

# 2017 CORPORATE SOCIAL RESPONSIBILITY REPORT



## NEW BUSINESS MODELS

MADRID BARCELONA BILBAO LONDON FRANKFURT PARIS WARSZAWA ZÜRICH MILANO ROMA LISBOA BEIJING NEW YORK BOSTON  
ATLANTA BIRMINGHAM SJ DE PUERTO RICO CIUDAD DE MÉXICO MEDELLÍN BOGOTÁ SÃO PAULO LIMA SANTIAGO DE CHILE BUENOS AIRES

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# Introduction

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

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

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



*Management***Solutions**



# Message from the Chairman



Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions

Our clients, big organizations that operate in regulated industries, are facing hugely complex challenges: a more stable macroeconomic context that is however marked by moderate growth and historically unusual inflation and interest rates; an increasingly demanding regulatory context; and an unprecedented technological revolution of astounding speed, scope, an impact on production systems.

These three factors combined put increasing pressure on business profitability as we knew it and make it necessary to do things differently. Our precise challenge is to help our clients transform their business models so they can survive in a complex and fast-moving world.

The world is not only changing but doing so at incredible speed. Consumer habits are changing and so is consumer power (or perceived power), connectivity is on the rise, data is increasingly a strategic source of value, artificial intelligence is developing at an amazing rate, technological capabilities are growing exponentially and at the same time becoming more accessible, new concerns are rising about issues such as cyberattacks, regulations are changing and becoming increasingly global, and as a result of it all (or perhaps as the cause) new business models are emerging.

As Darwin said: "It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change." Business models mutate, evolve, adapt to the new reality. Many of these new business models use technology to make the most of the already installed infrastructure for the benefit of the customer, thus contributing thus making the overall system more efficient.

Digital makes us solve problems in a different way. The new digital age is intimately linked to business model redesign (with a focus on the customer), the adaptation of organizational and governance structures (including data and model governance), the gearing of processes towards improving business and operational efficiency, analytical intelligence, risk identification, measurement and control, and an improved management information framework.

Creating value in the digital age is one of the biggest challenges facing us. At Management Solutions we want to continue to help our clients to steer their digital transformation. This requires us to keep our value proposition constantly updated while intensifying our international presence, further specializing our industry knowledge, deepening and updating our service lines, committing to research and development as well as to knowledge sharing, and always leveraging our experience, which we acquire by working for the industry leaders.

At Management Solutions we are not just concerned with making things happen, but also with how to do it. Our actions are governed by strict principles and values that have proved to create value for our clients, professionals, collaborators and society as a whole: unending commitment and willingness to be of service; humility, generosity, solidarity, team work, integrity, critical sense and independence of judgement; meritocracy; a passion for good work, an entrepreneurial spirit; perseverance in the pursuit of goals and a constant search for excellence, which in turn requires a combination of talent, effort and training.

The year 2017 was very positive for Management Solutions, with growth in business volume and job creation across all our offices, a wider client base and greater industry and geographical diversification. We have also significantly increased our level of investment in research and development, broadened our links with universities, expanded our sponsorship of cultural and educational events, and promoted all our community support projects.

We have an extraordinary team of nearly two thousand professionals with a strong analytical profile and deep knowledge of the industries for which they work, who support clients in over 40 countries in Europe, the Americas, Asia and Africa through our 24 offices. We provide services to global and local clients that are leaders in their respective industries, and we offer a differentiated value proposition supported by a leading-edge R&D department.

Our size today is twenty five times what it was only fifteen years ago, when we first embarked on our journey— a leading consulting firm specializing in business, finance, risks, organization, processes and technology.

At Management Solutions we firmly believe that social responsibility is a strategic component in the management of our organization, a long term commitment we acquire with our clients, our professionals and our wider communities in the countries in which we operate. With our 12th Corporate Social Responsibility Report, we aim to provide a true and detailed reflection of our 2017 achievements in different areas, especially our commitment to social issues.

A fundamental area of our social responsibility has always been our links with universities. We work in partnership with over 350 universities through agreements to provide internships and work experience, teach specialized master's degree courses, lectures and seminars, cooperate in research programs, participate in job fairs, sponsor and support university foundations and associations.

Promoting an entrepreneurial spirit is another line of action in our social responsibility policy. Our initiatives in this area have taken place within the educational sphere through our support to projects that aim to develop entrepreneurial values, attitudes and skills through educating children and young people in their early formative years.

Management Solutions' social commitment also includes our presence in professional associations related to our activity and in associations that support the development and dissemination of science, as well as in cultural associations through sponsorship and patronage initiatives.

We are especially aware of the fact that we all need to pull our weight towards ensuring sustainable development and we make



sure we design policies that contribute to preserving the environment.

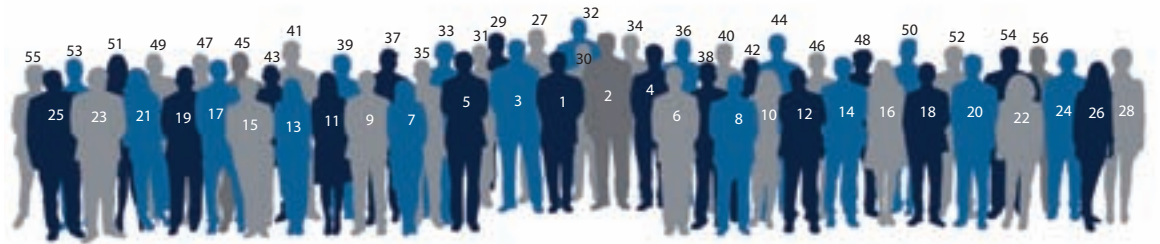
Finally, we continue to enthusiastically support and promote all community outreach projects in which our professionals are involved through Management Solutions' Social Action Group, of whom we are extremely proud for their selfless dedication to those most in need.

At Management Solutions we face the future with hope and confidence, and are determined to be protagonists in the transformation of our clients' business models and to make a difference in the construction of the digital age.

Alfonso Serrano-Suñer  
Chairman and CEO of Management Solutions

## Partners Committee

- |                             |                                    |                           |                         |                        |
|-----------------------------|------------------------------------|---------------------------|-------------------------|------------------------|
| 1. Alfonso Serrano-Suñer    | 13. M <sup>a</sup> José Leongentis | 25. Alberto Rilo          | 37. José Ignacio Charro | 49. Ricardo Gómez      |
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| 3. José Ramón Gorrochategui | 15. Marcos Izena                   | 27. Manfred Nolte         | 39. Ángel García        | 51. Cristina López     |
| 4. Julio Holgado            | 16. Ana Gadea                      | 28. Maitane Astiz         | 40. Raúl García de Blas | 52. Josep Rotés        |
| 5. Pedro Martínez           | 17. José Bielsa                    | 29. Carlos Camps          | 41. Carlos Carnicero    | 53. Asier Arranz       |
| 6. Juan García              | 18. Javier Álvarez                 | 30. Miguel Ángel Poblet   | 42. Hernán Enríquez     | 54. Jesús Martínez     |
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| 8. David Coca               | 20. Javier Calvo                   | 32. Marcos Fernández      | 44. Carlos Francisco    | 56. Guillermo Montero  |
| 9. Rubén García             | 21. Nuria Navarro                  | 33. Jon Martínez          | 45. Federico Sánchez    |                        |
| 10. Sara de Francisco       | 22. Soledad Díaz-Noriega           | 34. Rafael Guerra         | 46. Luis Lamas          |                        |
| 11. Vanesa Eirin            | 23. José Manuel Suárez             | 35. Jorge Monge           | 47. Tomás Gatti         |                        |
| 12. Juan Fabios             | 24. Carlos Vilá                    | 36. Diego Leis            | 48. Antonio Oriol       |                        |



# CSR Report

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

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

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

To this end, each year we update the milestones achieved by the Firm throughout the year, both in terms of employment and from an economic, social and environmental standpoint, in all countries where we operate, setting targets that will serve as guidelines for the coming year.

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

This Corporate Social Responsibility Report details Management Solutions' achievements for the period between January 1 and December 31, 2017 in our offices in Europe (Spain, UK, Germany, France, Poland, Switzerland, Italy and Portugal), the Americas (USA, Mexico, Puerto Rico, Colombia, Brazil, Peru, Chile and Argentina) and Asia (China).



### Report preparation process

Since 2008, our CSR report preparation process has followed the guidelines and recommendations of leading international organizations such as the Global Reporting Initiative (GRI), an institution whose mission is to improve the quality, rigor and usefulness of Corporate Social Responsibility reports. The structure and content of our report is intended to be useful for all our stakeholders in strict compliance with the sustainability report preparation guidelines published by GRI.

We believe that our clients, professionals and society as a whole are our main stakeholders.

Satisfying these groups occupies a central place in our corporate strategy, therefore establishing an optimal relationship with them constitutes a key objective. For this

reason, a section is devoted to each of these groups (Commitment to the client, Commitment to our professionals and Commitment to the environment), indicating how we understand our relationship with them.

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

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

This view of corporate social responsibility is addressed from a dual perspective at Management Solutions: first, the business approach, understood as the commitment the Firm as an entity assumes towards its different stakeholders (commitment to the client, commitment to its own professionals and commitment to society); and, second, the Social Action approach, through supporting community service initiatives developed by our professionals, as well as encouraging and backing their collaboration with different NGOs and charities.





# CSR Road Map

The Firm's true commitment to responsible and sustainable practices means we don't just perform this important task, but also continue our ongoing search for the most appropriate formulas to maximize efficiency.

As expected, the Firm's CSR is based on the business philosophy, culture and values that its ethical principles of conduct dictate. These values and principles are reflected in three key areas for the Firm: clients, team and environment.

This business philosophy is the basis or starting point of our commitment, which we decided to back with an international standard that would provide the Firm with a set of guidelines to help us channel our view of CSR and to direct our efforts towards working on a shared, long-term project.

For this reason, in December 2010 Management Solutions committed to the United Nations Millennium Development Goals (MDGs) and, after the deadline set by that initiative, with the Sustainable Development Goals (SDG), an initiative also sponsored by the United Nations, which, like the previous one, seeks to contribute to the protection of the planet and the prosperity of all its inhabitants, especially those most at a disadvantage. SDGs are articulated around a set of goals that synthesize our way of thinking as an organization in terms of CSR, particularly in areas such as combating poverty and hunger, promoting health and well-being, fighting against all types of discrimination, protecting the environment, investing in quality global education and contributing to entrepreneurship and quality work.

Additionally and as a sign of its firm commitment to CSR, in 2017 Management Solutions initiated the process of joining the Spanish Network of the United Nations Global Compact, an international initiative that promotes the implementation of universally accepted CSR principles in the areas of Human Rights and Business, Labor Standards, the Environment and the Fight against Corruption. In this way, the Firm reaffirms its commitment to ethical management, integrating these principles into its activity.

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

## **Approach**

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

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

## **Goals**

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

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

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

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

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

## **Management system**

Every year we strive to improve our internal corporate social responsibility management system, enhancing our CSR area functions. This area, reporting directly to the Firm's Executive Committee, has primary steering and management responsibility for CSR matters and performs the following functions:

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

## Sustainable Development Goals (SDGs)

In 2017 Management Solutions carried out the following actions for reinforcing the United Nations' Sustainable Development Goals.



### Eradicate extreme poverty and hunger

- Organization of community support events and charitable collection of food and relief goods in the aftermath of catastrophes and natural disasters (earthquakes in Mexico, floods in Colombia and Peru, wild fires in Portugal).
- Collection of food at our Solidarity Cinema event to collaborate with shelters and soup kitchens (Misioneras de la Caridad Home and Vizcaya Food Bank in Spain, Hope Home in Brazil, La Paz Home in Mexico, San Ricardo Home in Chile)
- Organization of a fund-raising concert to finance voluntary and cooperation activities promoted by the Firm's professionals.
- Participation by Management Solutions professionals in the "Volunteers on the ground" program run by Ayuda en Acción for people without resources in Nicaragua.
- Participation in the "Unicef Race" organized in Colombia to improve the quality of life of children and adolescents in vulnerable areas of that country and to guarantee their rights.
- Participation in the "Somerville Homeless Coalition Race" in the United States in support of homeless people in the vicinity.
- Refurbishment of a children's playground and development of an orchard for Oasis Children's Venture, a local not-for-profit association that runs three centers for children and young people in Stockwell, London.
- Collaboration with the NGO Habitat for Humanity to build a home for a family without resources in Birmingham (USA).
- Printing of Christmas cards in collaboration with Ayuda en Acción to contribute to building a better future for the children in the Karkavitta home (Nepal).
- Campaign for the collection of food and basic personal hygiene products to collaborate with the elderly living at Lar das Mãezinhas home (Brazil).
- Christmas Solidarity Campaigns with the collection of basic necessities and gifts for children's centers (Spain, United Kingdom, Germany, Portugal, Mexico, Colombia, Brazil, Peru, Chile and Argentina).
- Donation of computer equipment for disadvantaged groups.



### Fight against all types of discrimination

- Development and monitoring of equality plans (in all countries in which Management Solutions has a presence).
- Collaboration agreements with Down Madrid and Ilunion Travel to facilitate and promote the social and professional integration of disabled people into ordinary work environments.
- Participation in a training program for the inclusion of young people with disabilities into the workplace (Promentor) launched by the Prodis Foundation.
- Participation in the "On your own" race and volunteering activities to support the integration of people with Down Syndrome and other intellectual disabilities.
- Sponsorship of the Pro-Am charity golf tournament organized by Fundación Deporte y Desafío for the social integration of disabled people through sport.
- Participation in the "Run for you, walk with me, heroes of the road" race aimed at raising awareness within Mexican society about the need to promote the construction of an inclusive Mexico for people with disabilities.



### Promote health and well-being

- Organization of blood donation campaigns at different Management Solutions offices.
- Participation in different races supporting the fight against cancer ("On the move against cancer" in Madrid, "Winter Run" and J.P. Morgan's "Corporate Challenge" in London and "Rumpshaker" in the United States).
- Solidarity at work program, in collaboration with Spanish Cancer Association AECC, to disseminate health messages and raise awareness of the importance of prevention and early detection.
- Participation in the "Bilbao Let's Run" race organized to support people with multiple sclerosis, Parkinson's and child cancer.
- Participation in the "5th Montepio Race" in Portugal in support of the Associação dos Deficientes das Forças Armadas.
- Participation in the "J.P. Morgan Corporate Challenge" in Frankfurt in support of young disabled local athletes.
- Collection of charity bottle tops to raise funds through the SEUR Foundation to fight childhood diseases.
- Policies to prevent occupational risk and internal Health Service.
- Continuation of favorable maternal health policies for our professionals.
- Organization of sports activities for the Firm's employees.



### Protect the environment

- Reduction of the Firm's environmental impact (putting in place energy efficiency, recycling and paper usage reduction policies) in all countries in which Management Solutions has a presence.
- Participation in Bogotá's "Green Race" to promote the recovery of local forests.



### Invest in universal quality education

- Educational activities as part of the "Volunteers on the ground" program organized by Ayuda en Acción in Waslala (Nicaragua).
- Collaboration with various European and American universities to deliver specialist seminars and sponsor end of year prizes
- Sponsorship and collaboration with the Amigos de la Real Academia de Ciencias in Spain in the dissemination of scientific content.
- Participation in the "Run for a cause" race organized by Fundación Entreculturas to facilitate access to education for 945 children and young people in Maban (South Sudan), as well as the provision of training in IT, English and teaching methods to 50 teachers.



### Contribute to entrepreneurship and quality work

- Participation in the "We create our project" program and "Run, Get Ahead, Learn" race organized by Créate Foundation, which designs, develops and implements methodologies, techniques and tools that can be used in the education system to promote innovation and entrepreneurship among children and young people in Spain.
- Collaboration with foundations to promote microfinance.

# 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.



**2,000 PROFESSIONALS**



**24 OFFICES**



**10%+ OF CAPACITY INVESTED IN R&D**





MSO

Management Solutions  
Making Strategic Decisions

YEARLY MEETING 2017  
NEW BUSINESS MODELS



YEARLY MEETING 2017

# Strategic principles

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



Today, Management Solutions is a leader in business consulting services to regulated industries. This leadership results in more than two and a half million annual consulting hours, a global team of around 2,000 professionals, 24 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 750 clients, all leaders in their respective industries, and more than 1,300 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.



### Committed 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.

### Objectives

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

### Culture and values

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

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

### Commitment to our clients

Our commitment to our clients goes beyond the standard threshold for advisory services to partner with their goals, which we take on as our own and strive to achieve through our work and commitment. We are well aware that if we are where we are, it is because our clients want it to be so.

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

### Commitment to our professionals

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

These results translate into personal achievements, but getting there involves overcoming barriers. Our professionals are,

however, not alone in this journey, as they have the backing of the entire organization. For this reason, the values of generosity and pride in belonging develop naturally, as it becomes clear that the team adds more value than the sum of its parts. At Management Solutions the client is first, followed by the team and the individual.

### Commitment to society and the environment

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

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



# Ethical principles in our code of conduct

*Principles that govern the conduct of all our professionals*



## ***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, relations and 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 take 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 seeing to 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 our actions and the desire to contribute to the personal growth of all those who form 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, which is made possible by the generosity of each one of its members, with the team's objectives prevailing over individual aims.

Our success is dependent on our professionals and, 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 category.

### **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).

# 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.

For this reason, we must carefully select the means we use for communicating the Management Solutions brand, and work towards ensuring that it conveys a level of quality commensurate with our high standards. Only by doing this will we be able to consolidate our brand's position in the market place.

Moreover, brand uniformity becomes particularly significant in the current context of our Firm's international expansion.





Our brand plays an integrating role, since it represents those values that are shared by close to 2,000 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, delivered in three languages (Spanish, English and Portuguese), meets the accessibility guidelines set by the

World Wide Web Consortium (W3C), and includes general information about Management Solutions, the industries in which we operate and services lines offered, as well as a section on careers targeted at potential candidates, a section on our specialist publications (including macroeconomic outlook reports, relevant industry regulatory developments and technical notes on regulations) and an events section (featuring the Firm's news) related to the university, professional and cultural worlds, as well as news on our community-action campaigns and sports competitions.

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

In addition, during 2017, the Firm's digital communication strategy was strengthened by the creation of two corporate channels on YouTube (in English and Spanish), and by the active use of the Firm's profiles on Facebook and Google Plus, complementing Management Solutions's presence in LinkedIn and Twitter. These latest developments are aimed to showcase events and specialist content generated by the Firm (white papers, reports, regulation alerts, technical notes, etc.) to our main interest groups.

In 2017, visits to our website increased by 15% compared to 2016 (from more than 180 different countries).

### **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).



**"Our brand is a reflection of what we are: a firm with a strong corporate culture that unites us and differentiates us"**

We have a strong corporate culture based on commitment and dedication to service that promotes integrity, unity and teamwork.

We are proud to see how our clients identify Management Solutions with a different way of doing things in all the geographies in which we operate. No matter where we are working (London, São Paulo, Boston or Beijing), our way of doing things is always the same across the more than forty countries in which we are present.

Our brand helps us in that endeavor. It is not a simple logo, it reflects our joint commitment to a mission: "making things happen", and to a goal: to exceed our clients' expectations, and by doing so become their trusted partners.

