Corporate Social Responsibility and Sustainability Report 2017-2018
1. REAL MADRID C. F.

1.1 INSTITUTIONAL PROFILE

Real Madrid Football Club is a sporting entity whose objective and purpose is primarily that of dedicating its activity and assets to the promotion of football in all its different categories and age groups and, generally, the practice of all the sports specified by its governing bodies. Likewise, as a complementary activity, it may promote the development of the physical, moral and intellectual culture of its affiliates by facilitating social relations and a spirit of unity amongst them.

Real Madrid Football Club, which was founded in March 1902 and whose first foundation charter is dated 18 April of the same year, has full legal capacity in accordance with the legislation currently in effect and is registered with the Spanish Football Federation, as well as with those federations required for the different sports in which the club competes throughout any given season.

1.1.1 MISSION

To be an open and multicultural club that is both appreciated and respected throughout the world both for its sporting successes and for the values it disseminates which, based on the search for excellence both on and off the field of play, contribute towards fulfilling the expectations of its members and followers.

1.1.2 VISION

A leading football and basketball club which, by way of its sporting triumphs, fulfills the hopes and expectations of all of its followers in Spain and abroad, sustains its significant historical legacy, manages its assets rigorously and transparently to the benefit of its members and acts in accordance with social responsibility and good corporate governance criteria.

1.1.3 VALUES

WILL TO WIN
Real Madrid’s main objective is to strive, to the best of its abilities, to win all of the competitions it enters while showing its commitment, its belief in hard work and its loyalty to its supporters at all times.

SPORTSMANSHIP
Real Madrid is a worthy and fair opponent on the field of play, upon which it competes with goodwill and respect towards all rival teams and their respective supporters. Away from the field of play it is Real Madrid’s overriding desire to maintain relations with other clubs based on fraternity and solidarity and to collaborate with them and with the Spanish and international sports authorities on an on-going basis.

EXCELLENCE AND QUALITY
Real Madrid aspires to have on its teams the best Spanish and international players, instilling in them their commitment to the club’s values, and to honour the support of their fans with a sporting endeavour based on criteria of quality, discipline and spirit of sacrifice. With respect to the management of its activities, the club adheres to the principles of good governance and transparency and strives for excellence at all times.

TEAM PHILOSOPHY
All those who form part of Real Madrid, be they sportspeople or other professionals, make a commitment to working as part of a team and to give the best they have to offer for the good of the whole without putting their personal or professional aspirations first.

TRAINING
Real Madrid constantly devotes a great deal of effort to discovering and instilling new sporting values. This involves channelling the necessary attention and resources into the youth teams of all its sporting disciplines and nurturing not only the sporting development of its youth players, but also their social, ethical and civic education.

SOCIAL RESPONSIBILITY
Real Madrid is aware of the high social repercussion of its activities. It therefore dedicates all the resources within its power to complying with the very highest standards of good corporate governance and the promotion of the best sporting values, to strengthening its relations with its members, former players, fan clubs and supporters, and to the development and implementation of solidarity projects in favour of the needy both within Spain and beyond its borders.

ECONOMIC RESPONSIBILITY
Real Madrid is aware that it manages tangible and intangible assets of exceptional value and importance, and it is for this reason that it pledges to administer them responsibly, transparently, efficiently and honestly in benefit of its members.
1.1.4 REAL MADRID FOUNDATION

The Real Madrid Foundation is the organisation through which we channel our social actions in the context of Real Madrid’s corporate social responsibility. It runs social-sport projects in the areas of education, social integration and cooperation. Every year, Real Madrid makes a donation to the Foundation, to enable it to carry out its activities and develop its projects throughout the world.

The Foundation’s primary purpose is to foster the positive values of team sports both in Spain and abroad, and to promote it as a vehicle for delivering social initiatives to help the all-round development of the people taking part in them, as well as to strengthen social integration to help lift people out of social exclusion. The Real Madrid Foundation likewise promotes and publicises a wide range of socio-cultural aspects associated with sport that contribute to society’s wellbeing.

In addition to the donation it receives from Real Madrid C.F., the Real Madrid Foundation also receives funds from a number of Public Administration Bodies as well as the generous support, in the form of patronage and sponsorships, it receives from notable Spanish and international companies and, above all, from the individual contributions of thousands of Real Madrid supporters who, in this way, wish to express and strengthen their ties with the club.

The Foundation’s programmes of activities are spread across six broad areas of action, such as the education in values through the practice of sport; promoting weekly sports exercise as a vehicle for personal and social improvement; working on projects combining the meeting of basic needs with values-based sports practice; international cooperation, team-sports related institutional and cultural activities and the management of the Historical Heritage Centre.

The Foundation is audited annually and presents the results of the audit to its Board and to the Foundations Supervisory Board of the Ministry for Education and Sport, and they are also published in the Foundation’s Annual Report.

1.1.5 REAL MADRID GRADUATE SCHOOL

Following a period of in-depth internal reflection regarding the way in which the world of sports was developing, the club decided to extend its experience and knowledge to the higher education sector, and with this purpose in mind, in 2005 Real Madrid Football Club reached an agreement with the European University of Madrid to set up the Real Madrid Graduate School. The School offers, both here in Spain and overseas, higher education courses designed to provide students with specialist sports management training of the highest quality, not only with respect to sporting facilities and equipment, but also to the training and practice of the sport or the conversion thereof into a spectator event, and including every aspect related with communication, health and leisure, and all with official university qualifications. This makes Real Madrid the first club of its kind anywhere in the world to be involved in the creation of a graduate school for transmitting the legacy of knowledge accumulated over its 116 years of history to future generations of sports managers.
1.2 SUSTAINABILITY AT REAL MADRID

Founded in 1902, the Real Madrid Football Club is an institution with over one hundred years of history. Its corporate purpose and the unering will of its membership endow it with a permanent and perpetual character. It is for this reason that sustainability with respect to all of its decision-taking processes is considered with a view to the long-term future. This sustainability manifests itself in the strict compliance with the principles of good governance and transparency, in a responsible economic management process that enables the indefinite continuity of its activities, in minimising the environmental impact thereof and in maximising the contribution made by the club to society in economic terms and as regards employment, sports development and community activities.

Real Madrid today, is the accumulated legacy of previous generations of members, players, coaches, staff and followers who have bequeathed to us this world-class club we have inherited from them. For Real Madrid, sustainability implies accepting this inheritance, along with a pledge to manage it well for the future generations of Real Madrid members and supporters, to ensure that our present results do not jeopardise, but rather assure future ones, and that the management of every one of our resources we are undertaking today does not put at risk the enjoyment of them that the future generations who will succeed us are entitled.

Based on widely accepted definitions of the term, Real Madrid considers sustainability to be the management of the impacts its business generates on the groups with whom it frequently interacts. This impact management aims to achieve sustainable relationships based on mutual benefit and continually striving to generate synergies and balance founded on respect for the legitimate interests of all parties. With this in mind, Real Madrid has defined all the groups it considers as its stakeholders and with whom it undertakes to seek long-term commitments, which will be explained later on in this report.

1.3 REAL MADRID CORPORATE GOVERNANCE AND TRANSPARENCY POLICY

1.3.1 CORPORATE STRUCTURE

Real Madrid Football Club is a non-profit private sports entity formed by its members in order to promote and practice the sports established in its Articles of Association.

1.3.2 CLUB ADMINISTRATION

The management and representation of the entity corresponds to the General Assembly, the President and the Board of Directors. These three bodies are democratically elected by the members, whose wishes are represented in the way that the club is administered. The principles of accountability and transparency are systematically applied in all the areas of the club in accordance with the standards of good governance.

Good corporate governance manifests itself in the administration of the club by way of cross-cutting policies and procedures that ensure the control of key decisions such as appointments, remunerations, purchases and investments.

As far as all critical processes are concerned, the procedures to be followed have been defined in such a way that their implementation is fully verifiable, traceable and auditable. The application of good corporate governance principles ensures that key decisions are endorsed and are firstly subjected to the scrutiny of the director of the corresponding area, secondly to the validation of the operational management structure that acts across the entire organisation (Human Resources, Legal Services, Procurement, Expenditure Control, etc.), and thirdly to the approval of committees formed by senior club executives and members of the Board of Directors. An Executive Committee, a Procurement Committee and a Financial Committee have been set up, who meet periodically to make decisions regarding appointments, transfers, terminations, staff salaries, purchases of goods and services, investments and budget tracking and measures to minimise risks.

Likewise, the Board of Directors monitors the reports from the Procurement Committee and the Economic Committee, draws up the action plans and implements the operating decisions in order to meet the established objectives. It also supervises and heads up the administration and management of the club in the broadest sense of the word. Finally, the correct implementation of all the processes is supervised by the Department of Compliance and Internal Auditing. All these steps ensure that the correct decisions are taken, that these concur with the strategy and do not exceed the approved budget.

Mandatory and auditable procedures exist with the same objective as regards the approval of invoices received, the settlement of expenses and attentions to protocol so as to prevent abuses from occurring in sensitive areas.

This exhaustive operational control is not limited to expenditure. The follow-up of the collection of invoices issued is also systematised in order to keep arrears and non-payments under strict control in all of the club’s revenue areas, with this being initially supervised by administration and, ultimately, by the Economic Committee.
1.3.3 THE CLUB’S TRANSPARENCY POLICY

Real Madrid fully assumes its obligations of accountability, publication of relevant data and disclosure of its corporate activities. In this regard, over recent years, it has gradually introduced an integrated Transparency Policy, culminating in the website http://www.realmadrid.com/sobre-el-real-madrid/el/club/transparencia. The website publishes considerable institutional, financial, organisational and contract-related data as required under Spanish and international regulations, such as the Law 19/2013 on Transparency, public information and good governance, and the Transparency International INFUT indicators. The transparency policy forms part of a broader range of corporate responsibility obligations and good governance. It is accompanied by the Code of Ethics and monitoring programmes to ensure compliance, as well as quality assurance systems and stakeholder participation.

1.3.4 MEMBERS’ RIGHTS

All members have the right to enjoy the club’s activities in accordance with the rules established for doing so, and to choose not only the bodies that represent and govern the club, but also the most senior bodies which monitor and control the corporate governance of Real Madrid in a democratic manner.

1.3.5 GENERAL ASSEMBLY

The General Assembly is the most senior of the club’s governance bodies and its duties include the approval and ratification or the censure of the President and of the Board of Directors.

The General Assembly consists of all the members who are eligible to vote in accordance with the system of democratic representation established in the club’s bylaws.

The General Assembly examines and, where appropriate, approves the Annual Report, Balance Sheet and Profit and Loss Account of each financial year, as well as the following year’s budget.

The General Assembly is the top institutional body which systematically applies the principle of accountability and guarantees good governance for how Real Madrid is managed.

Other exclusive powers of the General Assembly include the amendment of articles of association, taking the most important economic decisions, passing a motion of no confidence in the President or in the Board of Directors, and the calling of a referendum among the members in order to decide upon matters of extreme importance. All the foregoing endows the General Assembly with an extremely wide range of powers, all of which go towards guaranteeing the sound corporate governance of the club.

The General Assembly remains in office for a period of four years as of its announcement, and its members can put themselves forward for re-election, either as a single unit or separately as parts of other candidacies.

1.3.6 ELECTION OF THE PRESIDENT AND BOARD OF DIRECTORS

The Board of Directors is the body directly responsible for the administration, governance, management and representation of the club. The Board of Directors oversees the actions of the club’s executive managers and in turn reports its findings to the General Assembly, thereby ensuring the principles of good corporate governance are applied to the management of Real Madrid at all times.

The President and the Board of Directors are democratically voted in as a result of the corresponding elections for which those members who are in compliance with that established in the articles of association put themselves forward as candidates.

Elections to choose a new President and Board of Directors are called under the following circumstances:

a. On the expiry of the mandate of the previous president and Board of Directors.
b. At the decision of the President or of the Board of Directors.
c. When so agreed by the General Assembly following the resignation or disqualification of the Board of Directors, or whenever the number of Board members falls below a total of five due to resignations, abandonments, deaths or physical incapacity.
d. Due to a vote of no confidence approved in accordance with the provisions of the articles of association, and through the control procedures exercised by the General Assembly to ensure the good governance practices of the club.

The Board of Directors remains in office for a period of four years as of its announcement, and its members can put themselves forward for re-election, either as a single unit or separately as parts of other candidacies. The Board of Directors is endowed with the widest range of powers with which to govern, administrate and represent the entity as the maximum body for expressing the will of its members, with the only limit upon these being those matters that can only be decided upon by the General Assembly.
1.3.7 SYSTEMS OF CONTROL

As mentioned above, Real Madrid is a transparent institution that is committed to the principles of good corporate governance and, above all, with the principle of accountability being systematically applied at all levels of club management. The control activity is the result of the workings of the club coming under constant scrutiny by its internal executive bodies, by all of its members, by the authorities, and even by public opinion via the communication media. The internal executive body is the Internal Control and Auditing Board, reporting to the President and the Board of Directors. It defines and audits the control procedures and systems that are required to ensure a maximum degree of institutional diligence. The membership exercises control via the Delegate Members’ Meeting and the Board of Directors. The sports authorities (national and international federations, national leagues and the (Spanish) National Sports Council) also permanently supervise the club’s activities, which are also under the constant scrutiny of the different communication media, further proof of the club’s transparency with respect to the management of all its activities.

