to do so.

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There are multiple definitions of Machine Learning, two of the most illustrative being those of Mr. Arthur Samuel and Mr. Tom Mitchell. For Mr. Arthur Samuel, Machine Learning is "the field of study that gives computers the ability to learn without being explicitly programmed", while for Mr. Tom Mitchell it is "a program that learns from experience E with respect to some class of tasks T and performance measure P, if its performance at tasks T, as measured by P, improves with experience E". These two definitions are usually related to unsupervised and supervised learning, respectively.

As a consequence, the appetite to properly understand and draw conclusions from data has increased dramatically. However, at the same time, implementing these methods has required changing multiple aspects in organizations and is, in turn, a source of potential risk due to development or implementation errors or inappropriate use.

Advanced modeling improves business and operational processes, or even facilitates the emergence of new business models. An example can be found in the financial sector, where new digitization methodologies are modifying the current value proposition, but also adding new services. According to a survey conducted by the Bank of England and the Financial Conduct Authority on almost 300 companies in the financial and insurance sectors, two thirds of the participants used Machine Learning in their processes. Machine learning techniques are frequently used in typical control tasks, such as money laundering prevention (AML) or fraud detection, the analysis of cybersecurity-related threats, and in business processes such as customer classification, recommendation systems or customer service through the use of chatbots. They are also used in credit risk management, pricing, operations and insurance underwriting.

Other sectors have seen a similar level of development. The use of Machine Learning models is common in industries such as manufacturing, transportation, medicine, justice or the retail and consumer goods sectors. This has caused investment in companies dedicated to artificial intelligence to increase from a total of \$ 1.3 billion in 2010 to \$ 40.4 billion in 2018. The expected return justifies this investment: 63% of companies that have adopted Machine Learning models have reported increased revenues, with approximately half of them reporting an increase exceeding 6%. Likewise, 44% of companies reported cost savings, with approximately half of them achieving savings over 10%.

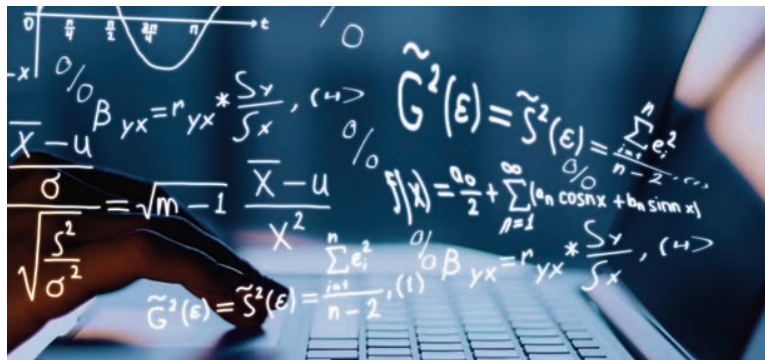
Of the different changes made by organizations to adapt to this new paradigm, talent recruitment and retention is still central. To begin with, companies have needed to enlarge their teams specializing in Machine Learning. The demand for professionals in this field increased by 728% between 2010 and 2019 in the United States, with a qualitative change in the demand for general data scientist skills and knowledge also being notable.

But this demand for generic Machine Learning and data scientist skills is not always the case: in order to analyze the increasing amounts of data available using increasingly sophisticated tools, requirements for skills have become more specific to include knowledge of different programming languages such as Python, R, Scala or Ruby, the ability to deal with databases in Big Data architectures, knowledge of cloud computing, advanced mathematical and statistical knowledge, and specialized postgraduate training. Consequently, many different jobs in the market have become hard to fill due to their highly specific skill set requirements. In addition, the rate at which companies are generating data means that, even with a stable supply of data scientists, the current recruitment solution is not scalable.

However, it is not only necessary to have specialist teams, but also to implement new development procedures, review validation methods, revise and assess models in the validation and audit areas, and make important cultural changes in other areas for this implementation to be effective. The use of these new processes creates a chain reaction that affects the entire model life cycle, including notably the identification, management and governance of model risk. Many of these models also require supervisory approval, as in the financial industry (e.g. capital or provision models), or in the pharmaceutical industry, which adds new challenges such as the need to ensure the interpretability of the models used, as well as to develop other elements of model confidence.

Another notable aspect of the investment in Machine Learning methods is that its development is uneven across organizations: the need to undergo validation, audit and approval processes established by regulations, or the requirement to maintain specific documentation standards, is creating differences in the implementation of internal models across firms. According to the EBA's Big Data and Analytics report, financial institutions are adopting digital transformation programs or promoting the use of Machine Learning techniques in areas such as risk mitigation (including automated scoring, operational risk management or fraud) and Know Your Customer processes. However, "although the use of Machine Learning may represent an opportunity to optimize capital, from a prudential framework perspective it is premature to consider the use of Machine Learning techniques appropriate for determining capital requirements".

There are also operational risks that are difficult to detect, such as those arising from human error during model implementation, or those related to data storage security, which should be properly managed to ensure Machine Learning systems are used in a suitable environment. An example of this is the framework established by the European Commission in these cases, covering different aspects of the modeling process. Finally, and also due to both regulatory and



management considerations, models need to operate reliably and be used ethically so that they can be trusted in the decision-making process. The EBA's proposal in this regard, based on seven pillars of trust, is of particular interest: ethics, interpretability, avoidance of bias, traceability, data protection and quality, security and consumer protection. These issues have also been identified as key elements by universities and business spheres.

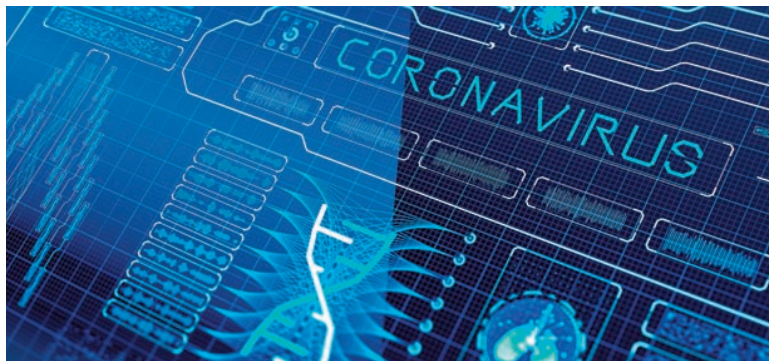
In this context, different model development tasks demand very different times: the tasks prior to and complementary to analysis also require a large amount of time and resources to prepare, clean and generally process the data; 60% of a data scientist's time is spent cleaning data and organizing information, while 9% and 4% of their time is spent on knowledge discovery tasks and algorithm tuning, respectively. All this drives the need to change the way in which model development, validation and implementation is approached, to

take advantage of the new techniques while solving the difficulties associated with their use, as well as mitigating any potential risks.

For the reasons outlined above, there is a clear trend towards automating processes related to the use of advanced Analytics techniques – generally called automated Machine Learning or AutoML, whose aim is not only to automate those tasks where heuristic processes are limited and easily automatable, but also to allow for more automated, ordered and traceable algorithm and pattern search processes to be generated. According to Gartner, more than 50% of Data Science tasks will be automated by 2025.

Furthermore, this trend towards automation offers a number of opportunities, such as the ones offered by the automation systems architecture in terms of workflow design model inventory, or component validation. Automated Machine

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Learning systems integrate various tools to develop models, also reducing cost, development time and system implementation errors.

AutoML systems and methods seek, among other things, to:

- ▶ reduce the time spent by data scientists on developing models through the use of Machine Learning techniques, and even to allow non-data scientist teams to develop Machine Learning algorithms;
- ▶ improve model performance, as well as model traceability and comparability against manual hyperparameter search techniques;
- ▶ challenge models developed using other approaches;
- ▶ leverage the investment made in terms of both time and resources to develop codes and improve the system's components efficiently and with greater traceability;

- ▶ and simplify the validation of models and facilitate their planning.

Against this backdrop, the white papers aims to describe the key elements of AutoML systems. For this purpose, it has been structured in three sections, with three objectives:

1. In the first section, the factors explaining the move towards the automation of Machine Learning processes are analyzed, as are the reasons underlying the development of AutoML systems, through both their componentization and automation.
2. The second section provides a descriptive view of the main AutoML frameworks, and explains what approaches are being followed, both in the academic field and in practical experiences aimed at automating modeling processes through Machine Learning techniques.

3. Finally, the third section aims to illustrate the results of AutoML system development, presenting as a case study a competition organized by Management Solutions in early 2020. The aim of this competition, aimed at MS professionals, was to design an Automated Machine Learning model.

COVID-19: proposals for action to ensure business continuity

On 31 December 2019, the World Health Organization office in China was informed that a pneumonia of unknown cause had been detected in the city of Wuhan, in Hubei province. The new coronavirus, associated with other known viruses such as SARs and MERs, was given the name SARS-CoV-2 while the disease caused by the virus received the name COVID-19. On 30 January, after detecting virus outbreaks in countries other than China, the WHO declared an International Health Emergency.

On 11 March 2020, when the number of infections soared to 118,000 cases across 114 countries, the coronavirus was declared a pandemic so that governments worldwide would take the necessary measures to contain its spread. Two weeks later, the impact of the pandemic grew to more than 400,000 confirmed cases of infections by SARS-CoV-2 and over 18,000 deaths in 196 countries. Since then, SARS-CoV-2 continues to cross borders and maintain an exponential growth rate, doubling the number of people infected every few days in many countries.

In order to mitigate the effects related to the spread of the pandemic, governments have been forced to take swift action and adopt emergency measures to contain the virus such as the restriction of general public mobility and strengthening border control or closing the borders. The governments of Italy, Spain and France have taken the most restrictive measures thus far.

In addition to having caused a major health crisis, this situation has had negative consequences for the global economy. According to the International Monetary Fund (IMF), the quantification of the economic impact of the new coronavirus pandemic is complex, generating uncertainty about the economic outlook and the associated risk of deterioration. This may jeopardize both economic growth and financial stability.

As the IMF notes, in addition to economic and fiscal measures, the implementation of monetary and financial stability measures will be critical to support the world economy. Hence, governments as well as national (e.g. BoE, Fed) and supranational institutions (e.g. ECB, EBA, ESMA) are taking measures to reduce the negative impact in the real economy, such as the suspension of mortgage payments, flexibility in the deferral of payments for SMEs and self-employed workers, or the increased flexibility of certain supervisory requirements, amongst others. This sort of measures are taken in different degrees in Europe, USA and Latin America.

Finally, the health threat of the spread of the new virus as well as the containment measures taken by the authorities pose a threat to the business continuity of companies.

The sharp decrease of the demand of products and services due to the restriction of general public mobility and the closing of businesses leads to liquidity stress for companies. Some sectors supply chains are also being seriously affected. Furthermore, the compliance with confinement measures implies a higher pressure on the telecommunications infrastructure, linked to the challenge that poses the implementation of teleworking for a big share of the workforce. Additionally, companies are implementing measures to mitigate the threats to the health of their employees.

In order to face this adverse scenario and ensure business continuity, companies must carry out and coordinate action

plans on multiple fronts (HR and Organization, Technology, Facilities, Supplies and Communication) under a governance model that helps manage the crisis.

