Corporate Social Responsibility and Sustainability Report 2018-2019
1. REAL MADRID C. F

1.1 INSTITUTIONAL PROFILE

Real Madrid Football Club is a sporting entity whose objective and purpose are 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.

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 the 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 organization 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 on five continents. 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 publicizes a wide range of socio-cultural aspects associated with sport that contribute to society’s wellbeing and a sustainable future in all the communities in which it carries out projects in collaboration with local entities.

In addition to the donation it receives from Real Madrid C.F., the Real Madrid Foundation also receives generous support, in the form of patronage and sponsorships, 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 and guarantee a sustainable future in all the communities in which it carries out projects in collaboration with local entities.

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 improvement and social inclusion; 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 Foundation’s 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 2006 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 117 years of history to future generations of sports managers.
1.2 SUSTAINABILITY AT REAL MADRID

Founded in 1902, Real Madrid Football Club is an institution with over one hundred years of history. Its corporate purpose and the unerring 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 minimizing the environmental impact thereof and in maximizing 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 follow us have the right to.

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 nonprofit private sports entity formed by its members in order to promote and practice the sports established in its Articles of Association.

1.3.2 ADMINISTRATION OF THE CLUB

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 through crosscutting policies and procedures that ensure the control of key decisions such as appointments, remuneration, 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 receives regular 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 Internal Control and Auditing Board. 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://wwwrealmadridcomsobre-el-real-madridelclubtransparencia. 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 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.

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. Due to the term of office of the former President and Board of Directors having expired.

b. Upon the decision of the President or of the Board of Directors.

c. When so agreed by the General Assembly due to 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 disabilities.

d. Due to a vote of no confidence approved in accordance with that stipulated in the articles of association - bodies, and with the control procedures implemented by the General Assembly to ensure the good governance practices 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. 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 CONTROL SYSTEMS

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.

The Real Madrid Organisation and Management Model for crime prevention has been in force since the 2013-14 season, which the club named the Criminal Risk Management System (Sistema de Gestión de Riesgos Penales - SGRP). This document resulted from the current situation regarding the prevention of risk arising from the organisations’ 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 lastly, 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.

The Board of Directors as the body responsible for establishing the control policy, has appointed a person responsible for 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 of the Criminal Compliance Management System in accordance with the UNE 19601:2017 standard. This makes Real Madrid one of the first membership organisations in Spain to obtain it, and it is confirmation of its ongoing 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. Last season, a Cybersecurity Committee was 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.

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 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.
2. CORPORATE SOCIAL RESPONSIBILITY AT REAL MADRID

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, its 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 SPORTING 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 fulfill firm commitments.

2.1.6 CLIENTS

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 FANS

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.

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.

2.1.10 THE MEDIA

The club is aware of the interest it attracts from society and public opinion. The club is aware that social media fulfills an essential role and is committed to it as a relevant stakeholder.
2.2 REAL MADRID’S COMMITMENTS TO ITS STAKEHOLDERS

2.2.1 MEMBERS

Real Madrid promises its members that it will maintain and foster the club’s values, fulfil 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 auditory systems and controls under the general principle of continuous and systematic accountability.

2.2.2 ATHLETES

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 SPORTING 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 fulfil 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 we organise.

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 CLIENTS

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 FANS

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

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.

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 adapted and inclusive social sports schools, as well as its support of charity initiatives, dedicated in particular to children, active and veteran athletes, and disadvantaged groups.

2.2.10 THE MEDIA

Real Madrid responsibly undertakes a relationship of collaboration based on professionalism and reporting transparency with the social Media, not withstanding 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 2018/2019

3.1 MEMBERS

The membership of Real Madrid is made up of a total of 93,176 members, of which 65,144 are adults, 19,410 are junior members and 8,622 are persons aged more than 65 or with more than 50 years of membership. Of these members 73,340 are men and 19,836 are women.

The number of football season ticket holders is 61,590, all of whom are members, and the number of basketball season ticket holders is 7,333, of whom 3,831 are members, 1,864 are Madridista card holders and 1,638 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 2,073 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 once a week to study and decide on matters inherent to its functions. During the 2018/19 season, 251 disciplinary proceedings were initiated and a total of 1,428 cases ratified. The Real Madrid C.F. Membership Disciplinary Regulation, which came into force on 7 December 2017, is available to members in the Members Area - Membership Disciplinary Commission - New Membership Disciplinary Regulation on the club’s website www.realmadrid.com

3.1.1. INSTITUTIONAL ACTS WITH MEMBERS

ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF DELEGATE MEMBERS:

The Ordinary and Extraordinary General Assemblies were held on 23 September 2018 and included approval of the following:

- The Budget, Annual Report, Balance Sheet and Profit and Loss Accounts of 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 Year 2017/18.
- Consolidated budget of Revenue and Expenses and the Activities Report for the Year 2018/19.
- Taxable base of membership fees for the 2019/2020 season.

EXTRAORDINARY GENERAL ASSEMBLY OF DELEGATE MEMBERS:

Proposal for authorisation of the Board of Directors to borrow for the financing of the remodelling works of the Santiago Bernabéu stadium.

AWARDING OF INSIGNIAS

On 3 November 2018, a ceremony was held to award insignias to club members of 25, 50 and 60 years. A total of 4,593 insignias were awarded, of which 116 were gold and diamond, 1,159 gold and 3,318 silver.

The club president, Florentino Pérez, presided over the event, together with the Honorary President, Francisco Gento 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 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 reasons.
- Health reasons.
- Change of residence for work reasons.
- Change of residence for study reasons.

In the 2018/19 season, 2,031 members made use of the system.

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 2018/19 season, 6,691 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 good 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 eight meetings during the 2018/19 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. The following processes were audited specifically during the 2018/19 season: Purchases, Settlement of items, Taxes, Sportswear Warehouses, Travel and Expenses Settlements.

Similarly, during the 2018/19 season, the complete review of the Procedure Manual begun in 2017/18 was continued, in order 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 this 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 related to internal organisation, the code of ethics, etc. The Auditing department also actively collaborated with the Compliance Department in the continuous monitoring and supervision of the Crime Prevention Model (Criminal Risk Management System), through participation in the internal and external audits of the SGRP, in order to maintain certification in the UNE 19601:2017 standard, and through the performance of specific audits regarding the training and awareness of club employees on this matter.

With respect to institutional cybersecurity, in the 2018/19 season, the Cybersecurity Committee held regular meetings and a high level of activity in threat surveillance, monitoring of computer security incidents and neutralizing attacks, following the guidelines of the club’s Corporate Security Governance Plan. Its lines of action included the acquisition and commissioning of new computer security tools, the replacement of software and information processing procedures with more secure ones, information and internal communication campaigns aimed at users of our computer systems and employee training and awareness programmes to ensure strict compliance with the security protocols that guarantee the integrity of the information and the protection of our computer systems. These training programmes were accompanied by internal audit, control and surveillance actions to prevent and block internal vulnerabilities, and to enable the early warning of computer risks based on the continuous monitoring of the use of our systems.

Regarding the protection of the data of third parties safeguarded by the club, the Data Protection Office this past season continued with its responsibility to ensure compliance with the new data protection regulations, carrying out the monitoring, maintenance and continuous improvement tasks of the new data protection regulations (European Data Protection Regulation).

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 2018/19 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 2018/19 season were audited externally by the firm E&Y 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 2018/19 season we have continued with the training and awareness-raising in matters of good governance and transparency among all 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 ongoing, in partnership with the Spanish Football Federation and 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, 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. This commitment to transparency is endorsed with the publication in the Transparency Portal of all the International Transparency indicators required by the INIFIT, for which Real Madrid obtained a high score in the last audit. The club also came top in the ranking prepared by Dyntra of all the teams in the Spanish first division and those playing in the UEFA Champions League.

3.1.3. Member Services and Information

Member Services Office
The new Member Services Office is located in Real Madrid City and has provided services to the club’s members since 4 September 2018. The entrance is on Avenida de las Fuerzas Armadas, 402. It can be reached by public transport on the local train (Valdebebas stop) or on EMT buses 171 and 174.

The Member Services Office is open from Monday to Friday from 9:00 a.m. to 7:00 p.m. continuously, both at the new offices in Real Madrid City and at the Santiago Bernabéu stadium.

The Member Services Office has received more than 11,000 visits this year and attended to more than 10,000 phone calls. Moreover, through the official e-mail of the Member Services Office, there were more than 13,000 requests for information and different issues resolved.

Likewise, more than 4,000 calls were made to member delegates and others in relation to different events, such as the presentation of insignia, signings, etc.