As a whole, the control systems implemented by Real Madrid ensure that the way in which it is run is permanently adapted to the principles of good governance and transparency to which the club unreservedly adheres. The control, the degree of consultation with respect to decision taking and the policy of accountability are rigorously applied to prevent the taking of arbitrary decisions and ensure that nobody can take decisions that compromise the good name and administration of the Club.

Since the 2013/2014 season, in a notable step forward in this matter, the Real Madrid Organisation and Management Model was introduced to prevent offences, which the club named the Criminal Risk Management System (Sistema de Gestión de Riesgos Penales – SGRP). This document addresses the current situation regarding the prevention of risk arising from organisational liabilities. The Organisation and Management Model describes the club’s existing control protocols, the delegation of authority, the sanctions system and the supervisory bodies. This way, it is made clear to the entire organisation, the way in which decisions are made and powers and responsibilities are assigned in accordance with internal approval procedures, the way in which the correct application of these procedures will be supervised and monitored, and finally, the sanctions system to be applied to respond to any unlawful behaviour or failure to comply with the regulations established by the club. The Organisation and Management Model describes the club’s existing control systems, and defines the functions of the bodies involved in matters of internal control. Delegate Members Assembly, Board of Directors, Membership Disciplinary Commission, Ethics Committee, Executive Committee, Financial Committee, Procurement Committee and Internal Control and Auditing Board.

The club has likewise established an SGRP policy, the purpose of which is to lay down the procedures for identifying and managing risks to prevent crimes being committed that could affect the club. An executive summary of the policy is published on the Transparency portal in the Compliance and Good Governance section.

Another key aspect in relation to the Systems of Control is the introduction of the Transparency Policy, which aims to go beyond the legal requirements established by the Law 19/2013 on transparency, by publishing all the data and indicators required by the INFUT International Transparency Index, on which Real Madrid has obtained a Transparency rating of 95.8 out of 100 in the last audit conducted. This enables and activates an on-going corporate control based on the permanent and updated publication of the club’s relevant information, increasing its own level of demands and promoting the excellence of its control systems.

The Board of Directors as the body responsible for establishing the control policy has appointed a person responsible enforcing compliance with the regulations, a compliance officer. This person will have ultimate responsibility in the organisation for oversight and control to prevent unlawful behaviour and to ensure compliance with the regulations.

In a further step towards monitoring compliance with the regulations, and as a clear sign of Real Madrid’s commitment to ensuring the crime prevention model is properly installed, the club has obtained accreditation from the Spanish standards agency AENOR, certifying full compliance with all requirements. This makes Real Madrid one of the first membership organisations in Spain to obtain it, and it is confirmation of its on-going pledge to stay at the forefront in adopting the best practices of good governance and transparency. It has become a forerunner in the introduction of criminal risk management in the sports industry.

One crucial area in the crime prevention model is that of cybersecurity. This season, a Cybersecurity Committee has been set up, comprising representatives from the legal, technology, human resources and control departments, invested with responsibility for detecting and blocking unauthorised actions and for development of specific regulations relating to technological risks.

With regard to the protection of third party data held by the club, over the last season the Data Protection Office (formerly the Office for Compliance with the Data Protection Law), has finalised the process of adopting the new European Data Protection Regulation, of installing new consent management systems, contingency plans, in-house training and the appointment of a data protection officer with powers defined as per European legislation.
2. REAL MADRID CORPORATE 
SOCIAL RESPONSIBILITY

2.1 STAKEHOLDERS SERVED 
BY REAL MADRID

2.1.1 MEMBERS

The Members of Real Madrid Football Club are individuals who, upon meeting the regulations approved by the General Assembly, join the entity and are bestowed with the rights and obligations contained in the statutes. The members are the owners of the club and, as such, it’s most important stakeholders.

2.1.2 PLAYERS AND REFEREES

Real Madrid's corporate purpose is to promote sport. Therefore, all the players and referees are a group of great importance to the club.

2.1.3 EMPLOYEES

Real Madrid not only depends on its players in order to pursue its business, but also on the rest of the staff who provide their services to the club.

2.1.4 SPORTS AND PUBLIC ADMINISTRATIONS

Our sporting activity entails a continuous relationship with sporting administrations; national and international federations, the professional leagues in which we participate and the National Sports Council. Our economic activity also entails a continuous relationship with Public Administrations at all levels: National (Inland Revenue, Social Security), regional (Region of Madrid) and municipal (Madrid City Council).

2.1.5 OTHER CLUBS

Real Madrid’s sporting activity inevitably entails participation in local, national and international competitions. The other clubs we compete with are another of our priority interest groups with whom we aim to establish and fulfil firm commitments.

2.1.6 CUSTOMERS

Our activity requires economic income that originates from our clients. Our clients are both companies and individuals. These companies include television channels, sponsors, licensees, and lessees that rent boxes and facilities for all kinds of events. The club’s individual clients are those that purchase a ticket for any of the sporting events that we organise, a ticket to visit our facilities and exhibitions or buy the products with our brand.

2.1.7 SUPPORTERS

The fans are those that support our teams in the various competitions in which we participate. Real Madrid is a club that is open to everyone. Among the fans, of particular interest for Real Madrid are the Fan Clubs and other followers who have a direct relationship with the club through the Madridistas Loyalty Programme.

2.1.8 SUPPLIERS

Suppliers are also a group of strategic interest in our value chain, as essential partners in order to offer goods and services that comply with set parameters and assist in achieving the club’s overall objectives.

Procurement management and service contracting are regulated by internal rules, control systems and procedures in order to achieve the best possible supply option, optimizing the investment made.

2.1.9 SOCIETY

We also feel a great responsibility that we look to articulate in the form of commitments made with society at large. Real Madrid is the institution it is because of the community it belongs to, which offers it considerable support. In response, Real Madrid commits itself to helping the needy and assisting community projects in which its values and sporting experience may be useful.

Real Madrid is also committed to training new generations of sports managers that will contribute to improving their communities’ health, recreation and economies.

Our present and future vocation leads us to work with youngsters and commit ourselves to their future. We are therefore careful that our impact on the environment does not compromise its enjoyment by future generations.

2.1.10 MEDIA

The club is aware of the interest it attracts from society and public opinion. The club is aware that social media fulfils an essential role and is committed to it as a relevant stakeholder.
2.2.1 MEMBERS
Real Madrid promises its members that it will maintain and foster the club’s values, fulfill the strictest standards of good corporate governance and transparency, encourage members’ participation through the means established in the statutes and, above all, strive constantly for sporting achievements. The club commits to maintaining healthy finances with on-going supervision in a transparent process of auditing systems and controls under the general principle of continuous and systematic accountability.

2.2.2 PLAYERS
Real Madrid promises athletes and referees that it will embrace the sporting values of fair play, respect and competition. The club maintains the on-going commitment with its players of all levels to develop the academy, foster athletes’ physical well-being, adhere strictly to their contracts, maintain competitiveness in order to aspire to the highest sporting achievements, offer the athletes good facilities, excellent coaching professionals and visibility through media presence. These commitments extend to those who have left professional competitive sport at the club and belong to its Veterans Association.

2.2.3 EMPLOYEES
Real Madrid aspires to be an excellent place to work, offering its workers permanent paid employment at market conditions, adherence to the strictest principles of equality and the promotion of diversity, opportunities to reconcile their professional and personal lives, training opportunities and emphasis on work health and safety.

2.2.4 SPORTS AND PUBLIC ADMINISTRATIONS
Real Madrid promises sporting administrations that it will adhere strictly to the principles of fair play, institutional cooperation, respect for authority and participation in all sports organisation authorities. With regards to public administrations, Real Madrid’s commitment is to fulfill its fiscal, social, good corporate governance and transparency and environmental obligations, working closely with authorities on community projects and especially with respect to order and security at the sporting events it organises.

2.2.5 OTHER CLUBS
As a sports competitor, Real Madrid upholds fair play, competitive spirit and respect in all its performances, and participates in common initiatives and projects for good causes.

2.2.6 CUSTOMERS
Real Madrid promises its clients that it will maintain and promote high standards in quality and innovation, promote customer satisfaction and maintain professional processes of claims management and the assessment on on-going improvement of its services.

2.2.7 SUPPORTERS
Real Madrid promises all sports fans that it adheres fully to the principles of competition based on fair play, always making the best effort to promote sporting values, information transparency, respect and maximum safety in the events it organises. Real Madrid maintains a closer relationship with those fans signed up to the Madridista programme, offering them first-hand information, advantages in purchasing the club’s products and services as well as various promotions with recreation companies Real Madrid has agreements with. The club also commits to maintaining a close relationship with the Real Madrid fans clubs set up around the world, in their shared objective of defending the Real Madrid colours and supporting the entity.

2.2.8 SUPPLIERS
Real Madrid C.F. is firmly committed to implementing responsible purchasing policies requiring suppliers to be bound by the applicable standards pertaining to human rights, ethics and environmental protection.

The policy overseeing supplier selection and the assigning of orders and contracts is based on the principles of professional ethics, advertising and competition and is carried out in a transparent, fair and responsible manner under the supervision of the Procurement Committee. Collaborative relationships are established with suppliers, avoiding payment conditions that put their solvency at risk. Communication channels are set up that favour transparent commercial relations and the understanding of mutual needs. The purpose of this procurement policy is to comply with the club’s objectives, in accordance with established rules and procedures.

Furthermore, purchasing from local suppliers is encouraged as far as is possible, fostering the creation of wealth in the surroundings.

2.2.9 SOCIETY
Real Madrid effects its social commitment through the activity undertaken by the Real Madrid Foundation, especially in the creation and management of integration academies and sporting academies, as well as its support of charity initiatives, dedicated in particular to children, active and veteran athletes, and disadvantaged groups. The Real Madrid Graduate School is another vehicle of social action through its work training future sports managers.

Real Madrid is also committed to giving its best efforts on environmental issues in order to achieve resources by recycling materials and waste, using energy efficiently and saving water, as well as applying ecological and sustainable principles to the care of lawns and garden areas.

The club gives an account of its compliance, amongst other means, via its Transparency Portal which, in addition to a great deal of other information, reports on its ethical commitments and values and how they are managed.

2.2.10 MEDIA
Real Madrid responsibly undertakes a relationship of collaboration based on the professionalism and reporting transparency with the social Media, notwithstanding its compliance with data and information protection regulations and the recognition of the important work carried out by media organisations.
3. FULFILMENT OF COMMITMENTS IN 2017-18

3.1 MEMBERS

The membership of Real Madrid is made up of a total 93,606 members, of whom 64,642 are adults, 21,189 junior members and 7,775 are persons aged more than 65 or with more than 50 years of membership. Of these members 73,924 are men and 19,682 are women.

The number of football season ticket holders is 61,387, all of whom are members, and the number of basketball season ticket holders is 7,428, of whom 3,803 are members, 1,955 are Madridista card holders and 1,670 are from the general public.

The delegate members are those that make up the General Assembly, which is the supreme governing body of the club. This currently comprises 2,085 members, among them the Board of Directors, honorary members and the first hundred members of the club.

The Membership Disciplinary Commission is elected by the General Assembly of Members, in response to proposals by the Board and is in charge of studying and qualifying any acts committed by club members or attitudes adopted by them that are reported and referred to it for consideration. The commission meets twice a week to study and decide on matters inherent to its functions. During the 2017-18 season, 1,799 disciplinary proceedings were initiated and a total of 2,569 cases ratified. In the 2017/18 season, the Board of Directors approved the new Real Madrid C.F. Membership Disciplinary Regulation, which came into force on 7 December 2017 and is available to members in the Members Area - Membership Disciplinary Commission - New Membership Disciplinary Regulation on the club’s website www.realmadrid.com temporary assignment of season passes to the club for one season, thereby not having to pay for the pass during said period and only the membership fee.

Members with season passes are allowed to make their season passes fully available to the club for duly justified reasons:

- Financial difficulties.
- Health reasons.
- Change of residence for work reasons.
- Change of residence for study reasons.

In the 2017-18 season, 1,631 members made use of the system.

3.1.1 INSTITUTIONAL ACTS WITH MEMBERS

ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF DELEGATE MEMBERS:

The Ordinary General Assembly was held on 1 October 2017, when the following items were approved:

- The Budget, Annual Report, Balance Sheet and Profit and Loss Accounts for Real Madrid C.F., as well as the Annual Consolidated Accounts with companies in which the club has a holding, all the above corresponding to 2016/2017 Financial Year.
- Consolidated budget of Revenue and Expenses and the Activities Report for the Year 2017-18.
- Taxable base of membership fees for the 2018/2019 season.

AWARDING OF INSIGNIAS

On 3 December 2017, the ceremony was held during which insignias were awarded to everyone who has been a member of the club for 25, 50 and 60 years. A total 2,098 insignias were awarded, of which 101 were gold and diamond, 489 gold and 1,508 silver.

The President of the club, Florentino Pérez, presided over the event, together with the Honorary President, Francisco Gento López and representatives of the Board of Directors, all accompanied by the club’s living legends.

TEMPORARY ASSIGNMENT OF SEASON PASSES TO THE CLUB

The Real Madrid Board introduced a system in which members are entitled to apply for

FINANCING OF MEMBERSHIP FEES AND SEASON PASSES

Thanks to an agreement with Caixabank - Consumer Finance, our season ticket holders can request financing over 3, 6 or 10 months, interest-free.