The paper gives an overview of the measures taken by institutions, with focus on Europe and America, as well as the impact that these will have in different sectors and in particular, the financial sector. The main objective of the paper is to present specific proposals for action to facilitate the management of the crisis and ensure business continuity of companies.

COVID-19: reactivation plan

This past month, as the pandemic has stabilized and been alleviated in some regions, several countries have drawn up, or are in the midst of drawing up, action plans to gradually reduce their restrictions on the freedom of movement and allow a cautious and gradual return to activity.

Such plans should contemplate the possibility of new waves of infection, the intensity of which will depend on how much of the current population is now immune (amongst other factors).

Generally speaking, WHO's recommendations, specified by geographical location, indicate the need to meet certain prior conditioning factors before commencing the reactivation phase, such as a continued fall in new cases, recovery of the healthcare system in order to provide adequate assistance, and national capacity to test, trace and speedily isolate infected persons. Furthermore, it is requested that the population be duly informed and act responsibly in a continued manner.

At the same time as governments are launching reactivation plans, companies are also in the midst of defining their own return plans, adapted by geographical location, activity sector and capacity to implement the health & safety conditions



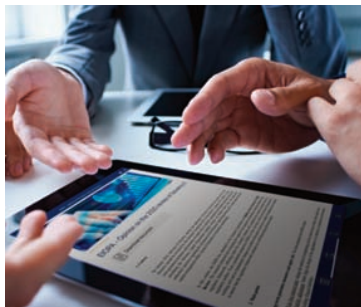
decreed by the government. In turn, given the potential reappearance of a possible outbreak, a corporate reactivation plan should be adaptable and sequential, allowing the measures to be re-evaluated at each phase.

Finally, the economic and social scenario facing the business sector will be totally different from the one existing prior to the crisis.

► From an economic and political point of view, economic agents will be facing an unprecedented drop in GDP and a rise in unemployment, a fall in prices, market volatility and a possible wave of M&As. In some cases, governments may act through price intervention in some sectors or by reinforcing local production, if considered strategic to ensure self-sufficiency in new crisis situations (such as healthcare, food and energy self-sufficiency).

Commitment to the industry

FinRegAlerts, Management Solution's 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.

▶ From a social point of view, all companies should reflect on which changes in the market, new customer behaviour and customer relations will be permanent, in order to adapt their strategy and value creation policy.

▶ In addition, risk management should be strengthened in order to adapt to new surroundings with a higher rate of default, illiquidity and debt moratoriums in vulnerable sectors. The following sections seek to provide an overview for a reactivation strategy, offering specific action proposals for it to take place in an orderly and safe manner; we have examined the factors affecting such strategy, the conditioning elements in terms of human, technological and physical resources, and the associated logistics.

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affecting such strategy, the conditioning elements in terms of human, technological and physical resources, and the associated logistics.

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 2020, Management Solutions prepared 8 technical briefs on the most relevant regulations published by leading authorities.

Organization and participation in specialized conferences and seminars

Management Solutions participated as a guest speaker at the Grupo CERO plenary session, virtual event

Management Solutions took part at the plenary session of Grupo CERO (Spanish Operational Risk Consortium) to share the new developments introduced in the latest Basel Committee publications to more than 25 operational risk managers from Spain's top financial institutions.

The Firm presented the news introduced in the latest Basel Committee publications on the Principles for effective management of Operational Risk (PSMOR) and the principles for Operational Resilience.

Grupo CERO is a forum for major Spanish financial institutions to exchange experiences on Operational Risk management.

"The Governance of Analytical Models: A New Challenge for CDOs" webinar, virtual event

The Firm participated as a speaker and moderator in the "The Governance of Analytical Models: A New Challenge for CDOs" webinar, by the CDOs Club. CDO Club Spain is a forum involving more than 80 Chief Data Officers and data managers from Spanish companies in the financial, insurance, energy, telecommunications, construction, tourism, retail and other industries.

During the event, which was attended by more than 60 CDO's, Management Solutions presented the findings of a survey conducted on CDO Club members across industries to assess the current status, trends and best practices regarding model governance, and moderated a discussion on the matter.

"Security and self-service: new challenges in the age of data democratization", Spanish CDO club

Management Solutions has once again participated as a speaker in one of the events organized by the Club, demonstrating its extensive experience in the area of data governance and data quality and its knowledge of best market practices.

During the event entitled "Security and self-service: new challenges in the age of data democratization", the Firm described its extensive experience and knowledge of the enterprise use of own data, presenting a cross-industry benchmark and moderating the debate.

"Flattening the climate risk curve" webinar, virtual event

Management Solutions participated in the webinar "Flattening the climate risk curve", organized by IFC -International Finance Corporation-GBAC, of the World Bank Group, as part of a series of webinars that, under the title "Ctrl + Alt + Delete: GREEN REBUILD", aim to enable opinion leaders from different fields to share their vision on the opportunity to rebuild a more sustainable world.

During the webinar, Mr. José María Roldán, President of AEB (Spanish Banking Association), Mr. Giorgio Trettenero Castro, Secretary General of FELABAN, and Ms. Soledad Diaz-Noriega, Partner at Management Solutions, discussed the current challenges involved in climate change risk management, focusing on how these should be embedded into banks' risk management strategy and frameworks.

The event, moderated by Ms. Marcela Ponce from IFC, was organized as part of the collaboration framework between Management Solutions and IFC - International Finance Corporation-GBAC for the delivery of courses and informative events on sustainable finance and climate change related risks.

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



Commitment to the industry

Model Risk Management Masterclass organized by Risk.net, virtual event

Management Solutions participated as a speaker in a number of online training sessions on Model Risk Management (MRM) organized by Risk.net and aimed at representatives of international as well as local financial institutions in various countries.

Alongside with the Firm, Speakers from organizations such as AEGON, Royal Bank of Canada, Lloyds Banking Group or Yields.io participated in the Model Risk Masterclass to discuss key issues for the industry, including regulatory requirements on MRM, how to build a risk management model framework, latest trends in internal model validation or model risk applied to Machine Learning models, among others.



Management Solutions' presentation, entitled "Building a model risk management framework", reviewed MRM regulations and provided an outlook on their likely future evolution, while also discussing in detail the components of a model risk management framework: organization, governance, policies and procedures, inventory, data and MRM tools.

Risk Nordics 2020, virtual event

In addition to being one of the event's sponsors, Management Solutions gave a presentation at Risk Nordics, a major industry event in the Nordic countries that was attended by more than 100 risk management leaders from the top financial institutions and insurance companies in the region, as well as European and local regulators.

The event, which aimed to address key risk issues for firms in the Nordic region, brought together the top financial and insurance industry players in the Nordic and Baltic countries for two days, as well as European regulators such as the EBA and the ECB.

Management Solutions presentation was entitled "Responding to Increasing Risk Data Expectations for Quality, Granularity, Governance and Control" and reviewed the main regulatory requirements and industry best practices on data granularity, data control and data quality within the financial and insurance industries.

13th Annual Banking Credit Risk Management Summit, Austria

Management solutions sponsored and delivered a presentation at the 13th 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 congress 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, entitled "Model risk management – an industry review", 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 or the quantification of model risk, among others.

"Cybersecurity in the insurance sector" webinar, virtual event

Management Solutions organized a webinar to share the main cybersecurity risks and trends affecting the Latin American insurance sector. The webinar was attended by members of the CNSF, AMIS, the Superintendencia Financiera de Colombia, Fasescolda and more than 30 insurers.

During the seminar, Management Solutions shared its experience in cybersecurity risk management, focusing on the main threats and impacts for the insurance sector as a result of technological evolution, the concerns and demands of regulators, best market practices and the elements that define a Comprehensive Cybersecurity Risk Control Framework.

FELABAN's 54th Annual Assembly, virtual event

Management Solutions participated in a panel discussion on the opportunities that sustainable recovery is likely to bring to Latin American banks. This major event was held as part of FELABAN's 54th Annual Assembly and brought together the top leaders from Latin America's financial sector.

FELABAN (Latin American Banks Federation) held its three-day Annual Assembly online on this occasion, providing ample opportunity for leading professionals from the Latin American financial sector to discuss and analyze major trends and topics concerning the sector.

Management Solutions participated in a discussion panel, moderated by the World Bank Group's International Finance Corporation (IFC), during which panellists discussed the latest trends in sustainable finance, the impact of climate change risks on the banking sector, and the potential opportunities a green recovery is likely to open up for Latin American banks. The panel featured more than 500 professionals from the financial sector.

As well as Soledad Díaz Noriega (Partner at Management Solutions), the panel also included Ms. Alzbeta Klein (Global Head of Climate Business at IFC World Bank Group), Mr. Aniceto Huertas (Partner and Co-CEO of Beel Infrastructure Partners), Ms. Gracia Barahona (Director of Ecobanking Project) and Mr. Carlos Serrano (Senior Operations Officer Climate Business at IFC). It was moderated by Ms. Marcela Ponce (Climate Finance Lead at IFC) and Mr. Luis Maldonado (Program Manager at IFC Green Banking Academy).

22nd Asobancaria Treasury Congress, Colombia

Management Solutions participated in the 22nd Treasury Congress on "Transformation, Challenges and Market Opportunities" organized by Asobancaria, the Association of Banks of Colombia, in Cartagena de Indias.

Management Solutions' presentation discussed Digital Transformation and deepened into the opportunities and challenges posed to treasury management by technologies such as Blockchain, Big Data, Machine Learning, Cloud and APIs.

"Evolution of pricing models in the insurance sector" webinar, virtual event

Management Solutions organized a webinar, together with Addactis, in order to share with the Latin American insurance sector the implications and experience of modeling the pricing of General Insurance products, with over 350 attendees.

During the seminar, experts from Management Solutions and Addactis shared trends in the sophistication of models and new techniques used in the pricing of Non-Life Insurance (car, home, health, etc.), complemented by a success case study of a Latin American insurer through the Addactis® Pricing tool.

"Salesforce in insurance - more sales and better customer experience" webinar, virtual event

Management Solutions joined efforts with Salesforce to organize the webinar "Salesforce in insurance - more sales and better customer experience", attended by firms from Mexico, Peru, Colombia, Chile, Argentina, Panama and Brazil, in collaboration with the Mexican Association of Insurance Institutions (AMIS).

During the webinar, experts from Management Solutions and Salesforce discussed the current context as well as the importance of having tools that help boost sales and improve the customer experience, presenting the different cloud platforms offered by Salesforce and covering the entire insurance value chain, from when a policy is purchased to when a claim is processed.



"Data Office implementation and evolution in the insurance sector" webinar, virtual event

Management Solutions has hosted a webinar for the Latin American insurance sector on implementing and evolving a Data Office, with the participation of 180 people from more than 50 insurance companies in over 10 countries.

During the session, which on this occasion focused on Data Governance and Data Quality, Management Solutions provided an overview of the industry situation in terms of Data Office development and implementation, the scope of activities carried out by these offices as well as their deployment models.

"Climate Risk Management in the insurance sector" webinar, virtual event

Management Solutions organized a webinar for the Latin American insurance sector to share the keys to managing

Commitment to the industry



Risk conference organized by the Associação Brasileira de Bancos, Brazil

climate change risk, with the participation of the World Bank – IFC.

