

# Management Solutions, Making things happen

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

Management Solutions  
Making things happen



**>2,700**  
professionals  
employed



**33**  
offices



**>40**  
countries where  
we are present





**MS<sup>o</sup>**  
Management Solutions  
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<sup>o</sup>**  
Management Solutions  
Making things happen

**YEARLY MEETING**  
SUSTAINABLE GROWTH

# Strategic principles

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



Today, Management Solutions is a leader in business consulting services to regulated industries. This leadership results in more than three million annual consulting hours, a global team of more than 2,700 professionals, 33 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 1,200 clients –all leaders in their respective industries–, and more than 3,000 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 COVID-19 health crisis, Management Solutions has since the beginning of the pandemic carried out a series of initiatives aimed at minimizing the impact of the pandemic on society in general, and on its employees and clients in particular, which can be grouped into four 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 and renewed in 2021, 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 dissemination of 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" and "COVID-19: reactivation plan".
- ▶ Design and implementation of specific solutions for our clients through the various projects in which we have participated since March 2020 to date in all 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.

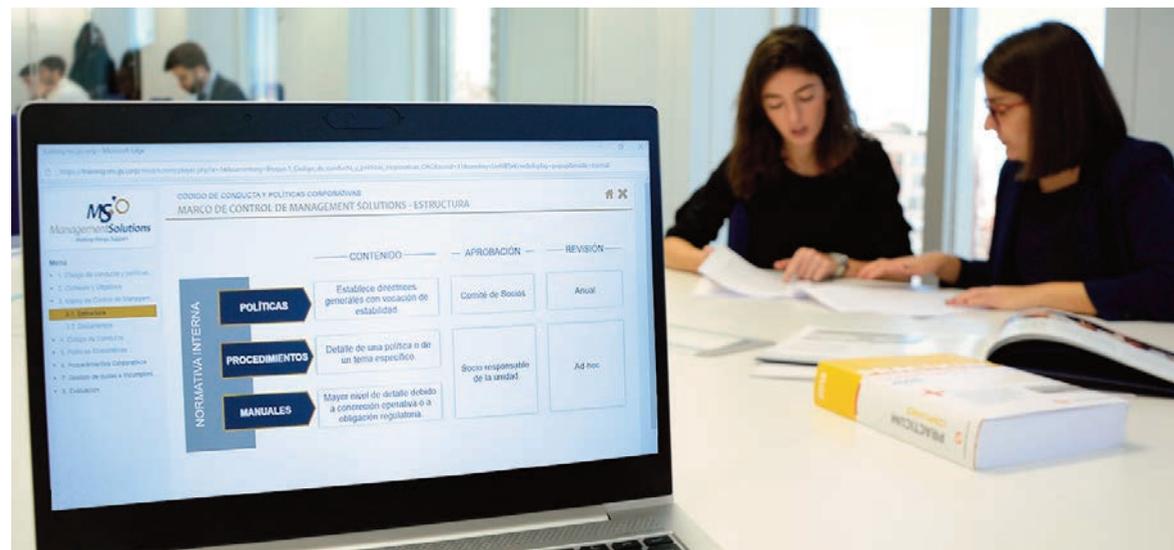


## Organizational flexibility

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 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 global in nature (applicable to all its offices). Some of the Firm's key risk control and management policies are: the Code of Conduct (for employees and suppliers), the Compliance Policy, the Confidentiality Policy, the Physical and Logical Security Policies, the Personal Data Processing Policy, the Human Resources Policy, the Occupational Risk Prevention Policy, the Anti-Discrimination Policy, the Anti-Bribery and Anti-Corruption Policies, the Quality Policy, the Conflict of Interest Policy, the Communication Policy, the Business Continuity Policy, the Environmental Sustainability 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.

Compliance at Management Solutions binds all personnel. Consequently, employees, managers and board members must act in a lawful, ethical and professional manner in the performance of their duties, and there is a channel available

# Risk management and control framework

for clients, candidates, employees, suppliers and any other party with whom we maintain a business relationship to report any conduct that may be considered contrary to the prescribed conduct.

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

## **Internal audit**

The audit function aims to ensure compliance with both our Internal Control Framework (policies and procedures) and the different regulations by which Management Solutions is bound.

For this, a number of internal audits are carried out to review specific processes of particular relevance each year, and there is oversight of all planned external audits (both mandatory and those voluntarily requested by the Firm) to ensure they are duly carried out. In addition to the annual 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 result of all of the above, and on a recurring basis, the Firm carries out a series of actions that reinforce its control environment and are in addition to its commitment to quality, regulatory compliance, IT security and service continuity (for which we have been certified under the corresponding external standards ISO9001, UNE19601, ISO27001 and ISO22301). The following are some of the main actions carried out in the area of risk control and management:

#### *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: training provided to all Management Solutions professionals includes the content of our Anti-Corruption and Anti-Bribery Policy at 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



# Risk management and control framework

suspicious activities. These procedures are clearly communicated and are available to all employees and stakeholders.

## *Money laundering prevention*

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

In the pursuit of this commitment, the Firm has established internal procedures that mitigate the risk of money laundering. Both our Client and Business Supplier Registration Procedure and our Supplier Management Procedure establish the requirements that our clients and

suppliers must satisfy before we establish business relationships with them (e.g. compliance with the Know Your Customer regulations).

## *Control of the firm's supply chain*

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

Management Solutions has a supplier registration policy in place that requires a prior analysis of suppliers, especially of those that provide relevant services. This analysis considers

data on the company as well as its corporate structure and reputational aspects. The Quality and Internal Audit area analyzes the supplier questionnaire and issues a final assessment before the organization can be registered as an authorized supplier.