In the 2017-2018 season, 5,757 members financed their fees.
3.1.2 ACTIVITIES RELATING TO CORPORATE GOVERNANCE AND TRANSPARENCY

Real Madrid is firmly committed to the highest and most demanding standards of corporate governance and transparency. The Board of Directors is the highest supervisory authority with regard to these policies and is directly responsible for the administration, governance, management and representation of the club. The Board of Directors held five meetings during the 2017-18 season.

Within the framework of the corporate governance and to allow the Board of Directors to carry out its functions, the Club has formed Executive, Procurement and Financial Committees on which members of the board and club executives sit.

The Executive Committee holds several monthly meetings, depending on the matters to be discussed, and its chief role is to make decisions concerning the implementation of the policies defined by the Board of Directors.

The Financial Committee held six meetings over the season. Its purpose is to monitor progress over the financial year, introduce corrective measures, review partial closures of accounts and update year-on-year forecasts of compliance with the club’s annual budget.

The Procurement Committee, which held six meetings this season, is responsible for supervising, and if necessary, approving the purchase of high-value goods and services or of any that, due to their characteristics, are considered to require review at an organisational level.

The oversight function is underpinned by the work of the Internal Audit department, which has produced a Procedures Manual which currently has 54 internal procedures defining how the club should operate in regard to its key internal processes. Compliance with these procedures is ensured by the supervision carried out by Internal Auditing, which every season draws up an audit plan contemplating the work to be performed during the season.

In the 2017/2018 season, a complete review of the Procedure Manual has been conducted to determine whether the existing procedures are adequate or require changes and whether any new procedures need to be added to control processes that require such control.

In addition to the foregoing, Internal Auditing carried out other tasks in the 2017/18 season, such as producing reports required by different club divisions, controlling late payments and taking the relevant actions, proposing new information systems to facilitate the management of the different processes, as well as special reports relating to internal organisation, the code of ethics, etc. It has also actively collaborated with the compliance officer to monitor and continuously supervise the Crime Prevention Model (SGRP) and its certification in the UNE 19.601 Standard.

Compliance with standards of good governance is also evident in all stages of the budget cycle, from its preparation based on guidelines laid down by the Board of Directors and with all the management teams involved in its drafting, through to its approval by the Delegate Members Meeting at the proposal of the Board. It also includes its subsequent follow-up, the detection of any deviation from the budget and its correction, which the management team concerned undertakes to do under the supervision of the Executive and Financial Committees.

As in previous years, the budgeting cycle was once again strictly adhered to during the 2017-18 season. The degree of compliance with the budget, with the logical influence of the sporting successes achieved this season, has been very satisfactory, achieving a healthy profit. The club’s economic objective is to maintain the financial balance and solvency of the club in the long term, in order to address all the obligations deriving from the development and achievement of its sporting objectives, in all cases in strict adherence to the applicable standards. All the above is confirmed by the annual accounts of the club, which show significant growth in turnover and high efficiency, profitability and solvency. These positive financial results form the basis of Real Madrid’s long-term sustainability.

The annual accounts of the club for the 2017-18 season were audited externally by the firm Ernst & Young and its report, with no qualifications, is attached to the club’s Financial Statements for the year. Once approved by the Board, the annual accounts of the club are subjected to scrutiny and final approval by the General Assembly Meeting.

This 2017/2018 season we have continued with the training and awareness-raising in matters of good governance and transparency among our staff. New legislation has continued to increase standards of compliance, particularly in regard to personal data protection, where the club has made a huge effort to adapt to the new European regulation, and to internal communication about the issue, building awareness among our staff to ensure strict compliance.

The training programmes on integrity, good practice and the prevention of fraud in sports competition have been on-going, in partnership with the Professional Football League, as have the...
internal communication and awareness building campaigns among the various staff departments and players at the club. New campaigns this season have included five launches to support the fight against bullying, hate crimes, doping, illegal sports betting and the protection of personal data.

With respect to continuous compliance with the Transparency Act, during the season the club continued to permanently review and update its transparency website to enable accountability in the most sensitive areas of public scrutiny, as determined by the Transparency Act and the strictest international standards. The website provides extensive and detailed economic and financial information, as well as data on contracts, remuneration, ethical commitments and values and management and services, going much further than the legal provisions and requirements.

3.1.3 MEMBER SERVICES AND INFORMATION

Member Services Office
The Office provides an integrated customised attention service and has attended to more than 11,000 visits and more than 10,000 telephone calls; more than 14,000 requests for information and miscellaneous arrangements have been performed and resolved by e-mail. Likewise, more than 4,000 telephone calls were made to delegate members and others in relation to different events, such as the presentation of insignia, signings, etc.

The Members Service Office houses the Delegate Members’ Office, which deals with requests by representative members: information, ticket requests, attendance to institutional events, basketball and Real Madrid Castilla tickets, documentation for the General Assembly, office matters, etc.

Online Members Services Office
The Online Members Services Office enables members to make enquiries and perform transactions without having to visit the club and at any time, with total security and confidentiality.

The Online office has recorded 544,392 visits from members over the 2017/2018 season. They are now able to conveniently carry out any membership related matters through this online platform.

Real Madrid City
All Real Madrid members and fans can visit the Real Madrid City facilities, upon request. In the 2017/2018 season, they were visited by 4,500 people.

Ticket incident office
This service is provided on match days, mainly to assist members who have forgotten or lost their season ticket or had it stolen. Once the member has been duly identified, the ticket assigned to the season ticket is issued. During the 2017/18 season, the incident office assisted 6,800 members.

Member Hotline 91 344 54 45
Exclusive hotline for members. Accessing it requires prior identification with membership number and PIN code. The call to this number may be free of charge since practically all operators do not charge the operation because it is included in their usual tariff. You can also communicate with the club from anywhere in the world, dialling 0034 91 344 54 45, without any restriction on the part of any telephone company. The 902 21 2002 member hotline is also still available.

In the 2017/18 season, 50,388 calls have been answered.

Exclusive e-newsletters for members
Weekly electronic magazine for Real Madrid members, offering the latest news on the club, exclusive videos, ticket sales dates, etc. More than 81,000 members currently receive the newsletter by email, amounting to 2,620,000 emails sent out overall.

Member notifications
As a supplement to the e-newsletter, the Members Department also sends notifications to members by e-mail, the frequency of which depends on the information needs of the club and its members. Over the 2017/2018 season, more than 5,000,000 emails with information of value and interest were sent to the members, thus making communications more agile and efficient.

SMS messages
During the 2017/18 season, the club intensified the sending of SMS messages to mobiles with the latest club news relating to ticket sale dates, assignment of seats and other relevant information. A total of 273,368 SMS messages were sent.

Hala Madrid Magazine
Sent to all members on a quarterly basis, containing the latest club news.
A legendary team. Real Madrid’s history is filled with many outstanding moments, and perhaps only the perspective generated by the passing of the years will bestow on the 2017/2018 season the recognition it deserves. After their victories in Milan and Cardiff, Kiev awaited the arrival of a team who would make history if they were to win their third Champions League title in a row. Since the new European Cup format was introduced in the 1992-1993 season, no team had won the continent’s biggest competition over two consecutive years, until Real Madrid accomplished it, and winning it for the third time running was a feat described by many as virtually impossible. After a difficult group phase, on its way to the final, the team overcame the champions of the French league (PSG), the Italian League (Juventus) and of the Bundesliga (Bayern Munich) in tough elimination rounds. Liverpool was the team’s rival in the final at the Kiev Olympic stadium, where Real Madrid won the Thirteenth European cup by 3-1, including a spectacular overhead goal by Bale. This brought the total to four titles in the last five seasons.

To add to this success, Real Madrid won another three titles. Its first win was against Manchester United in Macedonia, to take its second European Super Cup in a row, the club’s fourth. This was followed by a victory over Barcelona to win the Spanish Super Cup. In a superb two-match elimination round, the Madrid team won at home after beating Barcelona in their own stadium (2-0). The team completed its four victories on being proclaimed world champions for the sixth time after beating the Brazilian team Gremio at the Club World Cup in Abu Dhabi. In the other competition, the Real Madrid was third in the Spanish League and reached the quarter finals in the Copa del Rey.

Six players from the Under-18 A team who made history in the previous season on winning the treble in their category, have now joined the Real Madrid Castilla team. A young and talented team, forming part of its on-going process of training and promoting players, which grew in stature after adapting to a tough Second Division B. This growth was reflected by how dynamically they finished the championship, being unbeaten in the last seven matches, to finish eighth in Group I.

The Under-18 A team fought hard until the final stage of the championship, but could not regain their title in Group V of the Division of Honour, but in the Copa del Rey, they reached their sixth final in a row to finish runners-up in the competition.

In the UEFA Youth League, the team was hoping to play in its fourth Final Four in five season, but missed out when they were beaten in a difficult and evenly balanced elimination match in the quarter-finals against Chelsea.

The Under-18 B and Under-18 C teams were champions in their respective Spanish competitions, and the Under-16 A team won the Champions Cup in their division after beating Atlético Madrid in the final.

Under-16 B and Under-14 A were also champions of their respective leagues, as was the Under-12 A team, who also won the Under-12 Madrid Champions Cup.

The Under-10 A and Under-8 teams were champions in their respective groups in Football 7. A special mention must be made for the Under-10s, who were proclaimed champions of the final phase in their category for the second year running.

During this season, 84 different players have been added to the different lower categories of the club, of which 16 correspond to the Under-8 team.

Through its policy of cooperation with other clubs, Real Madrid continues to promote the development of sport. The club has now signed cooperation agreements signed with up to 39 other clubs.

Now, in its fifth year, the Academy residence at Real Madrid City has housed 82 players, 66 in football and 16 in basketball, who use all the site’s facilities every day.

Forming part of the agreement between the club and Sanitas, as official supplier of healthcare services in the 2017/2018 season, more than 2,300 medical treatments have been provided to injured players at Valdebebas, and the medical-sports assessment programme has continued with nearly 500 players undergoing check-ups.

In addition to all the above, a multi-disciplinary service offers weekly physiotherapy sessions and works together with the Psychology and Nutrition departments and the physical re-adaptation and physical therapy teams to ensure the players are fully fit and remain in peak condition.

Continuing with last season’s campaign on nutrition, nutritional education has been delivered to the players and people close to them, and strategies have been specifically designed for times when they face greater exertion and competition periods. Additionally, the body composition of all the players has been continuously tracked, and the medical staff and technical teams have developed specific coordinated nutrition plans for the entire team.

Likewise, and with the aim of promoting fair play and the fight against all types of fraud, Real Madrid delivered the LFP and UEFA courses on integrity,
Players from Real Madrid's Youth Academy

In the 2017/2018 season, 85 players trained at the Real Madrid Youth Academy were registered to play in the First and Second Division. Of these, 45 played in the First Division, in 16 clubs: Real Madrid (9), Espanyol (5), Málaga (5), Alavés (4), At. Madrid (3), Deportivo (3), Getafe (3), Betis (2), Sevilla (2), Real Sociedad (2), Valencia (2), FC Barcelona (1), Eibar (1), Leganés (1), Villarreal (1) and Girona (1).

In the Second Division, 40 players from Real Madrid’s Youth Academy played for 18 clubs: Cultural Leonesa (5), Huesca (5), Córdoba (4), Almería (3), Cádiz (3), Osasuna (3), Rayo Vallecano (3), Valladolid (3), Tenerife (2), Granada (1), Sporting (1), Lugo (1), Albacete (1), Numancia (1), Gimnástic de Tarragona (1), Zaragoza (1), Alcorcón (1) and Lorca (1).

In addition, outside Spain, 62 players trained at our youth academy played for teams in foreign leagues.

There has been a noteworthy presence of Academy players in several national teams, contributing the following number of players to: Under-19s (6), Under-18s (6), Under-17s (10), Under-16s (6) and Under-15s (6). We also contributed players from our Academy to other national teams, including Argentina, Brazil, France, Romania and Equatorial Guinea.

The Spanish team was a finalist in the Under-17s World cup in India, with an outstanding performance by five of our youth academy members. We should also mention the stellar performance of Raúl de Tomás, Second Division champion with Rayo Valleciano, the second highest goal-scoring in the category, with 24 goals, as well as Martin Odegaard, Federico Valverde and Aleix Feibus as examples of academy players who have completed their training in other major league teams.

Basketball

Real Madrid kicked off the 2017/2018 season with five friendly matches, two in the 7th Costa del Sol tournament (Unicaja and Alba Berlin), and afterwards against San Lorenzo de Almagro, San Pablo Burgos and Bayern Munich.

The Endesa Super Cup played in Las Palmas was the first official competition of the season. Real Madrid lost in the semi-final match against the hosts Herbalife Gran Canaria.

Real Madrid was proclaimed the EuroLeague champion for the tenth time in its history, reaffirming its dominance in the biggest European competition. The team finished fifth in the regular league with a balance of 19 victories and 11 defeats and faced Panathinaikos, in the quarterfinal playoffs. Real Madrid overcame the disadvantage of playing away and beat the Greek team by 3-1, thus qualifying to play in the Final Four in Belgrade, the sixth in the last eight years. In the semi-finals, the team beat CSKA Moscow by 83-82 and was victorious over Fenerbahçe in the final, winning by 85-80.