Services for delegate members are provided exclusively from the office in Real Madrid City. The timetable in this case is from Monday to Thursday from 10:00 a.m. to 2:00 p.m. and from 4:00 p.m. to 7:00 p.m., and Fridays from 10:00 a.m. to 2:00 p.m.

Also, delegates and members of the 100 Club, made up of our 100 most senior members, receive personalized service and special privileges in appreciation for their loyalty and service to the club.

Online Members Services Office
The Online Member Services Office (https://socios.realmadrid.com) is the website where members can make queries and conduct transactions related to their membership without having to visit the club’s offices, at any time and with guarantee of complete security and confidentiality.

During the 2018/19 season, the online office recorded more than 431,936 visits by members, who were able to deal with their membership matters in a convenient way. To date, the office has been visited more than 2,361,111 times since it was launched in March 2011.

The Online Office currently has permanent procedures for members to modify their personal details (address, telephone, e-mail, etc.), check their direct debit details and change them if they wish, change their PIN code or access seat assignments, as well as temporary procedures, such as those set up to apply for funding of annual passes and membership fees for the 2018/19 season, and request tickets for Champions League and Copa del Rey games. Temporary measures also included the changing of the type of season pass or temporarily ceasing payment of club fees.

Real Madrid City
All Real Madrid members and fans can visit the Real Madrid City facilities, upon request. It was visited by more than 5,000 people in the 2018/19 season.

Player autograph sessions
As in past seasons, at every game played outside of Madrid, player autograph sessions have been organized and local supporter club members were invited in the cities where the team plays.

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 2016-17 season, the incident office assisted 4,685 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, dialing 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 2018/2019 season, 34,800 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 80,000 member currently receive the newsletter by email, amounting to 2,610,900 emails sent out overall.

Member notifications
As a supplement to the e-newsletter and taking advantage of new technologies, 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. During the 2018/19 season, more than 5,000,000 e-mails were sent with information of great use and interest to members, making communications between the club and its members faster, more agile and efficient. We therefore wish to encourage all Real Madrid members who haven’t already done so, to send their e-mail address to the club, which they can do through a quick and simple step at “https://socios.realmadrid.com”, by registering their membership number and PIN code using the option “Change my personal data”.

SMS messages
During the 2018/19 season, the club sent SMS messages to mobiles with the latest club news relating to ticket sale dates, assignment of seats and other relevant information. A total of 241,132 SMS messages were sent.

Hala Madrid Magazine
Sent to all members on a quarterly basis, containing the latest club news.
The main Madrid youth team started the season with a team containing nine players from the Under 18 A team of the previous season. A very young team, but very talented, who quickly adapted to the complicated and veteran Second Division team, but very talented, who quickly adapted to the A team of the previous season. A very young team, with a team containing nine players from the Under 12 A teams who won the LaLiga Promises International and National Tournaments respectively.

During this season, 85 different players have been added to the different lower categories of the club, of which 11 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 with 29 other clubs.

Now, in its sixth year, the Academy residence at Real Madrid City has housed 84 players, 66 in football and 18 in basketball, who use all the site’s facilities every day.

Forming part of the agreement between the club and Sanitas, in the 2018/19 season, more than 2,400 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 for times when they face greater exertion and competition periods. In the same way, work has been done in along the same lines to optimise the different meals prepared in the academy 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.
Likewise, and with the aim of promoting fair play and the fight against all types of fraud, Real Madrid delivered the Guardia Civil, LFP and UEFA courses on integrity, anti-doping rules, sports betting and the use of social media to its Academy and related staff. National Sports Council, UEFA, as well as the Club’s own posters and brochures were also printed to promote violence-free football and fair play.

Players from Real Madrid’s Youth Academy
In the 2018/19 season, there were 93 players trained by the Real Madrid Academy playing in the First and Second Division of the League. Of these, 50 played in the First Division, belonging to 15 clubs: Real Madrid (9), Atlético Madrid (5), Getafe (5), Rayo Vallecano (4), Leganés (4), Espanyol (4), Valencia (4), Huesca (3), Sevilla (2), Betis (2), Alavés (2), Real Sociedad (2), Valladolid (2), Levante (1) and Girona (1).

In the Second Division, 43 players from Real Madrid’s Youth Academy played for 17 clubs: Málaga (5), Real Oviedo (4), Córdoba (4), Almería (4), Albacete (3), Sporting de Gijón (3), Granada (3), Rayo Majadahonda (3), Deportivo de La Coruña (2), Lugo (2), Tenerife (2), Elche (2), Nàstic de Tarragona (2), Osasuna (1), Alcorcón (1), Cádiz (1) and Numancia (1).

In addition, outside Spain, there were 82 players trained at the club playing 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 (9), Under-18s (8), Under-17s (9), Under-16s (8) and Under-15s (7). We also contributed players from our Academy to other national teams, including Brazil, Argentina, France, Iceland, Japan and Romania.

Players from Real Madrid’s Youth Academy
In the 2018/19 season, there were 93 players trained by the Real Madrid Academy playing in the First and Second Division of the League. Of these, 50 played in the First Division, belonging to 15 clubs: Real Madrid (9), Atlético Madrid (5), Getafe (5), Rayo Vallecano (4), Leganés (4), Espanyol (4), Valencia (4), Huesca (3), Sevilla (2), Betis (2), Alavés (2), Real Sociedad (2), Valladolid (2), Levante (1) and Girona (1).

In the Second Division, 43 players from Real Madrid’s Youth Academy played for 17 clubs: Málaga (5), Real Oviedo (4), Córdoba (4), Almería (4), Albacete (3), Sporting de Gijón (3), Granada (3), Rayo Majadahonda (3), Deportivo de La Coruña (2), Lugo (2), Tenerife (2), Elche (2), Nàstic de Tarragona (2), Osasuna (1), Alcorcón (1), Cádiz (1) and Numancia (1).

In addition, outside Spain, there were 82 players trained at the club playing 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 (9), Under-18s (8), Under-17s (9), Under-16s (8) and Under-15s (7). We also contributed players from our Academy to other national teams, including Brazil, Argentina, France, Iceland, Japan and Romania.

Basketball
Real Madrid started 2018/19 with a total of three pre-season friendly matches, two in the 8th Costa del Sol Tournament and one against San Pablo Burgos.

The Madrid team won its first title of the season in Santiago de Compostela by winning the Endesa Super Cup, the fifth in its history. The team coached by Pablo Laso beat the hosts, Monbus Obradoiro, in the semifinals by 61-81 and Kirolbet Baskonia in the final by 80-73. Sergio Llull was chosen MVP of the tournament.

In the Copa del Rey, which was played in Madrid, the team lost in the final against FC Barcelona by 93-94 after beating Movistar Estudiantes by 94-63 and Divina Seguros Joventut in the semifinals by 93-81.

Real Madrid qualified for its seventh EuroLeague Final Four in the last nine years. After coming third in a Regular Season in which they finished with 22 wins and eight defeats, the Real Madrid players faced up against Panathinaikos in the quarterfinal playoffs, whom they overwhelmingly defeated 3-0.

In the Final Four played in Vitoria, the team coached by Pablo Laso lost in the semifinals to CSKA Moscow 90-95 and defeated Fenerbahçe Beko in the third place playoff 75-94.

In the Endesa League, Real Madrid finished first in the regular season, with 28 wins and 6 defeats. In the quarterfinal playoff, the team beat BAXI Manresa 2-0 and in the semifinals, Valencia Basket 3-0.

In the Endesa League final, Real Madrid faced FC Barcelona Lassa, and won 3-1. With the team’s 68-74 victory in the fourth match of the playoff played at the Palau Blaugrana, Real Madrid conquered its 35th League title. Thanks to his all-round excellent play, Facundo Campazzo was designated MVP of the final.

Real Madrid enjoyed another great season in which it played three finals, qualified for the EuroLeague Final Four and won two trophies: The Endesa League and Endesa Super Cup. As a result of the team’s success, several players won individual awards:

• Facundo Campazzo was voted MVP of the Final of the Endesa League. In addition, the Argentine point guard along with the centre Walter Tavares, were selected in the ideal team of the Endesa League. Meanwhile, Santi Yusta was included in the competition’s best young players team.

• Walter Tavares was included in the All-EuroLeague Second Team and won the award for best defender in the competition.

• Sergio Llull was chosen MVP of the Endesa Super Cup.

New Signings
This season, Real Madrid acquired the rights to two players for the first team (Klemen Prepelic y Gabriel Deck). Melwin Pantzar joined the first team having been a member of the Real Madrid EBA team the previous year.