**Inmaculada Barroso**  
Management Solutions Partner

# Geography

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

Management Solutions' strong international vocation since inception has made its global approach one of its hallmarks. Currently, our presence concentrates in four major geographical areas: Europe, the Americas, Asia and Africa, with 24 offices from where we serve more than 40 countries.

Covering the needs of our clients in all countries in which they are present has consolidated our Firm as 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 on the look-out to identify 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 2017 we continued to expand our scope of action, not only in countries that have historically been the focus of our growth, and where we already have well-established offices, but also extending our reach beyond their borders.

In the United States we have again achieved excellent results, with a 50% increase in operations thanks to our strong activity in New York, Alabama and Massachusetts (with the opening of a physical office in Boston), and the outstanding momentum gained in Texas.

In Latin America, despite the economic slowdown in the region, all the offices have met their goals and achieved growth of more than two digits, led by Mexico and Brazil as the main pillars of growth in the region and closely followed by Peru, Chile, Argentina and Colombia (which has seen the opening of a second office, this time in Medellín). In addition, we have once

again significantly reinforced our positioning throughout the Central American region, where the Firm's presence has grown substantially in terms of the number of clients and projects.

In Europe we have also achieved strong growth in all main economies. Thus, our office in Germany has delivered excellent performance throughout the year, doubling its size and fulfilling its role as a regulatory hub for the Firm by strengthening ties with the European banking supervisor. For its part, the United Kingdom has once again achieved double-digit growth, both in terms of activity levels and number of projects, also reinforcing its relationship with the British banking supervisor. In France, our Paris office has closed its first year with significantly more presence in the French market, achieving relevant projects in local leaders. In addition, our Spain and Portugal offices continue to strengthen their leadership position in business consulting for regulated industries in their respective markets. Finally, we should also highlight our performance in Italy, Poland (with the opening of a physical office in Warsaw), Switzerland and the Nordic countries (Denmark, Sweden, Norway and Finland), all of them countries in which the Firm is gaining a stronger foothold year after year.

Finally, our Asian operations have seen steady growth, leveraging on our office in China and with a strong momentum in our Turkey activity, and our operations in Africa have increased by over 10%, with an active presence in countries such as Senegal, Equatorial Guinea and Angola.

## Permanent Management Solutions offices



### Europe

#### Madrid

Pza. Pablo Ruiz Picasso, 1  
28020 – Madrid

#### Barcelona

Avda. Diagonal, 654  
08034 – Barcelona

#### Bilbao

Pza. Euskadi, 5  
48009 – Bilbao

#### London

6 Bevis Marks  
EC3A 7BA – London

#### Frankfurt

Bockenheimer Landstraße, 51-53  
60325 – Frankfurt am Main

#### Paris

14 Avenue D'Eylau  
75116 – Paris

#### Warsaw

Emilii Plater, 53  
00-113 – Warszawa

#### Zürich

Bellerivestraße, 201  
8034 – Zürich

#### Milan

Via Visconti di Modrone, 11  
20122 – Milano

#### Rome

Via Vincenzo Bellini, 22  
00198 – Roma

#### Lisbon

Avenida da Liberdade, 245  
1250-143 – Lisboa

### Asia

#### Pekin

1 Jian Guo Men Wai Avenue  
100004 – Beijing

### Americas

#### New York

1120 Avenue of the Americas  
NY 10036 – New York

#### Boston

21 Custom House Street  
MA 02110 – Boston

#### Birmingham\*

420 20th Street North  
AL 35203 – Birmingham

#### San Juan de Puerto Rico

105 Ponce de León Avenue  
00917 – San Juan

#### Mexico City (Santa Fe)

Prol. Paseo de la Reforma, 1015  
01376 – Ciudad de México

#### Mexico City (Anzures)

Mariano Escobedo, 748  
11590 – Ciudad de México

#### Medellin

Carrera 43 A, 1-50  
050021 – Medellín

#### Bogota

Carrera 7, 71-21  
110231 – Bogotá

#### São Paulo

Rua Funchal, 418  
04551-060 – São Paulo

#### Lima

Avda. Coronel Andrés Reyes, 437  
San Isidro 27 – Lima

#### Santiago de Chile

Enrique Foster Norte, 21  
755-0163 – Santiago

#### Buenos Aires

Avda. Alicia Moreau de Justo, 140  
C1107AAD – Buenos Aires

\* From which Atlanta is managed



# Industry

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



Thanks to our industry focus, at Management Solutions we are able to understand the specific needs of our clients and provide a solution to all their challenges.

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

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

## Financial Institutions

The banking business is undergoing a process of profound transformation driven by at least three major factors: the macroeconomic environment, regulation and supervision, and digital transformation, all of them having a direct impact on banks' profitability: reduced margins, pressure on costs and a lower ROE. According to the EBA, 30% of European banks expect to make changes to their business models as a result of these factors.

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

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

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

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

## Energy

Progressive deregulation in the industry has revealed that there is little perceived product/brand differentiation in traditional utilities (water, electricity, gas, etc.). The customer, used to contracting utilities from government-designated suppliers, does not associate certain qualities with the supplying brand as it is the case in other industries. This has coincided with the emergence and consolidation of technological advances and mass data processing capabilities, as well as with a changing environment as a result of regulatory changes, 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 how to measure, support and effectively manage business while properly monitoring and controlling the various risks and opportunities associated with these activities, and ensuring best practices are implemented so as to comply with business obligations.

Also, corporations are facing a digital transformation challenge caused by both the macroeconomic situation and multiple merger and acquisitions as well as business segregation processes that require 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.



# Industry

## **Telecommunications**

The telecommunications sector is at the heart of digital transformation in society, driving technological advances as well as changes in the behavior patterns of users, who increasingly demand mobile services, immediacy and interaction, both in the personal and in the professional sphere. These circumstances combined have led to the emergence of new business models, players and services, adding increased complexity to a market that is already saturated.

The traditional operators face a new investment cycle to deploy next generation networks that are able to respond to spectacular demand growth from a variety of sources. They are also witnessing how margins from their traditional sources of income (voice and data) decrease rapidly, while new revenues generated by the "new economy" go to new entrants (the so-called over the top entrants).

The challenges facing this industry in the coming years will require further industry concentration and simplification at all levels (regulation, organization, business, technology, etc.) to allow players to achieve the efficiency, speed and flexibility needed to adapt to the current changes and future challenges.

## **Distribution: manufacturing and consumer industry**

Management Solutions responds to industry needs through this practice, from the perspective of both the generator (production) and the distributor (channeling the product towards the end customer).

After years of sharply declining activity with the resulting implications for the utilization of installed production and distribution capacities, the economic outlook is pointing to

signs of recovery in the growth path. Globalization, together with the different speeds of recovery from the recession in large regions, is leading to the relocation of a large part of the value chain: purchasing, production, manufacturing and selling now require "global thinking and local action", and imply a continuous improvement and transformation of the organizational, operational and technological structures used by the companies operating in these markets.

Also, changes in consumer habits and customer behavior require business models that allow companies to make the most of the huge amount of information available. This is not only because customers demand a better service based on a combination of greater speed, availability and comfort, but also because of how they interact with new channels as a result of technological advances and the use of mobile devices.

## **Other sectors**

### *Government*

The current market context is imposing significant budgetary optimization efforts on public sector activities. This necessitates an improvement in the productivity and efficiency of all government agencies, which devote much of their activity to maintaining service quality by optimizing the management of their structural costs.

Furthermore, government agencies are undertaking programs to embed new technologies into the functioning of the public sector. These so called "e-government" programs, seek to increase efficiency, transparency and public involvement through better use of information and communication technologies.





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

### Construction

After various years of strong deceleration marked by falling real estate prices following the global financial crisis and budgetary adjustments to public infrastructure spending in the leading economies, the sector as a whole appears to have entered into a new growth stage.

Residential construction has once again seen significant growth in most markets. As for non-residential construction, it has also seen positive growth on the back of economic recovery and increased consumption, as shown by figures on new office and shopping mall development, logistics, and, to a lesser extent, industrial construction.

Finally, while still the market segment that has taken longest to recover, the outlook for civil engineering is also improving thanks to apparent renewed interest from the main governments in increasing investment in this area as a driver of economic growth.



“Our value proposition is constantly adjusted to the new challenges our clients present us with”

The digital age in which we are immersed calls for the adaptation of business models. In order to be able to meet the demands of our clients and excel at it, we have a highly specialized and multidisciplinary team that is supported by a leading-edge R&D department.

Our specialization by service line facilitates the design of value propositions to quickly and accurately respond to the problems our clients share with us.

We also specialize by industry, which allows us to adapt our value propositions to the specific characteristics of the industries in which our clients operate.

Finally, our specialization by geography enables us to capture the local reality and to take into account regulatory, sociological, cultural and other particularities of the economies in which our clients' activity takes place.

**Nuria Navarro**  
Management Solutions Partner



# Service lines

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



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

## **FCRC (Financial and Commodities Risk Consulting)**

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

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

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

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

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

## **RBC (Retail Business Consulting)**

The retail business is making great efforts to identify customer clusters or segments to target, 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, it is already a fact that 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 through effective implementation of their functional requirements.

## **NT (New Technologies)**

The world is changing, and doing so at 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 technology available 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: along with increased technical performance has come increased capacity to generate, store, and process information, and at an exponential rate too, a situation that has been called the “big data” phenomenon.

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

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

### Core competencies

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

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

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

### Core competencies



#### Strategy

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



#### Management & financial information

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



#### Sales & marketing management

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



#### Transformation: organization & processes

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



#### Risk management & control

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



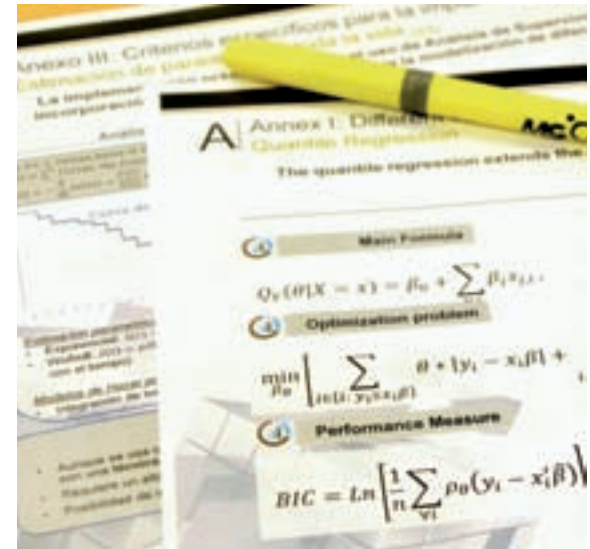
#### New technologies

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



# R&D

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



The current global environment is characterized by weak economic growth, low inflation and low interest rates in mature economies and slower growth in emerging economies, along with a stricter regulatory environment and accelerated technology transformation, with a special focus on the incorporation of new machine learning techniques and the use of big data in business development. In this context, anticipating change is more important than ever.

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

R&D's mission revolves around creating and disseminating knowledge 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.

With this purpose, the R&D department works in close collaboration 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. 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 and is an active part of the management of postgraduate programs offered by the Firm: Master's degree in Business Consultancy offered jointly by Management Solutions and the ICADE Business School, and Diploma in Business Consultancy offered jointly by Management Solutions and Instituto Tecnológico de Monterrey.

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 in identifying and analyzing developments.

To facilitate access to the information, R&D continues to make progress in establishing the corporate Intranet as the key channel for knowledge dissemination within the Firm through the Publications and New Regulations sections in the Knowledge Area, which draw on corporate publications and original document sources (regulations, scientific articles, etc.); and in supporting new knowledge management projects that leverage big data.

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

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

#### *Methodology (R&D&i)*

- ▶ Research: compiling and design of client/industry best practices in regulatory adaptation and management (credit, market and liquidity risk, economic capital, stress tests, business models, etc.).
- ▶ Innovation: a number of models are developed through a center specialized in data science and machine learning including classification, regression, optimization, simulation models, etc., for different areas in the industries in which the Firm operates.
- ▶ Prototypes: 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, in order to facilitate the implementation of global corporate solutions.
- ▶ Software: maintenance of the data science tools developed, and relationship management with scientific software providers.
- ▶ Quality Assessment (QA): certification of the quality and consistency of the methodologies applied in projects.

#### *Economic analysis*

- ▶ Outlook reports: the R&D area is expanding the coverage of its quarterly outlook reports both in countries and in industries. Currently produces reports on 19 countries with the support of experts from the Firm's network of offices:



Spain, the United Kingdom, Germany, France, Poland, Portugal, Italy, the Nordics (Denmark, Norway, Sweden and Finland), the United States, Mexico, Brazil, Argentina, Peru, Chile, Colombia and China.

- ▶ Benchmark analysis: based on the knowledge base generated from these reports and through analysis of alternative information sources, R&D also carries out benchmark analysis from public information on the clients and countries in which the Firm operates.

#### *Regulatory analysis*

- ▶ Regulatory monitoring: the R&D area has an active system in place to monitor regulations on the Firm's areas of activity, which enables R&D to anticipate and detect regulatory publications at an early stage in geographical areas of influence.
- ▶ Alerts: publication alerts allow for immediate knowledge of regulatory changes by our professionals and clients.

- ▶ Analysis: on those new regulations with a greater impact on or interest for clients, R&D prepares overviews and analysis of implications, contributing their synthesis and critical thinking capabilities.

#### *Knowledge management*

- ▶ New business models observatory: the R&D area supports the discovery and analysis of new business models arising in sectors in which the Firm is active, these generally focus on the digital transformation of current businesses.
- ▶ White papers: the R&D department produces in-depth, innovative and concise monographic studies on hot topics within the Firm's areas of activity that are of interest for our clients and professionals. An example of this are the latest newsletters prepared by R&D which have dealt with aspects such as trends and challenges in business model analysis, or fraud management in the energy industry.

# Making things happen

*We have seen organic and sustained growth to 25 times our original size*

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 15 years after its incorporation. It is a great pleasure for us to present the achievements listed throughout this publication.

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

Fourteen years later, Management Solutions is more than twenty times larger, with a multi-disciplinary team of close to 2,000 highly talented professionals, and more than 750 clients, all of which are leaders (global or local) in regulated industries, and 24 offices which serve as a base for carrying out recurrent projects in more than 40 countries across Europe, the Americas, Asia and Africa.

The Firm has continued to grow at all times since inception. In each and every one of our past 15 years as a firm, we have seen growth in revenue, number of professionals, number of clients and number of countries in which we operate.

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

During this fiscal year, the Firm has faced a complex macroeconomic scenario, though far less difficult than other situations it has had to face since its incorporation. The beginnings were particularly demanding, with reduced critical mass, no brand recognition and lacking the capacity to respond globally in all geographies in which our client





base operated. Two years later, when Management Solutions began to consolidate in the market, there was a fire at our headquarters in Madrid (the Windsor building), which led to its complete destruction but served to demonstrate the resilience of our team of professionals, who were able to keep focused on their projects with clients.

Despite these initial difficulties, our development has been extraordinary, with average 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, at the same time, 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 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.

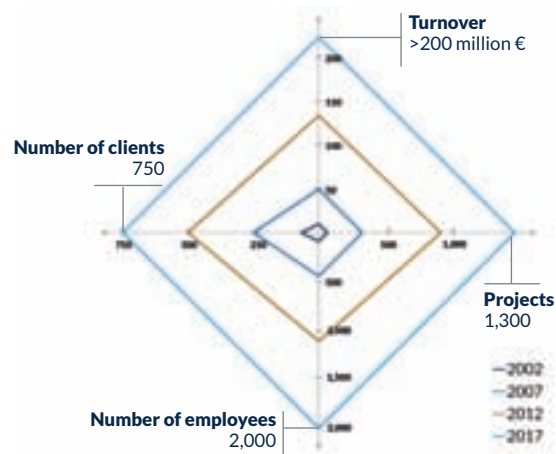
In short, we understand that our constant pursuit of excellence, based on talent, effort and training, is a necessary requirement to meet our goals.

### ***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.

## **The Firm's development**



**“The client is at the center of all our actions”**

Our clients are the reason we are in business, and our goal is to become their trusted partners. We aim to achieve this by making sure we are always attentive to their needs, and by developing a lasting relationship model that will create value on both sides.

We are utterly committed to those that put their trust in us. We are enthusiastic about our work and combine talent, knowledge and skill in order to effectively solve their problems.

At Management Solutions we have always been clear about our priorities: first the client, then the team and finally oneself.

**José Ramón Gorrochategui**  
Management Solutions Partner

# 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 enlarged 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 also saw the publication of our first Corporate Social Responsibility Report.

### **2008, Passion for the future**

The Firm's strategy going forward included expanding our presence in other markets and geographies. This fact led to the launch of our first projects in Asia, entry into the Portuguese market, the opening of our London office, and to our expanding

the energy and telecommunications practices to other countries and organizing 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 club 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.

## 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)

## 2004

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

## 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

## 2006

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

## 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)

## 2012

- 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)

## 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

## 2014

- 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

### 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 initiated activities in Africa, ii) industries (particularly in Telecommunications) and iii) service lines (undertaking more than 800 projects whose common denominator was transformation). Governance of the relationship with strategic suppliers was enhanced, as was investment in R&D and training (which grew around 20% with respect to the previous year).

### 2015, Innovation for growth

In 2015 we achieved growth above 16% and exceeded two million consulting hours (900 projects were formalized). During this 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 the 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 saw a turnover in excess of 200 million euros and well as diversified growth that was particularly strong in Europe (Germany doubled its size) and the US (which grew by over 50%), totaling more than 750 clients (90 new) and implementing more than 1,300 projects. A new office was opened in Medellin during the year and the Madrid, Bilbao, Rome, Warsaw, Boston and Sao Paulo offices were also expanded during 2017.

## 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

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

## 2009

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

## 2010

- 750 professionals
- 350 clients
- 15 offices (Switzerland and Peru offices opened)
- Enhancing core competencies in all industries and geographies
- Globalization of our model of relationship with the university and the academic world

## 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

## 2016

- 1,900 professionals
- 660 clients (60 new)
- 23 offices (Rome office opening)
- More than 2.5 million consultancy hours
- Extension of the Management Solutions/Instituto Tecnológico de Monterrey's Master's Degree in Business Consultancy

## 2017

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

## Today Management Solutions...

- Is more than 25 times bigger
- Has a team of close to 2,000 professionals
- Serves more than 750 global and local clients from regulated industries
- Has a presence in more than 40 countries across Europe, the Americas, Asia and Africa, through 24 offices
- Has a differentiated value proposition supported by cutting-edge R&D



## 2017 milestones

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



**6% GROWTH**



**1,300+ PROJECTS...**



**50%+ OF THEM ORIGINATED DURING THE YEAR**





# New Business Models

*Digital means we have to  
do things differently*



Under the motto “*New Business Models*”, Management Solutions organized its Yearly Meeting in July to review the Firm’s achievements after analyzing the international environment, and set goals for the next year. This section sums up some of the ideas expressed during the Meeting.

Our society is immersed in an unprecedented technological revolution that leads to profound changes in how all economic agents behave and calls for a different way to solve problems.

An age characterized by the speed at which technology advances compared to the more linear developments of prior times, by its global reach affecting all industries and regions, and by the profound impact these advances have on the different economic players as well as production, management and governance systems.

A true paradigm change that brings new opportunities from the way we relate to our clients, access new markets and take advantage of the information available.



But also a time that gives rise to new risks that need to be managed, such as cybersecurity, with a constantly changing regulatory framework and more demanding requirements.