In the Endesa League, Real Madrid finished first in the regular season, with 30 wins and 4 defeats. In the quarter-final playoff, they eliminated Iberostar Tenerife (2-0) and beat Herbalife Gran Canaria (3-0) in the semi-finals. In the league final, the seventh in a row, the team beat Kirolbet Baskonia by 3-1, to win its 34th Basketball League title. This sealed Real Madrid’s seventh League and EuroLeague double of its history.

In the Copa del Rey, in Las Palmas, Real Madrid sent out Unicaja in the quarter-finals and Iberostar Tenerife in the semi-finals. In the fifth consecutive final for the white team, they lost against Barcelona Lassa (90-92).

At the end of the season in which Real Madrid won the European Cup and the League, several members of the team received individual awards:

- Luka Doncic was named MVP of the EuroLeague, he was included in the ideal five of the season, and was awarded the Rising Star for being the best young player in the EuroLeague and the MVP of the Final Four in Belgrade. He was also the MVP of the Endesa League and chosen for the ideal five of the competition. He was also voted the best young player of the Endesa League and included in the best five young players.

- Rudy Fernández was voted MVP of the Final of the Endesa League.

- Facundo Campazzo was included in the second ideal five of the Endesa League.

- Pablo Laso received the accolade of the best coach of the EuroLeague, and the best coach of the Regular League was also awarded to him by the AEBB.

New Signings

This season, Real Madrid acquired the rights to four players for the first team. Fabien Causeur, Ognjen Kuzmic, Chasson Randle and Walter Tavares. The former youth academy player Santiago Yusta, returned to Real Madrid after two seasons at Rio Natura Monbus Obradoiro, and Facundo Campazzo returned following two years on loan to UCAM Murcia. Dino Radonic moved up into the first team after playing last season in the Real Madrid EBA team.
The Academy

Rights to 18 players were acquired in the Academy, distributed as follows: 10 players in the Under-14 B, 3 in the Under-14 A, one in the Under-16 B, 2 in the Under-16 A, 1 in the Junior and 1 in the Real Madrid EBA League squad.

The basketball second team, who played in the EBA League, finished fourth in Group B of the regular league.

The Junior team was proclaimed champion of the Adidas Next Generation in Munich. They also won the Spanish Championship in Badajoz, and played in the final phase of the Next Generation Tournament of the EuroLeague in Belgrade, where they finished third. Mario Nakic was awarded the MVP of the Adidas Next Generation in Munich. Both Nakic and Usman Garuba were included in the ideal five team of this tournament. In the final phase of the Adidas Next Generation Tournament of the EuroLeague, Nakic was included in the best five and Usman Garuba took away the Rising Star accolade for the best young player. Garuba was also named MVP of the final of the Spanish Championship.

The Under-16 A team was champion of the Community of Madrid and also won the Spanish Championship in Lleida. Rubén López de la Torre was chosen as MVP of the final of the Spanish Championship.

The Under-14 A team was champion of the Community of Madrid and won the Spanish Championship in Lleida. Juan Núñez was named MVP of the Mini Cup and Eli Ndiaya MVP of the final of the Spanish Championship.

The Under-16 B and Under-14 B teams reached their objectives established at the beginning of the season. Under-16 B finished top of the A2 during the regular phase, finishing 13th at the end of the competition. They were also proclaimed champions of the 8th Leukaemia and Lymphoma Basketball Tournament. The Under-14 B team finished second in the A2 division, finishing the season in 14th position overall. They were also the champions of the 4th Ciutat de Castelldefels U13 Tournament.

Players from Real Madrid’s Youth Academy

This last season, 12 players trained by the Real Madrid Academy played in teams in Spanish basketball’s highest category, the Endesa League.

Special mention must go the participation in the Basketball First Team, in both training and matches, of players belonging to the Junior/ EBA team: Melwin Panizar, Mario Nakic and Usman Garuba. Pantzar and Nakic made their debut with the first team in an official match in the Endesa League.

In addition, 18 players from the Real Madrid Academy were chosen to play for their national teams, broken down as follows: U-18 (7), U-17 (1), U-16 (6) and U-15 (4).

In 2017/2018 season, Real Madrid’s academy signed a collaboration agreement with Colegio Veritas, with very satisfactory results so far. During the season, the club awarded scholarships to 15 players from other regions and countries. All of them were offered boarding in the Real City Madrid and schooling in the SEK International School, one of the most prestigious academic institutions in Spain.

In the 2017/2018 season, Real Madrid’s basketball team won its 34th League Title.

3.3 EMPLOYEES

The Real Madrid employees are persons on which the club focuses special attention. With regard to the management of its human resources, in line with international standards of corporate social responsibility and sustainability, Real Madrid applies not only the main principles of the relevant employment regulations, but also the recommendations and rights declarations of key international organisations.

Real Madrid understands the pivotal role that its employees play in ensuring the reliability of its operations and the quality of its management, both of which are unanimously acknowledged across the entire sports industry. It therefore pursues a policy of role specialisation while also applying stringent principles of efficiency, productivity and good administration in the management of its staff.

In the 2017/2018 season, a comparative study of organisation size and employee numbers in similar sports organisations was conducted. The results of the study reveal that we have fewer employees than other comparable organisations, as well as excellent productivity and efficiency ratios based on a reduced number of more highly trained and specialised employees. Proof of this is that over 50% of our structural employees have a university education or higher.

In addition, controlling personnel costs and a policy of austerity in relation to company perks, payments in kind and non-salary fringe benefits have contributed to our excellent results in financial terms and to our compliance with the financial fair play regulations in sport.

During the 2017-18 season, Real Madrid had an average staff of 684 contributors to the social security system, of which 304 were athletes.

39.11% of the club’s CBA employees are female (140 women and 218 men in total) of which 56 hold positions of responsibility. Of the club’s employees, 0.84% have temporary contracts and 99.16% indefinite-term contracts.

The non-athlete staff members include workers of twelve different nationalities, which give an idea of the internationalization of the club’s activities. During the season, eleven female and thirteen male employees took maternity/paternity leave. Six employees took leave of absence to care for an under-age child and 6 employees reduced their working hours as legal guardians of under-age children or dependent family members. Six people also took voluntary leave.
In the 2017/2018 the new Collective Agreement came into force, which was signed with the employees’ legal representatives. This agreement has improved conditions considerably for our staff in terms of balancing home life with their work at Real Madrid. For the club, it has also brought considerable benefits in terms of flexible working hours, ensuring a stable working framework for the next four years and the elimination of any conflicts arising from the staff’s transfer from the Santiago Bernabéu stadium to the new corporate office building situated in Real Madrid City. It is worth remarking on the innovative character of this collective agreement, which is considered a paradigm due to the regulation agreed on between the company and the employees in relation to new issues such as teleworking and the right to be offline when not at work, while at the same time, the club is able to ensure a rapid and flexible response from its staff every day of the week, including Sundays and bank holidays.

Thanks to this transfer, the club now has modern, fully equipped, spacious offices that will meet its short, medium and long-term requirements. From the employee’s perspective, the new offices bring significant benefits, including improved ergonomics, occupational risk prevention and more comfort in general. The technological advances accompanying the transfer to the new offices provide the staff with new opportunities for training, learning and professional development to a much more advanced level. Concerning the inevitable inconveniences of moving offices, the club, working closely with the employees’ legal representatives, has negotiated steps to mitigate the problems arising from its location in Valdebebas, where public transport and places to have lunch are much scarcer than around the Santiago Bernabéu stadium.

In the 2017-18 season, the club has continued its activities in matters of corporate governance and transparency aimed at employees. New legislation governing compliance, particularly regarding personal data protection, has been added to the regulatory measures established by the sporting authorities to ensure that ever more stringent management and compliance models are implemented in professional football. The club has, therefore, developed and rolled out a training plan covering these issues for the entire staff, which includes courses specifically about the coming into force of the new European personal data protection regulation. Likewise, a training initiative relating to the regulation of sports betting has been launched and will continue into next season for all staff, players and managers at the club. It adheres to external legislation governing this topic as well as the provisions of the club’s Code of Ethics which aims to prevent any irregularity in this matter that is a very sensitive one for sports institutions. Special mention must also go to the training programmes on integrity, good practice and the prevention of fraud in sports competition, given in partnership with the Professional Football League to spread the code of conduct developed for sporting bodies to all levels of the club.

This season, the club has increased its investment in on-going training for its staff. This investment has surpassed €390,000 and 15,000 hours of training this season. The main training efforts have focused on supporting its strategy, underpinning its plans for the internationalisation of the business and the club’s operations, on the one hand, and driving forward the digital transformation of our entire organisation, on the other.

Within this digital transformation process, the Real Madrid Graduate School - European University delivers online training to the club’s staff to enable them to implement the new digital tools effectively. All employees have been given new laptops and smartphones, which they can use to access the new software with more advanced functions. Office 365 (with Sharepoint and OneDrive) Adobe Send&Track and Webex Teams (formerly Cisco Spark) are the new corporate applications that will transform our staff’s day-to-day method of working. To make best use of and get the maximum performance out of these powerful teamwork tools, the European University has designed and runs the Real Madrid Faculty Virtual Campus, tailored to the needs of the club. It is now in the roll-out stage and will gradually be available to the staff in all the divisions to provide support for the gradual introduction of the new digital tools under stringent standards of logical security. With the training they receive from the Real Madrid Faculty Virtual Campus, the club’s employees will be able to manage, store and share data and files, work together and communicate with each other and with customers online and work remotely from anywhere with an internet connection. They can also improve their productivity with corporate group messaging systems, video calls and conference calls, sharing files, screens and digital boards. The Real Madrid Faculty Virtual Campus aids learning through the intensive use of gamification and collaborative, interactive processes and tools, making it more dynamic, entertaining and effective in stimulating and supporting
the digital change, thus helping to get the most out of the club's investment in advanced mobile hardware and software.

Also supporting the digital change process, specialised training in Big Data is being provided to staff in the Sales and Marketing Division, and 9 of the club's employees have been certified in Google Analytics, thus allowing them to obtain structured information about traffic to the realmadrid.com website, and to segment users, online marketing campaigns, user experience and the results of the online traffic for the club.

Also in relation to the digital transformation process of the club's organisation, which aims to make the most of all the opportunities for improvement that the information and communications technology bring, the virtualisation of the workstations has been completed. This has allowed us to optimise our contingency plans and to continue our business as usual in the event of an emergency. The project provides us with a tool that allows each employee remote access from any location and terminal to a corporate desktop in order to operate the same applications and resources as if they were at the club. With this facility, when employees are mobile or in the event of any emergency that prevents staff from accessing the club’s offices, they will be able to continue working from anywhere with internet access, thus allowing the club to operate as usual. In addition, the club is able to obtain immediate response from its employees, wherever they are located, if required urgently outside business hours, without them having to travel to its facilities. The use of this new environment will also enable us to provide the benefits of working from home, with respect to modernization, efficiency, productivity and conciliation between work and family life, as well as to society by reducing travel.

The job virtualisation project has been accompanied by a gradual renewal of the club's computer equipment. The desktop PCs have been replaced by laptops and smart mobile devices, to obtain the maximum benefits from staff mobility and availability to ensure the smooth running of the organisation at all times and from any location, and it also delivers more efficient contingency plans should they be called for.

Another important aspect for the club's employees is our collaboration with our academic partner, the European University. Within this framework, 10 scholarships have been granted to employees of the club, allowing them to take specialised courses and Masters programmes at the Real Madrid Graduate School, at a very low cost for the employee. This opportunity improves their professional skills in their current job but also their capabilities for taking on future challenges in their professional career at the club.

Actions in the area of risk prevention and occupational medicine included employee medical examinations, enhanced by new diagnostic techniques for early detection of diseases. A total of 245 ordinary employees and 16 permanent, discontinuous employees have undergone such check-ups. We also carried out a voluntary flu vaccine campaign, in which 60 employees were vaccinated.

Progress in the introduction of risk prevention in all the club's production areas has continued this season with the monitoring and supervision of the facilities and processes, introducing all the necessary risk prevention measures and drafting, updating, improving and adapting documentation and actions to the changes to the facilities and to the work stations as well as to the tasks being performed in them. Over this time, during the commissioning of the new office building, the occupational risks have been assessed and the necessary preventive action plans have been drafted, including the self-protection plan. An evacuation drill has been scheduled to take place over the first few days of the 2018-19 season. These actions include gauging lighting, air quality, temperature and humidity in all areas and work stations.

Commensurate with the importance the club gives to training, several training initiatives have continued in various aspects of risk prevention: a 50-hour foundation course for staff in several departments; safety training for the people affected by the new magnetic resonance equipment at our medical centre; training on office work station design and resonance equipment at our medical centre; safety training for the people affected by the new magnetic resonance equipment at our medical centre; training on office work station design and information on the first responders in case of an emergency.

In addition, training and refresher courses have been given to the first responders in case of emergency, and evacuation drills were carried out at the Academy Residence in November 2017 and in the First Team residence in March 2018.
Business activities have been coordinated with 324 new companies in order to prevent occupational risks, and the maintenance has been organised with the companies already included in the coordination platform in previous seasons. The business activities and the implementation of safety plans have been upgraded for events attended by the public, and a person has been recruited to oversee the operations within the Event Production and Facilities Operations management.