During the session, held virtually given the global COVID-19 situation with the participation of 160 people from more than 50 insurance companies in over 10 countries, Management Solutions shared the current regulatory environment and key initiatives at the international level, as well as the main methodological milestones in the measurement of climate change risk and best practices in climate change risk management.

The webinar also featured a presentation by Ms. Marcela Ponce, Climate Finance Lead for Latin America Caribbean at International Financial Corporation (IFC) – an entity in the World Bank Group with which Management Solutions collaborates in a partnership to deliver training in Sustainable Finance and Climate Change related Risks.

“IFRS 17 in Action in Latin America – a Practical Implementation of Contract Measurement under the General Model (BBA)” webinar, virtual event

Together with Moody’s Analytics, Management Solutions organized the webinar “IFRS 17 in Action in Latin America – a Practical Implementation of Contract Measurement under the General Model (BBA)”, which was attended by more than 150 industry professionals from more than 10 Latin American countries.

During the webinar, a case study was presented covering the complete IFRS 17 process for contracts measured under the general model (BBA), with a focus on the following aspects:

- › Description of the general calculation process under the general model (BBA).
- › Allocation of contracts to units of account.
- › Initial PVFCF, RA and CSM and subsequent reassessment.

- › Changes in liabilities through several successive reporting periods, and tracking of unit of account profitability.
- › Recognition in the financial statements, P&L analysis and generation of daily debit and credit entries.

“Implications of adapting to IFRS 17 in Central America” webinar, virtual event

Management Solutions organized an informative webinar, held virtually due to the current global situation caused by COVID-19, with the Panamanian, Salvadoran and Costa Rican insurance sector in which representatives of 40 insurance entities participated.

The Firm shared the impact of the latest amendments published by the AISB, the key methodology aspects for discussion, and the lessons learned in implementation processes that are at an advanced stage and can help companies currently at an initial stage of IFRS 17 implementation.

Webinar with the Risk Management Club of the Dominican Republic, virtual event

Management Solutions participated in an informative session, held virtually due to COVID-19, that was organized by the Risk Management Club of the Dominican Republic and featured the participation of representatives of the country’s main financial institutions.

Management Solutions’ presentation was entitled “Risk management challenges in the COVID-19 environment” and shared the most relevant regulatory issues in the current context, the associated stress testing exercises and scenarios, and the issues related to the risk appetite framework.

“Transposition of BIS III capital regulations to brokerage houses” webinar, virtual event

Management Solutions participated in the webinar “Transposition of BIS III capital regulations to brokerage

houses", aimed at all members of the Mexican Association of Stock Market Institutions (AMIB). The seminar discussed the main economic and operational implications of the potential changes in capital rules for brokerage houses (currently under Basel I) to Basel III regulations.

The session reviewed the different methodologies for the calculation of risk-weighted assets and the main difficulties faced by Mexican financial institutions in 2016, when the capital rules evolved from Basel II to Basel III, with the particularities of the Mexican regulations.

Virtual seminar on climate risk and business continuity plans at the ABM, virtual event

Management Solutions gave a "Climate risk in business continuity plans" seminar that was attended by 300 people, all of them risk management professionals in Mexico.

The seminar, aimed at all ABM members, discussed the importance of factoring in climate risk in banks' business continuity plans, with a special focus on the new types of risks to be considered, taxonomy of affected assets, scenario methodology and impact measurement. The seminar also stressed the importance of transferring these scenarios to the origination, loan investment analysis and monitoring processes as a tool for loss mitigation and identification of new business scenarios and opportunities.

10th International Risk Management Congress, virtual event

Management Solutions participated in the "10th International Risk Management Congress" organized by FEBRABAN (Federação Brasileira de Bancos). The goal was to share the views of regulators, financial institutions and professional services firms on aspects related to the latest trends and challenges in risk management for financial institutions.

In addition to being one of the sponsors, Management Solutions participated with the presentation "Climate Risk Management", by Ms. Soledad Diaz-Noriega, that looked into the main challenges and best current practices on Climate Risk based on the Firm's international experience. Other speakers included Mr. Anup Jagwani (Manager for Climate Finance and Policy at IFC - International Finance Corporation/World Bank) and Ms. Kathleen Krause (Deputy for the Prudential and Exchange Regulation Department at BACEN).

The Congress, the leading one about Risk Management in Brazil, took place on a virtual format due to the circumstances arising from the COVID-19 pandemic, and was attended by representatives of the regulator and some of the main financial firms in Brazil and the world.

"COVID-19 risk scenario assessment" webinar, virtual event

Management Solutions participated as a speaker in a webinar organized by ABBC (Brazilian Association of Banks) to share its vision with the Brazilian banking sector, both nationally and internationally, as well as its vision on the management and control of credit risk, the mitigation of impacts on NPLs, Provisions and Capital, and the development of scenario projections for the current global COVID-19 situation.

This initiative is part of a series of events that ABBC, which with the support of Management Solutions, organizes with the aim of discussing different national and international hot topics affecting the banking sector.

Santander Brazil Finance Datathon, virtual event

Management Solutions participated as a speaker in a Datathon organized by Santander in Brazil in which all of the unit's Finance teams participated, including its Senior Management.

The event approached the resolution of real database challenges, focusing on data quality, and included presentations by experts in the field. Management Solutions' presentation was entitled "Qualidade dos dados" and shared Management Solutions' experience in Governance & Data Quality with the Datathon participants, supporting the teams and offering solutions to the proposed challenges.

Risk conference organized by the Associação Brasileira de Bancos, Brazil

Management Solutions participated as a guest speaker at a conference on risks organized by the Associação Brasileira de Bancos (ABBC) in São Paulo and attended by representatives of local and international finance institutions.

The conference aimed to share with members the difficulties of implementing IFRS 9 and the challenges of embedding it in risk management. Management Solutions' presentation shared the Firm's experience in IFRS 9 implementation, both locally and internationally, focusing on the potential challenges of embedding IFRS 9 in the risk management process.

"Model Risk Management: Better Decisions Based on Analytical Models" webinar, virtual event

Management Solutions participated as a guest speaker at a webinar organized by GARP (Global Association of Risk Professionals) in Peru that was attended by 150 professionals from the risk sector in the region.

Management Solutions' presentation reviewed current international regulations on MRM and likely future changes, taking a detailed look at the key elements required for defining and implementing a comprehensive MRM framework in the region, as well as the challenge of adapting to the most innovative Machine Learning and AI techniques.

Commitment to the industry



After the presentation, Management Solutions had the opportunity to participate in a panel discussion with representatives of the Banks Association as well as the Banking, Insurance and AFP Superintendency and Scotiabank Peru.

Seminar on asset and liability management, virtual event

Peru's Banking, Insurance and Private Pension Fund Managers Superintendency trusted Management Solutions to deliver a seminar on asset and liability management for their employees. During the 20-hour seminar, that was held virtually, the theoretical foundations of asset and liability management in insurance entities were addressed, complemented by highly complex case studies.

2020 Fasescolda International Insurance Convention, virtual event

Management Solutions participated as a sponsor in the Insurance sector event organized by the Federation of Colombian Insurers (Fasescolda), which was attended by representatives across the Colombian insurance sector.

The event was attended by different guest speakers and insurance sector experts such as Mr. Miguel Gómez (President of Fasescolda), Mr. Javier Suárez (Chairman of the Board of Directors of Fasescolda and Seguros Bolívar), Mr. Jorge Castaño (Superintendent of Colombia's Financial Superintendency), Mr. Alberto Carrasquilla (Minister of Finance and Public Credit), as well as the President of the Republic of Colombia, Mr. Iván Duque, who closed the event.

Some of the topics addressed during the three-day convention were the current situation and prospects for economic recovery in the face of the pandemic, the imminent electoral processes in the United States and Latin America, and the key challenges and supervisory trends facing the insurance industry in the future.

"Convergence of IFRS 17 regulations in Colombia" webinar, virtual event

Management Solutions participated as a guest speaker in the virtual seminar "Convergence of IFRS 17 regulations in Colombia", organized by SAS for the Colombian insurance sector.

During the event, the main methodological and operational aspects of the implementation of the new IFRS 17 regulations in the Colombian insurance market were reviewed.

Webinar on IFRS 17 in Chile, virtual event

Management Solutions organized a webinar to share the latest IFRS 17 developments and topics of discussion with the Chilean insurance sector, with 20 companies in the Chilean insurance sector.

The Firm shared the impact of the latest amendments published by the AISB, the key methodology aspects for discussion, and the lessons learned in implementation processes that are at an advanced stage and can help companies currently at an initial stage of IFRS 17 implementation.

"Basel III in Chile - The Road to Regulatory Compliance" webinar, virtual event

Management Solutions participated as a speaker at the webinar "Basel III in Chile - The road to regulatory compliance", an event aimed at local and international financial institutions that was addressed by speakers from the Association of Banks of Chile (ABIF) and Moody's Analytics. The webinar discussed the challenges faced by the industry in adapting to Basel.

Management Solutions' presentation was entitled "Basel III key aspects and deliverables", and reviewed the challenges of Basel III implementation in the industry.

"Model Risk Management in Banking", Reino Unido

Management Solutions sponsored and participated as a speaker in a Model Risk Management in Banking conference in London, 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 event, of which Management Solutions was the main sponsor, 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, entitled "Model risk: Myths debunked and burning trends", aimed to share 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.

"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 white paper published by Management Solutions) as well as current trends in model risk management.

"Governing Big Data: Challenges and Key Factors to Success", USA

Management Solutions organized a discussion forum for CDOs in New York, which was attended by a number of professionals from top financial institutions.

Under the title "Governing Big Data: 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 investment required to build a data governance model in these environments.



"Our deep sectoral 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 sectoral knowledge. This is why we have a selective presence in major industry forums in the countries where we operate, organize webinars on industrial trends, and publish specialized studies on relevant issues for each industry.

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

Rafael Guerra
Partner at Management Solutions

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.



+200,000

résumés
received



+500

new recruits
hired



+250,000

training hours
provided

MSO
Management Solutions
Making things happen



GRADIENT DESCENT.

$$h_{\theta}(x^i) = \sum_{j=0}^n \theta_j x_j^i$$
$$\Rightarrow \forall_j \theta_j = \frac{1}{n} \sum_{i=1}^n (y^i - h_{\theta}(x^i)) x_j^i$$

$\alpha \equiv \text{learning rate}$

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:

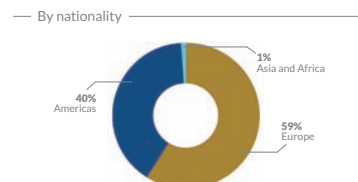
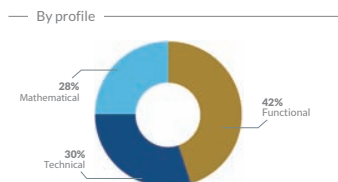
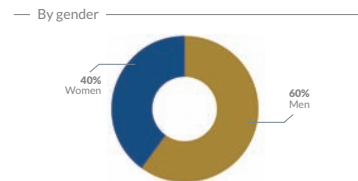
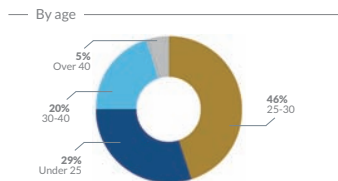
- › in the industry's most relevant consulting projects,
- › for major companies, leaders in their respective markets,
- › next to top management at companies as they face national and international challenges,
- › with an extraordinary team of professionals whose values and corporate culture are a reference 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



Human Resources policies

Committed to our professionals

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 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 the 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.