All of which leads us to thoroughly review how things are done, putting the focus on the client to then adapt organizational and governance structures accordingly, gearing processes and systems towards greater commercial and operational efficiency, reinforcing risk identification, measurement and control, and improving management information frameworks.

Because in this new digital age, the winners will be those that get their business model redesign right.

Many companies, leaders in their respective markets, rely on Management Solutions to transform their business. Being instrumental in the design and implementation of new business models is today our main challenge.

Our clients expect from us solutions that respond to the key challenges they face: achieving more satisfied and engaged clients, putting together more efficient processes and structures (with zero-based design, incorporating robotics and artificial intelligence), making the most of data, governing and encouraging the use of models for decision making, effectively responding to the huge regulatory demands, etc.

At Management Solutions we are committed to designing and implementing innovative, efficient, sustainable solutions that deliver value and make the most of our clients' capabilities, and we also want to contribute to managing the change all this involves, to make things happen.

These solutions necessarily require putting together a differentiated value proposition with high levels of specialization, deep industry knowledge, a strong international presence, and at the same time leveraging a

leading-edge R&D function (to which we dedicate 10% of the Firm's resources). But they also require maintaining a strong commitment to talent, excellent recruitment (with the screening of some 150,000 candidates to cover 350 openings), investment in training (with over 200,000 hours dedicated to training our professionals), promoting career development based on merit and managing teams under a "one team" vision. All of it while putting into practice a culture that both unites us and differentiates us, of commitment and willingness to be of service, of integrity and critical sense, of passion for work well done, of a constant search for excellence.

In 2017 we have once again surpassed the qualitative and quantitative objectives that we set for ourselves a year ago, growing in excess of what we had budgeted, once more increasing our market share, and doing so in a way that is organic, diversified and sustained, always outside of economic cycles, applying a management model that maximizes our potential, guarantees professional development for our people and creates the basis for sustained growth in the coming years.

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

The result of all this has been an increased presence in many of the organizations with which we were already collaborating, extending the provision of our services to new areas and business divisions, with industry diversification driven by our expansion into the distribution sector, and have continued to increase our client base. A portfolio of large multinationals, corporations and leading local entities to which we have added 90 new clients, all of them of strategic

importance in their respective markets. Also during the year we have developed our relationship with regulators and supervisors in the markets in which we operate.

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

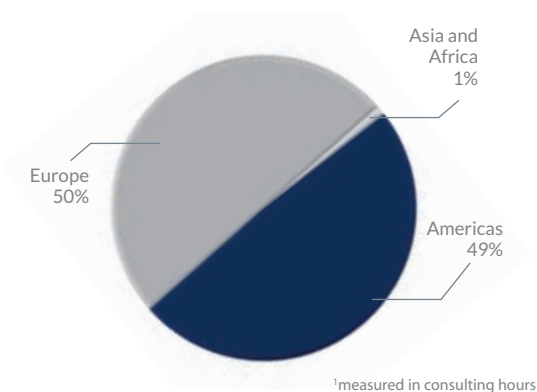
In short, we have again exceeded all of our goals in all of the regions in which we have a presence, in all of the industries in which we operate and in all of our service lines. We look to the future with enthusiasm and confidence, determined to make a strong contribution to the transformation of our clients' business models.

# Diversification

During 2017 we continued to pursue our diversification strategy:

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

## Geographical diversification<sup>1</sup>



### Americas

- ▶ USA leads growth (+50%)
- ▶ Sustained two-digit growth in Latin America
- ▶ Increased presence in Central America, now in 10 countries

### Europe

- ▶ Leadership in the Spanish market
- ▶ Germany doubles its size
- ▶ Strong growth in our Portugal office (+25%) and UK office (+10%)
- ▶ Recurring activity in Nordic countries
- ▶ Continued growth in the rest of Europe

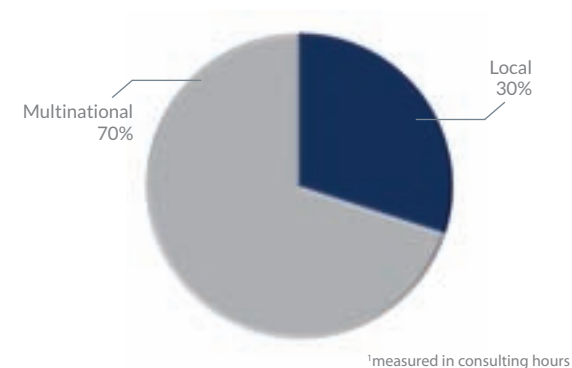
### Asia

- ▶ Growth of our operations in Asia with our activity in Turkey experiencing a strong momentum

### Africa

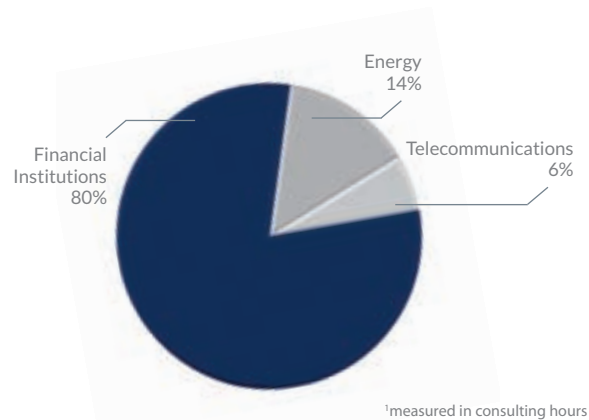
- ▶ - Increased presence and activity in Africa

## Client diversification<sup>1</sup>



- ▶ Over 750 active clients
- ▶ Over 90 new clients
- ▶ Intensified our relationship with Regulators and Supervisors and well as with Multilateral Bodies
- ▶ Reinforced relationship model with strategic suppliers

## Sector diversification<sup>1</sup>



### Finance

- Sustained growth (+4%) based on greater specialization by business
- Leadership in regulatory compliance (TRIM, IFRS 9, FRTB, Stress Test, etc.)
- Increased capabilities in Data Science and Digitization

### Energy

- Growth of our operations (+10%)
- Broader service offering (BA, efficiency, up/down-stream, ETRM)
- Deployment of practice to other countries
- Increased client base

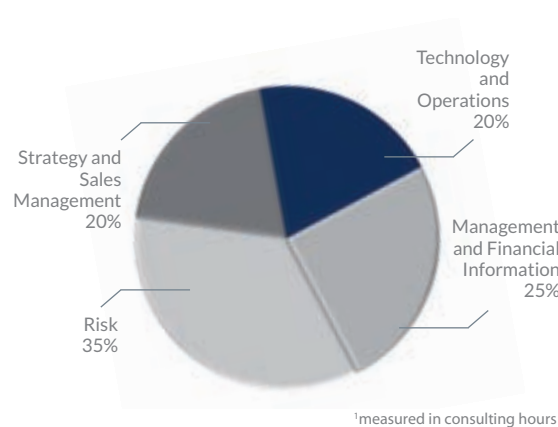
### Telecommunications

- Growth of operations (+20%)
- Broader offering in services and regions

### Distribution

- Industry deployment working with multinationals and regional leaders

## Diversification of solutions<sup>1</sup>



### ► Over 1,300 projects (53% new) across competencies:

- Merger and acquisition integration
- Business Analysis
- Digital (robots)
- Data, Reporting and Model governance
- Machine Learning
- Customer journey redesign (customer experience)
- Efficiency
- Big Data and Cybersecurity architecture
- Upgraded proprietary tools (MIR, SIRO, Paladin and Gamma)



“We are determined to play a key role in the transformation of our clients’ business models”

The digital age is speeding up the transformation of business models. Our firm is determined to play an instrumental role in the development of solutions that will respond to the challenges of this digital age.

This means we need to deeply understand the new dynamics and to accurately identify the problems our clients are faced with in order to put forward value-creating solutions that will help them to grow profitably and sustainably in this new digital environment.

**Pedro Martínez**  
Management Solutions Partner



# Growth

## Profitable growth

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

## R&D&i innovation

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

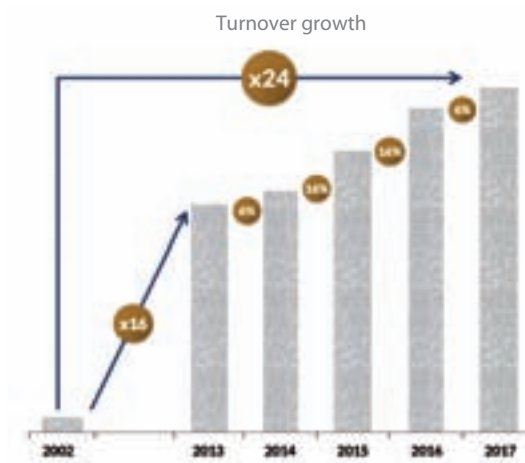
## Organizational flexibility

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

## Human Resources Management

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

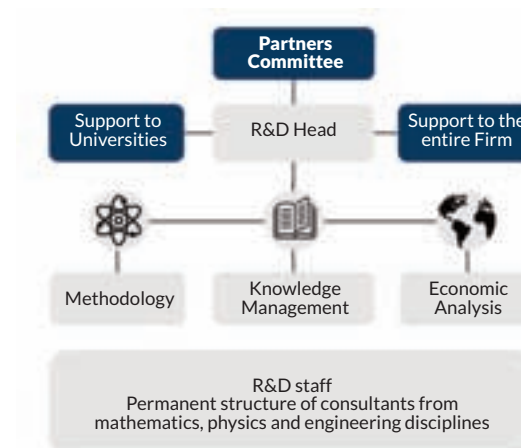
## Profitable growth



- ▶ Growth above 6%\*
- ▶ More than 2.5 million consultancy hours
- ▶ Increasing share of main leading markets
- ▶ Organic and diversified growth
  - All types of clients
  - All countries
  - All industries
  - All service lines
- ▶ Gaining share
- ▶ Preserving profitability vs volume
- ▶ Proactively managing inventories, billing and accounts receivable
- ▶ Compliance with the Y20 strategic plan

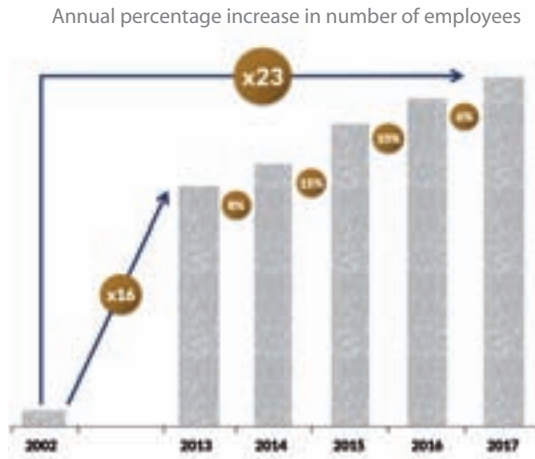
\* Exceeding annual revenue of €200 million in consulting hours

## R&D&i innovation



- ▶ Investment equivalent to 10% of the Firm's capacity
- ▶ Global permanent structure made up of 3 teams:
  - Methodology (Innovation)
  - Knowledge management (regulations, benchmarks, publications, training, etc.)
  - Economic analysis
- ▶ Global coverage (all countries, industries and service lines)
- ▶ Regulatory hub in Frankfurt, seat of the ECB
- ▶ "Joint Ventures" with universities
- ▶ Global R&D Plan (more than 200 actions executed):
  - Methodology
    - Research focused on data science
    - Support for project promotion/execution
  - Knowledge Management:
    - Refining of value propositions
    - Updated training plan (Data Science specialization)
    - More than 100 publications (internal and external)
    - Regulatory alerts service (over 300 clients)
  - Economic analysis on 19 countries

## Human Resources Management



- ▶ Bottom-up growth with more than 350 recruits and 200 placements during the year
- ▶ Merit-based promotion in the entire pyramid:
  - Enhanced front-line management (6 new Partners and 7 new Directors)
  - Improved leadership capacity (92 new Managers and Supervisors)
- ▶ Global pyramid management ("one team")
- ▶ Excellence in talent intake (more than 150,000 candidates analyzed)
- ▶ Strengthening of University and Postgraduate links:
  - Presence in more than 350 European, American and Asian faculties
  - More than 200 collaboration agreements
  - Provision of training in several of the most prestigious universities in Europe and the Americas
- ▶ Ongoing assessment processes (with enhancement of management assessment programs)
- ▶ Biannual mentoring program (aimed at aligning professionals' needs with the opportunities offered by the Firm)



- ▶ Emphasis on training:
  - More than 200,000 hours (3% increase from previous year) invested in training
  - Over 490 courses taught (20 new)
  - Continuously updated training plan:
    - Fourth intake of students for the Management Solutions – ICADE Business School Master's degree in Business Consulting in Spain
    - First intake of students for the Monterrey Tech Diploma in Mexico
    - New contents: Agile, Big Data, Data Science, Qlikview, etc.
    - External complement: focusing on the management team (MBA, FRM, CFA, etc.)

## Organizational flexibility



- ▶ Enhanced internal corporate departments and functions:
  - Reinforced our corporate departments' international structure.
  - Implemented IT transformation plan (migration of systems and new information management applications for Finance and HR)
  - Opened our Medellin office, and expanded offices in Madrid, Bilbao, Rome, Warsaw, Boston and São Paulo.
- ▶ Internal Audit and Quality Plan:
  - Audit Reports (annual and monthly)
  - Process audit (ISO 9001)
  - Information Security Audit
  - Improved Quality Assurance processes
  - Continuous staff training on corporate policies

# Communication

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

## Communication

- ▶ New corporate website content
- ▶ Stronger presence on social networks with the opening of new corporate channels
- ▶ More specialized publications:
  - White papers: "Business model analysis: an essential management tool" and "Fraud management in the energy industry"
  - Quarterly situational reports (19 countries)
  - Technical Notes and Regulatory Developments
- ▶ Enhanced presence in professional and supervisory forums
- ▶ More Social Action, patronage and sponsorship:
  - More than 30 community support activities organized by Management Solutions: Solidarity Summer, Solidarity Concert, Solidarity Cinema, Solidarity Christmas, blood donations, IT equipment donations, solidarity races, etc.
- ▶ Partnerships with NGO's and foundations
- ▶ More support to the Sports Club in all our offices (over 500 participants in internal and external sports tournaments)







"We have achieved excellent results in each and every one of the geographies and industries in which we operate"

We are all proud to see how we have exceeded our goals once again this year.

Our results for the year were excellent, something that was no doubt achieved thanks to the extraordinary team of professionals that make up Management Solutions. A skilled, highly qualified team that is proving to be able to help our clients make the most of the transformation potential offered by the new digital economy in which we are immersed.

We are determined to be instrumental in the transformation of our clients' business models, helping them to grow sustainably and profitably.

Being true to our motto, we are committed to "making things happen".

**Ignacio Layo**  
Management Solutions Partner



Royal Theatre in Madrid, Yearly Meeting 2017



Royal Theatre in Madrid, Yearly Meeting 2017

## Committed to our clients

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



**750+ CLIENTS...**



**90 OF WHICH ARE NEW**



**OPERATING IN MORE THAN 40 COUNTRIES**





# Client focus

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



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

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

## ***Client diversification***

Management Solutions pursues sustained growth supported by client diversification, seeking a balance between large multinational and national leaders. At year end, Management Solutions had over 750 active clients (90 of them acquired this year), grouped into three major segments: multinationals of an American or European origin, local entities, and national or regional confederations, all leading institutions in their respective markets.

In addition, Management Solutions has continued to strengthen its relationship model with regulators (central banks, international organizations, national regulators and supervisors, etc.) of the main industries in which it operates.

## ***Global Model***

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

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



## *Providing top quality service is at the core of our business*

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

The methodology applied is based on breaking down each project into its different activity stages or groups.

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

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

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

This area is global in scope and covers functions related to both business activities and providing support to our professionals across the Firm's units, and is responsible for the following:

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

## **ISO 9001 quality certification**

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

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

## **Quality Control Methodology**

### **Activities**

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

### **Deliverables**

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

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

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

### **Quality control methodology**

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

# Commitment to the industry

## *We share the expert knowledge generated by the Firm*

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

### **Publication of studies and industry reports**

#### *Business model analysis: an essential management tool*

The last few years have seen a growing interest in analyzing the business models of financial institutions from all angles: regulators and supervisors show concern about the viability and sustainability of financial institutions, financial institutions review their own business models, and the academic world is giving more and more attention to this matter. While this was already a matter of concern in all these

areas, it was the various collapses caused by the financial crisis that spurred interest in this topic.

This is in addition to the unprecedented transformation that financial institutions are currently experiencing in their business models: profitability is threatened by interest rates, macroeconomic uncertainty and the entry of new competitors; regulation, partly as a result of the financial crisis, makes increasingly demanding requirements in all areas of banking activity; and today's more sophisticated technology and savvier customers are putting a big question mark on banks' traditional way of doing business.

To some extent, this landscape has come about as a result of the financial crisis that started in 2007, which has significantly reduced bank profitability: ROE levels, which were often above 15% before the crisis, are now close to the cost of capital (often even below it) in the economies with the highest banking penetration levels. As a result, there is explicit concern on the part of entities, regulators and supervisors about the insufficiency of these ROE levels to meet costs.

This concern about profitability does not have an obvious solution: banks try a combination of cost reduction, using a disruptive approach (digitization) as well as a more traditional one (fewer branches, downsizing), with revenue increases (pricing, fees and commissions).

Business model analysis (BMA) becomes particularly important in this context, and within it the management of business risk or strategic risk, defined as "the actual or potential risk to profit or capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment".



The white paper aims to provide a detailed and comprehensive view of the supervisors' analysis of the business model. The document is structured in three sections with three objectives:

- ▶ Describing the new banking business environment and explaining the key components underlying banks' changing profitability after analyzing the macroeconomic, regulatory and technological environment.
- ▶ Explaining the Business Model Analysis (BMA) concept as well as different supervisory approaches to it, with a special emphasis on the European Union.
- ▶ Summarizing the industry's response to the BMA supervisor, focusing on the different tools and metrics used by banks for business model analysis purposes.

#### *Fraud management in the energy industry*

Fraud has become a chief concern for governments and companies. In fact it is estimated that losses from fraud in organizations can be as much as 5% to 9% of their annual profit.

In the current environment, marked by the growing availability of data on customers, employees, suppliers, etc., coupled with the use of techniques for analyzing and quantifying the probability of occurrence of fraud events, and with advances made in methods and systems to combat internal fraud through the segregation of functions, implementing a fraud management framework is of particular interest. Its complexity can vary from simple initiatives to deploy tactical controls, to the execution of global projects that seek to establish metrics in order to measure fraud risk and modify the processes and systems required to mitigate it.

In the Energy industry in particular, fraud events that are specific to this industry require specific treatment due to both their representativeness and the fact that they drag on company resources, which makes detection techniques and their integration into the management process even more relevant.

The White Paper aims to share some insights on the concept of fraud, its impact on the energy industry, as well as how it is managed within that industry and the optimization opportunities afforded by technological advances such as Big Data and Analytics technologies.

#### *Macroeconomic outlook reports*

Management Solutions continuously monitors developments in the key macroeconomic indicators of the economies in which the Firm has a greater presence, and draws conclusions on their expected development over the coming months.