Corporate Social Responsibility and Sustainability Report
Real Madrid, basketball League champions.
The Academy

Rights to 14 players were acquired in the Academy, distributed as follows: 9 players in the Under-14 B, 2 in the Under-14 A, 1 in the Under-16 B, 2 in the Under-16 A and none in the Junior nor in the Real Madrid EBA League squad.

The basketball second team, which played in the EBA League, finished second in Group B of the Regular League, with the same results as Gran Canaria who came first (24-6).

The Junior team won the EuroLeague in Vitoria, conquered the Spanish Championship held in Zaragoza, the Madrid Championship and the Adidas Next Generation in Munich.

Mario Nakic was chosen MVP in the final phase of the EuroLeague in that category and both he and Usman Garuba were included in the competition’s ideal team. Garuba was chosen MVP of the Adidas Next Generation in Munich and along with Amar Sylla was included in the ideal team of this tournament. Ziga Samar was chosen MVP of the final of the Championship of Spain and Garuba received the MVP of the tournament.

The Under-16 A team won the International Basketball Gathering Patras, was champion of the Community of Madrid and also won the Spanish Championship in Huleva, where Eli John Ndiaye was included in the ideal team of this tournament. Ziga Samar was chosen MVP of the final of the Championship of Spain and Garuba received the MVP of the tournament.

The Under-14 A team won the International Basketball Gathering Patras, was champion of the Community of Madrid and also won the Spanish Championship in Huleva, where Eli John Ndiaye was included in the ideal team of this tournament. Ziga Samar was chosen MVP of the final of the Championship of Spain and Garuba received the MVP of the tournament.

The Under-16 B team finished the season in the fourteenth place in the Special Under-16 category of Madrid. The team also won the 8th Leukaemia and Lymphoma Basketball Tournament.

The Under-14 B team finished 15th in the Special Under-14 category of Madrid. They were also the champions of the Ciutat de Viladecans 2019 Tournament.

For the third consecutive season, the Real Madrid academy teams have won the Junior, Under-16 and Under-14 Spanish championships, a historic streak of three successive trebles. These three teams were also crowned champions of the Community of Madrid.

Players from Real Madrid’s Youth Academy

In the 2018/19 season, a total of 13 players trained by the Real Madrid Academy played in teams in Spanish basketball’s leading competition, the Endesa League.

Special mention must go the participation in the Basketball First Team training sessions of players belonging to the Junior/EBA team Mario Nakic y Usman Garuba. The two debuted with the first team this season.

In addition, 14 players from the Real Madrid Academy were chosen to play for their national teams, broken down as follows:
- Under-18s (4);
- Under-16s (2);
- Under-15s (2);
- Under-14s (2) and Under-13s (4).

In the 2018/19 season, Real Madrid’s academy continued with its collaboration agreement with Colegio Veritas, signed the year before, with very satisfactory results so far.

During the 2018/19 season the club awarded scholarships to 18 players from other communities and countries. All of them were offered boarding in the Real City Madrid and schooling in the SEK, one of the most prestigious academic centres in Spain.

The agreement that the club maintains with Sanitas has progressed satisfactorily.

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 division of labour and role specialisation policy while also applying stringent principles of efficiency, productivity and good administration in the management of its staff.

Transparency in labour relations is a basic pillar of our personnel policy. In the 2018/19 season Real Madrid came top in transparency in both the Spanish first division and among teams that played in the UEFA Champions League according to the study conducted by Dyntra, the leading global collaborative platform for measuring the public information of different entities. In addition, Real Madrid initiated this past season a collaboration with the Institute for Transparent Labour Relations, in order to audit the transparency of the club in this matter and, where appropriate, obtain the certification of the corresponding seal for its people management processes, dialogue with the workers’ legal representatives and collective bargaining.

It should be noted that in the 2018/19 season, Real Madrid was very active on the business front in all its areas, tackling wide-ranging projects such as the start of the remodelling of the Santiago Bernabeu stadium; the internationalization of our commercial sponsorship offer; the acceleration of the digital transformation of
benefits have contributed to our excellent results in financial terms and to our compliance with the financial fair play regulations in sport, while maintaining our proven ability to attract and retain talent so we have the human capital necessary to maintain high productivity and management leadership in our sector.

In the 2018/19 season there were numerous and profound changes in labour legislation, which have resulted in additional challenges for our employees and especially for the Human Resources team and for the Workers’ Legal Representatives. These developments, well known for their impact in the media, have affected remuneration, equality analysis and plans, the obligation to register salaries by gender, signing in and out during the working day, the right to a flexible working day, and the employee’s right to disconnect.

All these changes in labour regulations significantly affect the way the club manages the work, even more so than in other organizations since our activity requires flexibility regarding match schedules, training sessions and other events that cover every day of the week and that require the employee’s working day to be flexible. This is exacerbated by the internationalization of our operations, which implies working continuously with different time zones.

The collective bargaining with the workers’ representatives has been continuous and very intense, seeking to combine covering the needs of the club with the work/life balance needs of employees, while ensuring compliance with the applicable labour legislation. During the 2018/19 season the mandate of the workers’ legal representatives expired which resulted in the corresponding electoral process that took place under normal circumstances. The new representation committee resulting from the union elections also reflects the change experienced in the distribution of employees around the work centres of the club as a result of the transfer of the majority of employees to the Real Madrid City after the full opening of the new corporate office building in Valdebebas. As a result, the number employees working at the Santiago Bernabéu stadium has been reduced significantly before the start of the remodelling works. These changes have also been reflected in the size of the workers’ representation committee in each work centre, in accordance with the applicable labour regulations.

As a result of the aforementioned continuous process of dialogue and negotiation with the workers’ legal representatives, new agreements have been signed regarding gender equality, data protection and guarantee of digital rights, digital disconnection in the workplace, signing in and out during the working day, remote working, and mechanism for a flexible working day to ensure a work/life balance is maintained while at the same time there is enough employee coverage to meet the service needs. Moreover, with the aim of enabling a healthy work/life balance and bearing in mind the boom in recent years of e-commerce, in which the delivery times of courier companies often overlap with the working hours, a reception and delivery service of this type of private parcel service has been launched for all employees within the club’s facilities.

The signing of the Equality Plan with the workers’ legal representatives deserves a special mention, which reflects the club’s commitment to prevent any form of gender discrimination. The Equality Plan is based on a previous diagnosis of the situation of the workforce in relation to gender equality, and includes a series of concrete actions to prevent discrimination and enhance gender equality in the workforce in all human resources management practices. A joint equality committee has also been created, made up of the club’s Equality Manager and their deputy, representing the club’s management, and 2 employees chosen as workers’ representatives in the union elections held this past season. This joint committee meets periodically to monitor compliance with the Equality Plan and to evaluate the results of its application. At the end of the 2018/19 season, Real Madrid is in compliance with the generally accepted and recommended standards of equality, both regarding the proportion of female workers regarding the gender pay gap in all professional categories defined in the current collective agreement.

In relation to the above, our training programmes have included new labour legislation, and especially the new Law on Equality in the workplace and the registration of pay broken down by gender as a way to combat the gender pay gap. The club has also included the fight against intolerance and discrimination in its training actions, through workshops on sexual and gender diversity in sports combined with internal communication actions to fight against prejudice and promote tolerance and the inclusion of potentially discriminated groups.
During the 2018/19 season, Real Madrid had an average staff of 717 contributors to the social security system, of which 315 were athletes, 39% of the club’s CBA employees are female (146 women and 231 men in total) of which 61 hold positions of responsibility. Of the club’s employees, 0.26% have temporary contracts and 99.74% indefinite-term contracts.

The non-athlete staff members include workers of thirteen different nationalities, which gives an idea of the internationalization of the club’s activities. During the season, nine female and nine male employees took maternity/paternity leave. One employee took leave of absence to care for an under-age child or dependent relative and 4 employees reduced their working hours as legal guardians of under-age children or dependent relatives. There have also been 2 voluntary leaves of absence, 4 contract terminations by mutual agreement, 2 permanent leaves of absence due to disability and 2 retirements in the 2018/19 season.