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

## *Slavery and human trafficking statement*

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



### *Control over contributions to foundations and non-profit organizations*

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

The Firm has mechanisms in place to ensure that such activities are not designed to create any competitive business advantage. These mechanisms include an analysis of the specific charities to ensure that their mission and objectives are aligned with those of Management Solutions.

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

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

### *Cyber-environment control*

In a context of increasingly significant cybersecurity risks, arising mainly from technological development (or the digitalization of companies), as well as from company integration processes in different industries and the professionalization of attackers, Management Solutions has an Information Security Management System (ISMS)

recognized with the ISO 27001 certification, issued by AENOR, an international standard that lays down the necessary requirements to set up, implement, maintain and improve an ISMS.

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

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

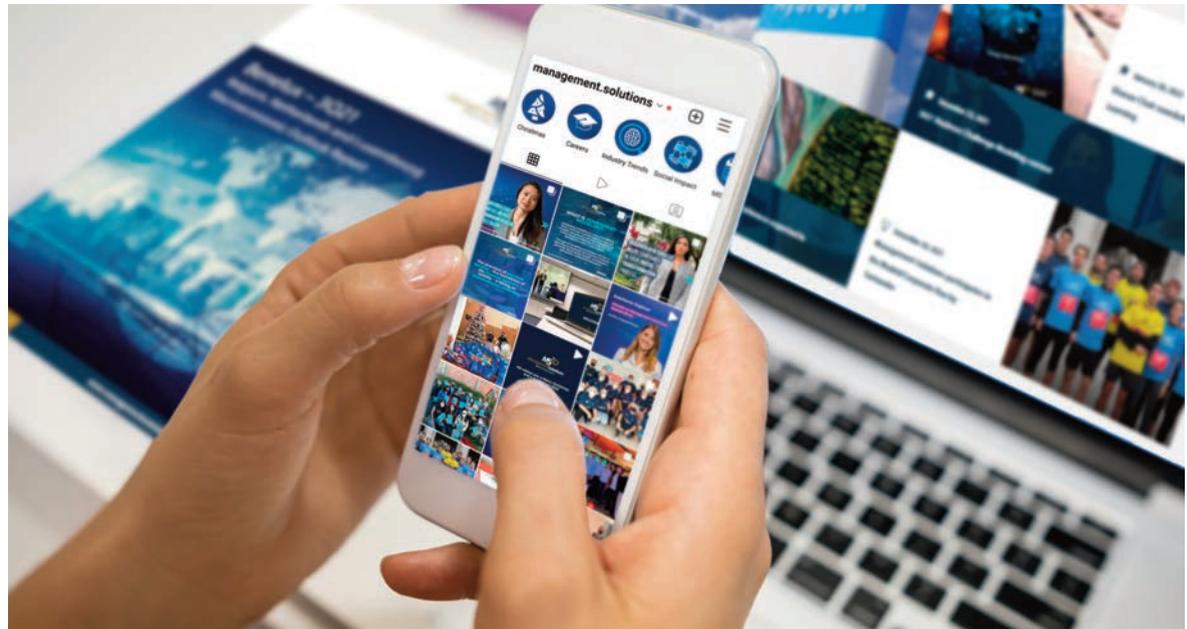
Consequently, all the places where our brand is displayed automatically become a vehicle through which our values are transmitted, whether these are sponsored initiatives,

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 2,700 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](http://www.managementsolutions.com)) constitutes our main vehicle for reaching out to society, and is therefore one of the fundamental pillars supporting our external communications.



Our site, 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 2021, visits to our website increased by 92%; hundreds of thousands of visits from more than 200 countries.



**“Our brand reflects our unwavering commitment to one mission: making things happen”**

We are proud to see how our clients, in the more than 40 countries in which we operate, recognize Management Solutions as a firm that has a transparent and straightforward working style.

We have deep-rooted principles and values based on commitment, dedication to service, integrity, unity and teamwork, with one goal above all others: to exceed our clients' expectations in order to become their trusted partners.

We are a Firm with a strong corporate culture that unites and differentiates us. It is precisely in difficult circumstances, such as those experienced in the pandemic, that our culture is put to the test and shines the most.

**Íñigo Soroa**  
Partner at Management Solutions

## 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).



# 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 33 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 2021 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 were once again excellent thanks to new business and the consolidation of our activity in New York, Massachusetts, Alabama and Texas, projects carried out in other states such as Virginia and Florida, and the excellent performance of our operations in Pennsylvania through our new office in Pittsburgh (which also supports our activity in the neighboring states of Ohio, Michigan and Indiana).

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, strong growth rates have also been achieved in the continent's main economies. In Spain, the Firm continues to strengthen its leadership position through its four offices (Madrid, Barcelona, Bilbao and La Coruña). Meanwhile, as a result of the excellent performance in recent years of our Frankfurt office, which has successfully fulfilled its role as the Firm's regulatory hub by strengthening its close relationship