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

#### *Regulatory notes*

As a firm providing professional consulting services for regulated industries, Management Solutions specifically monitors the regulatory environment affecting the industries in which it operates. On a weekly and quarterly basis, the Firm tracks major regulatory developments in the industries



to which it provides advice and compiles technical notes on regulatory developments that have the greatest impact for those industries. These notes seek to summarize the rule, put it into context and explain some of its potential impacts.

Specifically, during 2017 Management Solutions prepared more than 15 technical briefs on the most relevant regulations published by leading institutions.

## Commitment to the industry

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



### ***Organization and participation in specialized conferences and seminars***

#### *FRTB round table, United Kingdom*

Management Solutions organized and hosted a roundtable event with the industry in its London offices to discuss the FRTB (Fundamental review of the trading book) requirements and exchange views on some of its challenges.

The topics covered during the session included both strategic and operational aspects, such as the expected implementation timelines and the implications of an uneven application across jurisdictions; the impact of the new requirements on the business; the program, budget ask, resourcing needs and roadmap laid out for compliance and the steps being undertaken to overcome some of the challenges that FRTB poses, whether from a data, a technology or an analytics standpoint.

The event was attended by some of the leading international financial institutions.

#### *IFRS 9 Validation in Poland*

Management Solutions, together with the Association of Banks of Poland (ZBP-Związek Banków Polskich), organized an IFRS 9 Validation event in Warsaw which was attended by a large number of Internal Validation and Methodology Area Heads from the country's main financial institutions and insurers.

The event featured a review of best practices in IFRS 9 Validation as well as a discussion on focal points of interest within the standard, in which experts from the industry were involved.

#### *Unione Bancaria e Basel 3 - Risk & Supervision 2017, Italy*

In addition to sponsoring the event, Management Solutions participated as a speaker at the Unione Bancaria e Basel 3 - Risk and Supervision 2017 conference organized by the Italian Banking Association (ABI).



The congress, an international benchmark in banking, featured prominent representatives of leading Italian banks, including several academic professors and key people from the Italian financial industry, who were also speakers at the event.

Management Solutions' presentation dealt with the importance of developing and implementing a Model Risk framework.

#### *OpRisk Forum 2017, Germany*

Management Solutions was one of the firms participating in the German banking industry's main event on Operational Risk 'OpRisk Forum 2017', which was organized by Bankenverband, the German Banking Association in Cologne.

The event was attended by over 100 representatives from across the German financial industry, mainly from the operational risk and internal control functions, as well as European regulators (EBA) and German supervisors (BaFin, BundesBank). The presentations were delivered by experts from German banks and the consulting world. The theme of the event revolved around the upcoming regulatory changes expected by the industry (SMA) and the current industry trend to converge non-financial risk management models.

Management Solutions participated with a presentation on the synergies resulting from integration of operational risk and internal control models, and the SIRO tool was also presented.

#### *AMIS Insurers Convention, Mexico*

Management Solutions was one of the participating companies at the 27th Mexico Insurers Convention, the most significant event on insurance industry trends in Mexico, organized by the Mexican Association of Insurance Institutions (AMIS).

The event was attended by more than 1,000 participants from across the insurance industry (insurers, regulators, consultants, reinsurers, brokers, agent associations, etc.). Under the title "The insurance customer of the future", the conference focused on digital transformation and customer orientation, although forums to discuss other areas were also organized.

Management Solutions participated with a presentation on "Customer Analytics", with two case studies illustrating "pricing optimization" and "machine learning in collections", which will help the development of these types of projects in the region.

#### *Calypso Client Conference, United Kingdom*

Management Solutions participated in the 2017 Calypso Client Conference, attended by more than 500 professionals from the wholesale banking, capital markets and asset management sectors.

The Firm, which recently signed a global partnership with Calypso, participated in the conference through various panels and by distributing one of its latest published whitepapers.

#### *Seminar on Model Risk, France*

In addition to sponsoring the event, Management Solutions was a speaker at a seminar on Model Risk held in Paris with the participation of prominent members of the European and French supervisors, as well as executives from French and Spanish banks.

The seminar, organized by Revue Banque (a leading financial industry editorial group belonging to the French Banking Federation), was attended by some 100 representatives from French and Spanish banks and dealt with current aspects of Model Risk (such as TRIM - the ECB initiative for the review of internal models) and examined how banks and regulators



Unione Bancaria e Basilea 3 - Risk & Supervision 2017, Italy

# Commitment to the industry

approach model risk. The event, moderated by Management Solutions, had the participation of Mr. François Louis Michaud, Deputy Director General of the ECB, and Mr. Frédéric Visnovsky, Deputy Secretary General of the Autorité du Contrôle Prudentielle et Résolution de France, as well as directors of Santander, BPCE Group, Crédit Agricole and Société Générale.

Management Solutions' presentation reviewed the regulations on model risk and shared best practice for implementing a model risk management framework.

## *XIX Treasury Congress Asobancaria, Colombia*

Management Solutions participated as a speaker in the XIX Treasury Congress organized by Asobancaria (Association of Banking and Financial Institutions of Colombia) in Cartagena and entitled: Challenges from economic scenarios and international standards.

Management Solutions' presentation was part of the Trends and Innovation in the Financial Markets section and dealt with aspects related to digital innovation and changing customer needs in wholesale banking, new distribution channels for derivative products such as e-trading platforms, and implementation of platforms for FX transactions (situation in Latin America and local market challenges).

## *Asobancaria Financial Risk Congress, Colombia*

Management Solutions participated at the XVI Financial Risk Congress held in Cartagena de Indias by the Association of Banks of Colombia (Asobancaria).

Management Solutions was invited to deliver a presentation on "Main Trends in Model Risk Management", specifically by sharing the Firm's international experience in MRM and

describing the key elements for defining and implementing a comprehensive framework for this type of risk.

## *"Crime Prevention Model" conference, Mexico*

At the Chamber of Commerce in Mexico, Management Solutions gave a conference on the "Crime Prevention Model" that was attended by more than 40 companies from different industries in Mexico.

The Crime Prevention Model provides a scheme for detecting legal risks as well as pre-established controls for their prevention and mitigation, and, where appropriate, the identification and correction of gaps in the management of such legal risks. This model also takes into account the latest regulatory changes, both in criminal legislation (mainly at the federal level in Mexico) and in other areas related to each specific industry, and applies perfectly to companies in all industries.

The conference, held jointly with the firm Garrigues, illustrated what the Crime Prevention Model is about, its benefits as well as practical implementation,

## *Bankentag 2017, Germany*

Management Solutions was one of the sponsors of "Bankentag 2017", a key German banking industry event organized by Bankenverband, the German Banking Association

The congress, which was attended by nearly 900 financial industry representatives, including CEOs and CFOs from the main German banks, featured prominent names from the world of politics such as Holland's Minister of Finance and Eurogroup Chairman Mr. Jeroen Dijsselbloem and Germany's Minister of Finance Mr. Wolfgang Schäuble; from the German regulatory authority such as Deutsche Bundesbank Chairman Dr. Jens Weidmann; and from the local financial industry such as



Conference at "Crime prevention model", Mexico

Deutsche Bank's CEO Mr. John Cryan and Commerzbank AG's CEO Mr. Martin Zielke, as well as prestigious members of the academic world.

All presentations and panel discussions held during the Congress, which had "Europe as an idea- from crisis to opportunity" and "Business models between evolution and disruption" as slogans, agreed to focus on the need for increased efficiency in the financial industry.

#### *CELC Congress 2017, United States*

Management Solutions sponsored the first CECL Congress, held in New York, on the implementation and potential impact of this standard in the US.

The conference was attended by more than 20 top executives from the area of risk, who delivered presentations on CECL

implementation, and brought together over 150 risk experts at financial institutions who reviewed current practices, proposed options to adapt systems in order to meet the new regulations and shared methods and interpretations, focusing on leveraging current infrastructures as well as on model requirements and their potential impact on reporting and products.

#### *Solvency II congress for the Colombian insurance market, Colombia*

The First Solvency II congress organized by Fasesolda (Federation of Colombian Insurers ) in Bogotá saw the participation of insurance companies as well as representatives of the local Regulator and the Department of the Treasury.

Management Solutions had the opportunity to share its expertise in Solvency II compliance projects carried out in other

regions , as well as to showcase the Firm's capabilities in other relevant areas for the industry such as the new IFRS 17 Insurance Contracts standards and local Asset Sufficiency Test (TSA) regulations.

#### *XII Annual Risk Symposium by the ABM, Mexico*

In addition to jointly sponsoring the event, Management Solutions gave a presentation on IFRS 9 at the Mexican Banks Association's Annual Risk Symposium, Mexico's largest annual event on risk. The event was attended by representatives of the Bank of Mexico (Banxico), the International Monetary Fund, and the Department of the Treasury and Public Credit, as well as other relevant financial institutions.

Management Solutions' presentation was entitled "IFRS 9 - Risk models and their implementation" and was complemented by the address of the National Banking and Securities Commission (CNBV) representatives.

#### *Financial Markets Conference, Spain*

Management Solutions participated as guest speaker at the Financial Markets Conference organized by Grupo Banco Cooperativo Español that was attended by more than 100 executives representing the associated Rural Savings Banks, as well as other leading financial institutions and organizations such as Banco de España.

Management Solutions' presentation dealt with the process of regulatory adaptation to MiFID II/MiFIR in which investment services companies are currently immersed, particularly their capital markets divisions.



Asobancaria Financial Risk Congress, Colombia



XII Annual Risk Symposium, Mexico

## Commitment to the industry

*During 2017, the Firm participated as a speaker at more than 30 specialized conferences and seminars organized by different institutions and regulatory bodies*



XVI Annual Risk Conference, Spain

### *FIMA Europe, United Kingdom*

FIMA Europe, held in London, was attended by over 500 CDOs and senior data management professionals from leading Financial Institutions across Europe and America. The conference dealt with a number of trending topics in the industry, such as the role of CDO 2.0, defensive vs offensive approaches, integration into the management process and data analytics.

Management Solutions was one of the firms sponsoring the event and had the opportunity to share its views on data management and quality, data governance and data analytics with key stakeholders of the financial sector.

### *Data Day, Spain*

Management Solutions was one of the firms participating in Data Day, a forum organized by Gas Natural Fenosa at Barcelona's Innovahub, a meeting point for players from the digital and IT ecosystem that are impacting the energy industry. The event was attended by over 20 Gas Natural Fenosa executives from the areas of Digital Transformation, Efficiency, Data Governance and Analytics.

Management Solutions participated with a presentation that revolved around Digital Transformation and emphasized aspects such as Data Governance and the use of Analytics to detect and prevent fraud in the power distribution network.



### *Seminar on the new rules on integral risk management, Dominican Republic*

Management Solutions delivered a seminar at the Association of Commercial Banks in the Dominican Republic on the new comprehensive risk management rules issued by the local Regulator

The new rules on integral risk management issued by the Dominican Republic regulator require banks to develop a risk appetite framework as well as to devise and implement stress tests and to consolidate them into the ICAAP process through the Internal Capital Adequacy Assessment Report.

During the seminar, which was attended by over 40 representatives from the country's main banks, Management Solutions presented its practical expertise in the subject, both internationally and also at the local level.

### *Compliance Function Seminar, Peru*

Management Solutions participated in the last Compliance Committee organized by AMCHAM (American Chamber of Commerce of Peru), making a presentation on the Compliance function, its regulatory context and the challenges of integrating it into the Management process.

The Committee had the participation of executives from the Compliance Areas of major companies operating in the financial, energy and telecommunications industries in Peru, as well as from some retail companies. In addition to the presentation, Management Solutions moderated a discussion table that raised issues related to the practical implementation of the Compliance function in the different industries.

### *XVI Annual Risk Conference, Spain*

Management Solutions participated at the XVI Annual Risk Conference, organized by CGRE (Risk Management Club of

Spain), which was attended by members of international regulatory and supervisory bodies, as well as executives from the main Spanish financial institutions .

Held at the ICADE Madrid Aula Magna under the title of "A new era of uncertainty" and attended by over 150 risk function professionals, the conference aimed to provide a platform for regulators and financial institutions to share their views on hot topics for the industry.

Management Solutions, Protector Member of the CGRE, actively participated in the event by moderating one of the plenary sessions that were part of the day's agenda, entitled "The CRO's agenda: business model risks in the face of technology disruption", which included presentations by CRO's from Spain's main financial institutions. Other speakers at the Conference were Santander's CEO and Chief Economist of BBVA Research.



### *7th International Congress on Risk Management, Brazil*

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

This congress, in which Management Solutions was present as a sponsor and participating firm for the seventh year running, is the most important event on Risk Management organized in Brazil. The goal was to share the view of regulators, financial institutions and professional service providers on certain aspects relating to the latest risk management trends and challenges in financial institutions.



# Commitment to the industry

Management Solutions' presentation was entitled "IFRS 9: main industry trends on risks and their integration in management" and aimed to share the Firm's international experience in this area, showcasing best market practices.

## *29th International Summit of Business Think Tanks, Spain*

The ISBTT (International Summit of Business Think Tanks), a debate and discussion forum organized by Spain's *Círculo de Empresarios*, has been held since 1986 featuring experts and entrepreneurs from all over the world. Coinciding with the *Círculo*'s 40th anniversary, the summit was organized in Madrid and was inaugurated by King Felipe VI of Spain.

Management Solutions was one of the firms sponsoring the ISBTT 2017, which again featured top-level speakers who, organized into different panels and elaborating on the theme of

the summit: "The World in 2030: Towards an Inclusive and Sustainable Capitalism", discussed issues such as digital transformation as a driver of quality employment, education as a source of talent, and globalization..

## *Insurance Analytics panel discussion, Germany*

Management Solutions participated at the 2nd Analytics panel discussion organized by EIOPA (European Insurance and Occupational Pensions Authority) to analyze the implications of the use of Big Data for pricing and its impact on insurance policy sales and risk management.

The panel discussion, organized in Frankfurt, featured Management Solutions as well as members of leading insurance companies such as Generalli and Swiss Re, and

organizations such as NAIC (National Association of Insurance Commissioners) and the FCA (Financial Conduct Authority).

Management Solutions' presentation discussed the use of Big Data in pricing (policy renewal process optimization models), also taking into account ethical issues related to the use of data.

## *II Actuarial Symposium organized by the AAP, Peru*

Management Solutions participated at the II Actuarial Symposium organized in Lima by the Association of Actuaries of Peru (AAP).

During the event, which was attended by more than 150 professionals from major insurance companies as well as local Regulator representatives, Management Solutions had the opportunity to deliver two presentations. One of the presentations described the trends and implications derived from the implementation of Analytics in the insurance sector, while the second presentation reviewed the ORSA (Own Risk and Solvency Assessment) execution process, focusing on identifying implementation challenges for companies.

## *CEMA University Conference on risk management in financial institutions, Argentina*

Through the Center for Studies in Banking and Finance, the University of CEMA organized an industry event on risk management in financial institutions, which was held in Buenos Aires. The event was attended by over 150 participants from across the Argentinian financial services industry, including representatives of regulatory authorities.

The presentation contributed by Management Solutions, who had been invited to the Conference as an international leader on risk management, dealt with the possibilities of generating value within the commercial management role of a bank's risk area.



XXIX International Summit of Business Think Tanks, Spain

### *MIFID II conference organized by Cecabank, Spain*

Cecabank, Spain's main depositary institution, organized a conference focusing on the impact of the MiFID II regulation on asset distribution, attended by more than 50 financial and insurance institutions as well as investment management and securities companies.

Management Solutions participated in the event through roundtable "MIFID II as a driver for digital transformation in asset distribution" where a number of experts discussed the short and medium term implementation of this new regulation, which entered into force in Spain at the beginning of 2018.

### *European Energy Trading CIO Forum, United Kingdom*

Management Solutions was for the first time invited at the European Energy Trading CIO Forum by conducting an analysis

among conference participants on their Energy Trading and Risk Management (ETRM) platforms and service model.

The CIO Forum is an initiative born to advance IT innovation and efficiency in a highly specialized industry, as is the case with energy trading, as well as technology adaptation for reporting trading activities as part of the implementation of new regulatory requirements.

The event brought together the CIOs of the top energy trading players in Europe (including companies in both the Oil & Gas sector - BP, ENI Trading and Shipping, Shell, TOTAL Trading & Shipping, Statoil and Petroineos, and the Utilities sector - Endesa, Iberdrola, RWE Supply & Trading GmbH, E.ON Trading and Shipping, Uniper, Engie, EDF Trading, Vattenfall and Statkraft).



"Staying at the forefront of industry knowledge at all times is key to exceeding the expectations of our clients"

We are committed to sharing industry knowledge. That is why we choose to be present at a number of key industry forums in the countries in which we operate, and to publish specialized papers on topics of interest for each industry.

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

Our specialization by industry means we are able to advance clear responses to key issues for the industries in which we are involved.

**Juan Francisco García**  
Management Solutions Partner



Bankentag 2017, Germany



MIFID II Conference, Spain



## Committed to our professionals

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



**150,000+ RÉSUMÉS RECEIVED**



**350+ NEW RECRUITS HIRED**



**200,000+ TRAINING HOURS PROVIDED**







# One team

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

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

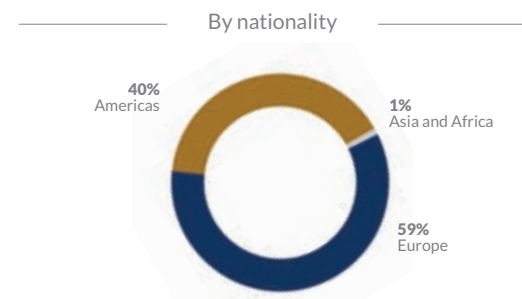
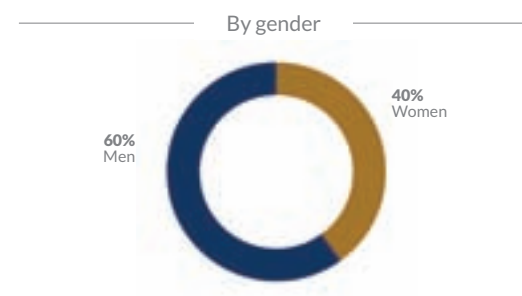
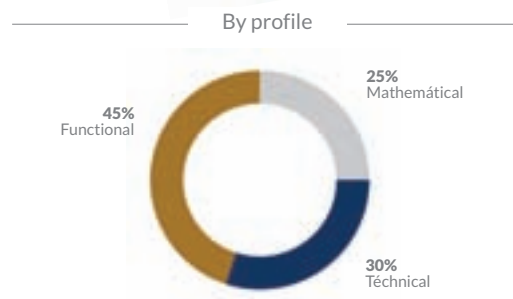
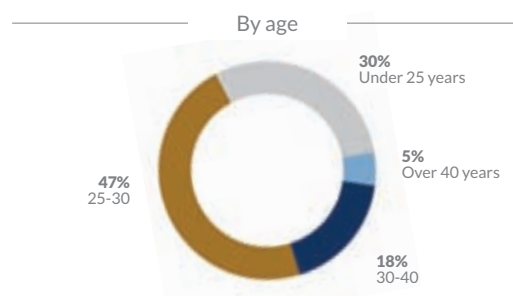
- ▶ in the industry's most relevant consulting projects,
- ▶ for major companies, leaders in their respective markets,
- ▶ next to top management at companies as they face national and international challenges,
- ▶ with an extraordinary team of professionals whose values and corporate culture are a reference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

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

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



## Distribution of workforce







*In 2017, more than 150,000  
résumés were received by  
Management Solutions offices  
world-wide*

## **Recruitment and selection**

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

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

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

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

## **Mentoring program**

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

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

The scope of the mentoring program was expanded a few years ago to include future employees of the Firm (candidates who have passed the selection process and received a letter of offer).