This past season, the club has also intensified its activities in matters of good corporate governance, compliance and integrity aimed at employees. The regulatory measures established by the sporting authorities to ensure that ever more stringent management and compliance models are implemented in professional football include numerous controls and training and internal communication actions aimed at club employees. The club has, therefore, developed and rolled out a training plan covering these issues for the entire workforce, with the aim of strengthening our corporate culture of compliance, fair play and transparency. It has also continued with its training initiative relating to the regulation of sports betting for all staff, players and managers at the club, following the 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 ongoing 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. Moreover, the intensive use of technology that comes from digital transformation also requires an ambitious training programme in Cybersecurity to disseminate knowledge about IT risks and how to prevent them. Along these lines, the club has continued to collaborate with the State security forces to provide training in the fight against cybercrime, especially when it is aimed at the minors who make up our academy.

Another important aspect for the club’s employees is our collaboration with our Real Madrid Graduate School. Within this framework, 3 scholarships have been granted to employees of the club, allowing them to take specialised courses and Masters programmes at the 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.

Another major commitment of the club with its employees and with society is to focus on the prevention of occupational risks and continually promote health, safety and hygiene at work. This ongoing commitment has led to some specific actions in the 2018/19 season. 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 294 ordinary employees and 12 permanent, discontinuous employees have undergone such check-ups. We also carried out a voluntary flu vaccine campaign, in which 54 employees were vaccinated.

Real Madrid is committed to ensuring that its facilities are cardiac protected areas, for which it maintains a network of 21 defibrillators strategically distributed throughout our buildings to ensure that in any cardiovascular emergency there is a device available nearby for urgent treatment. To ensure this, each season preventive maintenance of the equipment is carried out and refresher courses are given to those people responsible for using the equipment where necessary.

Progress in the introduction of occupational 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. During this period, and coinciding with the opening of the new corporate office building, an evacuation drill and different measurements of lighting, air quality, temperature and humidity of all working areas have been carried out. Additionally, evacuation drills have also been carried out at the academy residence, the football academy building, football pitches and stands at Real Madrid City, basketball pavilion, Bernabéu Tour, first team residence, Alfredo Di Stéfano stadium and Santiago Bernabéu Stadium. The preventive policy of the club includes ensuring that our facilities offer the best conditions to employees and other users, for which their status is continuously checked. Special attention has been given this season to those facilities that have undergone
modifications that could generate specific risks, and the risk of explosive atmospheres has been assessed in gas regulation and measurement stations, gas installation areas, garages, storage areas for flammable chemicals and battery charging area of the Real Madrid City and the Santiago Bernabéu stadium. This risk assessment has included the monitoring of the technical means available to the club to deal with emergency situations.

Business activities have been coordinated with 320 new companies in order to prevent occupational risks, and the maintenance has been organised with the 513 active companies already included in the coordination platform in previous seasons.

The Health and Safety Committee, comprised of club workers and management representatives, continued its activities, meeting regularly and making notable progress in the occupational risk prevention plans for all areas. During this season, the new Health and Safety Committee was set up after the holding of union elections and the subsequent election of Prevention Officers.

Finally, in the area occupation risk prevention training, it is worth highlighting the driving courses that have been offered to improve road safety and the specific training in firefighting for emergency teams given in compliance with the provisions of the self-protection plans and emergency measures of the club’s facilities.

3.4 SPORTING 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 contributions in the 2018/19 financial year amounted to €319.1 million. The breakdown by items is as follows:

- €243.4 million for the payment of taxes to the state and local tax authorities as well as Social Security contributions, which represents 32% of the club’s operating income; i.e. of every 100 euros the club earned, 32 euros went to taxes and Social Security contributions.
- €75.7 million in VAT, which, as a result of its economic activity, Real Madrid has paid to the tax authorities (difference between VAT charged to customers and VAT paid to suppliers).

As of June 30, 2019, Real Madrid had no outstanding unrecognised tax obligations.

INCOME RECEIVED IN THE 2018/2019 FINANCIAL YEAR

<table>
<thead>
<tr>
<th>Item</th>
<th>Value in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRPF + IRNR (deductions from staff remuneration and image rights)</td>
<td>203,874</td>
</tr>
<tr>
<td>CORPORATE TAX</td>
<td>15,062</td>
</tr>
<tr>
<td>IBI and other local taxes</td>
<td>15,742</td>
</tr>
<tr>
<td>SOCIAL SECURITY QUOTAS (company quota)</td>
<td>7,207</td>
</tr>
<tr>
<td>SOCIAL SECURITY QUOTAS (staff quota)</td>
<td>1,557</td>
</tr>
<tr>
<td><strong>TOTAL COST OF TAXES AND SOCIAL SECURITY PAID</strong></td>
<td><strong>243,441</strong></td>
</tr>
<tr>
<td>% OPERATING INCOME</td>
<td><strong>32%</strong></td>
</tr>
<tr>
<td>VAT NET BALANCE PAID</td>
<td>75,663</td>
</tr>
<tr>
<td><strong>REAL MADRID TOTAL CONTRIBUTION TO TAX REVENUES AND SOCIAL SECURITY</strong></td>
<td><strong>319,104</strong></td>
</tr>
</tbody>
</table>

The Santiago Bernabéu turned 71 during this season.
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. Our pitch and environment director is also part of the advisory team for Euro 2020.

ECA: the ECA is an organization that brings together the main European clubs and at whose general assemblies 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 Corporate 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 and on the Football Stakeholders Committee.

RFEF: this season, the club was represented accordingly, including its participation on the Board of Directors.

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

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 relations with other clubs is demonstrated by its participation in tournaments and friendly games.

Football

In the 2018/19 season, our academy teams competed in the top national and international tournaments in their respective divisions.

The Under-16 A team travelled to Japan to play in another edition of the Kirin Lemon Cup and once again competed in the Puskás-Suzuki Cup, held in Budapest. In addition, it played a friendly to mark the inauguration of a new pitch at AZ Alkmaar’s facilities (Holland).

The Under-16 B team travelled to Portugal to participate in the Ibercup in Cascais and was the club’s representative at the 13th Miguel Malbo Tournament, which took place in Real Madrid City.

The Under-14 A team, meanwhile, spent a few days in Italy to play the sixth edition of the Torneo delle Sirene in Sorrento.

The Under-14 B team had a great year, winning the 23rd edition of the LaLiga Promises International Tournament in Arona. It was also one of the teams that took part in the Dubai International Cup.

The Under-12 A team won the national edition of the LaLiga Promises Tournament, held in Villarreal, and travelled to New York for the international edition.

The Under-12 B team took part in several tournaments last season including Peralada (Girona), Azpeitia (Guipúzcoa) and Calamocha (Teruel).

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 also participated in several tournaments throughout the season, including the 2nd Pozo Maria Memorial tournament and the Soccer School 10 tournament, which takes place in Campo Real.
Finally, the Under-8 team was one of the participants of the 9th Amancio Amaro Tournament (Soto del Real) and the 11th Real Sitio Cup (La Granja de San Ildefonso), among other competitions.

In the 2018/2019 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 2018/19 season, Real Madrid has two players on loan in Real Madrid Castilla, and it has loaned 18 players overall to other clubs. The players are loaned to us for a period of one year during which, in most cases, Real Madrid pays their salaries.

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

In this same line of cooperation with other clubs, many teams request the use of our facilities to prepare games or carry out preseason trainings. This season we have invited:

- The senior national teams of Argentina, China, Equatorial Guinea and Cameroon.
- Teams that were playing the Champions League: Liverpool, Tottenham, Ajax Amsterdam, Borussia Dortmund, Viktoria Plzen and CSKA Moscow.
- Teams from other foreign leagues: River Plate and Chicago Fire.
- Spanish teams: Rayo Vallecano, Alavés and Melilla.

**Basketball**

Real Madrid’s relations with other clubs is demonstrated by its participation in different tournaments and friendly games. The first team played three friendly games in the pre-season. In the 8th Costa del Sol tournament, it played against Olympiacos and Unicaja, and later against San Pablo Burgos.

The Basketball Academy teams played several friendly games and took part in prestigious tournaments at a national and international level, playing a total of 17. Of note was the Real Madrid Junior victory in the EuroLeague in Vitoria.

### 3.6 CLIENTS

Real Madrid is one of the world’s benchmarks in terms of Sponsorship. Up to 24 companies sponsor the club’s football and basketball sections, taking advantage of our image to carry out their marketing campaigns. World leaders in different categories and regional partners in markets as interesting as Mexico or China.

Over this last season, moreover, new brands such as the Chinese bank Citic and the Asian bookmaker ManBetX have joined as partners of the club. We have also renewed strategic agreements with partners such as Hankook, Codere and Hugo Boss, in the quest to build long-term relationships with our partners.

The club, either directly or through its Master licensee, manages a portfolio of 141 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.

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 Relevent. The team played in Miami, Washington and New York, and was the team with the highest average attendance in the competition.