Over 2,000 people participated in our mentorship program in 2020. 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 one's 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 to identifying each consultant's professional skills and potential areas for improvement.

The evaluation for managerial profiles differs from that for non-managers given the nature of their work and the responsibilities

*More than 200,000 résumés
were received in 2020*



Human Resources policies

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:

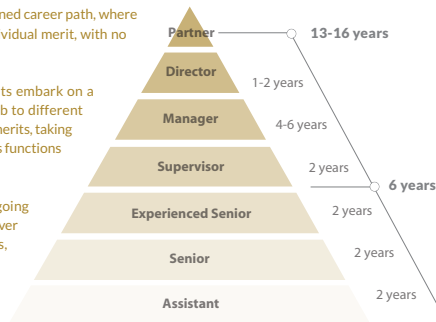
- › The personal preferences of the professionals involved.
- › Compensation and benefits (meals and accommodation, relocation bonus, flybacks, insurance and other benefits to facilitate relocation).
- › Logistical support to relocate.
- › Employment, tax advice and procedural formalities.

– 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 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 of people with disability

Management Solutions has an ongoing commitment to fighting 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 Viajes 2000) 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 2020



Diploma in Business Consulting offered by Monterrey Tech. Intake of 2018, Mexico

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.

Since 2019, a Business Training Program is offered for senior professionals in our Brazil office in collaboration with the

Inspier 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, 150 hours at senior and experienced senior level and 50 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.

- ▶ 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.

Commencement for the 7th Master's Degree in Business Consulting intake



Commencement ceremony for the 7th Master's Degree in Business Consulting intake, Spain

ICADE's Main Hall provided the location for the Commencement Ceremony for the 7th Graduating Class of the Master's Degree in Business Consulting offered jointly by Management Solutions and ICADE Business School. The graduation of the 190 Management Solutions professionals was held under the honorary sponsorship of Ms. Pilar López (President of Microsoft Spain).

Due to the restrictions imposed as a result of the Covid-19 pandemic, the graduation ceremony was held at ICADE's Main Hall with a small representation of students from the Master's degree program 7th graduating class, while those who could not attend in person were able to follow the event streamed online. The event was hosted by Mr. Antonio Obregón (Vice-Rector of Academic Planning and Teaching Faculty at Universidad Pontificia Comillas), Ms. Pilar López (President of Microsoft Spain) and Mr. Alfonso Serrano-Suñer (Chairman of Management Solutions).

Before the graduates were handed their diplomas, attendees were addressed by Mr. Francisco Javier Taguas, representing the students; Ms. Pilar López, acting as 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. Francisco Javier Taguas, Ms. Laura de Cáceres and Mr. Roberto Ruipérez for having achieved the best three academic records, the ceremony was closed by Mr. Antonio Obregón.

Training

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.

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

New in our Training Plan

Every year we review and update the Firm's global Training Plan, expanding it as we add new courses to provide greater uniformity and consistency across the different countries, as well as improving contents and adapting them to the new reality.

Some of the highlights of our Training Plan for this period included new updated content, a uniform structure across units, and improved teaching methods.

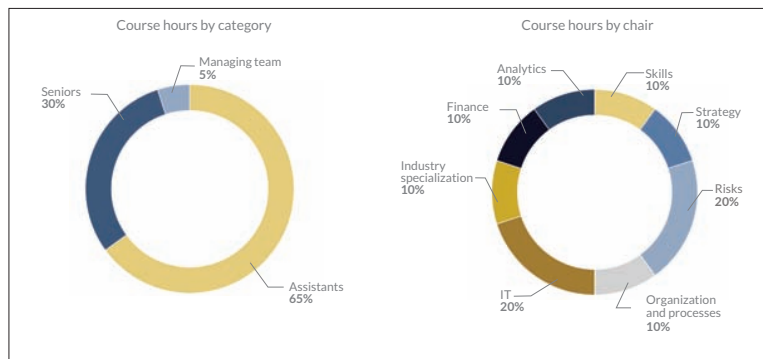
One-day Executive Seminar



A one-day training course for Management Solutions' senior executives was held on June 10, once again featuring prominent speakers from the business world.

The seminar was held in virtual format for the first time, with the presentations being streamed online. After an opening speech by Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions, the guest speakers delivered the following presentations:

- ▶ "An accelerated path to the future of banking", Mr. Marcelino Castrillo (Managing Director - Personal and Premier Distribution, Royal Bank of Scotland).
- ▶ "Building a data enabled organization", Mr. Chris Bannocks (Chief Data Officer, Danone).
- ▶ "Sustainable Finance", Mr. Ricardo Laiseica (Managing Director - Head of Global Sustainability Office, Grupo BBVA).
- ▶ "Trend and risk management in the insurance sector", Ms. Juana Francisca Llanos (President, Suramericana).
- ▶ "Covid-19 Action Plan", Mr. Xavier Martínez (Partner, Management Solutions).
- ▶ "Managing climate change risks", Ms. Soledad Díaz-Noriega (Partner, Management Solutions).
- ▶ "Auto Machine Learning", Mr. Manuel Ángel Guzmán (R&D Director, Management Solutions).



Like every year, the Training Plan has been revised to ensure coverage of various knowledge areas across geographies, defining a category-based plan that places more weight at the base of the pyramid and delivers updated, project-focused content.

New content:

- ▶ Focus on specialized training (Cloud, Machine Learning, reinforced actuarial training, etc.).
- ▶ QA on contents, ensuring coverage of trending topics and new regulations.
- ▶ Creation of a Consumer Chair.

- ▶ Reinforcement of our international certification plan (FRM, ERP, CFA, CISA, CCA, PMP, PSM, PMI, etc.) and certifications in the main cloud solutions (AWS, Azure, Google Cloud).

Unified content:

- ▶ Maintained our Training Plan structure, which is the same for all geographies, albeit with changes to improve it.
- ▶ Course streamlining to avoid duplication.
- ▶ Increased training hours in some geographies.

Improved teaching methods:

- ▶ Reinforced use of Moodle tool to support online training.
- ▶ Course materials not taught in all geographies have been made available through Moodle and the intranet.
- ▶ Expanded voluntary content supporting on demand training.

Management Solutions' Training Plan content

Regarding the contents of our Training Plan, the courses are structured around 22 Chairs, aligned with the Firm's lines of business.

Commercial strategy and management	Courses regarding corporate strategy and business challenges, business management, digital marketing, etc.	Operational risk and internal control	Courses regarding operational risk, SIRO, internal control methodology, etc.	Telecommunications	Courses regarding telecommunications industry basics, regulation, etc.
Finance: accounting	Courses regarding accounting, financial statement analysis, financial reporting, IFRSs, accounting process, etc.	Risks - Reporting	Courses regarding regulatory and capital reporting, MIR and regulatory updates, etc.	Course on professional services for Public Administration	Courses regarding professional services for Public Administration.
Finance: management control	Courses regarding management control, information systems, transfer rates and costs, etc.	Other risks	Courses regarding conduct, compliance, AML, Paladin, MRM and Gamma, etc.	Technology	Courses regarding database design, Architectures, Big Data, NNTT, Digitalization, Technology Risk Assessment, Cloud, Blockchain.
Data Science	Courses regarding applied mathematics, financial modeling, tools (SAS, R, Python), statistical models and Machine Learning sessions.	Skills	Courses regarding interpersonal skills, code of conduct, ethics, training for managers, training for trainers, Moodle, etc.	Organization and processes	Courses regarding organization and governance, Process transformation, Agile methods, project management, governance, wholesale/retail backoffice, etc.
Wholesales business	Courses regarding financial markets, treasury, fixed and equity income, derivatives, project finance, etc.	Banking	Courses regarding financial system, business analysis, banking business, etc.	AM and private banking	Courses regarding asset management and private banking.
Credit risk	Courses regarding regulation, capital and RORAC, risk management, provisions, ICAAP/LAAP, stress test, pricing, risk appetite, etc.	Energy	Courses regarding risk management in the energy industry, regulation, commodities, etc.	Servicing	Courses regarding real estate and debt servicing.
Market risk and ALM	Courses regarding market risk, counterparty risk, liquidity risk, ALM, structural risks, etc.	Insurance	Courses regarding insurance sector and regulations, premium engines (Prophet and AFM), etc.	Transaction banking	Courses regarding 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 ▶ Architecture: SOA ▶ Solution: 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 corporate policies, confidentiality policy, prevention of criminal offences, personal data protection, occupational risk prevention, training of trainers. ▶ Data science: Mathematical methods, modeling courses (unsupervised Machine Learning techniques, time series), R and Python reinforcement, specific programming techniques. ▶ Technology: Design of informational systems, DevOps, QlickView.

Structure of the Training Plan

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.

Its content caters for the needs of our consultants as they progress through their career, and includes technical, skills and language training.

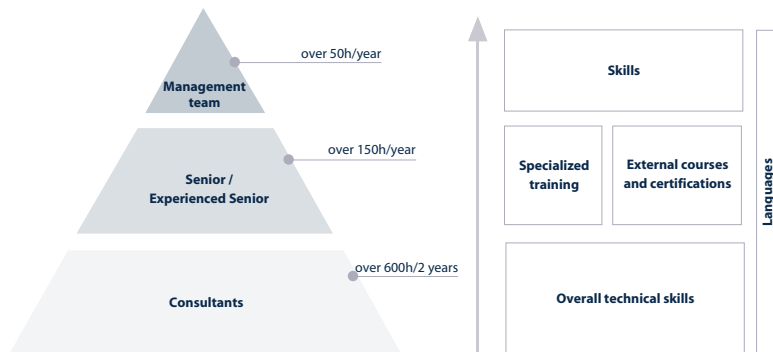
The plan is structured around knowledge hubs associated with the Firm's areas of business:

Adapted to all units

- ▶ Uniform training across units, although adapted to specific needs.
- ▶ In some units, it includes agreements with universities.

Structured around knowledge hubs

- ▶ Knowledge hubs match the Firm's areas of business:
 - Industries: banking insurance, energy, telecommunications, other.
 - Core Competencies: Strategy, Commercial management and marketing, Transformation: Organization and processes, Risk management and control, Management and financial information, and New technologies.
- ▶ Also taken into account are geographic and client-based criteria, with courses being adapted to the reality of our offices and to specific client needs.



“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' career (with a rigorous system of ongoing evaluation and systematic mentoring) to help them develop the talent, knowledge and skills required to succeed in their profession.

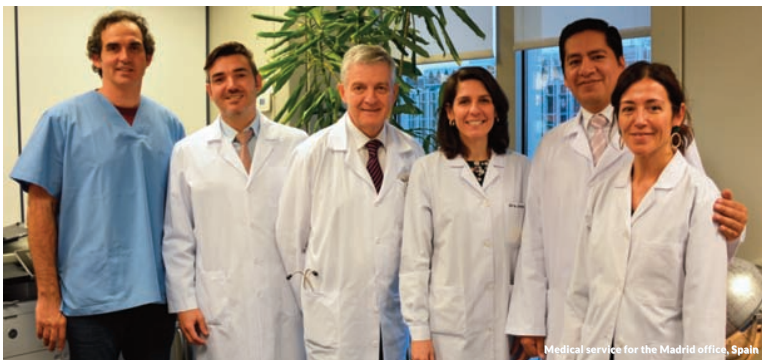
We also deploy a Training Plan that has the highest recognition in the market for the quality and diversity of its content.