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

Close to 1,900 people participated in the mentoring program in 2017. More than 300 of the management team (Partners, Directors, Managers and Supervisors) acted as mentors for over 1,500 professionals in their first to sixth year, contributing to their professional development within the Firm.

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

# Human Resources policies

## Internal career advancement

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

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

In the semiannual evaluation, project managers assess the performance of each professional and inform him or her of

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

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

## Employee benefits

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

- ▶ Health insurance.
- ▶ Accident insurance.
- ▶ Life insurance.
- ▶ Luncheon vouchers.
- ▶ Childcare vouchers.
- ▶ Special conditions with financial institutions.
- ▶ Corporate agreements.

## International assignments

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

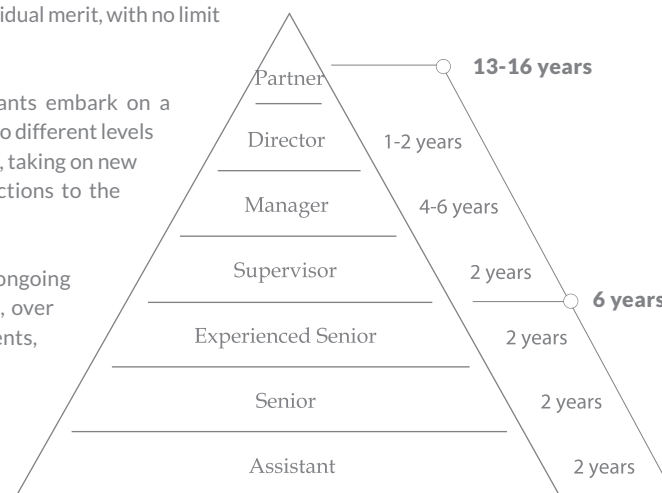


## Career plan

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

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

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





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

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

### ***Equality plan and anti-discrimination policy***

Management Solutions' corporate culture establishes equal opportunities, without any form of discrimination, as one of its basic principles. For this reason, since its inception, the Firm has implemented measures to promote equality, regardless of the provisions of the legal system in each of the countries where it operates.

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

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

### **Management Solutions awarded for its commitment to job creation for young people**

Management Solutions was awarded by Iberdrola as part of the prize scheme implemented by this energy company to commend its providers in Spain in 2017. Iberdrola recognized our commitment to job creation, specifically for young people, ever since our incorporation. Mr. Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions, received the award from Mr. Baldomero Navalón, Head of Human Resources and General Services at Iberdrola.

The event, held at Torre Iberdrola in Bilbao, which houses the company's headquarters, was attended by Mr. Francisco Martínez Córcoles, Group Business CEO and Chairman of Iberdrola España as well as by other Iberdrola executives and members of the awarded companies.



Mr. Baldomero Navalón, Head of Human Resources and General Services at Iberdrola and Mr. Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions

# Training

*Management Solutions places special emphasis on training its professionals, investing more than 200,000 training hours in 2017*

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

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

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

Universidad Pontificia Comillas/Instituto Tecnológico de Monterrey and Management Solutions and comprises around 600 training hours over two years.

The Master's program aims to provide the knowledge and skills needed to deliver excellent performance in the field of business consulting. This includes the following:

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

## Online training platform

In 2017 Management Solutions launched a new e-learning training portal that complements the online training section available on the corporate intranet.

The portal makes it easier for the Firm's professionals to follow Management Solutions' training plan, allowing them to access specific training materials (documentation, multimedia support, exercises and case studies) online.



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

In addition, since 2016, the Management Solutions - ICADE Business School Master's degree in Business Consulting has included a specialization in Data Science targeted at technical and methodological profiles, which provides the necessary tools to put data analysis at the center of the Firm's value

proposition. This Data Science specialization aims to enable students to:

- ▶ Effectively manage both traditional and advanced modeling procedures, adapting to the current needs of companies: predictive and profitability models, data processing, machine learning, process optimization, etc.
- ▶ Look deeper into the use of statistical tools for data analysis and modeling. Receive intensive training in R, Python and SAS.
- ▶ Know about alternative tools and technological resources to be used in Data Science, understanding their advantages and disadvantages as well as uses for work.

In addition to the initial training plan, Management Solutions consultants have extensive training opportunities throughout their career, averaging 600 hours devoted to training in the first two years, 100 hours at senior and experienced senior level and 40 hours from supervisor level onwards.

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

## Commencement ceremony for the fourth graduating class of our Master's degree in Business Consulting

More than 200 Management Solutions professionals received the Master's degree in Business consulting, offered jointly by Management Solutions - ICADE Business School.

The graduation ceremony was held at ICADE's Main Hall and was attended by the Master's fourth graduating class students, tutors and teachers in the Master's program, and friends and family who wanted to accompany students in their graduation. The event was hosted by Mr. Antonio Obregón (Vice-rector of Comillas Pontifical University), Mr. Alfonso Serrano-Suñer (Chairman and CEO of Management Solutions), Ms. M<sup>a</sup> Josefa Peralta (Director of the Master's first four intakes and honorary sponsor of this graduating class), Mr. José M<sup>a</sup> Pérez Garrido (Director of ICADE's Business School) and Mr. Tomás Curto (Director of the Master's program).

Before the graduates were handed their diplomas, attendees were addressed by Mr. Luis Seoane, representing the students; Ms. M<sup>a</sup> Josefa Peralta, acting as honorary sponsor for this graduating class; and Mr. Alfonso Serrano-Suñer, who represented Management Solutions at the ceremony.

After the diplomas were presented, with a special mention to Mr. Luis Seoane, Ms. Ana Romeu, Ms. Sara Sánchez, Mr. Tomás Sanz and Mr. Sergio Sánchez, the ceremony was closed by Mr. Antonio Obregón.



Ms. M<sup>a</sup> Josefa Peralta, honorary sponsor for the fourth graduating class of the Master

# Training

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

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

## ***Specialized Knowledge courses***

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

## ***Specialized external courses***

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

## ***Skills courses***

Courses aimed at developing the skills needed for professional practice (team management, leadership,

development of lasting customer relationship models, etc.), mostly taught by leading outsourcers in the market, targeted at professionals from all our offices who have reached Senior level or above.

## ***Language courses***

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

## **One-day Executive Seminar**

A one-day training course for Management Solutions' senior executives was held on June 15 at the Teatro Real in Madrid. (Spain).

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

- ▶ Mr. Javier Vega de Seoane, Chairman of Círculo de Empresarios.
- ▶ Mr. Ángel Mencía, Head of Model Risk Management at Santander Group.
- ▶ Mr. Enrique Fernández Puertas, Head of Digitization and Architecture at Repsol.
- ▶ Mr. Eduardo Dávila Miura, bullfighter.
- ▶ Mr. Ricardo Gómez Gil, Management Solutions Partner.
- ▶ Mr. Fernando Castiñeiras, Head of Global QA at Management Solutions.



Mr. Javier Vega de Seoane, Chairman of Círculo de Empresarios



## Management Solutions Training Plan

### Knowledge courses

#### Business

Financial System
Wholesale Banking
Retail Banking
Insurance
Energy
Telecommunications
Economic and Financial Situation Analysis
Financial Ethics
Investment Banking
Asset Management and Private Banking
Collections
Corporate Strategy and Business Risk
Quality and Customer Experience
Position Management Tools

#### Risk Management

Market
Credit
Operational
ALM
Integrated Risk Management
Project Risk Management
Capital and RAROC
Economic capital and Stress Test
Risk-adjusted Return
Liquidity Risk
Counterparty Risk
Market Data Management: Organization and Architecture for Market Data Management
Applied Mathematics
Microfinance
Conduct Risk and Non prudential risks

#### Markets and Products

Fixed Income
Equity Income
Advanced Derivatives
Credit Derivatives
Structured Products
Exotic Options
Commodities
International and domestic financial markets
Project Finance and Corporate Finance

#### Organization, Processes and Systems

Organization and Governance
Process redesign and transformation
MIS
Efficiency
Processes
Back Office processes (retail and wholesale)
Settlement and custody
Marketing Management and CRM
Management Control
Information Reporting
Cost-transfer ratio

#### Regulatory Framework

Basel II and III
Solvency II
Payments Directive
MiFID
Financial analysis and corporate management information
Analysis of Financial Statements
Energy industry regulations
Telecommunications industry regulations
Regulatory changes in the banking industry
Internal Control Implementation Principles and Methodologies
Regulatory updates

#### Technology/Methodology

Technology aplicada a la empresa
Development
Systems Architecture
Database Design and Modeling
Microstrategy
Business Intelligence
Business Objects
Methodology for the Design of Informational Systems
PMO Methodology
Statistical and Data Mining Tools
Financial Modeling
Big Data (+ BD en Batch)
Agile
Qlik View Developer
Foundations for data analysis in the financial sector
Regression models: linear and logistic regression
Introduction to SAS and R

### Specialized external courses

GARP's Financial Risk Manager*
PMP Certification
CFA Certification

### Skills courses

Effective presentations
Negotiating
Generating business through the team
Professional Coaching



"We aim to provide our professionals with the best environment in which they can develop their talent"

Our professionals are truly unique. Our firm has a rigorous selection process that combines a requirement for outstanding academic profiles and strong personal capabilities.

Our training plan has the highest level of recognition in the market for the quality and diversity of its contents, and confers a Masters' degree in Business Consulting after the first two years in the Firm.

We offer a career plan based on merit and backed by organic and sustained growth. Besides, we closely follow up on the trajectory of all employees with the aim of helping them realize their talent and develop the knowledge and skills they need to successfully perform at work.

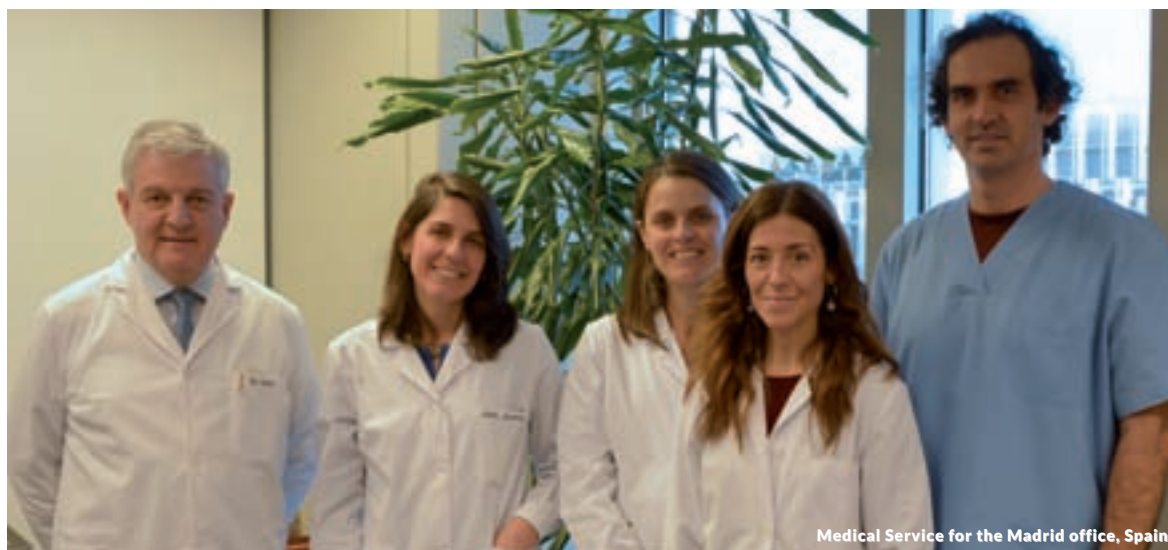
We are proud to be able to offer our professionals the best environment in which to develop, combining a merit-based career plan with an organic and sustainable growth model.

**Cristina López**  
Management Solutions Partner

\* Possibility to prepare for GARP's FRM certification for senior consultants and above, which provides 130 additional training hours.

# Occupational risk prevention and medical service

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



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

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

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

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

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

Prevention targets both the work environment and the workers themselves:

## *Environment*

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

- ▶ Indoor air quality, which requires monitoring of airborne bacteria, fungi concentration, and CO and CO<sub>2</sub> levels.
- ▶ Fitness of food supplied through the vending machines.
- ▶ Thermohygienic conditions of office space by monitoring temperature, relative humidity and light levels as well as air quality.

- ▶ Average air velocity in the air-conditioning system.

## *Employees*

All employees undergo a medical check-up upon joining the Firm and are offered optional health examinations on an annual basis.

Medical assistance covers work-related accidents, diseases, common illness, occupational accidents, vaccinations, and travel care. Travel care is reserved for employees who engage in international travel for personal reasons, professional work, or Social Action volunteering.

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

## Health insurance

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

## Health information

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

The Intranet also offers useful professional information to the employees. The Health Service Department prepares a series of reports which are published in the news section, available to all professionals, on the main illnesses and risks that could affect staff.

## Special campaigns

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

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

*Cancer Prevention.*

- During routine medical check-ups, colon cancer risk stratification tests are carried out and advice is given according

to the check-up results and the personal and family history, based on guidelines from the Spanish Gastroenterology Association.

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

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

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

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

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

## Occupational risk prevention

*Annual checks.* A risk prevention expert periodically checks the facilities, including the preparation or updating of a safety and security plan, basic safety and security study and risk assessment.

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

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

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

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



# Employee support services

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

## **Support areas**

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

### *Information Technology*

The Information Technology area aims to provide the Firm with the technology (applications, systems and communications) required for developing and supporting the business under four fundamental criteria: security, functionality, mobility and connectivity, all of this is under the principle of maximum efficiency.

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

### *Documentation*

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

- Own documentation: legislation and regulatory documents, training courses, presentations, in-house publications, macroeconomic outlook reports, etc., available via the corporate Intranet.



- Third party documentation: books, publications and specialized information sources, available upon request from the Firm's Library Services.

### *Infrastructure and General Services*

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

The work of the infrastructures team is necessary for efficiently managing the opening and start-up of new offices or the extension of existing ones. In 2017, new offices were set up in Warsaw (Poland), Boston (Massachusetts) in the United States and Medellin in Colombia, while we changed the location of our offices in Bilbao (Spain) and Sao Paulo (Brazil) to open up new, bigger offices, and expanded the Firm's headquarters in Madrid (Spain).

### **Corporate agreements**

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

#### *Access to special deals on banking services for groups*

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

#### *Credit card*

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

### *Travel agent*

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

### *Other offers*

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

### **Collaboration agreement with Golf Santander**

In 2017 Management Solutions and Golf Santander signed a collaboration agreement that allows our professionals to use the Santander Financial City sports facilities for corporate events and activities.

The facilities include a golf course and golf school in addition to other sports facilities and meeting rooms, and will allow Management Solutions to organize sports events such as charity runs as well as golf, seven-a-side soccer and paddle tournaments in addition to other golf-related activities such as outings in the countryside, clinics, etc.



New Bilbao office, Spain



# Internal communication

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

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

## **Corporate Intranet**

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

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

Our Intranet contents translated into three languages (Spanish, English and Portuguese) are very wide ranging. Some of the most significant are the following:

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

- Access to personal information: project assignment, payroll, personal account, etc.
- Information relating to Internal Corporate Departments (Human Resources, Marketing and Communication, General Services and Infrastructure, Technology, etc.).
- Information, content, photographs, etc. on activities organized by Social Action or the Sports Club.

## **Global Yearly Meeting**

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

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

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

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







Guest speakers at Yearly Meeting 2017

**Mr. Rodrigo Echenique**  
Vice President of Banco Santander,  
Chairman of Banco Santander Spain  
and Chairman of Banco Popularr



**Mr. Gonzalo Gortázar**  
Managing Director of CaixaBank,  
First Vice Chairman of Repsol  
and Chairman of VidaCaixa





# Internal communication

## Yearly Meeting 2017

Management Solutions' Global Yearly Meeting 2017 was held on July 21th, bringing together around one thousand professionals from the Firm under the theme *"New Business Models"*.

As in previous occasions, the event included a review of the Firm's achievements in FY17 and challenges for FY18 and featured the participation of top executives from some of our main client companies.

The Yearly Meeting, held on this occasion at the Teatro Real in Madrid, began with a review of the market environment, by Mr. Ignacio Layo (Partner at Management Solutions), and continued with a presentation by Mr. Alfonso Serrano-Suñer (Chairman and CEO of Management Solutions) which described the progress made by the Firm during the year ending August 2017, as well as the challenges for the future in terms of diversification, innovation, human resource management, profitable growth, organizational flexibility and communication.

On this occasion, Management Solutions professionals had the privilege of listening to guest speakers Mr. Gonzalo Gortázar (Managing Director of CaixaBank, First Vice Chairman of Repsol and Chairman of VidaCaixa) and Mr. Rodrigo Echenique (Vice President of Banco Santander, Chairman of Banco Santander Spain and Chairman of Banco Popular).

## Guest speakers at previous Management Solutions Yearly Meetings

### Yearly Meeting 16. Municipal Congress Palace

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

### Yearly Meeting 15. Royal Theatre

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

### Yearly Meeting 14. Municipal Congress Palace

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

### Yearly Meeting 13. Royal Theatre

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

### Yearly Meeting 12. Municipal Congress Palace

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

### Yearly Meeting 11. Municipal Congress Palace

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

### Yearly Meeting 10. Municipal Congress Palace

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

### Yearly Meeting 09. Municipal Congress Palace

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

### Yearly Meeting 08. Municipal Congress Palace

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

### Yearly Meeting 07. Meliá Castilla

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

### Yearly Meeting 06. Meliá Castilla

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

### Yearly Meeting 05. Congress Palace Building

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

### Yearly Meeting 04. Royal Theatre

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



“Our internal communication policy is key to the cohesion and integration of all of the Firm’s professionals”

In just over fifteen years the Firm has experienced extraordinary growth, becoming a clear leader in business consulting for regulated industries in over forty countries across Europe, North America, South America, Central America, Asia and Africa.

This has meant we have had to pay special attention to internal communication as the backbone that unifies our principles and values throughout the regions in which we have a presence.

For this reason, we have designed a comprehensive internal communication system that allows us to share the information produced in our Firm, our values and principles, strategy, achievements and challenges with all our professionals, as well as to cater for the specific needs of each individual office.

**Maitane Astiz**  
Management Solutions Partner

### Local Yearly Meetings

In 2017, more than 800 professionals participated in the Yearly Meetings held in the UK, Germany, USA, Brazil, Mexico, Chile, Argentina, Peru, and Colombia. These meetings have served as an effective communication outlet, allowing professionals who have not attended the Global Yearly Meeting in Spain to access the same information and feel as they are a part of the Firm’s achievements and challenges.

#### *Yearly Meeting United Kingdom*

Professionals from our UK office gathered at One George Street Convention Center for their Yearly Meeting 2017, during which they reviewed the Firm’s past year achievements and goals for the next year in the UK. Our professionals were also able to listen to guest speakers Mr. Carlos Abarca, Chief Information Officer at TSB and Mr. Chris Bannocks, Global Chief Data Management Officer at ING.