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 is now established as a new venue for such occasions, offering a host of possibilities. Its extraordinary location and facilities make it an excellent and unique venue.

The Bernabéu Tour has once again broken 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 club’s restaurant project.

Real Madrid runs its official stores business through its technical sponsor Adidas which, at the end of the 2018/19 season, operated in official stores located in Madrid, on Gran Via, 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 Maremagnum shopping centre. And also in Palma de Mallorca and in Mexico City (Carranza, Polanco and Santa Fe).

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.

The Real Madrid VIP Area has 4,703 seats distributed on all sides of the Bernabéu stadium and 590 VIP seats for basketball at the Palacio de Deportes de Madrid (WiZink Center). The VIP Area at the Bernabéu Stadium is distributed amongst 245 boxes, with a capacity for 3,009 people and 1,684 individual armchairs. In addition, the four restaurants at the Bernabéu (Puerta 57, Asador de la Esquina, Real Café and Zen Market) become hospitality areas during every match.

The 633 VIP Area clients are companies from a wide range of sectors—multinationals, IBEX-35 firms, SMEs and private individuals. Also during the 2019/19 season, more than 11,000 additional VIP seats were sold for games which included all the matches of the season held at our stadium.

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 2018/19 season.

To accompany the activities implemented by the club’s different departments for their clients, Realmadrid TV is broadcasted in more than 50 countries, thanks to the 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.

3.7 Fans

The Customer Service Office was created in 2013 so that our fans who do not belong to any group forming part of the club, such as members, Madridista card holders or fan clubs, have a dedicated office where they can make queries and find information concerning all their dealings with the club. Once again there have been more than 50,000 transactions in this regard.

Our fans can contact the club by calling 902 32 18 09, and receive personalized attention from our operators, or they can email the club at atencionpublico@corprealmadrid.com, a service that is provided from Monday to Sunday from 9 a.m. to 9 p.m. every day of the year except Christmas and New Year’s Day.

Our service has answered more than 33,000 calls, and more than 17,000 emails, offering our fans information about club-related issues, from ticket sales dates, how to obtain Madridista membership, or how to apply for a trial.

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 attempts to resolve any discrepancies that may arise between the club and its fans.

**Madridistas**

Real Madrid has 281,000 active fans registered in its Madridistas Loyalty Programme. These Madridistas receive an official supporters card in its Madridistas Loyalty Programme. These Madridistas receive an official supporters card and information requests they have or report incidences in person.

The club keeps in continuous contact with the Madridistas through regular email notifications, and it carried out 354 campaigns involving 21 million emails and 214,000 SMS sent to fans’ mobile phones over the 2018/19 season.

The Madridista Line has handled 37,000 telephone calls. Likewise, more than 31,000 emails were received or answered through the Madridista Line email address and 6,600 online chats and more than 14,000 click-to-call communications were responded to.

Finally, more than 892,000 *Hala Madrid* magazines were sent to the homes of members and Madridistas and more than 261,000 copies of the *Hala Madrid Júnior* magazine were mailed to young members and junior Madridistas.

**Registered users**

The club also maintains contact through regular electronic communications with registered users that are not members or Madridistas, currently comprising almost 15 million fans. With regard to registered users, more than 90 million e-mails were sent.

**GDPR Compliance**

During this past season, the club has continued with its campaign of ensuring its database of registered users complies with the European Personal Data Regulation. Moreover, all the actions undertaken during the season that involved the collection of personal data were duly adapted to the new regulations. Today we have more than 5,000,000 users regularized according to the GDPR.

**Fan clubs**

Real Madrid C.F. has 2,412 Fan Clubs, of which 2,211 are in Spain and 201 are in the rest of the world. At present, we have 67 national and international fan clubs that are in the process of being set up.

Throughout the season, the fan clubs celebrated anniversaries, at which the club was present and sent institutional representatives. We attended 398 acts, almost all of those that were held. 12 Fan Clubs celebrated their 25th anniversary, three their 50th anniversary and three their 60th anniversary.

At each away match, we invite the local fun clubs to meet where they exchange opinions and discuss the club and how it operates. At the end of the season, we have maintained contact with over 530 clubs.

All the clubs that so requested, were also able to visit Real Madrid City and get to see its facilities.

With regard to games played at the Santiago Bernabéu stadium, the Fan Club Department works in conjunction with the Members Department 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 organized a Fan Club football 7 tournament for the Under-8, Under-10 and Under-12 divisions. More than 10,000 supporters belonging to 132 teams representing almost 90 Real Madrid fan clubs gathered at Real Madrid City on 22 and 23 June, to enjoy a true Real Madrid weekend. The elimination phase was played on the first day and the finals on the second. The trophies were presented at Real Madrid City in the presence of President Florentino Pérez. Just like last year, the trophies for the champions of each category were presented at the Santiago Bernabéu stadium before the Corazón Classic Match. Fernando Hierro and Iván Campo presented the trophies to the winners.

**3.8 SUPPLIERS**

During the 2018/19 season, 3,975 goods and service purchases took place, including those listed under operating and investment costs. Total supplier turnover was spread amongst approximately 971 different suppliers. Of the total purchases made by the club, 95% 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 57 days and the total volume of payments made at 30 June 2019 was 231,426,000 euros, with a total of 57,625,000 euros pending payment.

The Procurement Committee, a decision-making body of the club made up of senior executives and members of the Board of Directors, held six meetings, which approved and supervised major purchases of the goods and services 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.

At the request of the Environment Department, the Procurement Committee at its meeting on 25 January 2019 ordered a carbon footprint study to be used as a global environmental indicator of the activities carried out by the organization, creating an inventory of greenhouse gases and subsequently, for the 2019/2020 season the creation of a carbon sink by planting a forest in the Community of Madrid that can be visited by its members and
supporters. These actions have positioned the club as a leading organization in the fight against climate change, achieving excellence in sustainability and obtaining the CO2, issued by the Spanish Office for Climate Change (OECC).

To give an overview of the actions undertaken with suppliers in the matter of risk prevention during the 2018/0019 season, we have coordinated business activities with 324 new suppliers and we continued to conduct evacuation drills in the buildings and facilities at Real Madrid City, which involved coordinating actions with the sub-contractors whose employees were working on the site at the time of the drill. Work has also been completed on job risk profiles for all staff under contract and the risk assessment documents, personal 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 the various 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 are working together in one single work place.

3.9.1 SOCIAL SPORTS SCHOOLS IN SPAIN

Education in values through sport continues to be the main tool of social action to achieve the integration of groups at risk of exclusion and those not at risk (around 80% of the students who attend these extra-curricular activities each week have scholarships or half-scholarships). We use football and basketball social sports schools as the main activity to promote healthy living habits, sport as an appropriate use of leisure time, to promote universal values and to collaborate with families in the comprehensive training of more than 6,000 children aged between 5 and 17. In total, 69 adapted and inclusive social sports schools operate in Spain to serve any child who wishes to attend, regardless of their ability.

The teaching methodology is focused on communicating the positive values inherent in sport (respect, companionship, motivation to make an effort, healthy habits, autonomy and equality) and bringing different groups together by playing together (adapted and inclusive schools and wheelchair basketball). In particular, new initiatives have been launched to provide an opportunity to disadvantaged children and elderly people with disabilities to play sport. In terms of education in diversity, of note is the Foundation’s activity to promote inclusion involving the Real Madrid academy in the form of an inclusive match in Real Madrid City.

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 2018 to June 2019 in Real Madrid City. The tournaments organised inclusive days, with all children taking part, irrespective of whether or not they had a disability. The inclusive and adapted basketball schools also organized activities at the WiZink Center during EuroLeague games.

For the first time, a Christmas Football Campus was held in Real Madrid City with XL Kids Radio, with fifty participants, in a unique experience to help promote self-esteem by combining football and its values with the learning of oral expression and radio skills. At the end of the season, in the months of July and August, the summer campuses took place. In basketball, the 11th Inclusive Basketball Campus for boys and girls with and without a wheelchair, the 10th Summer Basketball Campus and the second in Toledo, and the 5th Adapted Basketball Campus for young people with a severe mental disability all took place. On the football side, 17 Campus Experiences were held in 5 countries as well as in Spain during the summer, including the Campus Experience of Madrid, with more than 3,500 participants.