All in all, we are proud to be able to say that our professionals are absolutely differential.

Cristina López
Partner at Management Solutions

Occupational risk prevention and medical service

We have an excellent medical service that has carried out a key role in managing the COVID-19 pandemic



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

All Management Solutions professionals are offered a full medical check-up when they join the Firm and also on an annual basis.

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.

Occupational risk prevention and medical service

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.



Fight against COVID-19

Ever since the beginning of the pandemic, the Firm has implemented a specific prevention plan against SARS CoV-2 including:

- ▶ Creation of a daily committee to monitor the impact of COVID-19 on the Firm.
- ▶ Environmental preventive measures:
 - Air conditioning systems.
 - Cleaning procedures.
- ▶ Collective preventive measures:
 - Workspace positioning according to the safety distance.
 - Work reorganization (by Human Resources).
- Coordination of business activities.
- Information on the pandemic and protection standards.
- Provisioning of protection equipment and test kits.
- ▶ Individual preventive measures.
- ▶ Health monitoring for COVID-19:
 - Development of a specific platform for continuous monitoring of our professionals' health.
 - Protecting vulnerable groups.
 - Follow-up on confirmed cases.
 - Contact tracking.
 - Advice and information to professionals.



We have robust occupational risk prevention policies

► Reinforcement of communication and coordination:

- Permanent communication with professionals through statements and the corporate intranet.
- Coordination with customers and suppliers.
- Coordination with the buildings where our offices are located.

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.

4 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.

In a year marked by the pandemic, our Internal Departments led the implementation of our Business Continuity Plan, which was quickly deployed in all its phases to ensure all processes necessary for our remote operation were up and running at all times.

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.). Having this technology has been particularly important in 2020, as with

the enforcement of the first restrictions on travel during the pandemic, many of our professionals had to work remotely (all of them during the April lockdown periods in the different countries where Management Solutions has offices).

In addition, the new remote work and medical services applications implemented in Fiscal Year 2020 have strengthened the Firm's IT platform.

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 2020, we counted on this team's support to open new offices in Copenhagen, Houston and San Jose, as well as to complete the enlargement of our offices in Buenos Aires.

Knowledge dissemination on Cybersecurity

The Firm's IT security begins with its professionals. To improve it, the provision of training and information on security and business continuity matters is a priority.

For this reason, we designed a dissemination plan that includes videos on key issues such as DVR, updates and patching, Intellectual Property Law, roaming and mobile devices and identity management.



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.

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.
- › 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 our R&D activities: 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, as well as a new section on trending topics regarding innovation and regulation.

› Information, content, photographs, etc. on activities organized by Social Action or the Sports Club.

During 2020, new features have been introduced to make it easier for the Firm's professionals to access information and/or procedures of interest, as well as to improve the organization of corporate information and documents.

Some of the newest features are the creation of a specific microsite for COVID-19 related information and procedures, as well as the redesign of our R&D, Marketing, and Policies&Procedures sites.

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.



YEARLY MEETING 2020



BUILDING TRUST

GLOBAL YEARLY MEETING
VIRTUAL EVENT
JULY 24, 2020
>2,000 ATTENDEES



YEARLY MEETING 2020



D. José García Cantera
Global CFO Santander Group



YEARLY MEETING 2020



D. ANTONIO LORENZO
CHIEF EXECUTIVE OFFICER,
SCOTTISH WIDOWS AND
GROUP DIRECTOR INSURANCE
AT LLOYDS BANKING GROUP

LLOYDS BANKING GROUP

Internal communication

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.

Global Yearly Meeting 2020

Management Solutions' Global Yearly Meeting 2020 was held on July 24th, bringing together around one thousand professionals from the Firm under the theme "Building Trust". Due to the restrictions resulting from the COVID-19 pandemic, the event was held in a virtual format for the first time, which gave all our professionals the opportunity to attend the event on the same day.

As on previous occasions, the event included a review of the Firm's achievements in FY20 and challenges for FY21 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 2020, 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. José García Cantera (Global CFO of Santander Group) and Mr. Antonio Lorenzo (CEO

of Scottish Widows and Group Director of Insurance at Lloyds Banking Group).

Local Yearly Meetings

In the last quarter of 2020, and as a complement to the global Yearly Meeting that took place in July, more than 1,000 professionals participated in the Yearly Meetings held in the USA, Mexico, Brazil, Peru, Colombia, Chile, Argentina, the UK, Germany, Netherlands, Norway, Portugal and Italy. These meetings aimed to review the goals achieved locally by Management Solutions, as well as to share the FY21 challenges for each office.

Our local yearly meetings, also held in a virtual format this time due to the restrictions arising from the pandemic, have served as a key communication outlet for the firm, allowing professionals who have not attended our global event to access the same information, as well as a vision specific to each office.



Guest speakers at previous Management Solutions Yearly Meetings

Yearly Meeting 19. Royal Theatre

Mr. C.S. Venkatakrishnan, Chief Risk Officer of Barclays Group
Ms. Maria Dolores Dancausa, CEO of Bankinter

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. Victor Matarrán, 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 Goirigolzarri, 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 Villalabertía, Vice-Chairman and Director at Telefónica
Mr. Marcel Planellas, General Secretary, ESADE

Yearly Meeting 06. Meliá Castilla

DMr. 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 Requejo, 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 of cohesion and integration of all our professionals”

In a year in which we have had to work remotely for a considerable number of months, internal communication has once again been critical for the cohesion and integration of all our professionals, as well as for the transmission of our principles and values across all our regions of operation.

Aware of this, we have strengthened our internal communication plan to better share our values and principles, strategy, achievements and challenges with all our professionals, no matter where they are, and to address the specific needs of each office.

Maitane Astiz
Partner at Management Solutions

Sports Club

Around 1,000 professionals participate every year in the tournaments and activities organized by our Sports Club

Our Sports Club started as part of an initiative by Management Solutions to offer its professionals a motivating leisure experience, and also to serve as an integrative activity.

As well as promoting good management and use of leisure time, the Sports Club aims to advance the values of the Firm, such as the drive for improvement, teamwork, the pursuit of common goals and objectives, personal development, dynamism, etc.

The Sports Club is about promoting and facilitating the practice of all those sports that our professionals find interesting, like football, basketball, tennis, paddle tennis, golf, athletics, etc. It does so in two ways: organizing internal championships and sponsoring participation in external company competitions.

In addition, to reinforce our sports and corporate wellness activities, since 2019 Management Solutions has offered its professionals a sports platform that allows them to access to gyms and other sports activities in 12 different countries, with discounts on the standard rates.

Championships organized by the Firm

Our Sports Club organizes internal competitions every year according to the interests expressed by our professionals. Thus, there are golf tournaments and clinics, paddle tennis and soccer marathons, a Management Solutions charity race, internal soccer, basketball, paddle tennis and tennis leagues, as well as multi-sport days.



Internal mixed-soccer championship, Portugal

The vast majority of these activities had to be called off during 2020 because of the pandemic, and only the internal mixed-soccer championship could take place in our Portugal office, with the participation of 15 of our professionals.

The Firm's intention is to recover all these activities as soon as possible, once the pandemic is overcome.

External championships

Our Sports Club also sponsors the participation of Management Solutions teams in inter-company leagues, as well as in multiple races organized in different countries.

In 2020, the pandemic prevented many of the activities in which Management Solutions' teams participate every year from being held normally.

However, 12 of our professionals, grouped into five teams, were able to participate in the Corporate Race in Madrid, a team sports event for groups of 2, 3 and 4 that was held for both on-site and virtual participants and that ended with Management Solutions' victory in one of these categories.

Some of our professionals were also able to participate in different solidarity races held in different countries – many of them in a virtual format due to the pandemic context – such as the "Run for a cause, run for girls to Shine" race organized by the Entreculturas Foundation in Madrid and Barcelona and the "10th Down Race Madrid", also in Spain; "The Big Walk" and "Cancer Research UK Winter Run" in the UK; the "Knowledge Trail" solidarity race in the Netherlands; or the "Green Race" in Colombia. More information on all these activities can be found in the Social Action Section.



Management Solutions achieves victory in the Madrid Corporate Race

Five teams of Management Solutions professionals took part in the 21st Corporate Race held in Madrid last weekend in two formats: on-site (running a 5 km course at the Hipódromo de la Zarzuela), and virtual (using an app). Runners could participate both individually and by teams (of 2, 3 or 4 runners combining their times).

The Firm's representation delivered an outstanding performance with one of the Management Solutions' teams, achieving victory in the mixed two-runner team 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



>3,000

Social Action
Volunteers



>50

Social Action
campaigns





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 Universidad Pontificia Comillas over two years. The seventh

intake of new Master's students graduated in 2020, while the ninth class began.

Mexico saw the completion of our third 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, since 2019 Management Solutions teaches 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.



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 2020 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 2020 we continued our work with universities, both in undergraduate and post-graduate studies and in business schools:

- › Anahuac
- › Auburn University
- › Babson
- › Boston College
- › Católica-Lisbon School of Business and Economics
- › Centro Universitario de Estudios Financieros (CUNEF)
- › City University/CASS
- › Delft
- › ESADE
- › Facultad de Ciencias de la Universidad de Lisboa
- › FCT NOVA Facultad de CC y Nova
- › ICADE Business School
- › Imperial College London
- › Instituto Politécnico Nacional - Escuela Superior de Cómputo
- › Instituto Tecnológico Autónomo de México
- › Instituto Tecnológico y de Estudios Superiores de Monterrey
- › ISCTE
- › ISEG
- › IST Instituto Superior Técnico
- › London School of Economics

- › Nova
- › NYU
- › Pontificia Universidad Católica del Perú
- › Samford
- › The University of Alabama – Tuscaloosa
- › Tufts
- › UCL University College London
- › Universidad Autónoma de Barcelona
- › Universidad Autónoma de Madrid
- › Universidad Carlos III
- › Universidad Complutense de Madrid
- › Universidad de Buenos Aires
- › Universidad de Castilla La Mancha Universidad de Chile
- › Universidad de Deusto
- › Universidad de León
- › Universidad de Lima

- › Universidad de Los Andes
- › Universidad de Málaga
- › Universidad de Navarra
- › Universidad de Salamanca
- › Universidad de Utrecht
- › Universidad del País Vasco
- › Universidad Iberoamericana
- › Universidad Nacional Autónoma de México
- › Universidad Panamericana
- › Universidad Politécnica de Madrid
- › Universidad Politécnica de Valencia
- › Universidad Pontificia Comillas
- › Universidad Rey Juan Carlos
- › Universidad Técnica Federico Santa María
- › Warsaw School of Economics

Employability workshop in collaboration with the BBVA Foundation, Mexico

Management Solutions organized an employability workshop for BBVA Foundation interns in Mexico with the aim of sharing some key insights to help them transition into the career world.