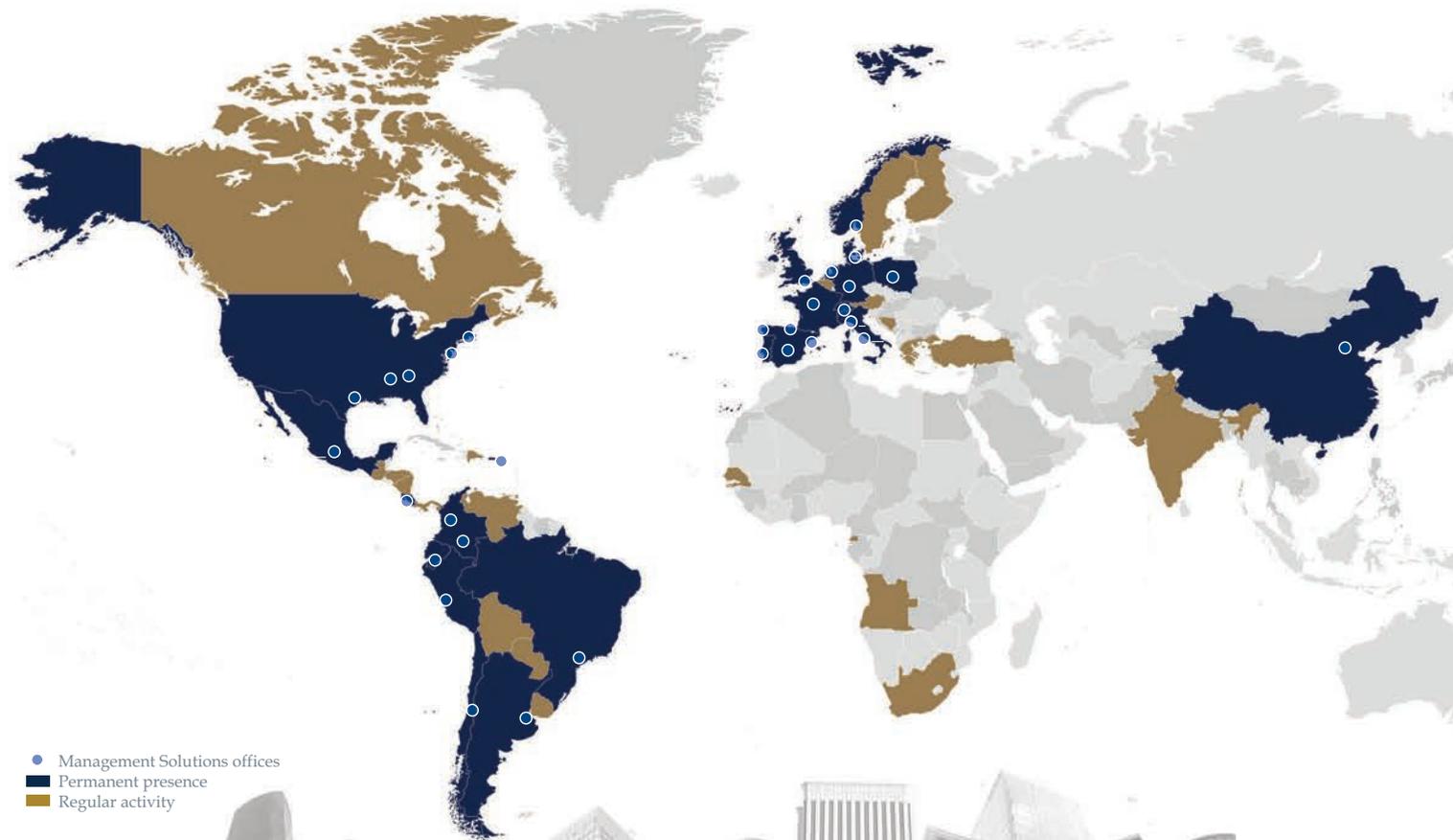
with the European banking supervisor, Management Solutions has opened a second office in Germany, namely in Düsseldorf. The UK office has strengthened its positioning, increasing its penetration in the local market while strengthening its relationship with the British banking supervisor. In addition, the Portuguese office has continued to strengthen its leading position in business consulting for regulated industries. 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 25% growth, led by France, Italy, Poland and the Netherlands, all this despite the challenging macroeconomic context.

It is also worth noting the excellent performance of our operations in the Nordic countries, where our Norway and Denmark offices (which have increased their activity twenty-fold in their second year of existence) continue to consolidate their position in the local market.

Finally, operations in Asia have progressed steadily, leveraging on the China office and with a major boost of our activity in Turkey; and we have also increased our activity in Africa (with an active presence in countries such as South Africa, Senegal, Equatorial Guinea and Angola) and in Oceania (with growing activity in Australia).

## Permanent Management Solutions offices



- Management Solutions offices
- Permanent presence
- Regular activity

### Europe

- Madrid (Torre Picasso)**  
Pza. Pablo Ruiz Picasso, 1  
28020 - Madrid
- Madrid (Ed. Bilma)**  
Maria Tubau, 9  
28050 - Madrid
- Barcelona**  
Avda. Diagonal, 654  
08034 - Barcelona
- Bilbao**  
Pza. Euskadi, 5  
48009 - Bilbao
- La Coruña**  
Avda. de Linares Rivas, 30  
15005 - La Coruña
- London**  
6 Bevis Marks  
EC3A 7BA - London
- Frankfurt**  
Bockenheimer Landstraße, 51-53  
60325 - Frankfurt am Main
- Düsseldorf**  
Breitstraße 3  
40213 - Düsseldorf
- Paris**  
14 Avenue D'Eylau  
75116 - Paris
- Amsterdam**  
Strawinskylaan 3051  
1077 ZX - Amsterdam
- Copenhagen**  
Gl. Kongevej 1  
1610 København
- Oslo**  
Edvard Storms gate 2  
0166 - Oslo
- Warsaw**  
Emilii Plater, 53  
03-113 - Warszawa
- Zurich**  
Bellervestraße, 201  
8034 - Zurich
- Milan**  
Via Giuseppe Mengoni, 4  
20121 - Milano
- Rome**  
Via Vincenzo Bellini, 22  
00198 - Roma
- Lisbon**  
Avenida da Liberdade, 245  
1250-143 - Lisboa