3.9.2 SOCIAL-SPORTS PROJECTS WITH OTHER GROUPS AT RISK OF EXCLUSION

Especially noteworthy is the social sports project for young people from overseas that the Foundation started running this past season in the Tetuán neighbourhood of Madrid in collaboration with CESAL. Also of note is the impact of the projects for the homeless, with three training groups in collaboration with the Spanish Red Cross, the Madrid City Council and the P. Garralda Foundation, and their participation in sports events such as the Spartan Race or the 3rd Charity Fun Run.

In the area of vulnerable children, special significance is the social sports programme in juvenile protection and detention centres, with more than 1,600 children participating throughout

3.9 SOCIETY

During the 2018/2019 season, Real Madrid’s social activities, channelled through its Foundation, were focused on the following areas:

Event organized by the Real Madrid Foundation ‘At Christmas, no child without a gift’.
Spain who find in football, basketball and the team an alternative use of their leisure time that keeps them away from harmful practices. The programme brings sport and its values closer to children from especially difficult backgrounds as a result of abandonment or delinquency and also offers them the chance to be beneficiaries of the At Christmas, no child without a gift campaign.

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, of note is the participation in weekly activities in detention centres. This year we have organized 22 football and 21 basketball projects involving 2,250 inmates to contribute towards their re-education and their reintegration into society. In addition to weekly sports activities and the organization of the inter-centre tournament, cultural activities have been organized such as visits to the Bernabéu Tour and to Real Madrid City, as well as matches with volunteers at weekends.

Beneficiaries of the Emprendeporte physical exercise programme for the long-term unemployed took part in activities the Foundation organized, such as charity runs, workshops and job fairs. 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. In total, more than 13,000 people took part in the Foundation’s permanent social sports projects in Spain in the 2018/19 season, contributing to the Sustainable Development Goals (SDG) No. 1 (no poverty), No. 3 (good health and well-being), no. 4 (quality education), and no. 5 (gender equality), since all social sports schools are mixed offering the same opportunities to boys and girls.

3.9.3 INTERNATIONAL AREA OF THE REAL MADRID FOUNDATION

The International Area ended the 2018/19 season with 312 permanent schools and projects in 76 countries on five continents, benefitting almost 45,000 participants. In these projects, the social sports activity is a part of the comprehensive programmes that include complementary schooling and education and/or health care and/or food aid. Also, more than 2,000 coaches and educators in Spain and abroad have been trained in the unique and pioneering methodology of the Real Madrid Foundation: For a REAL education: Values and Sports, whose academic value is already proven.

In Asia-Pacific, 25 projects are being run which involve 5,676 children in seven countries. Quality education, female equality and its empowerment, improving health and combatting hunger are key to the work in the Asia-Pacific region and part of the main Sustainable Development Goals (SDG 2030). The Foundation works with this approach in all its projects in India, the Philippines, Indonesia and Cambodia and, now also, in Tamano, Okayama Province (Japan).

Thanks to the partnership with Global Football Management, the sustainability of the three Cambodian schools in which more than 500 participants benefit from a comprehensive service are guaranteed. In addition, the Foundation continues to offer education in values to children in Indonesia, a country which has once again suffered from a tsunami and volcanic eruptions.

Also in Asia-Pacific this past season the first Almara Cup was held in India and the second in the Philippines, reinforcing the students’ commitment to their own development.

The Foundation’s largest school by number of participants continues to run in collaboration with the Evergrande Football School in China, which this year was boosted with the incorporation of Ricardo Gallego as sports director of the coaches who teach and educate more than 2,700 students.

In the Americas, where there are 164 social sports schools and almost 24,000 beneficiaries, the Real Madrid Foundation’s strategy has focused on the technical and economic sustainability of the projects, promoting the establishment and strengthening of strategic partnerships with local entities in each of the 22 countries in which the projects are implemented, and of transversal partnerships with multilateral organizations such as the Inter-American Development Bank and CAF - Development Bank of Latin America.

The promotion of equality among all human beings is one of the SDGs that the Foundation’s projects focus most strongly on. In this regard,
the migratory phenomenon in the Americas is reflected in two different activities by the Foundation, first through projects that focus especially on young migrants of Hispanic origin in vulnerable situations. Of note in this regard is the establishment of the Foundation’s first basketball social sports school in the US, in the city of Lawrence, Massachusetts, a new addition to the 22 social sports projects that already exist in the country. Second, the Foundation has intensified its activities in countries such as Honduras, El Salvador and Guatemala, which are traditionally migrant-sending countries, where new social sports schools have been inaugurated, to add to the 18 that already exist in these countries, adding basketball to the offer of social sports activities that children and their families receive comprehensive support that promotes their education and creates opportunities for growth and development.

In Europe, the first team’s win in the UEFA Champions League final, Kiev 2018, marked the start of the activity of the Real Madrid Foundation in Ukraine, the ninth European country with Foundation schools, making a total of 13 European projects currently in operation outside of Spain. The Ternopil project is run in collaboration with the Epicenthr for Children organization and was opened by Álvaro Arbeloa in October 2018.

Of the Foundation’s activity in Europe, of note was the celebration of the sixth edition of the Alma Cup Europe social sports tournament in Hungary, in collaboration with the Puskaas Academy Foundation.

The search for excellence in management can be seen in the positive impact of the two Social Sports Schools of the Foundation in Romania, in collaboration with the FDP Association, which have proven to be relevant, effective, efficient and sustainable. The socio-sports schools in Portugal continue their excellent work with huge support from different entities. The charity gala held in Guimarães in April 2019 reflects the importance of support from local councils and businesses.

In Africa, the Foundation has intensified its work of furthering the all-round development of children, promoting their schooling and vocational training, reducing the repetition and abandonment rates, and promoting education in the values of peace and citizenship through sport. To achieve this, the Foundation schools have consolidated its network of social sports schools on this continent, placing greater emphasis on the sustainability of activities and the management and quality control of the 57 programmes which are distributed across 31 countries, and benefit a total of 7,094 participants.

This promotion of education in values is especially important in the Middle East, where it focuses on the values of citizenship and peace, with the aim of helping to reduce radicalism and the promotion of healthy living habits. Humanitarian aid interventions through sport for the Syrian, Christian Iraqi and Palestinian refugees in Palestine, Lebanon and Jordan have been carried out. The Foundation runs 47 social sports projects in nine countries in the region, with a total of 3,410 beneficiaries.

In the educational field, moreover, the Foundation’s model of clinics has been consolidated, which work to introduce positive values for the all-round education of future generations. During the season, more than 415 international clinics were held in 39 countries on all five continents, with more than 34,000 children and young people participating. Additionally, 145 of these clinics were held at Real Madrid City, which welcomed more than 4,000 players from over 25 countries.

3.9.5 PRESENCE OF VETERANS, REAL MADRID AMBASSADORS AND ICONS

Real Madrid’s ambassadors have participated in the Luis de Carlos Forums (Basketball champions, with Emilio Butragueño; Pablo Laso and Alberto Herreros; a special forum in collaboration with the Academy of Diplomacy Sport and diplomacy, with Emilio Butragueño; and the forum Luis de Carlos, life as a Real Madrid fan with Amancio Amaro, Clifford Luyk and Emilio Butragueño) and in the promotion of the Foundation’s charitable events, especially in the At Christmas, no child without a gift campaign, which featured former basketball players Rafael Rullán and Alberto Herreros and former footballers Emilio Butragueño and Álvaro Arbeloa.

Especially noteworthy is the participation of Emilio Butragueño as Director of Institutional Relations of Real Madrid in the presentations of agreements and collaborations, as well as his trips to Mexico and Honduras with the Foundation and his permanent support in interviews, presentations and forums. Also worth highlighting is the involvement of Álvaro Arbeloa who has participated in different acts and events of the Foundation such as travelling to Trinidad and Tobago and Grenada, visiting
the Personas Sin Hogar initiative or leading, along with Raúl González, the Foundation’s 3rd Charity Fun Run, as well as using his social networks to promote the Foundation’s events such as the Fiesta Corazón Classic Match. Also of note was the presence of Xabi Alonso and Raúl González in the 1st Coaching convention, in which Álvaro Arbeloa also took part, and the participation of Roberto Carlos and Julio Baptista in the TV programme El Hormiguero to promote the Fiesta Corazón Classic Match 2019. Other veterans such as Rafael Rullán or the veteran members of the team that played the Fiesta Corazón Classic Match also support the work of the Foundation as icons.

3.9.6 PRESENCE OF PLAYERS

The basketball first team players took part in different actions including the recording of charity video messages involving Llull, Carroll or Thompkins, the visit by Llull to the inclusive wheelchair basketball social sports schools and the participation of Felipe Reyes in the Luis de Carlos Forum Basketball champions.