The monitoring and follow-up of the delivery and use of Personal Protective Equipment for workers has continued, and special emphasis has been placed on information and training about each job, as well as on informing staff of action procedures in the event of emergency.

The Health and Safety Committee, comprised of club worker and management representatives, continued its activities, making notable progress in the occupational risk prevention plans for all areas.

3.4 SPORTS AND PUBLIC ADMINISTRATIONS

This season, Real Madrid continued to adhere to its policy of timely compliance with tax obligations and social security contributions and at all times has been up to date in its payments to the public administrations, as shown in the Transparency Portal. Likewise, it has continued its institutional collaboration with the local and autonomous community administrations.

TAX BALANCE

Real Madrid’s contribution to the nation’s tax revenues and to local bodies and Social Security in the 2017/18 financial year amounted to €285.4 million. The breakdown by items is as follows:

• €210.1 M in taxes to the state and regional treasuries, and in Social Security contributions, a cost which accounts for 28% of the club’s turnover, meaning that for every 100 euros of revenue, Real Madrid allocates 28 euros to taxes and Social Security contributions.
• €75.3 million in VAT generated by its business activity that Real Madrid has paid to the tax authorities (difference between VAT charged to customers and VAT paid to suppliers).

As of June 30, 2018, Real Madrid had no outstanding unrecognised tax obligations.

<table>
<thead>
<tr>
<th>INCOME RECEIVED IN THE 2017/18 FINANCIAL YEAR</th>
<th>THOUSANDS €</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRPF e IRNR (deductions from staff remuneration and image rights)</td>
<td>193,406</td>
</tr>
<tr>
<td>CORPORATE TAX</td>
<td>7,863</td>
</tr>
<tr>
<td>IBI and other local taxes</td>
<td>938</td>
</tr>
<tr>
<td>SOCIAL SECURITY QUOTAS (company quota)</td>
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<td>SOCIAL SECURITY QUOTAS (staff quota)</td>
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<tr>
<td>TOTAL COST OF TAXES AND SOCIAL SECURITY PAID</td>
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</tr>
<tr>
<td>% OPERATING INCOME</td>
<td>28%</td>
</tr>
<tr>
<td>VAT NET BALANCE PAID</td>
<td>75,338</td>
</tr>
<tr>
<td>REAL MADRID TOTAL CONTRIBUTION TO TAX REVENUES AND SOCIAL SECURITY</td>
<td>285,427</td>
</tr>
</tbody>
</table>
FOOTBALL

Real Madrid has a presence in the most important football national and international organisations. The most important organisations we participate in are as follows:

**UEFA:** this season, Real Madrid has been actively involved in the European body’s committees and activities, especially in UEFA Events S.A. which is represented by our president. In addition, our vice–president is a member of the UEFA Club Competitions Committee and vice–president of the Board of Directors of the Club Competitions Committee SA.

**ECA:** the ECA is an organisation that brings together the main European clubs and at whose general assembly’s Real Madrid is represented by its vice–president, who was appointed vice–president of the ECA, and by other senior club executives. On the Executive Committee, the club is represented by its vice–president. In addition, on both the Marketing and Communications Committee, as well as the Competitions Committee, Real Madrid is represented by a club executive. The working group on Financial Fair Play has a representative from the club (the Institutional Projects and Regulation Director).

**FIFA:** our club is represented at the highest tier of football by the vice–president on both the FIFA Player’s Status Committee on the Football Stakeholders Committee.

**RFEF:** this season the club has the institutional representation that corresponds to it, including participation on the Management Board.

**LNFP:** the club also has the representation that corresponds to in on the Madrid Football Federation.

**FFM:** the club also has the representation and the director of Legal Services. This season it has been very active in the organisation’s activities, especially in the General Assembly and the Audiovisual Committee.

BASKETBALL

Real Madrid is present in all the major national (ACB) and international (EuroLeague) basketball bodies.

**AUTONOMOUS COMMUNITY OF MADRID**

The club continues to maintain excellent relations with the regional government of Madrid. Its collaboration with this institution is more active than ever, as shown by the success of the assignment by the regional government of the WiZink Center for Real Madrid’s Endesa league and EuroLeague games.

**BASKETBALL FEDERATIONS**

The Managers of Real Madrid’s Youth Academy played an active role in the Spanish Basketball Federation (FEB) General Assembly and in that of the Madrid Basketball Federation (FBM), thus strengthening communications between the club and these federations and creating a more fluid work dynamic.

3.5 OTHER CLUBS

Real Madrid’s good relation with other clubs is demonstrated by its participation in tournaments and friendly games.

**Football**

In the 2017/2018 season, our academy teams competed in the top national and international tournaments in their respective divisions.

The Junior A team travelled to Germany in August to play in the prestigious tournament organised by Adidas at its head offices, and, also in Germany, they played in the Evonik Ruhr tournament organised by Borussia Dortmund.

The Junior B team travelled last season to Zagreb (Croatia) to join the group of participants in the tournament organised by Dinamo Zagreb. They also visited Amsterdam (Netherlands).

The Junior C team played once again in the International Al Kass Tournament in Doha (Qatar) and then travelled to Dallas (USA) to play in the tournament organised by the MLS. They also made their annual trip to Budapest (Hungary) to pay tribute to Puskas in the tournament that bears his name.

The Under-14 A team travelled to Dubai in the United Arab Emirates, and to Italy to play at the Verona tournament. In Spain, they were present in Cabanillas (Navarre).

The Under-14 B team made the longest journey of the year, to play in Japan, and they also visited the MK DONS home in London to take part in a friendly match.

The Under-14 A team played its biggest tournament at that which is held each season in Arnedo (La Rioja), which brings together the best Spanish teams in this category. They also made a trip to Cannes (France). They made another visit to France, this time to Auxerre, to play a friendly match.

The Under-14 B team had a great year, with several triumphs at the Real Sociedad tournament in San Sebastián and in the Manilo Selis competition in Sardinia (Italy). They also played at the Christmas tournament in Tenerife, organised by the Promises League.

The Under-12 A team were in Orlando (USA) for an international tournament with major American and European teams. They also travelled at Easter to Majorca to play in the 2018 Majorca Cup Tournament, and they also took part in the Promises League tournament again this season, both in Spain (Villareal) and abroad (New York).

The Junior C team played once again in the International Al Kass Tournament in Doha (Qatar) and then travelled to Dallas (USA) to play in the tournament organised by the MLS. They also made their annual trip to Budapest (Hungary) to pay tribute to Puskas in the tournament that bears his name.

The Under-14 A team travelled to Dubai in the United Arab Emirates, and to Italy to play at the Verona tournament. In Spain, they were present in Cabanillas (Navarre).

The Under-14 B team made the longest journey of the year, to play in Japan, and they also visited the MK DONS home in London to take part in a friendly match.

The Under-14 A team played its biggest tournament at that which is held each season in Arnedo (La Rioja), which brings together the best Spanish teams in this category. They also made a trip to Cannes (France). They made another visit to France, this time to Auxerre, to play a friendly match.

The Under-14 B team had a great year, with several triumphs at the Real Sociedad tournament in San Sebastián and in the Manilo Selis competition in Sardinia (Italy). They also played at the Christmas tournament in Tenerife, organised by the Promises League.

The Under-12 A team were in Orlando (USA) for an international tournament with major American and European teams. They also travelled at Easter to Majorca to play in the 2018 Majorca Cup Tournament, and they also took part in the Promises League tournament again this season, both in Spain (Villareal) and abroad (New York).
The Under-10 A team participated again in the Iscar Cup. This small town near Valladolid brings together all the first Division Under-10 teams for a three-day tournament. Another important tournament was the Frances Vila Memorial in Andorra.

The Under-10 B team travelled to Villalba in the province of León to play a tribute tournament to the miners from the town who died several decades ago. They also played the Concello de D A Astrada tournament in La Coruña.

Lastly, the Under-8 team played their tournament outside Madrid once again, in the same place as last year. Punta Umbria (Huelva) once again enjoyed watching the talent displayed by our youngest team.

In the 2017/2018 season, Real Madrid gathered together a total of 40 clubs, 21 in the capital city and 19 in other regions of Spain.

Each month, the sports management of the invited clubs are required to send a list of the most outstanding players in the matches played, as well as detailed analysis of each of the footballers in their club, to the sports coordinator of this department at Real Madrid.

At the end of the season, an appraisal of the clubs is made and we decide which ones are to be deregistered and which ones will replace them from among the many requests we receive each year.

With regards to player loans, in the 2017/2018 season, Real Madrid has two players on loan in Real Madrid Castilla, and it has loaned 16 players overall to other clubs. The players are loaned to us for a period of one year during which Real Madrid pays their salaries.

In the case of the footballers that Real Madrid loan to other clubs, their salary is paid between the other club and Real Madrid.

Basketball

Real Madrid’s relation with other clubs is demonstrated by its participation in different tournaments and friendly games. The first team played five friendly games in the pre-season. In the 7th Costa del Sol tournament, they played against Alba Berlin and Unicaja, and afterwards against San Lorenzo de Almagro, San Pablo Burgos and Bayern Munich.

The Basketball Academy teams played several friendly games and took part in prestigious tournaments at a national and international level, playing a total of 20. Highlights were the Real Madrid Junior victory in the Adidas Next Generation tournament in Munich and the Under-14 team win in the Endesa Mini Cup.

3.6 CUSTOMERS

In the 2017-18 season the club’s commercial activity has intensified with the consolidation of a portfolio of more than 300 national and international clients that operate in more than 50 sectors and with which a continuous relationship has been established.

The club, either directly or through its Master licensee, manages a portfolio of 168 licence agreements in order to be able to offer official products and services that use Real Madrid’s intellectual property rights. Among them is the line of textile products that includes the replicas of match day shirts, and licences in the digital environment that have generated a catalogue of games and services for the mobile environment that have been accessed by more than 5 million users worldwide.

Real Madrid has 25 corporate sponsors that are linked to the football and basketball sections of the club and actively promotes these agreements so that these brands may benefit from the great social dimension of the club and its dynamism in generating new advertising and promotional assets. This season, new global brand partners have signed agreements with the club, such as Exness, a leading Forex Trading company, as well as other regional firms such as Betcart, which increases the representation of the online betting industry at Real Madrid. The European University has signed up to become the main sponsor of the basketball first team following the departure of Teka. As well as this main sponsor, an agreement has also been signed with Betfair, a leading company worldwide in the sports betting industry. Finally, we wish to mention that after less than a year as the regional sponsor in China and following the successful results obtained so far, Yili has extended the category of its contract to include its energy drinks among its products it promotes in association with Real Madrid.

Regarding friendly matches, the club focused this year on the US, where it played 3 games in the International Champions Cup competition through our local sponsor Relevant. The team played in Los Angeles, San Francisco and Miami and tickets sold out at all the stadiums.

It played a fourth game against a combined team of the All Stars of the MLS in Chicago, which was a huge success with the public, with all the tickets also selling out for this game.

The Events Department has firmly established itself within the Business Tourism industry, occupying a privileged position due to the number of events carried out throughout the year. Our facilities, their unbeatable location and the versatility of the spaces allow us to hold events tailored to each company’s needs, to break with the seasonality and to provide a competitive offer 365 days a year. The number of corporate events has been increasing year after year, and more than 200 were held this season.

Real Madrid’s facilities are one of the most highly ranked in the business tourism sector, becoming one of the most popular venues for holding business events: meetings, incentive events, congresses and other functions.

The Real Madrid Sports City now emerges as a new venue for such occasions, offering a host of possibilities. Its extraordinary location and facilities go to make it an excellent and unique venue.
The Bernabéu Tour has once again beaten its visitor record, closing the year with a tally of more than 1,300,000 visitors. It is one of the main tourist attractions of the city and therefore, one of the most in-demand products for national and international tourists. Our investment in technology, interactivity and content enhancement makes the Bernabéu Tour one of the top rated products and high up on the customer satisfaction index. It’s worth noting the importance of the complementary services we offer during the visit and the desire for continuous improvement to adapt to the needs of the market with high level products and services. The Bernabéu Tour becomes firmly established as one of the most visited and most iconic tourist destinations in Madrid. Additionally, a new, pioneering system of latest generation audio guides in 5 languages has been introduced.

The food served at our four stadium restaurants continues to occupy a privileged position among the city’s gastronomic offer. The food services available on match days continue to improve and special mention should be made of the international expansion of the Real Madrid Café brand.

Melbourne is the starting point for the Real Madrid World of Football Experience travelling exhibition, a new initiative that will travel the world bringing Real Madrid to its fans all over the globe.

A Santiago Bernabéu-inspired pavilion opened its doors on 9 June in the Melbourne Museum Square. Real Madrid World of Football Experience will offer unique content and experiences for visitors, including an exhibition area with a display of the club’s history, equipped with the most advanced technology. Fans also have the chance to experience the excitement of match days with a 360º immersive video; they can test their footballing skills in the Come Play! area and they will be offered a choice of a wide range of the club’s merchandising products.