### Asia

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

### Americas

- New York\***  
1120 Avenue of the Americas  
NY 10036 - New York
- Boston**  
21 Custom House Street  
MA 02110 - Boston
- Pittsburgh**  
301 Grant Street - One Oxford Center  
PA 15219 - Pittsburgh
- Birmingham**  
420 20th Street North  
AL 35203 - Birmingham
- Houston**  
1980 Post Oak Blvd  
TX 77056 Houston
- San Juan de Puerto Rico**  
105 Ponce de León Avenue  
00917 - San Juan
- Mexico City (Santa Fe)**  
Prol. Paseo de la Reforma, 1015  
01376 - Ciudad de México
- México City (Anzures)**  
Mariano Escobedo, 748  
11580 - Ciudad de México
- San José de Costa Rica**  
Centro Empresarial Via Lindora  
Radial Santa Ana, San José
- Medellin**  
Carrera 43 A, 1-50  
05021 - Medellín
- Bogotá**  
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170135 - Quito
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- Lima**  
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- Santiago de Chile**  
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\* From which Atlanta is managed



# Industry

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



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

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

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

## **COVID-19 impacts on industries**

The COVID-19 pandemic continues to pose a threat to the health of citizens and a risk to countries' economies and productive systems. Advances in vaccination have allowed authorities to relax certain virus containment measures, which is resulting in a recovery of global GDP.

The speed of global economic recovery, however, is not without uncertainty. The emergence of new variants has put governments on alert. In the worst-case scenario, the authorities may end up implementing containment measures that could lead to new impediments to the development of certain economic activities (border closures, capacity restrictions, curfews, etc.).

Also, during 2021 there was a supply shock that hampered the recovery. Rising energy and raw material prices in general, a shortfall in supplies of basic components for production (e.g. chips or semiconductors), a drastic rise in freight rates and container transport by sea, etc., have resulted in production cuts and delays. The increase in demand in most sectors, coupled with the supply crisis, has led to a generalized increase in prices, with inflation highs that have hit the highest levels in the last twenty years in many countries.

Given the context of the health and production crisis, organizations have had to adapt by devising and implementing solutions to minimize the impact on their operations. These solutions have mainly consisted of implementing different ways of working remotely and increasing their level of digitalization.

Despite the context of economic recovery, following the sharp falls in global GDP last year there are still industries affected by the pandemic, especially those whose services are closely linked to the mobility of people (Transport, Tourism), or in which physical presence is a critical factor for their satisfactory provision (Hospitality, Culture and Leisure, Retail Trade – except Food). However, other industrial sectors with a more cyclical component have experienced a significant recovery, some of them reaching pre-COVID levels (Real Estate and Construction, Automotive, Energy, etc.).

Companies in the more strategic industries (Finance, Pharmaceuticals, Telecommunications, etc.), which were less affected by the crisis last year, have generally improved their results. However, they are not immune, for example, to potential risks of increased default levels or risks arising from supply chain disruption.

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 sector is immersed in a process of profound transformation motivated by at least three major elements (beyond the aforementioned consequences of the pandemic): i) the macroeconomic environment (in which low interest rates still persist, despite inflationary pressures), ii) regulation and supervision, and iii) digital transformation; which are having a direct impact on the profitability of financial institutions (lower margins, pressure on costs and ROE). According to the EBA, 30% of European financial institutions plan to make changes to their business model as a result of these factors.

The macro context is conditioned by the issues already discussed (pandemic, supply shock, etc.) which, although to a lesser extent than initially expected, put pressure on borrowing costs. With regard to regulation and supervision, the requirements are more numerous, more demanding and affect more areas (capital, provisions, balance sheet structure, liquidity, leverage, conduct, etc.), in exchange for greater security and solvency of the system as a whole, which structurally reduces the profitability of financial institutions and means they face very high direct costs to adapt to these requirements. But the expectation is for some stabilization in the medium term, as the process of regulatory and supervisory transformation draws to a close.

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



# Industry

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.

Finally, we should emphasize the active role that the banking sector is taking on in the area of sustainability (ESG), becoming a key player in the process towards changing the economy's production systems (greener and more socially responsible).

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 an environment of profound changes that require a great capacity to adapt. The main challenges have to do with the aging population and increased longevity, digital transformation, the use of data and modeling, improved efficiency in operations, the emergence of new business models and ecosystems, the increase in the control environment and regulatory requirements, and also in this sector, the adaptation to the principles of Sustainability (ESG).

In recent years, and also due to the impact of COVID-19, customer behavior has changed, and as a consequence, distribution networks, insurers and other stakeholders such as care organizations have had to adapt their processes to a "hybrid" or omnichannel context, in addition to incorporating resilience and business continuity plans.

Immediacy, simplicity and accessibility to services are especially valued, as well as an increasingly personalized attention in the selection of new coverage. This forces insurance companies to increase their efforts to adapt in order to efficiently meet the new needs of their customers, as well as to make their value propositions more innovative and segmented, focusing on incorporating new technologies and adapting their digital interaction map.

Furthermore, growing market volatility and uncertainty due to the pandemic, together with regulatory changes such as the Data Protection Regulation (GDPR) or the Insurance Distribution Directive (IDD), mean insurance companies need to become even more involved in the management of liquidity, capital and provisions, as well as in the processing of their customers' data and the control of their internal processes. For their part, regulators and supervisors are focusing on reviewing companies' customer policies, governance and organizational structures. Additionally, the new IFRS 17 regulations and Solvency II changes call for very significant improvements in financial processes and risk control (as they incorporate emerging risks such as cyber risks, financial crime, reputational, climate, pandemics, etc.), as well as greater uniformity and transparency in management, reporting and information 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, as well as to ensure best practices in the fulfillment of business obligations, all aligned with international sustainability standards.