The workshop, held virtually due to the global COVID-19 situation, took place over three days and included the participation of 50 final-year interns from the "Guys that inspire" program, launched by the BBVA Foundation in Mexico with the aim of supporting high academic achievement students in their secondary, pre-university and/or university studies, thus promoting social mobility through education.

During the sessions, the Management Solutions Human Resources team was able to share key insights with the attendees to assist them in the transition to the career world, with a special focus on writing a powerful CV and LinkedIn profile, and to help them with any doubts and concerns.

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.

Support for university research

Our commitment to both research and the university world has led Management Solutions to set up Chairs in collaboration with prestigious universities to undertake academic, research and knowledge dissemination activities.

iDanae Chair on Big Data and Analytics in the UPM, Spain

In 2019, the Universidad Politécnica de 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.
- Data, as a source of information for obtaining knowledge.
- Analysis, through robust techniques and advanced models, incorporating Machine Learning techniques.

Presentation of the iDanae Chair's work



The presentation of the work carried out by the iDanae Chair was streamed live from the Assembly Hall at the Spanish Royal Academy of Mathematics, Physics and Natural Sciences (RAC), with over 400 attendees from 20 different nationalities.

The act was chaired by the Hon. Mr. Jesús María Sanz-Serna, President of the RAC, Hon. Mr. Guillermo Cisneros, Rector of the Polytechnic University of Madrid (UPM), and Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions. Speakers at the event included RAC Academics as well as representatives of the teaching and business fields.

During the event, Ms. Ernestina Menasalvas, UPM Professor and Chair Director, reviewed the first year of the iDanae Chair's existence (which started in 2019 as a collaboration between Management Solutions and UPM), detailing the work the Chair has carried out in the teaching, scientific and technical fields.

The event also included a keynote session on Hardware Accelerators for Deep Learning, by Hon. Mr. José Francisco Duato, an Academic at the RAC, and a panel discussion on the topics developed by the Chair, which was moderated by Mr. José María Fuster, President of the Association of Friends of the Royal Academy of Sciences, Professor ad honorem at UPM and Advisor on the Chair's monitoring committee, and featured the participation of the Hon. Mr. David Ríos, Member of RAC, Ms. Ernestina Menasalvas, and Mr. Manuel Ángel Guzmán, Partner at Management Solutions.

- 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 newsletters

One of the lines of work of the iDanae Chair, promoted by Management Solutions and the Polytechnic University of Madrid (UPM), is the analysis of meta-trends in Analytics. To identify meta-trends it is important to analyze public and

private investment projects, as well as elements highlighted by organizations, companies and other stakeholders.

The Chair actively monitors sources such as the findings of the 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 modelling; 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 2020, the Chair published four reports, available to the general public through the iDanae Chair website and the Management Solutions website.

Under the title "Data democratization", the 1Q20 iDanae Chair newsletter looks into the growing trend of data democratization from both the public and the private sphere, examining the need for robust data governance.

"Limits of modelling" is the 2Q20 publication, focused on the limits that exist in the modelling of a real system, inherent to the type of problem being addressed in each case, analyzing both the theoretical constraints and the practical limitations generated by the development context.

This 3Q20 publication, entitled "MLOps, a key element in the digital ecosystem", discusses the evolution of the Data Science ecosystem in addition to the concept and relevance of Machine Learning Operations (MLOps), which can be defined as a set of practices and tools used in the development and validation of Machine Learning models and in their rapid and incident-free implementation, and results from collaborative work between IT and Data Science teams.

Lastly, the 4Q20 publication is focused on causality in the field of Machine Learning models, and its impact on the development of these models, deepening into the importance of the application of causality knowledge to artificial intelligence to achieve models with an improved capacity for generalization, so that spurious and biased relationships are ruled out.



Presentation of the iDanae Chair's work, Spain

University

Social Impact Chair at Universidad Pontificia Comillas, Spain

Universidad Pontificia Comillas, Open Value Foundation, Fundación Repsol and Management Solutions signed a collaboration agreement in 2020 for the creation of the Social Impact Chair, aiming to promote the knowledge, research and innovation surrounding impact investment. It links the sustainable growth of companies and the social and environmental impact of their operations and investments.

The Chair will provide a space for discussion and reflection, as well as training for specialized professionals. It will create a pioneering knowledge think tank in Spain, with renowned experts to reflect on the future of investment in the field, on impact measurement, and risk management and the promotion

of transparency in the environmental, social and corporate governance (ESG) fields.

Sponsorships and Collaborations with University Foundations

Management Solutions regularly supports Foundations and University Faculties through sponsoring awards, commencement ceremonies, etc.

ICADE Business Club, Spain

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, Spain

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

Signing of a collaboration agreement for the creation of a Social Impact Chair at Universidad Pontificia Comillas, Spain

In 2020, Comillas Pontifical University, Open Value Foundation, Fundación Repsol and Management Solutions signed an agreement for the creation of a Social Impact Chair to promote knowledge, research and innovation around impact investing, business philanthropy and its metrics, and the increasingly strong link between sustainable company growth and social and environmental impact.

The formal signing of the agreement was chaired by Julio L. Martínez, SJ, Rector of Universidad Pontificia Comillas, and was attended by Mr. Antonio Calçada, Managing Director of Repsol Foundation, Ms. María de los Angeles León, CEO of Open Value Foundations, and Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions.

In addition to providing a forum for thought and debate as well as expert training for professionals, the Chair, which is linked to the Economic and Business Studies Department at Universidad Pontificia Comillas, will create a Social Impact Laboratory that will be a pioneering think tank in Spain. This Laboratory will bring together a group of experts to reflect on both the future of investment and the measuring of its contribution and associated risks, and to create a white paper on the subject.



Signing of a collaboration agreement for the creation of a Social Impact Chair, Spain

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 Fundación Deusto (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.

Social Impact Chair's Open Classroom on Impact Economics

The Chair's Open Classroom on Impact Economics organized in November 2020 its first session together with the Comillas Alumni office, featuring a presentation by Mr. Luis Casado Padilla, Director of Repsol Impacto Social.

The event, held at the ICADE Conference Hall and streamed live to over 600 people, was chaired by Ms. María Teresa Corzo, Dean of the Economics and Business Administration Department at Universidad Pontificia Comillas, who took the opportunity to thank the organizations that have helped to create the Chair for their support, and was also addressed by Mr. Carlos Ballesteros, ICADE professor and Chair Director, who presented the Chair's main objectives and activities as well as its organization chart.

The Open Classroom on Impact Economics aims to be a meeting and debate forum to reflect on the great challenges –mainly socio-economic, currently facing society: unemployment, loss of household purchasing power and a high percentage of the population at risk of poverty, unequal opportunities in accessing education caused by the digital divide, uncontrolled migration, etc.

The Open Classroom is also intended to reflect how, in recent years, the business sector has become aware of its key role in addressing these problems and has implemented policies that generate social value as well as financial results.

Conference – Online colloquium with Mr. José María Alonso, Dean of the Illustrious Bar Association of Madrid, Spain

The conference, organized by the ICADE Business Club and moderated by the Club's President, Mr. Jaime Pérez Renovales, hosted Mr. José María Alonso, Dean of Madrid's Illustrious Bar Association, as a speaker. The event was streamed from the ICADE Conference Hall and was attended by Mr. Alfonso Serrano-Suñer, as Vice President of the Club, who introduced the speaker.



Conference – Online colloquium with Mr. José María Alonso, Dean of the Illustrious Bar Association of Madrid, Spain

Women in Consulting Dinner, Spain

Ms. Teresa Elorza, partner at Management Solutions, participated on behalf of the Firm at the "Women in Consulting Dinner". This is an event organized by the IE Women in Business Club with the aim of having a group of women in senior positions at leading companies across different sectors share their experiences with a selected group of MBA and Master's students at IE Business School.

The IE Women in Business Club is an initiative of IE Business School, one of the world's leading business schools working towards the achievement of equal opportunities between men and women in the management field.

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.

14th Modelling Week de la UCM

Management Solutions participated in the "14th Modeling Week", an annual meeting organized since 2007 by the Mathematics Department at Universidad Complutense de Madrid (UCM) in collaboration with the Institute for Interdisciplinary Mathematics (IMI) and UCM's "Mathematical Models in Science and Technology" research group, whose



main purpose is to promote the use of mathematical methods and models as a tool for solving real problems in different areas of activity.

The event, which is the result of a collaboration between industry and universities, presents students from several Master's Degrees with real problems proposed by universities and by companies from different industry sectors, which they have to solve using mathematics as a tool under the supervision of instructors.

On this occasion, Management Solutions, which has taken part in the Modeling Week since 2009, proposed and supervised, supported by doctoral students from UCM and UPM (Polytechnic University of Madrid), a case study involving the use of grouping and modeling techniques to identify people through facial recognition. The participating students had to work with image databases as well as to develop and test algorithms, achieving good results.

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.

Seminar on Artificial Intelligence at UPM, Spain

Management Solutions taught a seminar as part of the iDanae Chair activities, aimed at sharing knowledge about Artificial Intelligence techniques with students of different postgraduate studies at the Higher Technical School of Computer Engineers of the Polytechnic University of Madrid (UPM).

Management Solutions' presentation, given by Mr. Manuel Guzmán, was entitled "Data Analytics in Finance: a use case of the Graph theory", and dealt with the use of graph theory in the construction of spectral grouping algorithms and in the development of predictive models.

The seminar was part of a number of training activities planned within the framework of Management Solutions' collaboration with UPM in connection with the iDanae Chair, and was aimed at students of the Master's Degree in Data Science, the Master's Degree in Software and Systems, the European Master's Degree in Software Engineering, and the Doctorate in Software, Systems and Computing, all of them postgraduate courses offered by UPM. Over 20 students, more than half from foreign universities, attended the seminar.



"Our support to the academic world is a pillar of the Firm's commitment to its environment"

Developing a close relationship with universities has been a priority for Management Solutions from the onset.

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 awards, the teaching of specialized classes and seminars, sponsorship of university foundations and associations, or cooperation in research programs and the creation of collaborative Chairs such as the iDanae (Big Data and Analytics) and Social Impact Chairs.

We are also happy to be able to contribute to the creation of young employment for recent graduates every year, regardless of the context of the countries in which we operate, offering them the possibility of embarking on an excellent professional career.

M^a José Leongentis
Partner at Management Solutions

Prizes and awards to the best End of Year Projects and academic results, Spain

During 2020 the Firm continued 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 and academic results from the IT departments at Universidad de Deusto and Universitat Autònoma de Barcelona, with the aim of recognizing the most innovative Final Year Projects on digital transformation, with particular emphasis on the solution's proposed technologies, potential for innovation and practical use in business and society.

In 2020, the Firm awarded prizes to the best Engineering Final Year Projects from Deusto for the years 2018/2019 and 2019/2020. Mr. Iker Yabar, Director at Management Solutions,

handed out both prizes, which were sponsored by the Firm. Mr. Unai Bermejo was the 2018/2019 winner for his work "Design and development of a clustered computing system for the discovery, grouping and classification of terrorist content on social media through natural language processing techniques", while Mr. Borja Valverde received the 2019/2020 prize for his work "DeepLot: development of an automatic categorization system for the occupation of parking spaces using Deep Learning".