Real Madrid runs its official stores business through its technical sponsor Adidas which, at the end of the 2017/18 season, operated in official stores located in Madrid, on Gran Vía, Calle Arenal and Calle Carmen and at the Las Rozas Village Shopping Centre, as well as at Madrid’s Barajas Airport (terminal 4 and terminal 4 satellite). In Barcelona, it manages stores in its Del Prat Airport (terminal 2), on Las Ramblas, in Calle Ferrán and in the Maremàgnum shopping centre. There are also stores in Palma de Mallorca and in Mexico City (Carranza, Polanco and Santa Fe), as well as in Doha (Qatar) in The Pearl, Gulf and Tawar shopping malls.

These outlets are in addition to the store at the Santiago Bernabéu stadium, and all together they have an annual flow of nearly 5.4 million visitors.

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The advertising strategy of client acquisition and strengthening brand perception has been extended for another year, featuring in major national and international online and offline media, particularly in the business management, luxury, finance, premium lifestyle, tourism and hospitality sectors. We have also once again attended and exhibited at major trade fairs and have a permanent presence at IFEMA. All these actions have contributed to the VIP Area achieving a 96% occupancy rate over the 2017/2018 season.

To accompany the activities implemented by the club’s different departments for their clients, Realmadrid TV is broadcast in more than 50 countries, thanks to collaboration with 10 leading global TV operators. In line with the aim of promoting contact with the club’s supporters, both the content and the services of the official Real Madrid App for mobile phones have been increased, with more than 5 million downloads worldwide.
through an operator, 17,540 of which called the automated information system and 17,680 spoke to our operators. Over 21,000 emails were answered this year through our email, atencionpublico@corprealmadrid.com.

On our first team match days and also during Castilla matches and big events held at our facilities, the club provides a customer service point where our fans can make any queries and information requests they have or report incidences in person.

Lastly, this office also handles any consumer claims made by our fans and attempt to resolve any discrepancies that may arise between the claims made by our fans and attempts to resolve them.

Registered users

The club also maintains contact through regular electronic communications with registered users that are not members or Madridistas, currently comprising almost 10 million fans. With regard to registered users, more than 121 million e-mails were sent.

GDPR Compliance

This season, the new European General Data Protection Regulation (GDPR) came into force. The club, naturally, initiated campaigns to ensure that all its databases were made to comply with the new legislation. We took the first steps in accordance with the new regulation.

Fan clubs

Real Madrid C.F: has 2,392 fan clubs across the world, of which 193 are outside Spain. At present, we have more than 70 (national and international) fan clubs that are in the process of being set up, and we hope they will join the big Real Madrid family very soon.

Throughout the season, the fan clubs celebrated their anniversaries, at which the club was present and sent institutional representatives. We attended 301 acts all together, nearly all the ones that were held. 20 Fan Clubs celebrated their 25th anniversary, two their 50th anniversary and one its 60th anniversary.

In addition, at each first team away match, we invite the local fan clubs to meetings to exchange views and resolve any queries about how the club operates. By the end of the season, we had been in contact with over 600 clubs. This season, like the previous one, all the clubs that requested a visit to Real Madrid City to see its facilities, had the chance to do so.

With regard to games played at the Santiago Bernabéu stadium, the Fan Club Department contacts that of the visiting team to invite a group of its fans to a lunch to promote relations between the fans.

At the end of the season, the Fan Club Department organised a football 7 tournament for the Under-8, Under-10 and Under-12 divisions. More than 10,000 supporters belonging to 132 teams representing over 90 Real Madrid fan clubs descended on Real Madrid City to enjoy the day. President Florentino Pérez was present for the presentation of trophies. And following a similar procedure to that of the previous year, the trophies were handed to the champions of each division at the Santiago Bernabéu stadium in the preview to the Corazón Classic Match.

3.8 Suppliers

During the 2017/2018 season, 4,025 goods and service orders were made, which included orders listed under both operating and investment costs. Total supplier turnover was spread amongst approximately 971 different suppliers. Of the total purchases made by the club, 99% were from Spanish suppliers and 1% from international suppliers, most of which are based in the European Union. This figure is significant regarding the impact of the club on the local economy and wealth creation in our community.

Real Madrid’s suppliers can count on the club’s promise of making available the sufficient cash resources necessary to honour the payment instalments within the agreed terms. The club’s policies specify the minimum levels of liquidity it must hold at all times to meet such payments. The average payment term with suppliers for commercial operations is 59 days and the total volume of payments made at 30 June 2018 was 228,127,000 euros, with a total of 63,101,000 euros pending payment.

The Procurement Committee held six meetings, which approved and supervised execution of the goods and investments made by the club during the season, as well as checking the evolution of the budget and its compliance by the different departments.

To give an overview of the actions undertaken with suppliers in the matter of risk prevention during the 2017/2018 season, we have coordinated business activities with 324 suppliers for commercial operations is 59 days and the total volume of payments made at 30 June 2018 was 228,127,000 euros, with a total of 63,101,000 euros pending payment.
safety plans and emergency measures at the facilities have been reviewed, including those for the club’s new corporate office building.

Advice was also given on occupational risk prevention to all the suppliers with contracts with several of the club’s departments whose employees, on account of the types of services they provide; carry out their functions in the club’s facilities. All these activities are intended to ensure that the suppliers’ employees meet the occupational health & safety policies laid out in the Workers’ Statute and, essentially, the provisions of Occupational Risk Prevention Act 31/1995 and Royal Decree 171/2004 which govern the coordination of company actions whenever the staff of several companies is working together in one single work place.

3.9 SOCIETY
During the 2017-18 season, Real Madrid’s social activities, channelled through its Foundation, were focused on the following areas:

3.9.1 SOCIAL SPORTS SCHOOLS IN SPAIN
Education in values through sport continues to be the main vehicle of social action to achieve the integration of groups at risk of exclusion and those not at risk (around 70% of the students attend the weekly activities with scholarships or half-scholarships), through our Football and Basketball social sports schools as the main means we employ to promote healthy lifestyles, sport as a beneficial way for children to spend their leisure time and to collaborate with families to provide all-round training for more than 6,000 children aged between 6 and 17, in a total of 65 social sports schools.

The teaching methodology used moves away from competition to focus on communicating positive values and bringing different groups together by playing together (adapted and inclusive schools and wheelchair basketball). Of note is the opening of new projects in Seville and Madrid, especially those dedicated to serving children with different abilities. The Football programme for children on the autistic spectrum, and the Inclusive Football scheme with Atades in Zaragoza has seen their consolidation. The club also participated in a number of inclusive days and in the International Disability Day, World Autism Day, and the inclusive football festival and in the record-breaking participation at the social-cooperation day organised by the Andalusia and Murcia social-sports schools in Granada.

The beneficiaries of the schools in Madrid and the surrounding areas put into practice everything they have learned at the social-sports tournament, which was held from November 2017 to June 2018 in Real Madrid City. For the first time, inclusive sports days were held with children from the Foundation’s Care and Correctional Centres Programme. The tournaments organised inclusive days, with all children taking part, irrespective of whether or not they had a disability. The inclusive and adapted schools also organised activities at the WiZink Center during EuroLeague games and were also treated to a visit by the basketball first team.

At the end of the season, the summer campuses took place in the months of July and August. In basketball, the 10th Inclusive Basketball Campus for boys and girls with and without a wheelchair, the 9th Summer Basketball Campus and the first in Toledo, and the 4th Adapted Basketball Campus for young people with a severe mental disability all took place.

On the football side, the Campus Experience was held, at 9 venues in Spain and 6 international venues during the summer season, including the Campus Experience of Madrid, with more than 3,500 participants of more than 100 different nationalities. The recreational-educational agenda of the Campuses is based on the methodology of educating in the Foundation’s values, although it is adapted to the length of stay of the students. The same occurs with the technical-tactical or specialised content clinics that the Foundation runs around the world for the promotion of sport based on positive values, helping to provide an integrated all-round training for future generations. During the season, more than 300 international clinics were held in 43 countries on all five continents, with more than 40,000 children and young people participating. Additionally, 177 of these clinics were held at Real Madrid City, which welcomed more than 5,000 players from over 35 countries.

3.9.2 SOCIAL-SPORTS PROJECTS WITH OTHER GROUPS AT RISK OF EXCLUSION
The inclusion of the Personas Sin Hogar (Homeless People) group among those benefitting from Real Madrid Foundation’s activities is one of the milestones of the season. Three training groups were set up in partnership with Spanish Red Cross, Madrid City Council and the P. Garralda Foundation. This new scheme assists more than 50 adults with the aim of helping them to recover their mental wellbeing. On the other hand, just as every year, it is of particular relevance working with over a thousand children through the football and basketball social-sports programme in shelters and juvenile detention centres, undertaken with the aim of facilitating access to sport and sporting values for children in especially difficult circumstances, due to abandonment or delinquency. The sessions are delivered using the methodology employed in the social sports schools, with special
emphasized the values of respect, self-esteem, companionship and effort. Real Madrid Castilla visited the Chamberi children’s residence in solidarity with these children, who also benefit from the ‘En Navidad, ningún niño sin regalo’ (At Christmas, no child without a gift) campaign. The Foundation received the 2017 Childhood award in recognition of these programmes from the Madrid Regional Government on the occasion of its 20th anniversary.

The children’s basketball in hospitals programme continues each week, with more than 1,200 children from 11 hospitals participating this season, and the “No child without a gift” campaign, organised by the Foundation with the backing of various bodies, brought joy to more than a thousand children at Christmas. In another line of action, the Foundation has continued to support seriously ill children over the season by arranging visits to the players at Real Madrid City, helping to raise their spirits under such difficult circumstances. Finally, in the area of health, the sports physiotherapy programme for rare diseases and neurological disorders, in conjunction with the UEM, Sanitas, COFM and the Madrid Multiple Sclerosis Foundation, has treated more than 50 low-income patients in Madrid.

With regard to assistance to socially excluded people, participation in the scheme has increased in detention centres. This year we have organised 22 football and 21 basketball projects involving 2,500 inmates to contribute towards their re-education and their reintegration into society. This year, the Valencia Detention Centre joined the scheme. In addition to weekly sports activities and the organisation of the inter-centre tournament, cultural activities have been organised in partnership with the Café Quijano group, as well as volunteer matches at the weekends.

Beneficiaries of the Emprendeporte physical exercise programme for the long-term unemployed took part in activities the Foundation organised, such as charity runs, workshops and job fairs, combining physical exercise with sports psychology and job search techniques. Lastly, this year, more than 300 people have taken part in the weekly training sessions of the physical exercise programme for the elderly, as well as enjoying the educational discussions about maintaining healthy lifestyle habits. Altogether, more than 13,500 people took part in the Foundation’s social-sports projects in the 2017/18 season.

### 3.9.3 The International Area of the Real Madrid Foundation

This season, the Foundation’s international programmes, working in partnership with some of the major children’s NGOs, have continued their process of consolidation, undertaking altogether over 300,000 hours of sporting value related activities through nearly 2,000 working groups in 300 projects in 76 countries. More than 39,000 girls, boys and young people who, as well as learning about sporting values thanks to these schools, also receive medical assistance, food and schooling, and over 200,000 hours of social assistance each year through the organisations with whom the Foundation works.

The Foundation has trained more than 800 teacher-trainers to work in the schools through introductory courses and on-going refresher courses, as well as training the coaches in how to use the 365 platform.

The Foundation has consolidated its activities in Africa and its social-sports schooling model is running smoothly, where the scope of the projects are adjusted to the local partner’s capacity for action, to guarantee their sustainability. New groups of vulnerable people have been included in the African projects, particularly girls, through basketball, and young people with disabilities, through the first adapted school set up together with Manos Unidas and the Hanan Foundation in Tetuan, Morocco. The agreement reached with the Rivers state in Nigeria has been one of the Foundations’ greatest achievements in the 2017/2018 season.

In America, with 164 social-sports schools and 22,500 beneficiaries, the season was marked by the opening of 6 new centres in Argentina, Chile, Costa Rica and the US, by the consolidation and growth of the existing projects, with the training of the trainers on the ground and the follow-up visits; by the month-long training exchange between a trainer on the Hauachipa project (Lima metropolitan area) and one of our trainers in Madrid, and by the first recording of the Historias con Alma programme in Trinidad & Tobago, Jamaica and Arlington (USA). The Alma Cup, the Real Madrid Foundation’s social-sporting and educational tournament, was held for the first time in America. It was played in Panama City, with football and basketball matches, and teams taking part from Colombia, Ecuador, Spain, Guatemala, Honduras and Mexico, as well as the hosts.

The signing of strategic partnerships with multilateral bodies such as the Inter-American Development Bank (IDB) and the Development Bank of Latin America (CAF), has been crucial in allowing us to set up projects in Costa Rica, Peru, Argentina and Brazil. Washington State (US) highlighted the work and the utility of the actions undertaken by the Real Madrid Foundation in an official statement.

In the Asia-Pacific region, the biggest news was the inauguration of a new school in Kerala, India, which will join the other six existing schools in the state of Tamil Nadu, founded in partnership with the Esperanza y Alegría Foundation and the India Mothers and Children Institute in Calcutta, thus bringing the number benefitting to 800. The first Alma Cup competition has been played in Asia this season. It was held in the Philippines, in Nagsubu, Batangas, where the Roxas Foundation hosted six other schools for a weekend of football, fun and education in sporting values, with the collaboration of the Mapfre Foundation.
In Cambodia, the schools in Battambang and Phnom Penh have also spearheaded the organisation of tournaments based on the Real Madrid Foundation model. They were played at the new sports facilities the Por la Sonrisa de un Niño NGO established in capital city thanks to the support of Smart. In Australia, the Foundation undertakes its work in state schools in New South Wales, to help integrate immigrant populations fleeing from conflict zones. The schools in Indonesia continue to offer educational football, together with the ISSDF, to the most underprivileged children, with the support of the Hasnur Group. The school in Jinzhai, in China, continues its educational work, working in partnership with the Foundation for the Wellbeing of Young People, by including football on the school curriculum, which has enabled more than 300 children to learn more about the sport and to put the values they have learned about team sports into practice.