Of the first team football players, a mention must go to the sensitivity shown by Marcelo Vieira, who visited the Chamber Children’s Residence and the Fuenlabrada social sports school, made an appearance at the social sports football tournament and took part in a recycling promotion with Ecopilas. He also collaborated by donating part of the profits of his new book. Also of note was the collaboration of Marcos Llorente in the public activities of the Ramón Grosso Foundation, a partner of the Real Madrid Foundation in Chad; and the meeting of Vinícius Jr. with the students of the school of Japan.

The entire football and basketball squads, as they do every year, took part in the traditional Christmas, no child without a gift campaign. The football first team also visited the summer campuses in Real Madrid City, with some of the first team players also visiting the weekly sessions for seriously ill children, and the players Marcelo, Vallejo, Carvajal, Nacho, Odriozola, Reguilón and Keylor Navas also collaborated in promotional video messages.

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. Similarly, the beneficiaries of the schools in Dubai and the US were able to meet the players during the team’s trips for preseason and the Club World Cup.

Again this year, we must mention the support and presence at the foundation’s 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, AWARDS, SPEECHES AND FORUMS

This season saw the implementation of the new Valorcesto and inclusive football manual, which are used to train the Foundation’s coaches assigned to disability projects. Likewise, a new manual for clinics and the school in China has been written in Chinese and it is also worth mentioning the complementary road safety material for adapted and inclusive schools which has been specially developed in collaboration with Convarri. More than 2,400 trainers-educators in Spain and abroad, were trained this year by the Foundation in more than 500 training activities (courses, workshops and seminars).

This season the Foundation’s Training Division and the Values Group also published three academic articles on its activity in prisons and social interaction in the social sports basketball schools.

The Foundation also participated in the 15th AEISAD Congress, the 2nd Transnational Meeting Display, the Iberian Basketball Congress, the 13th FEADEF International Congress; the 2nd UEM Basketball Symposium, the 1st Methodological Sports Training Seminar; the seminar for football coaches; the 2nd Salamanca Training Week; the Cubamatricidad Congress; the Forum on Philanthropy in the 21st Century; the Basketball and ASD seminar of the UEM; The Women and Sports course; the 12th Football is More conference in London and the International Football Forum for the development of Panama, in addition to organizing the 1st Coaching Convention for European coaches.

Moreover, the Foundation has received several awards such as recognition from the Brotherhood of San Juan de Dios for its work at the San Rafael Hospital; the Solidarity Award of the Ramón Grosso Foundation, the Tourism Excellence Award at Fitur, being appointed an honorary member of the NGO Atades, or the award from the Royal Academy of Diplomacy for its charity work throughout the world.

The school is present in ten countries: Spain, USA, Mexico, Chile, Colombia, China, Germany, Portugal, United Kingdom and Australia.

Focusing on the areas of health, sport, management or communication, our school offers fifteen face-to-face and online master’s degrees taught in Spanish and English, including several MBAs, university degrees in Management, Law, Marketing, Communication and Journalism, Training and Nutrition, Football Management, Physical Activity and Health and Physiotherapy, all of them focused on the sports sector. More than 11,500 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, in accordance with the historic values of Real Madrid.
During the 2018/19 academic year, the school taught master’s degrees to 512 students at its headquarters in Madrid and to 553 students at its ten international sites. At the Madrid School, 72% of attendees were international students coming from 50 different countries, the highest number since the school was founded in 2006. The multicultural nature of our classrooms makes us a truly international school.

The strong international character of the school is reinforced with renowned professors from the United States, South Africa, Germany, the United Kingdom, Belgium, Australia and France, among others, gave classes this year.

New courses in English have been established such as the Sports Communication Master’s degree, the Sports Law International Master’s degree, and the Sports Nutrition Master’s degree. It is worth noting the growth by 33% of courses such as the MBA in Sports Management, following one of the great global trends.

In terms of international expansion, we are delighted with the agreements signed with prestigious universities such as Columbia University, considered among the best in the world, and Beijing Sport University, the largest university in China and a world leader in higher education in Sport.

With regard to academic trips, once again last year our students from different programmes visited sports facilities, organizations and entities in London, New York, Valencia, Vitoria, Amsterdam, Munich, Dortmund, Gelsenkirchen, Zürich, Nyon, Mies and Lausanne.

Each of the programmes has involved a club executive as co-director. Faithful to our commitment, many Real Madrid professionals 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 107 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 helping its students to achieve their goal of working in the sports industry. It has also implemented a Monitoring and Relational Plan, career plans, events and training to continue to provide maximum value to its students.

It was an honour for everyone to have José María Álvarez-Pallete, executive chairman of Telefónica, as the patron of this thirteenth graduation ceremony which was presided over by Florentino Pérez at the Santiago Bernabéu on 4 July.

This graduation is the best reflection of the thirteen years in which the School has grown not only in the number of students, but also in recognition and prestige. Our 11,500-plus alumni are a guarantee of the influence we aspire to continue to exert on the professionalization of sport.

We are all proud of the fact that the Real Madrid Graduate School European University has been granted the National Sports Award this year for its special contribution to the promotion and development of sport. This distinction is recognition for a project whose prestige has crossed borders and won the admiration of everyone.
In the 2018/19 season, Real Madrid has continued to develop its environmental protection policy as a key component of its sustainability strategy. This season was the first full season in which our organization has had an Environment Division, which has promoted a wide range of actions to reduce the impact of the club’s activities on natural resources.

Some of the key areas within Real Madrid’s environmental agenda, spearheaded by this new division, 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.

Noteworthy projects carried out by this Division include the replacement of combustion engine vehicles and machinery with electric equipment. In addition to gardening and cleaning machinery, this measure is starting to impact people’s mobility as evidenced during the 2018/19 season by the delivery of electric cars as part of the agreement with the club’s sponsor Audi. At the same time, electric vehicles of different sizes are being used for mobility inside Real Madrid City to ensure the movement of people with zero emissions.

Another of the environmental projects in which Real Madrid is a pioneer is the use of ultraviolet light in all the natural grass pitches as a method to prevent plant diseases without the need for chemical substances. At the same time, a biological control programme is being carried out both for the sports pitches and the ornamental gardens using our own machine to produce compost tea. Moreover, irrigation water is being treated magnetically to reduce water consumption while offering the same result in terms of irrigation, and all our gardeners have received training and manual sensors to control irrigation, as part of an irrigation management and control system aimed at maximizing efficiency in water use.

Currently, Real Madrid is launching a pioneering project unique among football clubs to evaluate our carbon footprint and certify the evaluation system, in order to objectively know our environmental impact and thus be able to design appropriate measures to offset it. In this regard, the work and investment to create a 25-hectare forest as a project to neutralize our carbon footprint has begun. Also official registration of the club’s carbon footprint, offsetting and absorption projects has been obtained in the Ministry for Ecological Transition, making us the first clubs to evaluate our carbon footprint and absorb CO2 from the atmosphere, exceeding the requirements set by the European Union.

To eliminate the use of herbicides, a training and awareness programme has been launched to promote manual weed removal by the gardening team in their daily work. Along the same lines, organic granular fertilizers have been used instead of chemicals.

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 Ecowaste Spain, S.A. for the 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 2018/19 season, some 522,520 kg of waste was collected from our facilities, from both the Santiago Bernabéu stadium and Real Madrid City. Of this amount, 87% constitutes recyclable lightweight containers, paper and cardboard and only 13% unfit waste, which when comparing this figure with usual figures for the country as a whole, it shows that we are correctly separating waste at source.

Over the 2018/19 season, some 303 tonnes of light containers and 156 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 459 tonnes of recycled materials, comprising containers and cardboard generated in the Real Madrid facilities, it has been possible to make many different products commonly used in society. 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:

- 35 tonnes of CO₂ emissions, equal to the emission produced by 103 vehicles.
- 332,000 KWh of electrical energy consumption.
- 7,853,779 litres of water, equal to the daily consumption of 55,308 people.

During the 2018/19 season, the number of containers at the stadium was further increased to ensure the correct separation of waste on match days and the bins in the public galleries, as well, with information on how to recycle correctly. During the season, awareness and training days have been held between the different groups to promote the correct recycling of the waste generated, mainly in the VIP areas of the Stadium. These training days were organized from the Events Production and Facilities Operations department and carried out by expert staff from Ecoembes.

In turn, approximately a tonne of hazardous waste, such as contaminated containers from maintenance work containing paint, spray, silicones, etc., have been removed by specialized companies, thus ensuring that this waste is sent to the appropriate place.