In Barcelona, Mr. Josep Rotés, partner at Management Solutions, handed out the prize to the best Telecommunications + Engineering degree from Universitat Autònoma de Barcelona, that went to Mr. Diego Fraile for his performance over the five-year period.

ICADE Association 2020 "Consolidated career" awards, Spain

The ICADE Professional Association brings together ICADE alumni that, since 2008, have recognized the work of fellow alumni who have demonstrated an outstanding professional career and have stood out in the business field for their professional, ethical and academic values and achievements.

In 2020, Management Solutions' President was awarded by the ICADE Association under the "Consolidated career" category, an award given in recognition of the excellence demonstrated by Mr. Alfonso Serrano-Suñer during his professional career and, by extension, by the entire Management Solutions team since the Firm's inception.

The awards ceremony, chaired by Mr. Julio Martínez SJ, Rector of Universidad Pontificia Comillas, was held at the Comillas Aula Magna and featured a speech by Mr. Alfonso Serrano-Suñer who, during his thank you speech, acknowledged his family, his alma-mater (ICADE-Comillas), the Management Solutions team of professionals and the Firm's clients for their essential contribution to the making of his professional career.



Management Solutions Award for the best ADE Final Year Project on "Data Analysis and Data Science", Spain

In 2020, Universidad Pontificia Comillas 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.

In 2020, the award went to the project "Can we trade Bitcoin using sentiment analysis on Twitter?", developed by Mr. Jaime Badiola and directed by Mr. Carlos Martínez.

Mr. Miguel Ángel Poblet, partner at Management Solutions, handed the award sponsored by the Firm at an event that was chaired by Mr. Julio Martínez SJ, Rector of the University, together with the Faculty of Economics and Business Sciences Dean, Ms. María Teresa Corzo.

Two of the Firm's professionals, Mr. Luis Ignacio Terrés and Ms. Inés Gómez-Durán, were also awarded in other categories for their respective projects, "Disruptive Business Model: Kitesurfing High Performance Center" and "Contribution by family businesses to sustainable development goals".

Awards to the best Final Year Project at ICAI, Spain

In 2011 Management Solutions joined the awards board for the conferment of awards to the best Final Year Projects 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.

Skills Workshop at Imperial College London, United Kingdom

Management Solutions organized a skills workshop related to the consulting world, in which attended more than 25 students from Imperial College London, one of the most prestigious universities in Europe.

The event, held at the South Kensington Campus and entitled "The Consulting Sandbox: Becoming a Successful Consultant," allowed Imperial College students to learn at first hand the key aspects of becoming a successful consultant and developing their business skills (presentation, negotiation, creativity, critical thinking, etc.) through a dynamic group exercise.

This workshop is part of a series of events scheduled in the key universities of the United Kingdom during this Fiscal Year with the aim of strengthening the relationship between Management Solutions and the British university world.

International Students Trip with Católica-Lisbon School of Business and Economics

A group of Master's students from the Católica-Lisbon School of Business and Economics visited Management Solutions headquarters in Madrid in January. During their visit, the students were able to meet some of our professionals and get acquainted with our teams and projects.

In 2020, Management Solutions sponsored the "Integration into Artificial Intelligence management" category award, which went to the project "Sensitivity analysis of impact of clusterization methods in medium-term power system models" developed by Ms. Marta Niño and directed by Ms. Sonja Wogrin and Mr. Diego Alejandro Tejada.

Mr. Miguel Ángel Poblet, partner at Management Solutions, handed the award sponsored by the Firm at an event that was chaired by Mr. Julio Martínez SJ, Rector of the University, together with the School Director, Mr. Antonio Muñoz, and Consulting Partner at Deloitte Spain Mr. Héctor Flórez, guest of honor at the event.



International Students Trip with Católica-Lisbon School of Business and Economics

Sponsorship and patronage

The Firm keeps an active policy on 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

Ever since the founding of the Firm, Management Solutions has been a Sponsor of the Royal Theater of Madrid. With the economic contribution we make to the Royal Theatre, 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 and vice-president to its Permanent Committee. This board represents the institution's main sponsors under the chairmanship of Mr. Alfredo Sáenz. The Board of Trustees aims to promote the participation of civil society in the smooth running of the Royal Theater.

Additionally, Management Solutions has collaborated with the Friends of the Royal Theatre Foundation for the fourth consecutive year. The foundation is established to support, promote and develop the Royal Theater's cultural activities and projects.



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, 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.

UK Finance

In 2014 Management Solutions became an associate member of UK Finance, a leading UK organization that represents the interest of more than 240 financial institutions operating in more than 180 countries.

Management Solutions supports the Friends of the Royal Theater Foundation, Spain

For the fourth 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.

On the other hand, in 2020 more than 60 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.



Sponsorship and patronage



The UK Finance 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.

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.

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.

Royal Academy of Exact, Physical and Natural Science, Spain

As a sign of its social commitment to academia and research in general, and to the transformation and dissemination of scientific knowledge in particular, Management Solutions collaborates with the Royal Academy of Exact, Physical and Natural Sciences (RAC), a Spanish public institution devoted to the study and research of Mathematics, Physics, Chemistry, Biology and Geology and its applications, as well as their advancement for the benefit of society.

Management Solutions, through its Chairman Mr. Alfonso Serrano-Suñer, is part of the RAC Board of Trustees, and is a member of the Association of Friends of the Royal Academy of Sciences of Spain (aRAC), collaborating through active sponsorship that goes beyond financial support. Our actions include events for the dissemination of Science, and working with academics from the exact sciences department at RAC to carry out research on the most advanced algorithms and mathematical models for risk management.

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.

Consorcio 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.

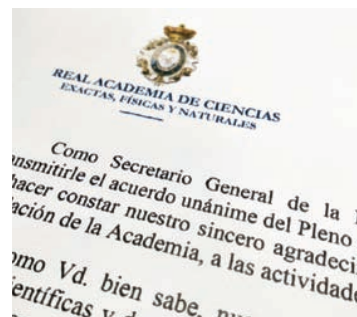
The Royal Academy of Science acknowledges Management Solutions' Support

In 2020, the link between the RAC and Management Solutions was strengthened.

On the one hand, the RAC decided by unanimous agreement of its Plenary of Academics on January 29, 2020 to express their appreciation to Management Solutions for supporting its activities through the RAC's Foundation.

On the other hand, in July 2020, Spain's RAC Foundation Board of Trustees unanimously decided to appoint Mr. Alfonso Serrano-Suñer, Chairman of Management Solutions, as their elected patron, in recognition of the support that both the president and the Firm provide to the institution and their objectives.

Thus, the institution acknowledges Management Solutions' sensitivity to supporting and increasing scientific work, as well as to the advancement and dissemination of Science.



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.

CDOs Club, Spain

Management Solutions is an official Sponsor to the Spanish CDOs Club, an exclusive networking and exchanging space for Chief Data Officers (CDOs) to transform the data culture in Spanish companies.

The CDOs Club is an association of CDOs of major companies in Spain, created to offer service and value to all data professionals, to generate networking, and to provide its members with knowledge. The club aims to become a key

driving force for the digital transformation of companies and for data to become the strategic element of organizations.

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

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 has been supporting Créate Foundation since its inception in 2011, actively participating in the events and programs organized by the Foundation.

In 2020 Management Solutions sponsored "e-EP, tu espacio para emprender", a program developed by the Foundation in collaboration with the Spanish Chamber of Commerce to provide students with tools to develop an idea and turn it into a real product or service, always under the supervision of teachers and mentors. In the pilot project, carried out during the 2019-20 academic year, 130 students aged 17 and over studying for Apprenticeships and Dual-Study Programs offered by ten different educational centers submitted a total of 32 projects.

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.

Viajes 2000

In 2014, Management Solutions signed a cooperation agreement with Viajes 2000, an agency belonging to the Ávoris Group, that strengthened its commitment to employing people with disabilities. Since then, the agency has been providing travel agency services to the Firm (including everything related to booking transportation, managing hotel bookings for business trips, etc.).

Viajes 2000 is qualified as a Special Employment Center (for companies whose goal is to provide people with disabilities with productive and remunerative work). Viajes 2000's commitment is to promote equal opportunities and full inclusion for people with disabilities through job creation and to work towards universal accessibility.

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 2020 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 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

Management Solutions maintains 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..

Tajamar Foundation

In 2020 Management Solutions signed an agreement with the Tajamar Foundation (Madrid, Spain) in order to support the SAS-TAG course ("Data Analysis and Management"), through an economic contribution and in the definition of its contents. The course will allow the students to gain skills in Data Mining, Machine Learning and other Advanced Analytics and Artificial Intelligence techniques. The knowledge acquired from this training will enable them to perform comprehensive statistical analysis and process raw data for its presentation in an understandable and useful way for businesses. The money contributed by the Firm will allow one of the course's 25 students to benefit from a scholarship that fully finances all of the modules.

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.

While a significant part of the events we had been holding on a usual basis are now limited due to restrictions on mobility, thanks to the involvement of Management Solutions professionals and the Firm's continuous support, the Social Action Group has continued to organize and sponsor solidarity actions in 2020, such as the campaign "Double your help against COVID-19", the food donations to NGOs that made up for the impossibility of holding our Solidarity Cinema events, or the Solidarity Christmas campaigns organized in all our offices, mainly aiming to support the most vulnerable groups this year in the context of the COVID-19 pandemic.

As soon as the restrictions are lifted, Management Solutions intends to resume its usual solidarity and volunteering activities (also adding others) to respond to the needs of society and the demand of its professionals in line with the Firm's values.

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 (FUMATI), with the aim of reducing the poverty of rural households.

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.

In 2020, as a result of the mobility restrictions established during the pandemic, Management Solutions has been forced to postpone this initiative until those restrictions are lifted

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. The success of the Madrid event caused the initiative to expand to other Management Solutions offices, with the event being successfully organized in Bilbao, Barcelona, Santiago de Chile and Mexico.

During 2020, the situation caused by the COVID-19 pandemic prevented these events from taking place. However, Management Solutions did not want to stop helping the NGOs it had regularly been supporting. Not at this difficult time that is particularly hard for those most at a disadvantage.

For this reason, the Firm made a donation equivalent to the amounts raised in 2019, which was supplemented by the contributions of our professionals, managing to exceed 10,000 kg of food. The food was distributed to the soup kitchens of the Missionaries of Charity in Madrid, the Food Bank in Bizkaia, the Banc dels Aliments in Barcelona, the Casa Hogar Amparo Foundation in Mexico City, and the San Ricardo Home in Santiago de Chile.

For its part, the Brazil office held (before the pandemic announcement), a Solidarity Film Preview where they accompanied a group of children from the Santo Amaro

Social Action



Solidarity Film Preview, Brazil

Children's Home to spend an afternoon full of joy at the cinema, which the little ones enjoyed with popcorn and soft drinks.

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. Given the positive response to this initiative by the Firm's professionals, we continued to collect tops during 2020.

Solidarity projects carried out by Management Solutions professionals and supported by the Firm in cooperation with NGOs and charities

Double your help against COVID-19

The campaign "Double your help against COVID-19", which became global after its success in Brazil, had the involvement of more than 150 professionals from across all Management Solutions offices. The sum of donations from all countries reached € 10,000, which, after the contribution made by Management Solutions, became € 20,000 to purchase food to help people in situations of vulnerability as a result of COVID-19.