The Foundation has expanded its presence in Europe with the founding of a new school in Bucharest (Romania). It has been created to support the girls and boys in the capital city’s sector 6, one of the most deprived areas of the city with some of the worst education indicators. The project is being undertaken in partnership with EDP.

We have also renewed our partnership agreement with the Youth and Sports Ministry of Azerbaijan, following four years of activities at the school in Baku, including a high profile event. Following in this international institutional line, the Foundation’s partner in Russia, the rector of the Rostov-on-Don University, took part in an event organised by Real Madrid’s Commercial Department in Moscow as a prelude to the 2018 World Cup.

In the Middle East, a historic milestone for the country and for the culture as a whole was accomplished with the opening of the first social-sports school for girls in Saudi Arabia, in partnership with the Riyadh Schools, and under the tutelage of the heir Prince Mohamed Bin Salman. The football and basketball project in Bahrain continues to be a flagship scheme. It is run in partnership with the Royal Charity Organisation and with the involvement of the United Arab Emirates, with sites in Dubai and Abu Dhabi. Our projects in Lebanon, Jordan and Palestine are likewise becoming firmly established.

### 3.9.4 COMMUNICATION, EVENTS AND INSTITUTIONAL ACTIVITIES

The Real Madrid Foundation’s 20th anniversary has been marked by a full season of special events that kicked off in September with the presentation of the “Una exposición con alma” exhibition by the neo-cubist artist Juan López, and with the 1st children’s popular race at Real Madrid City. October was devoted to the European Cup, in which the Luis de Carlos Forum was held, entitled “Kings of Europe”, and which also saw the presentation of the book titled La Leyenda Continua (The Legend Continues). After the traditional Christmas campaign, there was a strong start to the New Year that began with the Foundation’s 2nd Popular Race in Madrid, in which 6,000 runners took part.

An outstanding occasion was REAL: The Concert, which was held in February to commemorate the Foundation’s 20th anniversary, with charity performances from big name artists, including Plácido Domingo, Ana Malikian and Sara Baras, at Madrid’s Teatro Real. The Spanish group Los Secretos and Niña Pastori also performed and all the profits went to the Foundation’s programme in care homes and children’s detention centres.

In March, the final of the Fair Play Tournament of Charity Golf was played in Dubai to great success, thus endorsing the change of format. From now on, all the member clubs’ tournaments will score points towards this final. In April, a special anniversary edition of the Luis de Carlos Forum brought together a group of distinguished lawyers in a debate about “Sport as a basic right”.

We had an especially event-packed end of season, including the 9th annual Corazón Classic charity match.

### 3.9.5 VETERANS, AMBASSADORS AND REAL MADRID ICONS APPEARANCES

Ambassadors for Real Madrid, including Roberto Carlos and Julio Baptista, participated in the Luis de Carlos Forums and in promoting the Foundation’s charity events, especially in the Corazón Classic Match. The ambassadors taking part in the 2nd Charity Race were Raúl and Arbeloa, who have also given their support to the Foundation’s projects in Argentina and Ceuta. Julio César became the ambassador for the programme of clinics in Brazil, Iván Helguera visited our project in the Dominican Republic and once again, Pepe Salguero supported the Churriana Tournament for the schools in India. Ricardo Gallego has joined the club as its ambassador for the Foundation, expanding its presence in dozens of events all over Spain as well as in international events in Nigeria and Azerbaijan.

### 3.9.6 PLAYERS APPEARANCES

The generosity of the players in the basketball first team was evident once again in the One Team event held with the beneficiaries of the adapted and inclusive schools for people with various disabilities. Rudy, Reyes, Doncic and...
Radoncic were the players who took charge of attending to the students. This activity, like the weekly visits to young people with serious illnesses by players from the first team, is no less important, despite it being a regular occurrence. The players assume these visits as part of their social responsibility duties for the club, which includes their annual visit to the children’s hospitals in Madrid. The students attending the international schools who visit Madrid, have the opportunity to say hello to the first team players in a short meeting, which fills them with enthusiasm, motivating them to continue with their efforts.

This season the Foundation was also supported by Felipe Reyes and Kiko Casilla in the Autism Day inclusion campaign. In addition, the players in the football first team recorded messages of support for our schools and projects, and Marcelo paid a visit to the schools tournament being played at Real Madrid City on his birthday. Again this year, we must mention the presence in and support of the Foundation programmes by the President, the Board and especially Emilio Butragueño who, as the Foundation’s key ambassador, has been involved in countless events during the whole season.

3.9.7 PUBLICATIONS, PRIZES, SPEECHES AND FORUMS

All the Foundation’s activities adhere to its philosophy: For a REAL education: Values, and Sport, and to the methodology it has specifically developed and is conveyed through its didactic and teaching materials. New material has been incorporated into the set of documents used to train the Foundation’s coaches across the globe. These include Initiation in Football and Inclusive Basketball Values, an educational and entertaining Poster teaching values, and Learning with ValueGoal, and a version for the parents of the Preventing Violence handbook through the Real Madrid Foundation methodology. The role of the family. More than 800 trainers-educators have been trained this year by the Foundation on courses, workshops and seminars outside Spain. The team of coaches for the Spanish projects have received refresher courses this year, in which 289 coaches took part. The agreement with the icoachKids training platform promoting knowledge sharing in sport as an educational vehicle has been another important initiative this year.

This year, the Real Madrid Foundation became more widely involved in academic and international forums in the industry, such as the World Football Summit, Football is more; in conferences about team sport and autism at the European University; taking part in the United Soccer Convention, the EFDM More than Football congress; the 4th FIFA Congress on social actions and the presentation on the Real Madrid Foundation’s work at Havard. In addition to this involvement, scientific articles have been published in specialist publications.

To mark the Foundation’s 20th anniversary this season, it has been awarded a number of prizes such as the 2017 Childhood Recognition award from the Madrid Regional Government, the Montevideo Cervantes School award, the Nine Values Cup, the Olavidia Heart prize, the YPO Latam Best Business Foundation award, the Ramón y Cajal Health Science Academy Medal of Humanitarian Merit and the 2017 Executives Prize.

3.9.8 REAL MADRID GRADUATE SCHOOL EUROPEAN UNIVERSITY ACTIVITIES

The school is present in 12 countries: Spain, Costa Rica, Ecuador, Mexico, Chile, Colombia, Brazil, Peru, Germany, Portugal, United Kingdom and Australia.

Focusing on the areas of health, sport, management and communications, our school offers 15 master’s degrees: A University MBA in Sports Organisations Management; Online MBA in Sports Organisations Management; MBA in Sports Management; Online MBA in Sports Management; University Master’s Degree in Sports Law; International Master in Sports Law-LLM; University Master’s Degree in Sports Marketing; Master’s Degree in Sports Marketing; University Master’s Degree in Sports Communications and Journalism; University Master’s Degree in Sports Coaching and Nutrition; Master’s Degree in Football Management; University Master’s Degree in Physical Education and Health and a University Master’s Degree in Sports Physiotherapy. More than 10,500 students have studied at the school.

There are five values that identify and set the school apart: entrepreneurial spirit, teamwork, integrity, leadership and excellence. Our objective is to transmit and share them with our students, always bearing in mind that our obligation is not only to train students, but also develop them as human beings that behave in a certain way according to the historic values of Real Madrid.

During the 2017/2018 year, the school has taught masters courses to 492 students at its campus in Madrid, and to another 900 students at its 12 international sites. At the Madrid School, 60% of the students were international students coming from 54 different countries, the highest number since the School was founded in 2006, thus consolidating our status as a truly international school thanks to the multicultural presence in our classrooms.

In this international context, renowned lecturers from the United States, South Africa, Germany, the United Kingdom, Belgium, Australia and France, amongst others, taught classes this year.

Following the consolidation of the programme offer in English in the management branch, which led to an increase of 30% in the number of students the previous year, this year, we have seen the management department expand by another 30%, and the school’s health and fitness programmes become firmly established, with a 42% increase in the programs, such as the Master’s in Sports Physiotherapy, keeping up with major worldwide trends.
Florentino Pérez presided over the graduation ceremony at the Santiago Bernabéu.

As for academic trips, our MBA in Sport Organisation Management students travelled once again to London and New York, accompanied on this second trip by students from the Master’s Degree in Sports Management and the Online Masters in Sports Management. In both cities, they visited the most representative sports facilities and met with the heads of the most prestigious sports organisations. As well as their trip to New York, the Masters in Sport Management students travelled to Valencia, where they visited Levante UD, Valencia FC grounds and the Ricardo Tomo circuit, and to Vitoria where they visited Saski-Baskonia and Deportivo Alavés. Our Football Management Master’s students were met on their trip to the Netherlands by the heads of the academies at Ajax of Amsterdam, AZ Alkmaar and PSV Eindhoven. Students studying the Master’s Degree in Sports Marketing also travelled overseas, specifically to Germany and the Netherlands.

There they were received by the heads of the Bayern Munich, Schalke 04 and Borussia Dortmund Marketing Departments and had the opportunity to visit the Adidas head office. The Sports Law Masters students travelled to Switzerland where they visited the headquarters of FIFA, UEFA and FIFA, the International Olympic Committee, the Maison du Sports, the World Anti-Doping Agency and other sports institutions.

Another activity of great importance is the White Week, held in the presidential box in the Santiago Bernabéu stadium. This year, White Week was not an event that only took place in one of the White Week sessions and Roberto Carlos chaired a round table on which Arbeloa and former players and current coaches of the lower football divisions, Solari and Álvaro Benito, took part. The students particularly valued the high standard of the speeches, the event organisation, the venue in which it was held and the opportunity to network with other students at the school.

This academic year, a masterclass titled Football Management in a Global Industry: the leagues’ role, was organised at the Santiago Bernabéu stadium. Three former students, who occupied positions in three different leagues, took part, as did the special guest, Mariano Elizondo, president of the Argentinian Super League. They discussed the management models employed in individual and global markets and about how to maximise the global impact of the leagues in a competitive industry such as football.

A masterclass on The Practice of Sport Lawyers was organised in which Juan de Dios Crespo and Maite Nadal, partners in Dios Crespo and Maite Nadal, partners in two important law firms specialising in Sports Law (Ruiz Huerta&Crespo and Laffer Abogados) presented to the attendees a practical overview of sports law and the benefits of post-grad programs offering this specialisation.

Each of the programmes has involved a club executive as co-director. Moreover, 65 professionals from Real Madrid formed part of the teaching staff of the different master’s degrees, which was highly rated by students as a way of directly facilitating information on the internal management of the club. Moreover we should highlight the fact that more than 93 students carried out internships in different departments of the club.

In its mission to prepare the most qualified professionals to lead the sports industry, the school has achieved employment rates of 86%, thus enabling more than 86% of its students to achieve their goal of working in the sports industry. It has also implemented a Monitoring and Relations Plan, career plans, events and training to continue to provide maximum value to its students.

In its 9th edition, the Real Madrid Chair, led by the winner of the Nobel Prize for Literature, Mario Vargas Llosa, has seen an increase of more than 48% in the number of projects presented, whereby demonstrating that it is establishing its reputation in the field of sports research. This year, 9 grants were awarded to research, providing funding totalling more than 50,000 euros. Since its inception, the school’s contributions to research has permitted the development of nearly a hundred research projects by a variety of well-known national bodies, providing funds amounting to the sum of 453,000 euros overall.

The graduation ceremony, presided over by Florentino Pérez, was held at the Santiago Bernabéu on 9 July, with Miguel Arias Cañete, European Commissioner for Climate Action and Energy and ex-minister for Agriculture, Food and the Environment in the Spanish government, as the patron of this twelfth graduation ceremony. This graduation is the best reflection of the twelve years in which the School has grown not only in the number of students, but also in recognition and prestige. Our 10,500-plus alumni are a guarantee of the influence we aspire to continue to exert on the professionalization of sport.
3.9.9 ENVIRONMENTAL ACTIONS

In the 2017-2018 season, Real Madrid has continued to develop its environmental protection policy as a key component of its sustainability strategy. With this end in mind, it has created a new position of Ground and Environment Director, thus elevating the responsibility for this area to a higher position in the club’s organisational chart.

This department, created in January 2018, will be fully operational by next season, when it will be assigned its own budget allowing it to implement the environment policy, beginning with an audit of the environmental impact of Real Madrid’s entire business, a measurement of the carbon footprint of the club’s operations and the introduction of other scientific methods to assess our impact on the environment. These steps will allow us to accurately develop environmental projects to offset and neutralise the impact of our business on natural resources and to improve the quality of these natural resources.

Some of the key areas within Real Madrid’s environmental agenda, spearheaded by this new division, will include material and waste recycling, energy generation and consumption, water usage and treatment, greenhouse gas emissions into the atmosphere and the planting of trees, sports pitch turf and ornamental plants.