After the presentations, the more than 150 professionals attending the event enjoyed a cocktail in one of the hotel’s halls, followed by a dinner held later in the day.

#### *Yearly Meeting Germany*

Members of our German office met at the Flemming Hotel for their local Yearly Meeting. Under the slogan “New Business Models”, the meeting reviewed the current economic environment, the achievements of 2017 and the challenges for 2018, both at Management Solutions’ global level and specifically for the German office.

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

# Internal communication



## *Yearly Meeting Brazil*

Our Brazil Yearly Meeting, held at Espaço Villa Bisutti, began with the review of Management Solutions' 2017 performance in Brazil. Also reviewed were the Firm's global and local goals for the next fiscal year.

After the presentations, more than 150 professionals were able to enjoy a party held at the same venue.

## *Yearly Meeting Mexico*

Our Yearly Meeting in Mexico was held at the Marquis Reforma Hotel in Mexico City and was attended by more than 230 professionals from the Firm. Under the slogan "New Business Models", the meeting focused on the current economic environment, the achievements of 2017 and the challenges for 2018, both at the global level within Management Solutions and specifically for the Mexico office.



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

## *Yearly Meeting Argentina*

Argentine office professionals gathered at Solana de Escobar for their Yearly Meeting.

The meeting reviewed 2017 achievements as well as the challenges set for 2018, both globally and specifically for the Firm's activity in Argentina. The day closed with a lunch at the same venue where the convention was held.

## *Yearly Meeting Chile*

Our Chile Office Yearly Meeting 2017 was held at the Monticello Convention Center, just outside Santiago, and was attended by Chile professionals as well as staff from other offices posted in Santiago. The more than 50 professionals attending the

meeting reviewed the Firm's past year achievements in Chile as well as the goals for next year.

The Yearly Meeting in Chile ended with a dinner at a restaurant in the Convention Center.

## *Yearly Meeting United States*

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

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

After the meeting, our professionals were able to enjoy the closing dinner, held at an emblematic venue in the Massachusetts capital.



### *Yearly Meeting Peru*

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

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

### *Yearly Meeting Colombia*

Professionals from our Colombia office met at the Embassy Hotel in Bogota for their local Yearly Meeting, in which they reviewed past year achievements as well as the challenges set for 2018, both globally for Management Solutions and in relation to the Colombian office.

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

### **2nd Management Solutions Alumni Meeting, Spain**

At the end of 2017, Management Solutions organized its 2nd Alumni Meeting in Madrid. This was the second event aimed at bringing together all those who were part of Management Solutions, and was attended by more than 150 people including both former and current staff.

The meeting, held at the Royal Theater in Madrid, was highly appreciated by attendees, who praised the relaxed atmosphere. The reunion with former colleagues allowed those who attended the meeting to share experiences and reminisce their time at Management Solutions.



**Yearly Meeting, Brazil**



# Sports Club

*More than 500 professionals participated in the tournaments and activities organized by the Sports Club in 2017*

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

## **Internal championships**

2017 saw the 12th edition of the Madrid office indoor soccer and paddle championships.

Over 100 professionals (divided into 12 teams) participated in the championships after competing in a previous phase and play offs for the title. The men's, women's and mixed paddle tournaments brought together more than 120 people (62 couples).

## **External championships**

### *Inter-company team sports tournaments*

Management Solutions participated in the 2017 Madrid RC indoor soccer and basketball intercompany championships, both in the men's and women's categories, achieving very good results with the highlight being the third place won by the women's indoor soccer team.

The winners of the Firm's internal men's soccer tournament are currently competing in the 2017/2018 edition of this inter-company tournament, as are the women's soccer team and the men's basketball team.



Women's soccer team, Spain



Pão de Açúcar Marathon, Brazil

Also in 2017, the Management Solutions male and female soccer teams in Mexico participated again in the inter-company tournaments held in the Mexican capital.

The Management Solutions Chile team participated for the first time in the B League held in Santiago de Chile, a tournament divided into two leagues of 10 matches each, in which the Management Solutions team achieved an outstanding performance, finishing in third place during the first league and in fourth position during the second.

### Races

Management Solutions professionals participated in various races organized in different countries during 2017.

In Madrid, 41 of our professionals, divided into 14 teams, participated in the "2017 Corporate Race", a race for teams of 2, 3 and 4 people (running 5 or 10 km routes) that was entered by over 14,000 people.

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

In addition, many Management Solutions professionals took part in different charity runs held in various countries, such as the Entreculturas Foundation "Run for a cause" race, the Down Madrid "On your own" race, the AECC's "On the move against

cancer" race, Créate Foundation's "Entrepreneurs Race" and "Bilbao Let's Run" race, all organized in Spain. As well as the "Montepio race" in Portugal; the "J.P. Morgan Corporate Challenge" in Germany and in the UK; the London Winter Run also in the UK; "Somerville Homeless Coalition 5K Road Race" and "Rumpshaker 5K Run" in the United States; "Heroes of the road" in Mexico; and the "UNICEF 10K race" and "Bogotá's Green race" in Colombia. More information on all these events is provided in the Social Action section.



Charity run "Héroes del Camino" Mexico



"London Winter Run" for charity, United Kingdom



## Committed to the environment

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

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



**200+ COLABORATIONS WITH UNIVERSITIES**



**7,000+ SOCIAL ACTION VOLUNTEERS**



**30+ SOCIAL ACTION CAMPAIGNS**







# University

## *University interaction is key to our social responsibility policy*

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

In September 2012, Management Solutions reinforced its commitment to the university world with the creation of the first Master's degree in Business Consulting in Spain, organized in partnership with Universidad Pontificia Comillas and taught

over two years. 2017 saw the graduation of the Master's fourth class of students and the start of the sixth class.

The first intake of students for the Business Consulting Diploma developed in partnership with Mexico's Monterrey Tech, which is taught to all new recruits in our Mexico offices, also completed their first year of studies during 2017.

### **Work experience programs**

Management Solutions contributes to knowledge transfer between the University and the Firm through agreements with the most prestigious universities to onboard interns who, depending on their merit, may become future Management Solutions professionals.



Students awarded for best results of the Master's fourth graduating class

In 2017, over 200 university students were on internships at Management Solutions. These internships make it possible for the students selected by the Firm to have first contact with the business world.

### **Seminars and expert courses**

Through its partners and other members of the management team, Management Solutions has an active and pro bono presence in education within its sphere of action.

In 2017 we continued our work with universities, both in undergraduate and post-graduate studies and in business schools:

- Birmingham Southern College
- Cass Business School (City University of London)
- Centro de Estudios Garrigues
- Centro Universitario de Estudios Financieros (CUNEF)
- ESADE Business School
- Georgia Institute of Technology
- ICADE Business School (in partnership with Spain's Risk Management Club) – Financial Risk Manager, Madrid and Barcelona
- Instituto de Ensino e Pesquisa de Brasil (Insper)
- Instituto Educacional BM&FBOVESPA
- Instituto Tecnológico Autónomo de México (ITAM)
- Instituto Tecnológico del Norte de Argentina
- Mackenzie
- TEC Monterrey
- Universidad Autónoma de Madrid
- Universidad Católica de Chile - Facultad de Matemáticas
- Universidad Complutense de Madrid
- Universidad de Chile – Facultad de Economía y Negocios
- Universidad de Deusto
- Universidad de las Américas Puebla
- Universidad de Lima
- Universidad ESAN de Lima
- Universidad Iberoamericana
- Universidad Politécnica de Madrid
- Universidad Pontificia Comillas (ICADE)
- Universidade Nova de Lisboa
- University of Bristol

## **Management Solutions taught a workshop on teamwork at ICAI, Spain**

The Higher School of Technical Engineering at ICAI (Universidad Pontificia Comillas) commissioned Management Solutions again this year to teach a workshop on teamwork to first year students of the Industrial and Telecommunications Engineering Degree course as part of a Professional Skills Diploma.

Management Solutions professionals participated in the teaching of eleven workshops in which 330 ICAI students were able to look into the importance of teamwork through different group exercises that focused on strengthening competencies and achieving goals when working as part of a team. More specifically, students proactively took part in developing dynamics to improve group decision making as well as in managing stress through different techniques, and practiced how to give and receive criticism within a team, being able to work with real, typical consulting projects to examine the importance of teamwork in meeting objectives.





# University

## **Company presentations and job fairs**

Company presentations and job fairs constitute a fundamental meeting point between University students in their senior year and employers.

Management Solutions maintains a high profile in major job fairs; our stand attracts thousands of university graduates interested in learning more about the consultancy business, our projects and the career opportunities offered by a rapidly expanding firm such as ours.

The value added by the participation of Management Solutions in job fairs derives from the presence of professionals from the Firm who once studied at the university in question, and whose experience can be of great value and usefulness to students in their final year as well as recent graduates who aspire to join our organization.

In addition to collecting résumés, Human Resources also conducts psychological tests on-site as well as working breakfasts and case studies with students to speed up the recruitment process.

## **Sponsorships and Collaborations with Foundations**

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

### *ICADE Business Club*

The ICADE Business Club is a non-profit association founded by a group of former University students who are now business professionals, together with the Dean and Deputy Dean of the Faculty of Economic and Business Sciences at the University of Comillas. The purpose of this association is to

cooperate with ICADE in its study, teaching and research programs, to foster entrepreneurship among its students and to strengthen relations between the University and the business world.

Through some of the Firm's partners, Management Solutions collaborates with some of the initiatives that the Club has launched, such as the first two editions of the Seminar for Entrepreneurs and the Business Project Award, which recognizes the best business project submitted by students in their final years at University.

Management Solutions also supports the Club by collaborating in the educational programs and support provided to students of the University (grants, sponsorship of awards, etc.).

## **Case study on Data Science used in credit scoring, Boston College, USA**

Boston College invited Management Solutions to teach case study: "The science behind your credit scoring", raising questions about applying Data Science in the automated systems that financial institutions use to make decisions on credit.

Also during 2017, Management Solutions had the opportunity to organize corporate presentations, case studies and seminars at other universities in the country such as Tufts University, University of Massachusetts Boston, Boston University, Northeastern University and University of Alabama.

## **Management Solutions taught a case study on Blockchain at Universidad IPN, Mexico**

The Higher School of Computing (ESCOM) in Mexico's IPN University invited Management Solutions to teach a case study on the use of Blockchain in the financial industry to students in the final year of the Systems Engineering degree course.

Also during 2017, Management Solutions had the opportunity to organize corporate presentations, case studies and seminars at other universities in Mexico such as the Monterrey Tech, Universidad Iberoamericana and Universidad Anáhuac.



### *The Bilbao School of Engineers Foundation*

In 2007, Management Solutions became a partner in the Bilbao Higher Technical School of Engineers Foundation, which aims to ensure excellence in all the educational and research activities carried out by the School of Engineers. The Foundation, created in 1997, fulfills its purpose through organizing lectures, courses and seminars, issuing reports, publications and studies, promoting research, etc. always with the purpose of improving and promoting education and research in the field of engineering. It also participates directly in the corporate world by offering prizes and awards to recognize outstanding engineering work.

### **Seminars on digital transformation at different universities, Spain**

Management Solutions taught a number of seminars on digital age components such as Blockchain at different engineering and computer studies schools belonging to Spanish universities (Universidad de Salamanca, Universidad de Oviedo, Universidad de La Coruña, Universidad de Valladolid). The seminars provided an insight, mostly from a financial perspective, into the different possible uses of this disruptive technology.

### **Management Solutions gave a seminar on Financial Risks in ICADE, Spain**

Management Solutions once again collaborated with Universidad Pontificia Comillas as part of the University's "Portfolio Management" course, giving a seminar on Financial Risks to final year students of the Bachelor's Degree in Business Administration and Management [ADE] (E-2).

The seminar was attended by more than 80 students and divided into two sessions: one on "Risks in Financial Institutions" and the other on "Credit and Market Risk".

### **Management Solutions sponsors a breakfast panel debate organized by the ICADE Business Club, Spain**

The event was organized by the ICADE Business Club, of which several Management Solutions partners are members, and featured CaixaBank's Chief Executive Officer Mr. Gonzalo Gortázar as a speaker.

The debate was held in a central hotel in Madrid with the presence of Mr. Julio Luis Martínez, Comillas Pontifical University Rector; and Mr. Jesus Sainz, ICADE Business Club Chairman, and was attended by more than 120 Club members.

Mr. Gonzalo Gortázar's presentation, entitled "Challenges and transformation in the financial sector" was followed by a discussion chaired by Mr. Jesus Sainz in which participants shared different views on changes affecting the financial industry.



Mr. Gonzalo Gortázar, CaixaBank's Chief Executive Officer

# University

## *Sponsorship of Awards to the best Final Year Project at ICAI, Spain*

In 2011, Management Solutions joined the sponsorship of awards of the best Final Year Project at ICAI (Escuela Técnica Superior de Ingeniería, Universidad Pontificia Comillas), thus continuing the work carried out by the Firm to support senior year projects in collaboration with ICAI since 2005.

Organized by subject areas, Management Solutions annually sponsors the awards for the area of "Financial and risk management" by making a financial contribution towards the awards and becoming involved in the evaluation of the projects as a member of the jury created for each area - composed of the Head of the School, a representative of the sponsoring Firm and the professor responsible for the project, who are tasked with deciding which projects are to be awarded.

## *Deusto University Foundation, Spain*

The Firm works together with the Deusto Foundation (Deustu Fundazioa) of prestigious Deusto University in the Basque Country, Spain, to give significant donations to use on furthering the Foundation's goals. The goals include investing in research, promotion, studies and dissemination projects.

## *UCLU Business Society, UK*

Management Solutions joined the UCLU Business Society as a sponsor in 2013. UCLU Business Society is a university society within University College London whose main function is to support university students in their final years of study by helping them to enter the labor market through the organization of networking events, internship programs, case studies, seminars, etc.

## *Management Solutions supports FYP's at Universidad Javeriana, Colombia*

Management Solutions supported students of Engineering at Pontificia Universidad Javeriana de Bogotá, one of Colombia's most prestigious universities, by managing the Final Year Projects of six Systems Engineering students, which included regular advice and mentoring by Management Solutions professionals.

## *ETSINF Commencement Ceremony at UPV, Spain*

For the first time, in 2017 Management Solutions sponsored the diploma awards ceremony for graduates of the Higher School of Technical Engineering from Universidad Politécnica de Valencia (UPV).

## **A professional from Management Solutions was awarded first prize to best Final Year Project at ICAI (Universidad Pontificia Comillas, Spain)**

Ms. Marina Veloso, a Management Solutions professional, won the award for her project "Measurement and management of operational risk in energy corporations within the oil industry: implementation in Oil Spills", directed by Mr. Javier Álvarez and Mr. Juan Luis Martín, Management Solutions Partner and Manager, respectively.

Mr. Miguel Ángel Poblet, Partner at Management Solutions, delivered the award sponsored by the Firm in an event chaired by Comillas Pontifical University Rector P. Julio L. Martínez, who was accompanied by Mr. Mariano Ventosa, Director of ICAI, and Mr. Luis Alberto Aires Dupré, President of BP Spain and guest of honor at the event.



Marina Veloso accompanied by J. Álvarez and M.A. Poblet, Management Solutions Partners



During the event, which was attended by around 500 people including students and their families, UPV teachers and representatives of companies engaged with the University, the diplomas were presented to academic year 2016/2017 students of the Computer Engineering Degree, the Master's Degree in Computer Engineering, and the University-specific Master's Degree in Information Management, graduating from the Technical School of Computer Engineering at UPV, and included an award to the best academic records in each degree category.

The event was chaired by UPV's Vice-Rector of Studies, Quality and Accreditation Mr. Eduardo Vendrell along with UPV School administrators, and attended by Mr. José Manuel Navas, partner of the Firm, on behalf of Management Solutions.

#### *Award to the best UAB academic record, Spain*

In 2017, Management Solutions participated for the first time in the Diploma Awards Ceremony for students of the School of Engineering – UAB Barcelona. The Firm sponsored the Special Award to the University's top ranking Computer Engineering graduate, an award with a monetary component that went to Mr. Daniel Gámez and was delivered by Mr. Josep Rotés, partner at Management Solutions.



“Our support to the academic world is one of the pillars of our commitment to the wider environment”

Developing close links with universities has been a constant feature of our activity from the onset.

This commitment translates into multiple initiatives, from our collaboration agreements on internships and work experience, to the teaching of specialist lectures and seminars, to our cooperation in research programs and our partnerships to support university foundations and associations.

On top of all this there is our satisfaction in contributing to the creation of jobs for young graduates, offering them the chance to embark on an excellent career.

**Javier Álvarez**  
Management Solutions Partner



ETSINF Commencement Ceremony at UPV, Spain

# Sponsorship and patronage

## *The Firm keeps an active policy on sponsorship and patronage*

The sponsorship and patronage of business and cultural activities is always present in Management Solutions business strategy. Thus, the Firm collaborates, to the best of its abilities, with university foundations, cultural institutions and other non-profit associations.

### **Royal Theater in Madrid, Spain**

Management Solutions is a Sponsor of the Royal Theater in Madrid. With the economic contribution we make to the Royal Theatre (for the thirteenth consecutive year now), we help towards the dissemination, appreciation and knowledge of the lyrical arts, music and dance; to protecting, preserving and promoting the enrichment of our artistic heritage; to the defense, advancement and research of Spain's musical and operatic heritage, and to promoting the dissemination, appreciation and understanding of these arts as well as encouraging attendance by the general public to its performances and other activities.



Board of Trustees of the Royal Theatre of Madrid, Spain

Mr. Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions, is a member of the Royal Theater's Board of Trustees, which gathers the institution's main sponsors under the chairmanship of Mr. Alfredo Sáenz. The Board of Trustees aims to promote the participation of civil society in the smooth running of this emblematic Spanish institution.

### **Spanish Energy Club (ENERCLUB)**

Management Solutions is a member of the Spanish Energy Club (ENERCLUB), which was set up as a meeting point as well as to provide a forum for dialogue and for the exchange of ideas among companies and professionals in the energy industry, with the main aim of fostering new ideas and their dissemination on the rational use of energy, the conservation of the environment and sustainable development.

Thanks to the support and financial contribution of its members, this Club has managed to sustain its activity for over 20 years in four broad areas: energy know-how, training, publications and on-line dissemination.

### **Spanish Risk Management Club**

Management Solutions is a member of the Board of Trustees of the Spanish Risk Management Club and, with its financial contributions, helps to create and sustain the activities that form part of the Club's founding purpose.

The main objectives of this new association are to act as a meeting point and provide a forum for debate on the systems and methods used to manage, monitor, analyze and measure the risks arising from financial activity, as well as to foster the exchange of ideas, experiences and opinions on best practices in this field. Its objectives also include the maintenance of close contact with regulatory authorities and other bodies pursuing the same goals, as well as disseminating knowledge through the organization and development of FRM (Financial Risk Manager) training programs and internet courses.

As a trustee of the Club and with one of its partners sitting on the Board of Directors, Management Solutions contributes to the financing and maintenance of the various activities that are organized.

### ***British Bankers' Association, UK***

In 2014 Management Solutions became an associate member of the British Bankers' Association (BBA), a leading UK organization that represents the interest of more than 240 financial institutions operating in more than 180 countries.

The BBA promotes and supports policies and initiatives that are favorable to both their members and the wider public, with their work being underpinned by three priorities: i) Ensure the correct relationship between financial institutions and customers, regardless of size; ii) Promote growth in the UK, working towards consolidating it as a global financial center; iii) Raise standards in the banking industry – both professional and ethical.