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 are launching strategies that are transforming the industry, from the point of view of infrastructures (such as network sharing, virtualization or the creation of Towercos), as well as products (through the creation of new services, either in-house or through strategic alliances with other players), operations (through an unprecedented digital transformation) and customer vision (enhancing communication channels with customers). These initiatives require knowledge of processes, analytical tools and new ways of working, and will require concentration and simplification at all

levels (regulation, organization, business, technology, etc.) in order to achieve the efficiency, agility and flexibility needed 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.



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Achieving sector awareness of the need to develop sustainable business models across the ESG spectrum is proving to be a challenge in the transformation process. Moving towards emission reduction commitments (across all scopes of emissions), circular economy-based development, the search for energy efficiency or quantifying the social impact of business models are all relevant concerns on the agenda of senior management.

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, the industry is once again threatened by the earlier discussed macro context. European industry is feeling the impact of the trade wars between the US and China and other global turbulences 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.

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 transport sector is facing a profound transformation with the emergence of major challenges such as the transition to a low-carbon economy (optimization of routes, packaging, use of alternative fuels, etc.), strong price competition, growing energy costs 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.



# Industry

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*

The education sector is facing a major transformation in order to adapt to social changes and changes in the productive sectors, with a great impact on its educational offerings, processes and university life.

Demand for university courses continues to be strong in traditional sectors (education, healthcare, etc.) but the need for specialized profiles in the quantitative field and new technologies (information management and modeling, digitization, robotization, Big Data, cybersecurity, etc.) has for a long time now been very intense, making it necessary to review both the educational model and its governance.

In relation to internal processes, digital transformation is opening new opportunities to focus processes on the student, improve administrative processes by making them more agile and efficient, and develop advanced information systems that strengthen analytical capabilities and data governance, thus facilitating decision making.

Finally, the move towards campuses that are both more digital (focused on a more digital student, with additional services linked to new technologies and the use of data) and greener (adapted to new social demands around environmental impact and decarbonization objectives) add new challenges to the management of university life.



### Construction and infrastructures

The construction sector shows favorable growth forecasts in the medium term, mainly due to the increase in mobility needs arising from demographic growth, especially in cities, and the paradigm shift that this implies. At the same time, the economic crisis caused by the pandemic has had the effect of paralyzing the sector's activity in the short term, causing an impact on direct employment and on third parties, and has aggravated the lack of public funding needed to maintain and develop the infrastructures necessary to contribute to social cohesion, industrial development and the commitment to climate change. Thus, in Europe, government plans derived from the Next Generation EU funding program must enable and activate mechanisms that generate a reasonable profitability scenario for projects and foster a collaborative and agile environment between private and public agents.

At the regulatory level, global technological developments and trends in other business sectors (electric mobility, green hydrogen, decarbonization objectives, etc.) represent a fundamental factor in determining the needs of the sector in the medium and long term.

For their part, companies in the sector are making great efforts to develop and incorporate digital transformation into their business processes, in the form of innovative technologies that provide a competitive advantage and enable them to improve efficiency.

### Government

The current market context is imposing high budgetary optimization efforts on public actions. This necessarily requires an improvement in the productivity and efficiency of all government agencies, which focus a large part of their actions on maintaining or improving the quality of service, optimizing the management of their structural costs.

To mitigate the effects of COVID-19 on the economy and in turn drive a transformation of production systems towards a more sustainable and digitized economy, important transformation plans have been developed such as, for example, in the case of the European Union, the Next Generation EU. This is a temporary recovery instrument endowed with 750 billion euros that will help to repair the immediate economic and social damage caused by the coronavirus pandemic. It is intended that the post-COVID-19 Europe will be greener, more digital, more resilient and better adapted to current and future challenges.

In addition, government agencies are addressing programs to incorporate new technologies into the public sector operation. These programs, usually referred to as e-government, seek to increase efficiency, transparency and citizen participation through greater use of information and communication technologies. This is complemented by a growing interest in the modeling of massive amounts of data as a tool to contribute to these objectives.

On the other hand, the incorporation of technology into administrative, regulatory and supervisory processes has given rise to tools called GovTech, RegTech and SupTech, respectively, which facilitate regulatory compliance and make processes more efficient through the use of machine learning, artificial intelligence, natural language processing and blockchain, among others.

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.



### **“We constantly update our Value Proposition to solve new challenges for our clients”**

Our clients face complex business transformation processes. In order to help them with these and other needs, we offer a highly specialized team that covers different meta-competencies (strategy, business management, finance, risk, transformation, new technologies), has a multidisciplinary profile (economists, engineers, mathematicians, etc.), and is supported by a cutting-edge R&D service.

Our specialization by service line makes it easier for us to design value propositions that closely target our clients' problems, always adapted to the specific characteristics of their sectors of activity.