These key areas will be analysed, leading ultimately to the launch of specific landscaping and tree planting projects, the generation of renewable energy, applying the 4R formula (reduce, reuse, recover and recycle) to the supply chain and particularly to post-match waste management, transport management and the gradual replacement of combustion-engine powered machinery with electrical ones.

In the 2017-2018 season, big steps in environmental matters have been made since introducing a division in the club specifically dedicated to this area. In Real Madrid City, for instance, more than 200 new trees have been planted and chemical products are no longer used in the maintenance of the garden areas, including a drastic reduction in the use of fungicides on the natural grass football pitches.

We have continued the process of replacing combustion-engine powered garden machinery with electrical equipment that fulfils the same function while reducing noise pollution and gas emissions.

In compliance with our sustainability and energy efficiency policies, Real Madrid has continued this season to study and implement actions designed to both reduce electricity consumption and to enhance the responsible management of natural resources in our production processes.

Through collaboration agreements with selective and coordinated waste collection companies, the club has been able to meet all the requirements relating to waste collection, transport and the treatment of both hazardous and non-hazardous waste it generates.

Since 2007, Real Madrid has had an agreement with Ecoembes Spain, S.A. for the of selective collection and recovery of light containers and cardboard at the Santiago Bernabéu Stadium and at Real Madrid City, through which a system has been set up for the collection, transport and subsequent treatment of waste, which goes beyond the guidelines set by the European Union.

Under this agreement, in the 2017-2018 season, some 346 tonnes of light containers and 186 tonnes of paper and cardboard have been recovered through this process.

Waste recycling allows us to make significant savings in scarce raw materials. With these 532 tonnes of recycled materials, comprising containers and cardboard generated in the Real Madrid facilities, it has been possible to make 42,750 fleece jackets, 20,000 bicycle wheels, 194,000 books and 716,000 shoe boxes. Through such recycling, we have been able to significantly reduce energy and water use, as well as cut greenhouse gas emissions into the atmosphere. This efficient management of lightweight container waste has enabled us to save:

- 41 tonnes of CO₂ emissions, equal to the emissions produced by 121 vehicles.
- 392,430 KWh of electrical energy consumption, equivalent to the annual consumption of 121 homes.
- 9,283,107 litres of water, equal to the daily consumption of 65,374 people.

During the 11 years of the agreement with Ecoembes, more than 4,698 tonnes of light containers and 1,340 tonnes of paper and cardboard have been recycled, with the aforementioned resulting environmental benefits of reducing CO₂ emissions and water and electricity savings.
The maintenance of the club facilities, in compliance with its policy of sustainability and energy efficiency, has been strengthened by action aimed at reducing consumption and responsibly managing resources.

In order to comply with the Royal Decree 56/2016, Real Madrid C.F. has conducted an Energy Audit of all its buildings, all of which have passed successfully. The following measures have been implemented:

- LED technology in emergency lighting for stands and buildings at the Real Madrid City and the stadium.
- Phase II of the installation of motion sensors in public toilets in the stadium and Real Madrid City
- Phase III of the replacement of existing lighting with LED type in access road lighting leading to Real Madrid City and in its car parks.
- Installation of chargers for electric vehicles at the new corporate office building.
- Improvements in the remote management and monitoring of equipment to optimises their hours of operation, especially regarding lighting, heat recovery systems and CO2 level sensors permitting the use of the ventilation systems only when absolutely necessary have been installed as well as lift installations with a great deal of natural light and to limit the number of closed spaces by providing a saving in carbon gas emissions equivalent to the cutting down of 99 trees per month.
- Phase II of the installation of frequency inverters in both pumping equipment and in air-conditioning fans.

All actions are supported by the obligation of our comprehensive maintenance company (during operative and conductive work) to carry out efficient energy management in all our facilities.

Likewise, in compliance with the Municipal Regulations ANM 2006/50, the Sustainable Water Management plans have been upgraded at the Santiago Bernabéu stadium and at Real Madrid City, to monitor the supply and to introduce corrective and improvement measures designed to reduce water usage.

Real Madrid C.F. has the guarantee certificate for the source of its electrical power supplies. 100% of the KWh purchased for our buildings was previously generated by renewable energy sources (principally solar and wind energy).

The entire annual water consumption of our football pitches and ornamental gardening of the Real Madrid City comes from the recycled water network of the Madrid City Council.

All these sustainability and energy efficiency criteria, in addition to implementing them in existing facilities, will be used as a starting point for the development of new infrastructures.

The new corporate office building at Real Madrid City is an example to following in the introduction of the so-called Energy Saving Measures (ESMs). Another aspect that has been taken into consideration during the design phase has been to create rooms with a great deal of natural light and to limit the number of closed spaces by providing common service areas, which has made the building environmentally efficient since its first day of use.

In addition to the installation of efficient, energy saving equipment such as 100% LED lighting, heat recovery systems and CO2 level sensors permitting the use of the ventilation systems only when absolutely necessary have been installed as well as lift installations with frequency variators and quadruplex calling to save waiting times and permitting shorter lift journeys.
All lighting in the building is controlled by movement sensors, light intensity sensors or by timed programmes, meaning that no lighting is left on when it is not required.

With regard to air conditioning, it has been designed based on current legislation criteria (IDAE, RITE and CTE), which govern the energy efficiency of new buildings. Furthermore, the building is fitted with air quality sensors, and individual thermostats in offices and open space zones. But there is a centralised control, whereby switching on and off times and any changes to temperature settings are made according to the hours of occupation on the different floors and their orientation.

As part of the sustainable mobility plan, we encourage the use of electrical vehicles with the installation of 6 recharging points in the new building car park.

Resulting from our environmental pledge made since the conception of the new office building, it has been awarded the highest energy rating certification - A. It has a certified energy consumption of 241 Kw h/m² per year and gas emissions of just 41 Kg CO₂/m² per year, with 100% being generated by renewal energy sources.

The new building has also been awarded the DIGA accessibility certificate, indicating its compliance with universal accessibility standards, exceeding the requirements of applicable legislation.

In addition, the Real Madrid offices have introduced an integrated waste management system as part of the club’s environmental protection policies. Among other initiatives, users have been encouraged to manage their waste appropriately with various disposal points throughout the building to ensure the correct separation of waste at source, with containers for paper, containers, organic waste, batteries and toners.

In addition to the environmental criteria already established for the rest of our Real Madrid City, employees will be made aware of the implementation of the “Lean Office” concept so we can increase our use of technology to adapt to the new working culture in which the “paperless” office will be a primary objective.

The transfer of the staff from the old offices at the Santiago Bernabéu stadium to the new corporate office building in the Real Madrid City has been accompanied by changes to the collective agreement that governs the employment terms in the club. These changes adapt the agreement to the new circumstances emerging through the digital transformation process of the operations and the working processes at the club. These changes have delivered improvements to the employees’ work-life balance, while providing the club with the greater flexibility and availability that is required by all its activities, including night time working hours and having staff available on Saturdays, Sundays and bank holidays. These improvements have also brought positive environmental effects, as working from home and flexible working hours reduce employees’ journeys to work, which also has an impact on mobility and carbon gas emissions in Madrid.

Contributing to this has been an improvement to the catering services at Real Madrid City, translating in a drastic reduction in people travelling at lunch time and the corresponding benefit for the environment.
The department responsible for maintaining the football pitches and ornamental gardening at our facilities at the Santiago Bernabéu stadium and Real Madrid City, pays particular attention to protecting the environment. Its recurring operations include continuous improvement plans, which have been on-going this season with actions such as replacing granulated fertilisers with organic ones; the gradual elimination and the virtual disappearance of the use of insecticides and herbicides; the use of technology and UV radiation to treat the turf against diseases; the application of beneficial micro-organisms to naturally achieve a more nutrient-balanced soil and the release of insects and nematodes to control infestations and diseases.

The amount of water used to water the pitch and gardens has been further reduced with the planting of grass varieties and rooting layers needing less water, by optimising the watering times with the use of sensors; by making changes to the mulching in the gardens to increase water retention, and by reducing of the cultivation time of the turf to be installed in the stadium from 18 to 4 months with a consequent reduction of water consumption needs.

All these measures have led to Real Madrid being awarded the STMA - Sports Turf Management Association environmental certification with validity until 2020.

3.10 MEDIA

The mission of the Communications Department is to communicate efficiently and continuously with the members of Real Madrid and to serve as a link between the club and the Media.

3.10.1 REALMADRID.COM

Realmadrid.com provides all the club’s institutional, social and sports information in real time. In order to ensure news about Real Madrid reaches the greatest number of fans across the world, the website publishes its content in eight languages: Spanish, English, French, Portuguese, Chinese, Indonesian, Japanese and Arabic.

In 2017, the Real Madrid official website remained the most visited football club website in the world, improving on its previous year’s visitor figures. This growth was reflected during two key months of the season, April and May, when over 1 million unique users more than in the previous season visited the site (14.8 M against 13.7 M). The club website also offers the possibility to follow live 24 hour broadcasting of Realmadrid TV in its two versions: Spanish and English.

The website includes an extensive Transparency Portal which well exceeds the requirements of the Transparency Act 19/2013 and even the INFUT international indicators.

3.10.2 PUBLICATIONS

The club currently issues 14 publications, some on paper and others online. They include the club’s annual report and the Real Madrid Foundation’s annual report, the quarterly magazines Hala Madrid, with a circulation of 840,000 and Hala Madrid Junior (circulation of 248,000) and the online Hala Madrid Magazine, emailed to the inboxes of around 240,000 members and Madridistas; the Grada Blanca magazine, with a circulation of 30,000 distributed at the stadium during matches, and 800 issues of a press kit for accredited journalists.

3.10.3 REALMADRID TV

In June, Realmadrid TV had been broadcasting in HD and on TDT for 26 months. This last season, after almost two decades on pay-to-view platforms, the channel’s content has evolved and diversified towards a programme schedule with a differentiated offering based on sport and the club’s values. The live broadcasts form the basis of Realmadrid TV’s programming schedule. Academy football and basketball matches occupy most of the live broadcasts on a daily basis, and especially at weekends when they are screened from Ciudad Real Madrid.

The Informativos provide the latest news within our programming schedule. Realmadrid TV has three editions and hourly updates in the morning so no detail is missed of what’s happening at the club. The bulletins provide more than two hours of current Real Madrid news every day. 90 Minuti has established itself during prime time as Realmadrid TV’s flagship programme. Campo de Estrellas has become one of the most popular programmes on Realmadrid TV. Madridistas por el Mundo launched last season and has now been on air for a year. With an entertaining and lively format it visits the places in the world with a strong Real Madrid following.

Once again this season, Realmadrid TV has offered a wide choice of films. It includes a range of family entertainment films, reflecting values that complement what is happening in the sports world, with two films per week.

Every week, "Historias con alma", the programme about the Real Madrid Foundation, brings us stories that go straight to our hearts, about solidarity and winning against the odds. "Historia
que tú hiciste” relives the most outstanding and celebrated matches in the 116-year history of Real Madrid which still live long in the memory of Real Madrid fans. This last season, the #Champ13ns Special: the celebrations at the Bernabéu, with an average audience of 919,000 viewers and an audience share of 4.87%, became the most watched non-sporting programme in the history of the channel.

3.10.4 SOCIAL NETWORKS

The Real Madrid social networks have the largest audiences of its communications channels. The Football, Basketball and La Fábrica accounts on different social platforms total more than 300 million users, making Real Madrid not only the biggest sports institution in the world, but also the brand with the most followers on social media. Real Madrid's social networks are a communication channel and a vehicle for supporting the club's different business areas: sponsorships, ticketing, Madriderista card, tour, website, etc. Real Madrid communicates in 6 languages and is present on Facebook, Twitter, Instagram, YouTube, Snapchat, Line, Tencent, WeChat and Weibo.

It should be noted that this year, it was the first brand to reach 109 million followers on Facebook, 60 million followers on Instagram and 30 million followers on Twitter. In the 2017/2018 season, the club generated more than 5 billion video playbacks, thus becoming the leader in the industry, thanks to it winning European Super Cup, the Spanish Super Cup, the Club World Cup and the UEFA Champions League.

3.10.5 REAL MADRID APP

Realmadrid App is the channel through which the club communicates with its followers through mobile devices and it has already had more than eight million downloads since its total upgrade and re-launch in May 2015. The app adapts its contents and settings according to whether it is accessed from the stadium or outside it. And it expands its contents on game days complementing the televised experience of the match as a second screen with information and exclusive live images, with the most detailed information and providing the opportunity to communicate live during matches with all the fans spread around the world.

One of the most attractive features of the app is its audio-visual content, which provides round-ups, multi-angle replays, and special cameras offering exclusive images; on-demand matches and the club’s television channel, Realmadrid TV. New this year, the club launched Real Madrid Virtual World, the first ever virtual reality multi-device app offered by any club in the world. It allows the millions of Real Madrid fans all over the world to tour the Santiago Bernabéu stadium, to see its contents and learn about the club’s history. The app connects Real Madrid followers with each other in real time, allowing them to chat to each other in the virtual Bernabéu stadium, regardless of where they are or their language.

Realmadrid App is available in English, Spanish, Arabic, Indonesian, Japanese, Portuguese and French, and a special version of the app is available in Chinese, which is adapted and localised to the uses and customs of the club’s fans in that country.