### ***Bundesverband deutscher Banken, Germany***

Since 2015, Management Solutions has been a member of the Bundesverband deutscher Banken (German Banking Association), which represents 200 private commercial banks and eleven regional associations, and aims to serve as a meeting point between the financial industry, the government and the industry's regulatory and supervisory authorities through forums, industry events and specialized publications.

### ***Association of Friends of the Royal Academy of Sciences, Spain***

In 2016 Management Solutions became one of the employers supporting the Asociación de Amigos de la Real Academia de Ciencias – ARAC (Association of Friends of the Royal Academy of Sciences of Spain) as a way of showing its commitment to support academia and research in general, and the sharing and advancement of scientific knowledge in particular as part of our social responsibility efforts.

ARAC aims mainly to support the implementation of the objectives and activities of the Real Academia de Ciencias Exactas, Físicas y Naturales (Royal Academy of Mathematics, Physics and Natural Sciences), as well as to facilitate the dissemination of science and scientific and technological advances, and to help to bring them closer to society.

### ***Institute of Spanish Actuaries***

Management Solutions is a supporting member of the Institute of Spanish Actuaries (IAE), Spain's main actuarial association and a full member of the Groupe Consultatif Actuariel Européen and the International Actuarial Association.

The Institute's main functions are to: represent its members in any issues related to its activity, organize and foster all kinds of studies and activities related to the actuarial profession, collaborate with the competent bodies and authorities when the professional activity needs to be regulated (this regulation will adhere to the most rigorous scientific and ethical principles), exercise authority over, protect and monitor the professional activities of the Institute members, resolve any professional issues that may arise among its members and establish and maintain relationships and exchanges with national or international bodies of a technical, scientific or professional nature, pursuing activities totally or partially related to the Institute's purposes.

### ***Consorcio Alastria, Spain***

In 2017, Management Solutions, together with Spain's key banking, energy and telecommunications organizations, founded the world's first multi-industry network that uses Blockchain to enable and speed up digital transformation across industry and business.

The Alastria network safeguards the identity of participants and ensures all operations carried out on the network and indelibly recorded, allowing participants to offer and receive services with legal effectiveness in Spain and in accordance with European regulations.

Management Solutions' participation in the consortium will allow the Firm to participate in the design of Spain's first DLT, build projects and offer services on the platform, as well as innovate and contribute to society in Spain by creating a Blockchain products and services platform.

### ***Círculo de Empresarios, Spain***

Círculo de Empresarios in Spain is a thought and debate think tank in the service of Spanish society as a whole. It aims to promote the free market and free enterprise, recognition of the social value of entrepreneurs as creators of Jobs, wealth and general wellbeing, and to advance the entrepreneurial spirit.

Through the Firm's chairman and CEO, Management Solutions collaborates with this institution and in 2017 took upon itself to manage the Working Group for Digital Transformation promoted by the Círculo with the aim of facilitating the understanding of the implications of digital transformation for business.

### ***Chambers of Commerce***

Management Solutions is a supporting member of the Spanish Chamber of Commerce in China and the Brazil Chamber of Commerce in Spain, the Polish-Spanish Chamber of Commerce, the Spanish Chamber of Commerce in Italy, the British Chamber of Commerce in Spain and the Spanish Chamber of Commerce in the UK, institutions whose aim is to strengthen ties between companies and organizations.

Our membership of these chambers of commerce reinforces our ties with leading institutions and organizations in the markets in which Management Solutions operates.



# Cooperation agreements

*Management Solutions has signed several cooperation agreements with various foundations and organizations that promote charitable, entrepreneurship and social integration causes*

## **Síndrome de Down Madrid Foundation**

To strengthen its commitment to facilitating job integration for people with Down syndrome and intellectual disabilities, Management Solutions signed an agreement with the Síndrome de Down Madrid Foundation (Down Madrid) in 2015 as part of the "Stela Aided Employment" program, which aims to facilitate and promote the social and professional integration of people with Down syndrome and intellectual disabilities into ordinary work environments.

Down Madrid is a non-profit organization declared of public usefulness whose mission is to achieve individual autonomy and social inclusion for people with Down syndrome and other intellectual disabilities.

## **Créate Foundation**

Management Solutions is a founding sponsor of Fundación Créate, a non-profit organization established in 2011 in response to the need to train people to adapt to a continuously changing society.

As a member of the Board, Management Solutions collaborates with Fundación Créate's mission: to design, develop and implement methods, techniques and tools that can be used in the educational system to promote innovation and entrepreneurship among children and young people.

## **National Organization of Spanish Blind People**

In 2014, Management Solutions signed a cooperation agreement with Ilunion Travel, an agency belonging to the ONCE Group of Companies and their Foundation (National Organization of Spanish Blind People), that strengthened its commitment to employing people with disabilities. Since then, Ilunion Travel has been providing travel agency services to the Firm (including everything related to booking tickets in any means of transport, managing hotel bookings for business trips, etc.).

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

## **Microfinance Project**

The BBVA Foundation for Microfinance is a not-for-profit entity whose purpose is to promote access to credit and other financial services for society's most disadvantaged groups in order to facilitate the development of small-scale productive



"Create your own project" program, Créate Foundation, Spain

activities, thereby contributing to improving the living standards of families and to the sustainable development of the communities in which the Bank operates.

The Foundation has initially focused its efforts in Latin America (work is already underway in Puerto Rico, Panama, Peru, Colombia, Chile and Argentina), since this region constitutes the network's corporate center, and, in addition to capital, will benefit from shared governance and management systems, a common technological base, facilities to raise finance on international markets, the general advantages derived from economies of scale and from the scope afforded by a network such as this.

Management Solutions has worked in partnership with the Foundation's Risk Area to design and implement a credit risk model for microfinance, integrate this model in the contracting process, design and implement an IT platform for risk management and improve commercial and operational efficiency.

### ***Solidarity Program at work in collaboration with AECC***

In March 2012, Management Solutions joined this initiative launched by Asociación Española Contra el Cáncer (AECC), which consists of spreading monthly health messages targeted to business groups for the prevention and early detection of cancer.

Management Solutions has continued participating with the Solidarity Program in 2017 through distribution of AECC newsletters on healthy eating, the importance of prevention and of following and instilling healthy habits among young people and raising awareness about different types of cancer.

### **Educational program "Create your own project"**

In 2017, and as a member of the governing board of Fundación Créate, Management Solutions encouraged its professionals to participate in the "We create our own project" program for the fifth consecutive year. The program was initiated in 2012 and seeks to promote an entrepreneurial spirit among fifth and sixth grade primary school and first and second grade secondary school students, developing skills and qualities such as initiative, creativity, opportunity seeking, self-confidence and responsibility, supported by the knowledge and skills of professionals from different areas within the Firm.

An essential task in the program is for the student teams to define and create a company, allowing them to get started in developing a business plan, creating a logo, designing the necessary processes, analyzing sources of funding, etc. The exercise concludes with the presentation and sale of products/services in a Market.

Students had the opportunity to share sessions with more than twenty Management Solutions professionals who advised them on different aspects of their projects.

Management Solutions also wanted to be present again in Drawing EU - the project's final, held at la N@ve (former Boetticher factory) in Madrid- where all participants presented their work, sold their products and secured financing from "investor partners". The Firm was a member of the panel of judges for the projects and handed out the award to the most socially aware project, which it had sponsored.

### ***Prodis Foundation***

Management Solutions collaborates with Promentor, a training program launched by the Prodis Foundation for the inclusion of young people with disabilities in the workplace, by hiring professionals from the Foundation.

Prodis Foundation's aim is to provide people with disabilities with the necessary support to improve their lives and the lives of their families. The Foundation launched the Promentor initiative in 2005 in partnership with Universidad Autónoma de Madrid.

This initiative seeks to help people with intellectual disabilities to design a Life Project through individualized plans based on PCP (Person-centered planning). The Foundation also

provides occupational training adapted to individual differences to enable people with intellectual disabilities to be placed in ordinary jobs, offers employment services with ongoing support to encourage equal opportunities in hiring, retention and promotion in the workplace, provides intellectually disabled workers who exercise their right to work in ordinary jobs with continuous training throughout their lives and gives them the necessary support so that they are able to enjoy their leisure time and fully participate in their community.

In order to meet these objectives, the program starts with a "Training for Job Inclusion" course (recognized by Universidad Autónoma de Madrid as their own qualification), after which all graduating students enter the "Supported Employment" program, which provides them with the necessary support to join the labor market.

# Social Action

*The Firm encourages and supports initiatives for solidarity carried out by its professionals*



Since the Social Action Group was first created, Management Solutions professionals have conducted numerous activities in association with various NGOs and charities.

Throughout 2017, Management Solutions has organized and sponsored community development projects promoted by the Social Action Group and has endorsed and financially supported many other solidarity activities carried out by staff.

## **Solidarity projects organized by Management Solutions:**

### *Solidarity Summer*

Since 2006, Management Solutions has been facilitating participation by its professionals in a summer volunteer program organized by an NGO, through which those who are interested are given the opportunity to collaborate with a solidarity project that seeks to help the most disadvantaged in society. That year, a group of fifteen Management Solutions

professionals accepted the proposal offered by the Firm - which would cover all travel expenses, to spend their summer vacation collaborating with the Missionaries of Charity in Calcutta, India. This is how our Solidarity Summer was born, an activity that continued in 2007 with Guayaquil, Ecuador, as a destination, and took place again in Calcutta from 2008 to 2011.

Since 2012, our Solidarity Summer involves collaborating with the "Volunteers on the ground" program run by NGO Ayuda en Acción. In 2013, our professionals travelled to Hogar Teresa de los Andes in Bolivia, a home supported by this Spanish NGO that looks after 200 children with different levels of intellectual disability, while between 2014 and 2016 the destination our volunteers traveled to was Santo Domingo de los Tsáchilas, in Ecuador.

En 2017, our Solidarity Summer took place in Nicaragua, once again partnering with the "Volunteers on the ground" program organized by Ayuda en Acción, with 34

Management Solutions volunteers from our Brazil, Chile, Spain, USA, Mexico and UK offices organized into two groups due to the initiative's success.

This time, the volunteering program involved supporting a project launched by Ayuda en Acción and Fundación Madre Tierra (FUMAT) in the Waslala development area with the aim of reducing poverty in rural homes through preventive or direct initiatives such as the provision of training on rural economy and agricultural techniques, raising awareness of childcare, and providing school/psychosocial support to the children.

During their stay in Nicaragua, volunteers had the opportunity to support the children's schooling through tuition in Math, Spanish, English language, etc., to help with the building of an educational playground so that the children could have fun while using recycled materials, or to work on a biointensive vegetable garden that would provide the Waslala children with a wider variety of fruit and veg.





Solidarity Summer in Waslala, Nicaragua



Solidarity Cinema in Madrid, Spain

The success of our Solidarity Summer again this year, together with the growing interest of our professionals in these types of activities, which have always been unconditionally supported by the Firm, ensures our Solidarity Summer will continue in 2018 and in the coming years.

#### *Solidarity Film Preview*

In 2005 Management Solutions launched its Solidarity Cinema initiative, a family activity to collect food for those in need by taking advantage of the proximity of the Christmas season and using a movie release as a way to encourage participation. In 2017, this event was again held simultaneously in Madrid and Bilbao.

The Madrid event brought together more than 2,750 people, including our professionals, former members of our Firm and some of our main clients and collaborators and their families. Thanks to the generosity of all attendees, we were able to collect almost 6,000 kg of non-perishable food, baby food

and diapers, which were delivered that very morning to the Madrid headquarters of the Missionaries of Charity to be distributed to people in need who visit their charitable dining halls every day.

In Bilbao, the sixth edition of Management Solutions' Solidarity Film Preview event gathered 800 people who together were able to collect around 1,500 kg of food that was given to the Bizkaia Food Bank to be later donated to people without resources.

In both cities, the children were the real stars of the day and those who most enjoyed the screened movie and videos, as well as the shows and workshops offered by the actors, both on arrival and during the post-movie cocktail. Social Action volunteers organized these activities, arranging the logistics for the day and delivering all that was collected to these charitable institutions.



Solidarity Summer in Waslala, Nicaragua

# Social Action

The success of this initiative in Spain has gradually taken it to other Management Solutions offices. In 2017, Solidarity Cinema events took place in Mexico City, Santiago de Chile and São Paulo.

In Mexico, Solidarity Cinema was held for the second time and brought together close to 300 Management Solutions professionals and clients and their families. Their generosity made it possible to collect 1,000 kilos of nonperishable food that was delivered that same day to La Paz Children's Home, an institution that aims to shelter, protect and educate girls and young women by providing them with a home, balanced nutrition and proper overall medical care.

Our Brazil office held their first Solidarity Cinema in 2017 with a private premiere to collect food for those most at need. The initiative brought together around 200 people including MS professionals, volunteers and some of our main clients and

collaborators along with their families. Thanks to the generosity of all participants, it was possible to collect nearly 500 kilos of non-perishable food and children's products (baby food, diapers, etc.), that were delivered to Casa Hope (an São Paulo institution that helps children and adolescents from an underprivileged background who have cancer or have had bone marrow transplants).

Due to its success, the initiative was held again in December, with again around 200 attendees and 400 kilos of food and personal hygiene items collected that were also delivered to the Casa Hope children.

Under the same formula used in Spain, Mexico and Brazil, the Chilean office held its first Solidarity Cinema event in 2017, bringing together about 200 people including Management Solution professionals, family members and clients. Thanks to the generosity of them all, it was possible to collect 400 kilos

of food that were delivered that same day to Hogar San Ricardo, a residence for children with severe mental disabilities who are sent there by the National Service for the Protection of Minors when the children are in a situation of abandonment, socially vulnerable and/or lack responsible family members. The home is managed by the Servants of Charity Congregation.

## *Solidarity Concert, Spain*

In 2007, at the proposal of a member of staff, Management Solutions decided to promote the organization of a fundraising concert. This was the beginning of our Solidarity Concert, which has become one of the most welcomed events organized by our Social Action Group and which takes place every year in Madrid to raise funds for the projects in which our volunteers participate.



Solidarity Cinema in Sao Paulo, Brazil



Solidarity Cinema in Madrid, Spain



Over the past editions our Solidarity Concert has seen the participation of performers of the stature of Isabel Rey, Pilar Jurado, José Manuel Zapata or Ara Malikian which combined lyrical recitals with more family-oriented performances.

The 11th Management Solutions Solidarity Concert was held in the Auditorio Duque de Pastrana in Madrid and was attended by nearly 400 people. The event was organized to raise funds in support of project "Volunteers on the ground" run by NGO Ayuda en Acción in Waslala, the initiative chosen for the Firm's 2017 Solidarity Summer volunteering.

In this occasion, Management Solutions' proposal was "The brave little tailor", a musical show with puppets and projections as well as eight live musicians, a co-production between Teatro Real and Etcétera. The show, awarded the 2014 National Theater Prize for Children and Youth, pleasantly surprised the audience, people of all ages who

enjoyed the magical atmosphere achieved by a carefully devised set that featured projections, light effects and puppets, in perfect unison to the music of a chamber orchestra that played on the theatre stalls.

Thanks to the participation and solidarity of the audience, which included some of our professionals as well as clients, family and friends, it was possible to collect more than 6,000 euros.

#### *Christmas Solidarity*

Over 500 Management Solutions professionals brought hope to some of those most in need in society through a Solidarity Christmas campaign, organized for the tenth consecutive year and consisting of several initiatives in Spain, United Kingdom, Germany, Portugal, United States, Mexico, Brazil, Colombia, Peru, Chile and Argentina.

In Spain, the "True Magi" campaign was organized to raise gifts for children in shelters in several Spanish cities who would otherwise not have received any gifts on Three Kings Day. The campaign was once again a great success and, thanks to the participation of more than 180 Management Solutions professionals from Madrid, Barcelona and Bilbao, it became possible for disadvantaged children in these centers to receive the gifts they had previously asked for in a letter to "their" individual Magi. In addition, some Management Solutions professionals participated in the "Christmas Posada" organized by Soñar Despierto, the organization that received the gifts in Madrid. This was a party during which volunteers had the opportunity to organize many activities and surprises for the children, in addition to handing the gifts to them.

In the UK, we supported the "Operation Christmas Child - Pack a Shoebox" campaign, organized by NGO Samaritan's Purse to deliver shoe boxes filled with schools supplies, toys, personal



Solidarity Cinema in Santiago de Chile



Solidarity Concert in Madrid, Spain



Christmas Solidarity, Germany



# Social Action

hygiene and other children's items to communities in need in Eastern Europe, Africa and Asia.

In Germany, we collaborated with the Women's Home in Frankfurt, an emergency shelter for women (sometimes accompanied by their children) who are abused or at risk of abuse, which provides protection and temporary support until they are able to stabilize their situation. Thanks to the generosity of our professionals, it was possible to raise toys for the children who stay at that shelter temporarily.

Professionals from Management Solutions Portugal organized a collection of school supplies, non-perishable food, children's items and personal hygiene products, to support Ajuda de Berço, an organization that takes care of children aged 0-3 in a situation of risk at two different shelters in Lisbon.

Likewise, professionals from our US offices collaborated with St. Jude Children's Research Hospital through a collection of gifts for children and teenagers with cancer and other serious illnesses who were in the hospital during the Christmas period.

In Mexico, we organized the "Be a child's Wise Man" campaign in partnership with Fundación Clara Moreno y Miramón, an institution that aims to provide comprehensive care to girls and adolescents in vulnerable situations. By becoming involved, professionals from our Mexico City offices made it possible for the children at this shelter to receive the gift they had asked for in their letters to their "personal" Wise Men.

Professionals from Management Solutions Brazil collaborated with Casa da Criança Santo Amaro, a Sao Paulo shelter for 6 to 14 year-olds in need, by organizing a volunteering

afternoon during which, in addition to handing the children the toys that had been previously collected, they shared a day of games and activities with them.

In Colombia, Management Solutions professionals shared a special morning with the 50 children cared for by Fundación Niña María, a non-profit institution in the Chía municipality that provides comprehensive care to children and young people with psychosocial mental disabilities who are under the protection of the Colombian Institute for Family Wellbeing. During this small party, our volunteers had the opportunity to hand in cold weather clothes and gifts bought for the children.

In Peru, the Firm's local Social Action group organized a "Christmas Chocatada" for 150 children from low income families in the Carabayllo area who are cared for by NGO Revolución Extrema, a non-profit organization that provides



help and support to children who are economically disadvantaged or at risk of social exclusion. The contributions made by professionals and by the Firm itself went towards organizing this children's party that was full of games and surprises and in which the children also received their gifts from volunteers.

In Chile, the Viejito Pascuero campaign was organized in collaboration with Jardín Infantil Tai Tai, a center that cares for close to 70 children aged between 3 and 5 in the Estación Central community. The aim of the campaign was to get each child in the center a Christmas present. The involvement of professionals from our Chile office meant all children received their present directly from Viejito Pascuero during a celebration organized by the center's volunteers.

The Argentina office once again worked in partnership with Hogar Esteban L. Maradona, which houses the families of sick children while they are in hospital receiving treatment. This time, 22 children from the Home, aged between 18 months and 9 years, received a Christmas present thanks to the involvement of the local Social Action volunteers, who organized a small party at the Home with games and songs, and delivered drawing materials for the younger ones at the center.