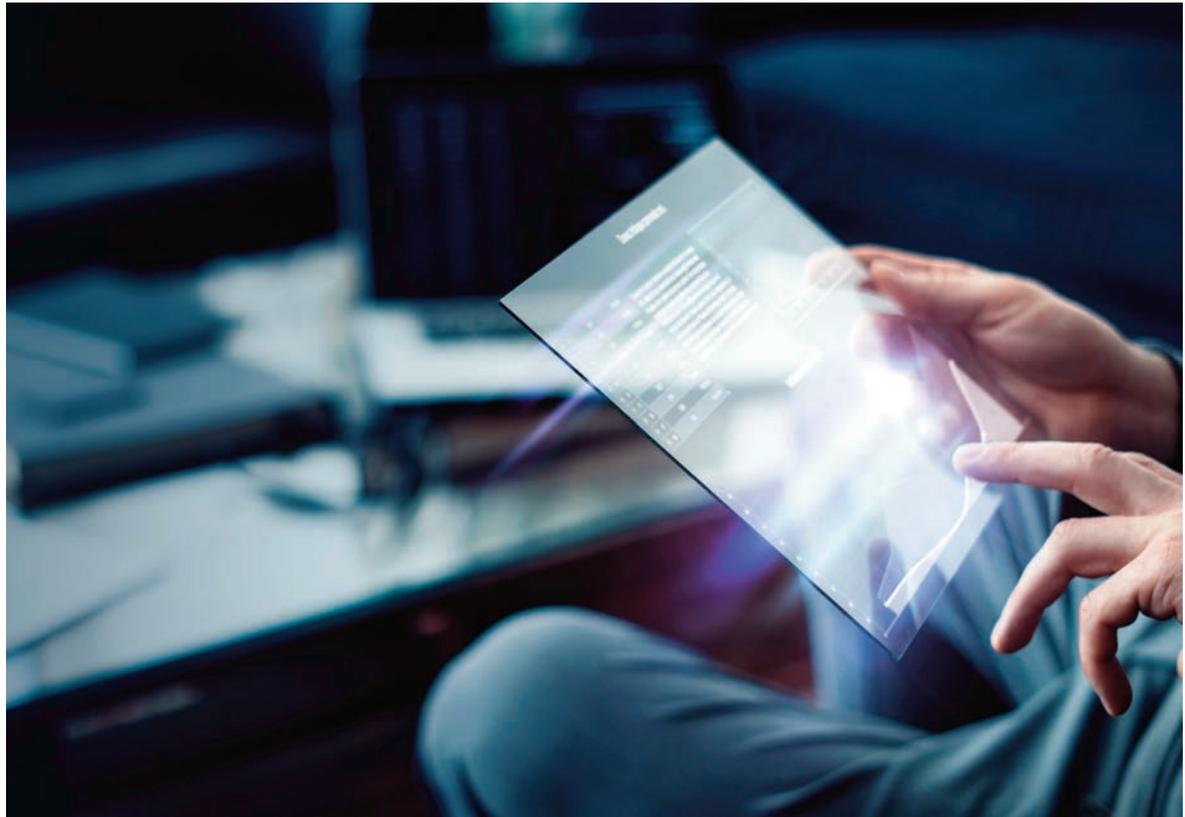
In addition, our geographic specialization allows us to capture the local reality, ensuring that our solutions incorporate the regulatory, social, cultural, and other characteristics of the economies in which our clients operate.

In short, we make sure that our value proposition is permanently adapted to the changing and specific needs of our clients.

**María González**  
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.

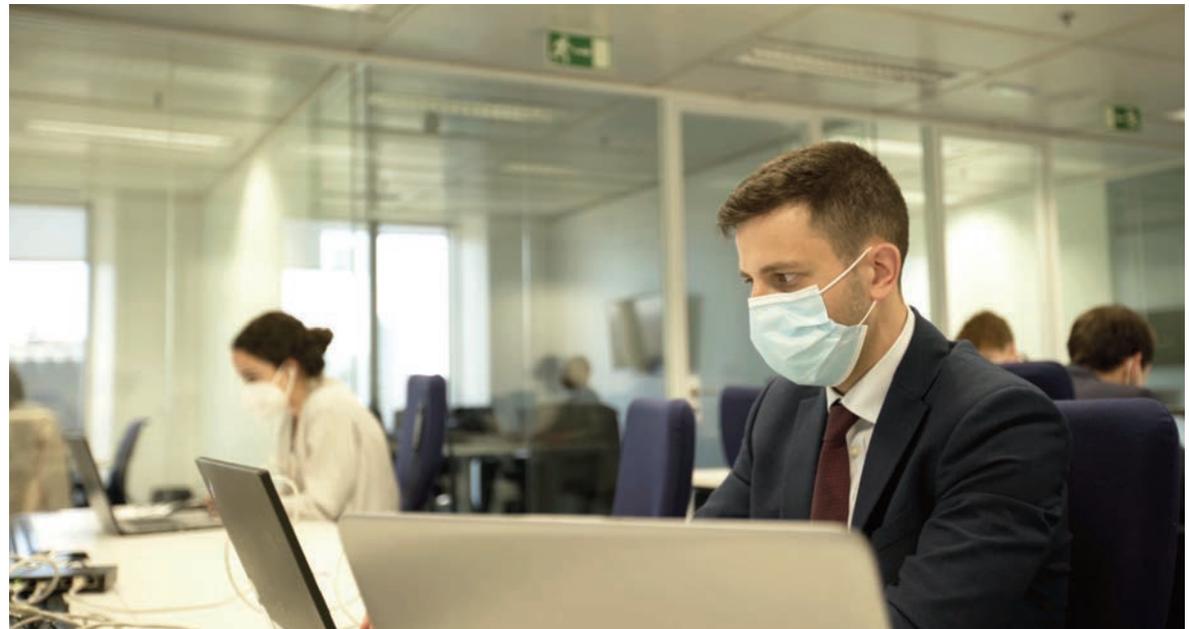
The result is exponential growth in the quantity of available technology and an equivalent reduction in cost, regardless of the crises experienced over the past few years, and this trend is expected to continue in the coming decades.

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.