Exactly 25,200 kilos of glass, from the different events and VIP areas on matchdays in the stadium, have been collected and therefore recycled by our waste management company. Over the course of the season, the blowing machines used for cleaning that worked with combustion engines have been replaced with electric machines.

During this past season, a process has been put into place to replace the garbage removal vehicle. It is a small diesel vehicle that circulates through the interior of the stadium. In the future, this will be replaced with an electric vehicle.

Likewise, we have continued to introduce projects to reduce our use of paper at the club, gradually transferring our internal documentation and external communications to digital formats.

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.

These actions include the following:

- Installation of LED technology in emergency lighting for stands and buildings at the Real Madrid City and the stadium.
- Execution of Phase IV of the replacement of existing lighting with LED type in access road lighting leading to Real Madrid City and in its car parks.
- Improvements in the remote management and monitoring of equipment to optimise their hours of operation, especially regarding the programmed timings of air conditioning equipment based on the actual levels of occupation of the area.
- Execution of Phase III of the installation of frequency inverters in both pumping groups 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 certificates 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, as well as from the recovery of rainwater and field drainage.

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:

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, bottles, organic waste, batteries and toners.

During the 2018/19 season, an intelligent call management system has been installed in the lifts in the corporate office building that manages their allocation based on the traffic existing at any time, so not all the cabs are running at the same time, reducing waiting times and streamlining the up/down flows, as well as the stops at the floors, thus leading to energy savings.
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.

In compliance with UNE 171330-2014, the new office building has been awarded the Indoor Air Quality certificate issued by AENOR.

Moreover, a Sustainability Championship aimed at all Real Madrid employees has been launched. This is an information campaign that, using a game format with interactive virtual scenarios, will run for 13 months (coinciding with the number of European Cups the club has) raising awareness on aspects of sustainability and the environment. The topics covered include mobility, water management, nature, natural lighting, sustainable waste management, renewable energy, sustainable use of natural resources, and others. The average participation in this initiative is of about 200 club workers.

As part of the aforementioned Environmental Sustainability campaign promoting environmentally friendly behaviours among employees, reusable glass bottles have been distributed and water fountains with purifying filters connected to the Channel network have been installed in the stadium from 18 to 4 months with a consequent reduction of water consumption needs.

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 ongoing 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 rootin 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 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 a validity until 2020.

With a view to the future, the Environment Division has designed action plans that are still in their early stages, but which will ensure that Real Madrid remains committed to protecting nature. These plans include ongoing studies to find greener alternatives to internal combustion engines in all the club’s equipment and machines, the analysis of energy production alternatives in our facilities using 100% renewable sources, especially solar energy, and the study of methods for drastically reducing our consumption of plastic containers, and especially the water bottles used by our players in their matches and training sessions.

The Santiago Bernabéu stadium remodelling project has also been designed to ensure there is minimum impact on the environment, including both the pitch project and the lighting in all its aspects following specifications that maximize the care for natural resources and minimize environmental impact.

Meanwhile, in Real Madrid City, the project to convert all lighting to LED, including the floodlights of the football pitches, is progressing. Real Madrid also extends this way of working, which respects the environment, via its network of suppliers, including as part of the specifications for the supply of products and services the requirement to comply with environmental obligations.
3.10 THE 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. It was the world’s most visited football club website for the third year running, with 2,950,000 unique users as of June 30 (according to Comscore data). Translated into nine languages (Spanish, English, French, German, Portuguese, Japanese, Chinese, Indonesian and Arabic) Realmadrid.com had 45.5 million unique users this season, totalling 90 million sessions and more than 210 million page views. The consumption of Realmadrid.com from mobile devices continues to increase and last season it represented 71% of total traffic. 42.9% of all users are in the 25 to 34 age range, which means an increase in revenue of 14% in online products due to the purchasing power of our followers (Tour, store, tickets, etc.).

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 892,000 and Hala Madrid Junior (circulation of 261,000) and the online Hala Madrid Magazine, emailed to the inboxes of around 250,000 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

Realmadrid TV has established itself as the content generator for all of the club’s platforms. The channel ended the 2018/19 season with an audience share of 0.30%, an increase of 0.01 points compared to last year. 22,312,000 viewers connected to the channel throughout the season, with an average of 1,219,000 daily viewers.

Realmadrid TV increased its live broadcasts for the most important events in the first football and basketball teams and their respective academy teams. During every matchday in the Champions League, the Spanish League, the Copa del Rey, and the Endesa League, Realmadrid TV has broadcasted all the latest news from the front row. The channel broadcasts the minute-by-minute reporting of the matches and detailed analyses, with commentators such as Roberto Carlos and Álvaro Arbeloa.

The official Real Madrid channel achieved its maximum daily viewing figure last season on Sunday 9 December 2018. With a 0.87% share for the coverage of the live match of matchday 15 of the Santander League against SD Huesca and the final of the Copa Libertadores between River Plate and Boca Juniors, held at the Santiago Bernabéu stadium. The La Cuenta atrás programme covering the Copa Libertadores achieved an average audience of 249,000 viewers and 1.68% of audience share, making it the most viewed programme in the history of the channel.

The presentation of Eden Hazard was watched by 231,000 viewers with a 2.41% audience share, the highest for any presentation/contract renewal in its history as a free-to-air channel. It had a share of 1.90%, the third best time slot of the afternoon in history, behind the celebrations of the Twelfth and Thirteenth.

The special La Tertulia: gala Balón de Oro programme became the third most watched broadcast of the season on Realmadrid TV with an average audience of 228,000 viewers. On 11 March 2019, La Tertulia talk show achieved its best historical record with an average audience of 156,000 viewers and 1.41% audience share thanks to the live broadcast of the presentation of Zinedine Zidane on his return to the club.

The Corazón Classic Match 2019 was watched by 214,000 viewers and had a 2.14% audience share. The charity event grew by 0.26% compared to its 2018 edition. Just like the live broadcast of the gala for The Best FIFA Football Awards, which achieved an average audience of 102,000 viewers and an audience share of 0.94%, achieving its best figures in its history of coverage of the ceremony.

90 Minuti achieved on 11 February 2019 its third most watched historical broadcast with 134,000 viewers and a 0.73% share. Prime time ended the year with 0.30%, which is 0.03 points more than last year. The post-lunch time slot programme, with an audience share of 0.21%, grew by 0.02 points, the best season in its history.

Most of the channel’s programmes have grown this season. La cuenta atrás ended the season with an average audience of 73,000 viewers and
a 0.63% share, growing 0.02 points. *Minuto a minuto*, meanwhile, with 111,000 viewers and a 0.81% audience share grew by 0.09 points. *El análisis*, with an average audience of 68,000 viewers and a 0.53% share, grew by 0.06 points. The programme *Hoy jugamos: minuto a minuto de la UEFA Champions League* achieved its best figures of the season with an average audience of 130,000 spectators and a 0.79% share.

The playoff for promotion to the Second Division between Real Madrid Castilla and Cartagena was the third most watched broadcast in history for the main academy team with an average audience of 221,000 spectators and 1.96% audience share.

Meanwhile, the U-18 Copa del Rey semifinal against Villarreal produced the Under 18 A team’s most competitive historical figure with an audience share of 2.02%, also becoming the second most watched game in history with 114,000 viewers.

### 3.10.4 Social Networks

The Real Madrid social networks have the largest audiences of its communications channels. We use them to communicate in six languages and this past season, in addition to being present on Facebook, Twitter, Instagram, YouTube, Snapchat, Line, Tencent, WeChat and Weibo, we opened an account in the three channels owned by Bytedance: Tik Tok, Douyin and Toutiao. The football, basketball and academy accounts on different social platforms have a total of more than 320 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, Madridista card, tour, website, etc.

We finished the season as we started, as the sports institution with the most followers on Facebook (110 million), Instagram (73 million) and Twitter (32 million). It is worth noting the increase of video visualizations on Instagram (today’s predominant platform) during the season, where we generated an average of 3.63 million views per video, with only FC Barcelona getting close with 2.67 million.

### 3.10.5 Real Madrid App

Real Madrid App is the club’s official app and can be downloaded from all the main mobile stores (Android and iOS) and already has more than nine million downloads since its total upgrade and relaunch 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 more 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, special cameras offering exclusive images; on-demand matches and the club’s television channel, Realmadrid TV.

This year the app has been 100% revamped and its usability has been improved by incorporating new forms of gamification with the first version of *fanconnect* and allowing the opening of content without registering.

Realmadrid App is available in English, Spanish, Arabic, Indonesian, Japanese, Portuguese, French and soon also German.