#### *Blood donation campaigns*

In 2007 Management Solutions' Social Action Group launched the Firm's first blood donation campaign in collaboration with the Spanish Red Cross. This initiative has since taken place every year and has spread to other offices in the Firm. In 2017, donations were organized in our Spain, US and Brazil offices, with more than 100 volunteers participating.

#### *Donation of computers and cell phones*

Management Solutions regularly collaborates with different organizations by donating used computers and cell phones once they have been replaced. This helps to reduce the Firm's environmental footprint as well as allowing us to meet the need that society's underprivileged groups have for these tools.

#### *Plastic tops collection for solidarity*

At the beginning of 2013, following a suggestion by one of the Firm's professionals, Management Solutions launched an initiative across all its offices to collect plastic tops for charity in order to collaborate with the "Tops for a new life" program. This program, run by the Seur Foundation, seeks to help children with health problems who need medical or orthopedic treatment by collecting plastic tops and donating the funds raised from selling these tops to third parties.



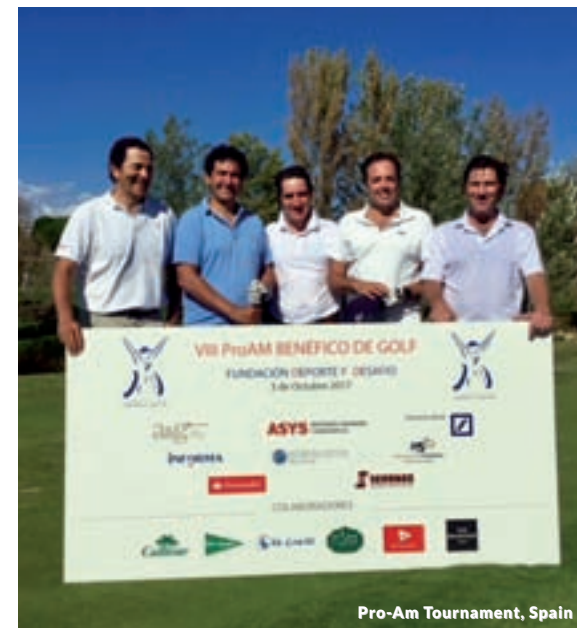
Blood donation in Madrid office, Spain

Given the positive response to this initiative by the Firm's professionals, we continued to collect tops during 2017, reaching a total of 50 kilos.

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

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

Management Solutions collaborates with the Deporte y Desafío Foundation by sponsoring a Pro-Am charity golf tournament organized to raise funds aimed at the social integration of people with physical, intellectual or sensory disabilities through sport.



Pro-Am Tournament, Spain



# Social Action

The Tournament, in which Management Solutions participated for the eighth year, was held at the Santander golf course in Boadilla del Monte, and included the participation of 8 teams (all integrated by a professional golfer on the European Tour and four *amateur* players), with the Management Solutions team achieving third place.

## *Christmas with Ayuda en Acción*

For the eleventh year running, Management Solutions' Christmas cards were made in collaboration with an NGO. Ayuda en Acción was the NGO chosen this year and all proceeds from the purchases of Christmas cards went to collaborate with the "Give them their childhood back" project that this NGO is carrying out in Nepal to help build a future for the children who live in the Karkavitta home.

To decide the card's design, a now traditional competition was organized in which more than 100 young participants (the children, nephews and nieces as well as brothers and sisters of Management Solutions professionals) showed their artistic skills, and which produced the winning entry- by Lucía and Marta Bielsa, aged nine and six.

## *Volunteering with Down Madrid, Spain*

In January 2010, Management Solutions' Social Action Group launched an ongoing collaboration to support the Down's Syndrome Foundation of Madrid, involving the organization of indoor soccer matches between the Firm's professionals and the children under the Foundation's care.

Also in collaboration with the Foundation, our Social Action Group has organized several single day volunteering events

in which Management Solutions professionals share a fun day of leisure activities (for example, at multi-adventure parks or at the amusement park in Madrid) with a group of children with Down's syndrome.

In 2017, our Social Action Group once again organized a volunteering activity in collaboration with Down Madrid, in which 25 volunteers had the opportunity to share a day with Down Madrid youngsters at the Baytar horse stables.

The day started at the Down Madrid center, where introductions were made before heading for the Baytar horseriding stables, located on the outskirts of Madrid. Participants enjoyed an afternoon with horses and ponies, learning how to feed and take basic care of a horse. They also did some horse riding, which they found really exciting. After a small break for something to eat, they spent their free time



Winnes of the Christmas 2017 competition



Give&Gain Day, United Kingdom





Management Solutions volunteers, United States

playing water balloon games before returning to Madrid, after an afternoon full of fun and laughter.

#### *Give&Gain Day, UK*

Management Solutions professionals participated in “Give & Gain Day 2017”, a corporate volunteer day organized by Business in the Community, an NGO that seeks to establish new ways of relating between business and the wider community in order to achieve a more just and sustainable society.

Management Solutions volunteers participated in refurbishing a children’s play area and further developing an edible garden for the Oasis Children’s Venture in Stockwell, a local charity that runs three different and unique facilities for children and young people.



Volunteering with Habitat for Humanity, United States

#### *Volunteering with Habitat for Humanity, United States*

A group of professionals from our Alabama office gathered together in Pleasant Grove, a city belonging to the Birmingham metropolitan area, to collaborate in a Social Action initiative launched by Habitat for Humanity, a non-profit organization that specializes in building houses for low-income families

Management Solutions volunteers, divided into teams, helped to build a house for a mother of six children aged between five and fifteen, in what was a hard but satisfying day of work. Among the jobs they were tasked with were measuring and cutting the boards, setting the interior wooden frames and putting up the exterior house boards.



“Our professionals are the ones that take the lead in the Firm’s commitment to society”

Management Solutions is actively involved in the communities in which its business takes place, and this translates into many community-support activities that are channeled through our Social Action Group in partnership with different NGO’s and charity organizations.

Actions in solidarity with different groups are carried out by professionals from all our offices, who selflessly give of their time and effort to help those most in need.

The Firm supports and is very proud of the strong commitment to society shown by its professionals.

**María José Leongentis**  
Management Solutions Partner

# Social Action

## *Campaigns to support those affected by the earthquakes in Mexico*

As a result of the earthquakes that shook Mexico in 2017, causing great damage in several of the country's regions, Management Solutions' Social Action group in Mexico organized a number of collections to support the families affected.

Thanks to the generosity of our professionals and the Firm's own contribution, it was possible to raise nearly 1,000 kilos of relief goods that were either handled by one of the distribution centers set up by the Mexican Red Cross to support the Chiapas and Oaxaca regions, or delivered directly by our Social Action volunteers to affected families in the Xochimilco community (especially in the neighborhoods that suffered the most, such as Santa Cruz Acalpixca, San Gregorio Atlapulco, Barrio San Juan Moyotepec and Nativitas), an area that was hard to access.



Volunteering with Lar das Mãezinhas, Brazil

## *Campaign to support Portugal's forest fire victims in Pedrógão Grande*

Through its Social Action Group, the Management Solutions' Portugal office organized a collection of relief goods to help the victims of the wildfires that ravaged central Portugal during the summer of 2017, mostly affecting the Pedrógão Grande area.

All goods collected thanks to the generosity of our professionals were delivered to the Portuguese Red Cross and to Bombeiros V. Lisbonenses, both of which were tasked with distributing donations among the people affected.

## *Campaign to support flood victims in Colombia*

After heavy rains and floods caused an emergency situation in Colombia, especially in the Mocoa region (Putumayo department) in the country's southwest, our Social Action Group organized a collection to collaborate with the affected

areas through the Colombian Red Cross. Thanks to the generosity of all professionals at our Bogotá office it was possible to raise 3,000,000 pesos.

## *Campaign to support flood victims in Peru*

Our Social Action Group in Peru organized a collection of relief goods to support those affected by the heavy rains that caused massive flooding in Peru during 2017.

Thanks to the generosity of our Lima office professionals and to the Firm's contribution, it was possible to raise 3,500 soles to buy nonperishable foods and personal hygiene products needed by the country's distribution centers to try and help the many families affected, and that were delivered by a group of volunteers at the COEN (National Emergency Operations Center), the organization tasked with centralizing the official relief campaign at the national level.



Run for a Cause Race, Spain

## *Volunteering with Lar das Mãezinhas, Brazil*

Management Solutions' Social Action Group organized a campaign to collect food and essential hygiene products for the "Lar das Mãezinhas" home, an institution that seeks to provide protection, comprehensive care and reinsertion opportunities for older women without resources in São Paulo.

Later, our volunteers themselves delivered the goods at the Home in order to see the center and meet the 33 women between the ages of 63 and 96 who live there, sharing with them an afternoon that was full of affection.

## *London Winter Run, UK*

A group of Management Solutions professionals met to complete the 10 km run past some of London's most iconic landmarks organized by Cancer Research UK.



organized by J.P. Morgan in thirteen cities across seven different countries to promote values such as team work, a healthy lifestyle and commitment to the environment.

In the case of London, with 28.000 runners from 733 companies participating, the race also served to raise funds for Cancer Research UK, an organization that Works to save lives through cancer prevention, early detection and development of new and kinder treatments.

Likewise, the race held in Frankfurt gathered close to 60.000 runners from different companies and served to raise funds for a local organization that supports young disabled athletes.

The race was part of the "Winter Run Series", a number of events held in different cities across the UK in order to raise funds to support Cancer Research UK in their fight against this illness.

#### *VI Run for a Cause Race, Spain*

A group of Management Solutions professionals took part in the sixth edition of the "Run for a cause", run in Madrid, an initiative organized in different cities across Spain by Fundación Entreculturas, (a non-profit Jesuit NGO that focuses on education as an instrument for development, transformation, and dialogue between different cultures) with the aim of raising funds that will go to help 945 children and young people in Maban (Southern Sudan) to access education, as well as to train 50 teachers on teaching methods, English and computing .

The run took place at the Casa de Campo in Madrid and offered a 5 or a 10 km route in which Management Solutions

professionals performed outstandingly well, with one team member coming in first in the 10 km.

#### *II Bilbao Let's Run, Spain*

A group of Management Solutions professionals took part in the second edition the non-competitive charity race "Bilbao Let's Run", jointly organized by three NGOs from the Biscay province (Aspanovas – Biscay Association of Parents of Children with Cancer, Adembi – Biscay Multiple Sclerosis Association, and Asparbi – Biscay Parkinson's Association), whose mission is to improve the quality of life of the people and their families suffering from these illnesses. The objective of the run was to raise funds for their charity projects.

#### *J.P. Morgan Corporate Challenge, UK and Germany*

Management Solutions professionals took part in the "J.P. Morgan Corporate Challenge" runs held in London and Frankfurt, two 5.6 km races that formed part of an initiative





# Social Action

## *IV On the move against Cancer Race, Spain*

Over 100 Management Solutions professionals participated, for the fourth year running, in the IV "On the move against Cancer" run organized by Asociación Española Contra el Cáncer (AECC) with the aim of raising funds towards research.

The run, held over three distances (2, 4 and 10 km) around the center of Madrid, was completed by 15,000 runners.

## *VII Down Race Madrid, Spain*

A group of Management Solutions professionals participated in a race organized by Down Madrid which had Management Solutions as a sponsor with the aim of raising funds for leisure and sports projects for people with Down syndrome and other intellectual disabilities, who are supported by the foundation.

Under the motto "On your own", over 4,000 runners took place at the race held in the Juan Carlos I park in Madrid, that gave participants the option of completing a 2.5km, 5 km or a 10 km run. After the race, Management Solutions, along with other sponsors, received recognition from Down Madrid for its collaboration in this event.

## *VII Entrepreneurs Run, Spain*

More than 100 people represented Management Solutions in the seventh annual "Entrepreneurs Run" organized by Créate Foundation, of which Management Solutions is a founding sponsor. The race saw the participation of over 3,000 people who ran under the motto "Run, Make Way, Venture" with the aim of promoting values, attitudes and skills through innovation in education, since all profits were destined entirely to educational centers in the Madrid region.

The team representing Management Solutions, which was the run's main sponsor, had one of the most remarkable performances, competing at a good level in both distances (5 and 10 km), with one of our professionals coming in first in the 5 km senior female category and another one achieving fourth place in the 5 km senior male category.

## *Bogotá's Green Race 2017, Colombia*

A group of Management Solutions professionals met at the Simón Bolívar Park in Bogota for the second time to participate in the "Green Race" initiative organized by Natura Foundation (a civil society organization dedicated to the preservation, use and management of biodiversity to generate social, economic and environmental benefits, together with Fundación Grupo Argos) an organization focused on the preservation, restoration, sustainable use and protection of biodiversity as part of a wider environmental conservation purpose.



Under the slogan "Your footprint is life", the race aimed to renew local woods, as three native trees will be planted for each runner registered in the race, and to raise awareness of the need to restore local forests and respect the environment.

Thanks to the participation of over 12,000 runners in the Bogota and Medellin races combined, it will be possible to plant close to 40,000 native trees that will grow in Fundación Natura reserves.

#### *Rumpshaker 5K race, United States*

A group of Management Solutions professionals participated in the ninth annual "Rumpshaker 5k race" organized in Birmingham to raise awareness about colon cancer and to raise funds to combat it and treat it, as well as to support the people who have overcome the illness and are still fighting against it.

The race, which covered 5 km through the center of Birmingham, Alabama, had over 600 participating runners on

this occasion. The Management Solutions team finished sixth in the team classification, with one of the Firm's professionals finishing first in the under 25 female category.

#### *Somerville Homeless Coalition 5K Road Race, United States*

Management Solutions participated for the fourth consecutive year in the annual "Somerville Homeless Coalition 5K Road Race", organized through the streets of Somerville (Massachusetts) with the aim of raising funds to collaborate with homeless people in that town.

Somerville Homeless Coalition is an innovative non-profit organization which has the mission to provide homeless and near homeless persons and families with individualized supportive services and tailored housing solutions with the goal of obtaining and maintaining affordable housing.

#### *V Montepio Race, Portugal*

Under the motto "We run for each other", a group of Management Solutions professionals took part in the fifth "Montepio charity race" in Lisbon.

Thanks to the participation of the athletes that ran across the streets of Lisbon under either the 5 km or the 10 km category, it was possible to raise over 43,000 euros that went entirely to project Quinta das Camélias - Residências Assistidas de ADFA (Associação dos Deficientes das Forças Armadas).

#### *UNICEF Race, Colombia*

A group of Management Solutions professionals participated at the "2017 UNICEF 10K race" in Bogotá, an annual initiative organized by the United Nations International Children's Emergency Fund (UNICEF) to improve the lives of children and adolescents in vulnerable areas of Colombia and safeguard their rights.

On this occasion, more than 6,000 participants gathered at Bogota's Parque Simón Bolívar in support of UNICEF's education, health and drinking water programs in the Chocó.

#### *VI Heroes of the Road Race, Mexico*

44 Management Solutions professionals participated in the solidarity race "Run for you, walk with me. Heroes of the road", organized jointly by the Mexican Confederation of Organizations for People with Intellectual Disabilities (CONFE), the Civil Association for People with Special Needs and/or Disabilities (KADIMA) and Fundación Banorte, aimed to raise funds to support people with disabilities and to raise social awareness about this group of people as well as the need to work together towards an inclusive Mexico.

The runners representing the Firm performed outstandingly well, especially one of the professionals in the team, who was the winner in the 10 km race.



VI Héroes del Camino Race, Mexico

# Environment

*We are particularly sensitive to any environmental impact that may be caused by our activity*



While our activity has very limited environmental impact (environmental aspects of office-based activities), this is a matter of special concern for our Firm. The environmental management model adopted by Management Solutions is based not only on ensuring continuous compliance with all relevant regulatory requirements regarding the environment, but on exceeding requirements wherever possible.

Under this approach, the Firm seeks to implement best environmental practices in its internal operations to help slow down consumption and minimize waste. Also, Management Solutions is committed to raising awareness and involving its employees in environmental matters, according to their level of responsibility, and to providing the necessary knowledge to enable implementation of good environmental practices.

In 2013, Management Solutions prepared an Environmental Good Practice Guide, providing all its professionals with a basic understanding of environmental management, as well as establishing a set of practical, useful and educational recommendations aimed at changing or improving common behavior within the office and decreasing the environmental impact caused by office activity in general and by each individual worker in particular.

Thus, the actions prescribed in the Environmental Good Practices Guide have as their primary goal to:

- ▶ Improve energy efficiency and optimize the use of natural resources: water, energy, raw materials, etc.
- ▶ Preserve natural resources.



- ▶ Reduce production of pollutants: gas emissions into the atmosphere, soil and groundwater contamination, etc.
- ▶ Minimize and properly manage waste, cutting back waste generation and encouraging re-use and recycling.
- ▶ Raise awareness to educate and inform others of the need to protect our environment.
- ▶ Contribute to a sustainable development model, where the actual use of resources does not compromise the social and environmental development of future generations.

The measures explained below are supplemented by the Firm's participation in the Spanish Energy Club (ENERCLUB), an important platform for dialogue and a meeting point for companies and professionals in the energy industry with the goal of promoting sustainable development and environmental preservation.

### **Reduced resource consumption**

#### *Paper*

Because of our activity, paper consumption is without any doubt one of the Firm's most significant environmental impacts. However, increasing awareness on the part of all professionals makes it possible to achieve reduced consumption levels.

In 2017, the use of paper sheets per person decreased by 5%. This reduction was achieved through initiatives such as setting defaults on printers to double-sided mode, and through growing awareness among professionals of the need to use information in electronic form (such as training courses, available online through the Intranet and our online training platform).

#### *Energy*

The sound management of electricity in our daily activities is a key factor in reducing the Firm's energy impact. Therefore, Management Solutions not only relies on the awareness of all professionals, but pays particular attention to the location of its offices.

For this reason, all buildings housing Management Solutions offices integrate various energy saving systems, such as thermostats, advanced insulation systems, movement sensors, energy saving lights, automatic opening and closing faucets, etc.

To these measures we must add the energy saving systems of printers and computers. Our headquarters in Madrid were issued the Aenor Environmental Management certificate, which is a testament to our commitment to the environment and good environmental practices. In 2018 we intend to continue to reduce our use of these resources by encouraging responsible use by our professionals in addition to other measures.

### **Waste management**

#### *Fluorescent lights and toner cartridges*

Fluorescent lights common to all offices and toner cartridges for printers, once depleted, are deposited in special purpose containers in the buildings housing our offices, or are returned to the supplier for proper reuse or recycling. In 2017, toner consumption was reduced by 10%.

#### *Paper and packaging*

Paper and packaging subject to be recycled are separated appropriately so they can be recycled by the building

management companies. In addition, our Madrid, Bilbao and Barcelona offices have special containers for placing confidential documents that must be destroyed. An external company is responsible for collecting these containers on a weekly basis as well as destroying and recycling these documents. During 2017, the amount of recycled paper increased by 10% over the previous year (representing more than ten tons of recycled paper).

#### *Computers and cell phones*

As explained in the section on Social Action, the Firm's global policy on computer equipment and mobile phones involves donating devices that are still in good working order to various NGOs. Equipment in a poorer condition is sold for parts to be reused, or if the model is no longer current, it is sent to a company for recycling.

If you would like to express an opinion or doubt or make a suggestion about the information in this document, please contact:

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