Solidarity Christmas, Mexico

Pro-Am Tournament organized by the Deporte y Desafío Foundation, Spain

Management Solutions sponsors the Sports and Challenge charity golf tournament, organized to raise funds on behalf of the Sports and Challenge Foundation, whose main aim is the social integration of people with physical, intellectual or sensory disabilities through sport.

The Tournament, in which Management Solutions has participated from the very first edition, was held at the Santander golf course in Boadilla del Monte (Madrid, Spain), and included the participation of 10 teams (including a professional golfer on the European Tour and four amateur players).



Solidarity Christmas

Over 500 Management Solutions professionals brought hope to families in need through a "Solidarity Christmas" campaign, organized for the twelfth 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, in collaboration with Soñar Despierto, 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 Frankfurter Tafel, an organization that helps disadvantaged families by delivering food packages and organizing social canteens.

Our France office collaborated with Accueil Solidarité Saint-Augustin and La balade de Lucioles, two organizations that help people at risk of social exclusion, providing them with food, warm clothing and medication.

In Poland, our team collaborated with the "Szlachetna paczka" campaign, a project organized by the NGO Wiosna to help



families in a difficult social and economic situation. The participation of all our professionals in the Warsaw office made it possible to provide one of the families with medication and food, as well as other necessities.

Professionals from our Management Solutions offices in Italy collaborated with the "Nessuno Escluso" campaign, both in Rome and Milan, organized by the NGO Emergency, with the aim of providing food boxes to families that find themselves in poverty as a result of the pandemic.

Our Netherlands office collaborated once more with Stichting Babyspullen, an organization that supports families without resources that have recently had a baby by providing them with essential items for the little ones (clothes, bottles, milk, etc.).

Professionals in our Norwegian office participated in their first Solidarity Christmas activity in collaboration with Blue Cross's

Social Action

"X-mas celebration" campaign, organized with the aim of offering a Christmas dinner and gifts to vulnerable children growing up in struggling households due to any form of addiction.

The initiative at our Portugal office was to collaborate with "A Apoio à Vida", an institution that supports mothers-to-be in a difficult socio-economic situation by providing them with everything they may need for the first few months with their babies (clothes, food, etc.), as well as psychological support.

For their part, professionals from our different U.S. offices collaborated with the "Big Wishes Gift Card Drive" initiative, organized by The Home of Little Wanderers, a campaign aimed at getting gifts for the thousands of children and teenagers the Foundation supports.

Our Mexico office organized the campaign "Be a child's Wise King" together with the Clara Moreno y Miramón Foundation, an institution that provides shelter, education and healthcare to girls and teenagers in a situation of social disadvantage. Thanks to the participation of professionals from our offices in Mexico City, all the girls hosted by the Foundation received the gifts they had wished for in their letters to "their" particular Wise King. At the same time, a "Solidarity Coat" campaign was organized to collect warm clothes for the elderly at the Dauverre A.C. home.

In Colombia, our professionals collaborated with the Foundation for the Assistance of Abandoned Childhood – FANA, an institution dedicated to the protection of boys and girls. Thanks to the Firm's contribution and the participation of professionals from our Bogota and Medellín offices, it was

possible for the more than 70 children living in the Foundation to receive their gift at a small party hosted by the center, which could be attended by the Firm's volunteers via zoom.

Management Solutions Professionals in Brazil collaborated once more with the Casa Lar, Saica I and Saica II shelters for disadvantaged children aged six to fourteen. With the donations of the Firm's professionals, books and board games were bought to add to the library and play room at each of the three centers.

Volunteers from our Peru office organized a gift collection collaborating with the NGO Alcance Extremo, an institution that helps vulnerable families in need around Lima and its provinces. Thanks to their generosity and to the Firm's



contribution, none of the more than 370 children in the extreme poverty areas supported by the NGO were left without their Christmas present.

In Chile, a fundraising campaign was organized in order to provide the María Ayuda Foundation with teaching materials for the Psychologists and OTs who support the children in their 17 centers across the country. The Foundation shelters children who have suffered from abuse and abandonment, and works to integrate them into a new family in the shortest possible time.

Our Argentina office collaborated for the second time with Pedro de Elizalde Children's General Public Hospital. Thanks to our professionals' collaboration, many packs of personal hygiene products were prepared for the incoming patients.

Christmas card in collaboration with Ayuda en Acción

For the 14th year running, Management Solutions' Christmas cards were made in collaboration with an NGO, on this occasion Ayuda en Acción, with all proceeds from this project going to the "Resilient digital schools" campaign that the NGO Ayuda en Acción has launched with the aim of supporting and preparing schools so that they are able to face crises such as COVID-19 and ensure their students' right to quality, inclusive and equal opportunities 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 Rosario Poblet.

"#UnDíaSinMujeres" in México

Management Solutions Mexico joins the "#UnDíaSinMujeres" (#ADayWithoutWomen) initiative, aimed at making women's role in society more visible and demanding a fairer, more egalitarian and violence-free Mexico.

Under the motto "#UnDíaSinMujeres", Mexico called a national strike for women, held on March 9, with the aim of making the role of women in society visible and protesting against gender-based violence.

Management Solutions is aware that women are a fundamental pillar of the Firm's activity as well as of society, and equal opportunities -with no discrimination at all- is one of its basic principles. For this reason, the Firm joined the initiative in



Christmas card in collaboration with Ayuda en Acción

Social Action

support of all women professionals who voluntarily decided to join the strike.

"Children's Day", Brazil

During "children's day", professionals from our São Paulo office organized a fundraiser that made it possible to buy 110 essential product baskets and 60 sweet kits and for the families assisted by the Saica I and Saica II Homes.

"Run for a cause, run for girls to shine", Spain

A group of Management Solutions professionals participated in the "Run for a Cause" charity runs editions in Madrid and Barcelona, organized by Entreculturas Foundation with the aim of raising funds towards their "Light for girls" program.

In Madrid edition, 35 Management Solutions professionals gathered on the Casa de Campo to complete the run in the shortest possible time. The runners representing Management Solutions performed outstandingly, achieving victory in both the 5km and the 10km races for second consecutive year.

For their part, professionals from Management Solutions in Barcelona, who were participating for the third time in the race, also achieved a great position for the Firm, winning the third place in the female 10 km race.

The race, organized by the Entreculturas Foundation (a non-profit Jesuit NGO that focuses on education as an instrument of development, transformation and dialogue between cultures) in 11 Spanish cities (the Barcelona race will be held on April 8, also with Management Solutions representation), seeks to raise funds to collaborate with the "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 and providing prevention and care.

X Down Madrid race, Spain

Under the motto *"Tus kilómetros = su inclusión"*, Nearly half a hundred professionals from Management Solutions took part in the X Down Madrid race organized with the aim of raising funds for the Down Madrid Sports and Health Service in order to promote the inclusion of people with intellectual disabilities through sports, sponsored by Management Solutions once again.

Due to the current circumstances related to the COVID-19 pandemic, the race was held virtually, with all security measures in place as participants ran on their own, sharing their experience on social media with the hashtag *#CarreraDown*.

"London Winter Run", UK

A group of professionals from the Firm participated in the "London Winter Run" organized by Cancer Research UK to raise funds to help fight this disease. The race, held in a virtual format this year, encouraged participants to take up a number of challenges prior to the race, culminating in a 10 km run on February 7, 2021.

"The Big Walk", UK

A group of Management Solutions professionals participated in "The Big Walk", an initiative organized in the UK to support the homeless and those at risk of losing their jobs and their homes, especially as a result of the crisis arising from the COVID-19 pandemic.

2nd "Knowledge Trail" solidarity race, Netherlands

A group of more than 20 Management Solutions professionals participated in the "Knowledge Trail" solidarity race organized in Amsterdam for the second time. The Management Solutions contingent, divided into teams of five people who were participating in an event of this nature for the first time, toured the city's main streets in good spirits while playing various games with the aim of showing the challenges that people with functional disabilities encounter on a day-to-day basis.

Het Gehandicapte Kind is a foundation for disabled children that aims to promote and support initiatives that will contribute, both with actions and economically, to the integration of these children into society.



"Green Race" 2020, Colombia

More than 20 professionals from Management Solutions met at the Simón Bolívar Park in Bogotá for the fifth time to participate in Bogotá's "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 "You are one with nature" the goal of the race was to renew local woods and three native trees will be planted for each runner registered in the race. The race also focused on raising awareness about the need to restore local forests and 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 Natura Foundation reserves.



"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 selflessness and dedication to those most at a disadvantage by engaging in various solidarity activities with enormous commitment.

This year, despite the difficulties arising from the pandemic, we have not stopped engaging in many solidarity actions, and those that have needed to be interrupted will be resumed as soon as possible. The Firm is hugely proud of the strong social commitment shown by its professionals.

Vanesa Eirín
Partner at Management Solutions



"Run for a cause, run for girls to shine", Spain

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.

Climate change awareness

As a sign of Management Solutions' awareness of the impacts of climate change, the Firm is continuously taking action in this area:

- › Writing of white papers, such as the one published in March 2020 on Managing climate change risks, and involvement in publications such as the "2020 Climate Risk Report" in the Risk.net journal.
- › Development and delivery of seminars that deepen into the problems associated with climate change, and into the actions that organizations should take considering the current regulatory framework. As an example of this, some of our professionals participated as guest speakers at the seminar "Flattening the Climate Risk Curve", organized by the IFC – International Finance Corporation-GBAC, of the

World Bank Group, as well as at a specific seminar on "Climate Risk Management in the Insurance Sector", organized by Management Solutions which the participation of the World Bank – IFC, both in July 2020.

- › Beyond research and participation in seminars, we are supporting our clients and important supranational institutions such as the World Bank, in several areas such as:
 - › impact analysis,
 - › regulatory adequacy,
 - › review of risk management principles (risk map, governance, assessment methodologies, embedding into the business-as-usual, and reporting),
 - › incorporation of climate risk into the valuation of financial assets.



Environment

In addition, to further search for solutions to this important challenge affecting global growth sustainability and thereby influence society's trust in its institutions and economic agents as a whole, Management Solutions has created a Social Impact Chair together with Universidad Pontificia Comillas, Open Value Foundation and Fundación Repsol.

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 of those resources we use the most (electricity, water and paper), which has reduced drastically this year, and are committed to any recycling and optimization initiatives.

In FY20, our electricity consumption was 269,352 Kw (42% less than the previous year), our water consumption was 274,408 liters (54% less), and paper consumption was 65% down from the previous year.

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.

Thus, the use of paper decreased by 65% throughout the year. This reduction was undoubtedly driven by the greater

amount of work carried out remotely by our professionals due to the COVID-19 pandemic. But it must also be due to 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. We must also add the printers' and computers' energy saving systems to all these measures.



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.

Carbon footprint

The progressive implementation of technologies such as videoconferencing, telepresence, live video streaming or the VPN connection has meant our professionals have used these technologies intensively during lockdowns and travel restrictions imposed by the authorities in order to mitigate contagion risks of COVID-19. This has resulted in a significant reduction in the number of commutes 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.

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.



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