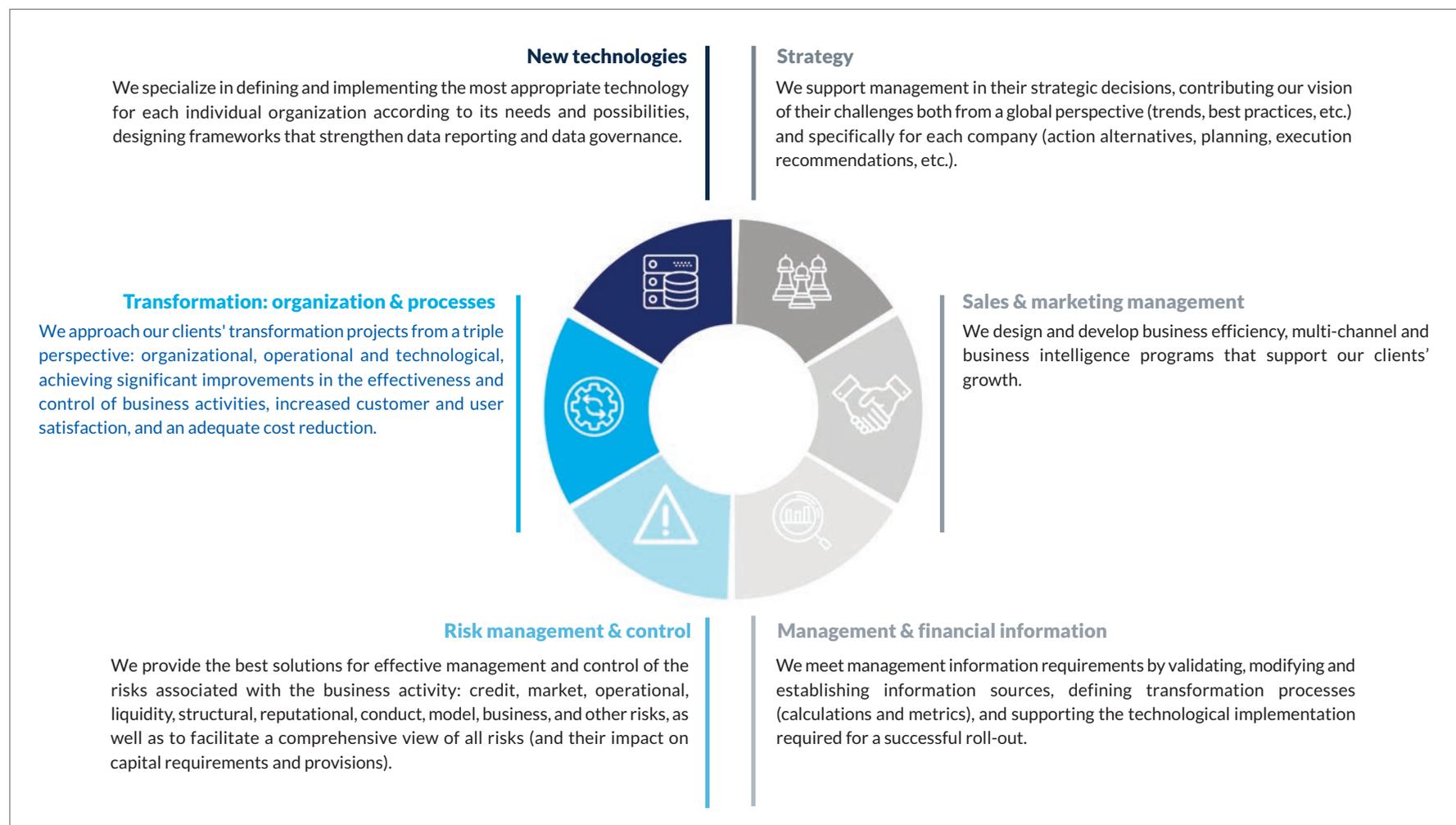
# Service lines

## 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.



## **Our Sustainability Practice (ESG)**

Within the competencies already mentioned above, this year we should specifically highlight the development of cross-cutting expertise in the areas of sustainability and climate change risk management.

At Management Solutions, we have accompanied many of our clients in their transition towards a sustainable production model. That is, in the implementation of methodologies to measure the impact of ESG risks on their businesses, in disclosing the sustainability of their activities in accordance with different international standards and regulations, etc. In this way, we aim to help companies to acquire the knowledge and understanding they need to successfully face the challenges that this transformation entails.

## **Our practice in the face of COVID-19 challenges**

Management Solutions has also incorporated into its value proposition a series of practical and innovative solutions that enable companies to meet the challenges and opportunities arising from the current pandemic context, with five main areas of focus:

### *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 still affected by the COVID-19 pandemic. After a prolonged period of stagnation in global economic activity, the rapid increase in demand and the saturation of supply chains have had a direct impact on the sudden rise in inflation, although the situation is expected to gradually recover in the future. The regulatory environment has become more demanding and we are also witnessing 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 relevant 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 in 2020 of an Expert Advisory Committee tasked with advising and providing 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.

The Advisory Committee of experts for the R&D area is chaired by Mr. José María Fuster, President of the Association of Friends of the Royal Academy of Sciences (RAC), Professor ad honorem at the Polytechnic University of Madrid (UPM) and Advisor to the iDanae Chair Monitoring Committee. Other participating experts are Mr. José Francisco Duato, Member of the Royal Academy of Sciences (RAC), Ms. Ernestina Menasalvas, Professor at UPM and Head of the iDanae Chair, as well as the Management Solutions partners most involved in the Firm's R&D activities.

The Committee has met four times during the year to explore alternatives and new avenues of research in Artificial Intelligence, thus enriching the innovation aspect of the R&D area.

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.

He is also a member of the Monitoring Committee of the iDanae Chair for Big Data and Analytics at Universidad Politécnica de Madrid and a founding member of the Social Impact and Hydrogen Studies Chairs, both at Universidad Pontificia Comillas (see Section "Committed to the environment" of this Report for further information).

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 Insper 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.

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.

#### *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.



# 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).

Nineteen years later, Management Solutions is more than thirty two times larger, with a multi-disciplinary team of more than 2,700 highly talented professionals, and more than 1,200 clients, all of which are leaders (global or local) in regulated industries, and 33 offices which serve as a base for carrying out recurrent projects in more than 40 countries across Europe, the Americas, Asia and Africa.

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

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

During this fiscal year, the Firm has faced 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.

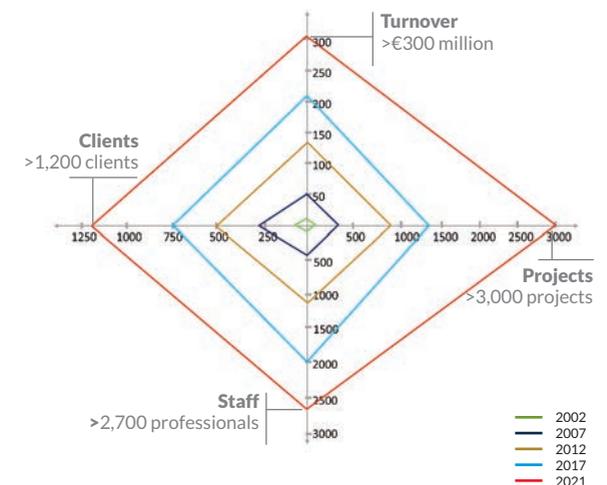
## An equally promising future

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 32 times our original size*

## The Firm's development



# Making things happen

## Management Solutions was incorporated on December 30, 2002

### 2003, Commitment to Excellence

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

### 2004, Making things happen

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

### 2005, A world of solutions

The year began with a fire at the Windsor building (our headquarters in Madrid), a significant challenge that was

successfully overcome and did not prevent us from increasing our staff by 46% and strengthening our activity with major international players. In 2005, we expanded our Mexico City and Santiago de Chile offices and also strengthened our Support Services Unit.

### 2006, The value of a committed team

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

### 2007, One Team

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

## In 2003...

- 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)

- 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

2004

2005

- 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

- 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)

2006

2007

- Over 500 professionals
- 270 clients
- 11 offices (UK office opening)
- Publication of our first Corporate Social Responsibility Report (2005/2006)
- Launch of our patronage and sponsorship programs

**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.

**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

- 650 professionals
- 300 clients
- 12 offices (Portugal office opening)
- 37% revenue growth
- First projects in Asia
- Energy and Telecommunications practices internationalization
- First regional event in Latin America (conference on Basel II impacts)

**2008**

**2009**

- 700 professionals
- 320 clients
- 13 offices (Germany office opening)
- More than one million consulting hours
- Strengthened our relationship with regulators (Europe/Americas)

- 750 professionals
- 350 clients
- 15 offices (Switzerland and Peru offices opened)
- Enhanced Core Competencies in all industries and geographies
- Globalization of our model of relationship with universities and the academic world

**2010**

**2011**

- 1,000 professionals
- 400 clients
- 17 offices (China and Poland offices opened)
- Enhanced our program of seminars with institutions and regulators
- Increased support to the academic world (teaching, scholarships, awards)

- 1,200 professionals
- 450 clients
- 18 offices (Colombia office opening)
- New regional conventions
- In-house training program certified as a "Master's Degree in Business Consulting" (Universidad Pontificia Comillas, Spain)

**2012**

**2013**

- 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

# Making things happen

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 Medellin, and the Madrid, Bilbao, Rome, Warsaw, Boston and São Paulo offices were expanded.

**2018, Generating Value through Digital Transformation,** In 2018 Management Solutions' turnover exceeded 250 million euros, and grew once again above 10% in an organic and diversified way, increasing its activity in all the geographies and industries in which it operates, and in all its service lines. Also, the Firm's IT Transformation plan was successfully implemented (migration of environments, IT architecture with Big Data technologies, new telecommunications systems, development of management control systems, etc.). A new office was opened in Bilbao and our Bogotá office was expanded.

## 2019, Sustainable Growth

In 2019 Management Solutions delivered close to 3 million consulting hours, once again growing above 10%. It also opened three new offices - in Amsterdam (Netherlands), Oslo (Norway) and Quito (Ecuador), reinforcing its commitment to geographic diversification. In addition, during the same year the Firm joined the United Nations Global Compact, strengthening its

- 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

2015

- 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

- 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

2017

- 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

- 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

2019

- 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

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.

### 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.

### 2021, Resilience & Leadership

In 2021 Management Solutions continued to grow in an organic, diversified and sustainable manner, adapting its value propositions to an environment of growing uncertainty. More than 3,000 projects were delivered over 3.5 million consulting hours, and two new offices were opened in Düsseldorf (Germany) and Pittsburgh (United States). A total of 150 new clients were added, bringing the total number of active clients to 1,200. The Firm also renewed its commitment to sustainability, pledging to achieve carbon neutrality by 2030, as well as to research and academia, with the launch of the Hydrogen Studies Chair at Comillas Pontifical University.



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

Our main objective is to become our clients' trusted partner and, for this, we must be permanently attentive to their needs and deliver excellence. This is how we develop long-lasting relationship models that create value for both our clients and ourselves.

At Management Solutions we have always clearly set our priorities: first the client, then the team and finally oneself. We have an unlimited commitment to those who place their trust in us.

The client is our *raison d'être* and is at the center of all our actions. That is why we are enthusiastic about our work and we combine our talent, knowledge and skills to effectively solve the challenges our clients face.

We are where we are because our clients have wanted us to be and we keep this in mind when planning our future.

**José Ramón Gorrochategui**  
Partner at Management Solutions

- 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

2021

- 2,700 professionals
- Over 1,200 clients (more than 150 new clients)
- 33 offices (Düsseldorf and Pittsburgh offices opening)
- 3,000 projects (50% generated within the year)
- Targeting carbon neutrality by 2030

## Today Management Solutions...

- Is more than 32 times larger
- Has a multidisciplinary team of over 2,700 professionals with a strong corporate culture
- Serves more than 1,200 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 33 offices
- Has a differentiated value proposition supported by cutting-edge R&D