



2017 INTEGRATED REPORT

GARRIGUES

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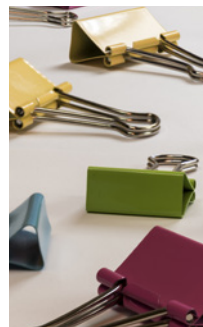
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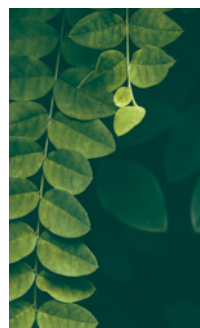
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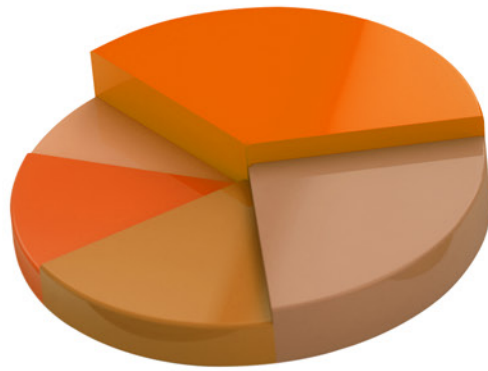


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Main accomplishments in 2017

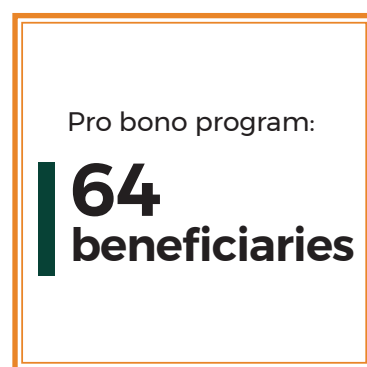
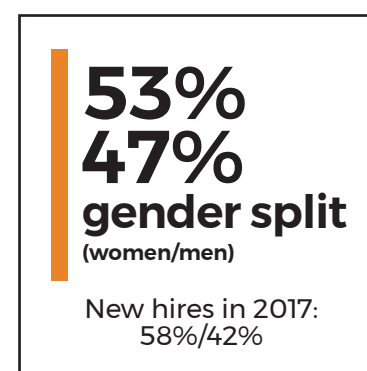
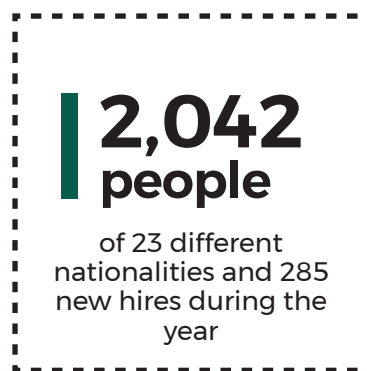




Main accomplishments in 2017

Garrigues is an innovative, international and independent law firm. With offices in 13 countries across Europe, Africa, Asia and the Americas, the firm advises clients in the main economic arenas of the global marketplace, where it has always been noted for its pioneering spirit. All of this has made Garrigues a market leader in Spain and a key player in Europe and Latin America.

Here is a summary of the firm's activities in 2017:





America - Bogotá - Lima - Mexico City - New York - Santiago de Chile - São Paulo **Africa** - Casablanca - **Asia** - Beijing - Shanghai
Europe - Brussels - Lisbon- London - Oporto - Warsaw - **Spain**

A Coruña - Alicante - Barcelona- Bilbao - Las Palmas de Gran Canaria - Madrid - Málaga - Murcia - Oviedo - Palma - Pamplona - San Sebastián - Santa Cruz de Tenerife - Sevilla - Valencia - Valladolid - Vigo - Zaragoza

Client service

Areas of expertise

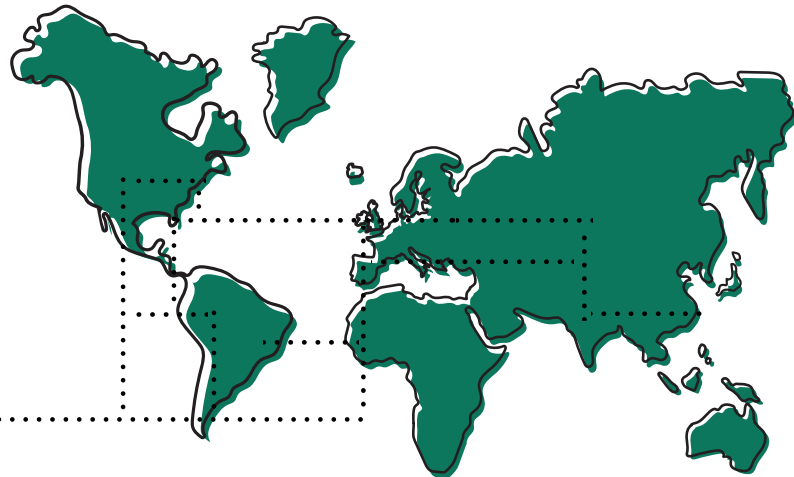
Corporate Law and Commercial Contracts
Administrative Law
Banking and Finance
Accounting Law
Securities Market Law
EU and Antitrust Law
Tax
Real Estate
Labor and Employment Law
Criminal Law
Planning and Zoning Law
Mergers and Acquisitions
Human Capital Services
Litigation and Arbitration
Environmental
Intellectual and Industrial Property
Restructuring and Insolvency

Industries

Automotive
Financial Institutions
Private Equity
Family Business
Energy
Life Sciences & Healthcare
Corporate Governance & Corporate Social Responsibility
Technology & Outsourcing
Real Estate
Insurance
Smart Cities
Sports & Entertainment
Telecommunications & Media
Transport & Shipping
Tourism and Hotels
Fashion Law

Desks

Asia-Pacific
French
German
Indian
Italian
US



Our strategy

- Added value for clients
- Leadership in Latin America
- Innovation and technology
- Attraction and retention of the best talent

[More information](#)

[More information](#)



Letter from the chairman



Letter from the chairman

I am pleased to present Garrigues' Integrated Report, which provides a balanced view of the firm's performance in 2017, sets out the most salient aspects affecting its progress and presents the main areas of work for the coming years.

Innovation, talent and sustainability are the words that best define Garrigues at this moment in time, a challenging period in which the legal services industry is undergoing unprecedented changes due to digitalization and other factors.

Innovation imbues everything we do at the firm in order to deliver greater value to our clients. Innovation at Garrigues is at its height, driven by digitalization, the needs of our clients and the transformation of society, not to mention the innovative spirit for which the firm's professionals have always been known. This is reflected in initiatives that explore new ways of thinking and working (Innovation Think Tank) and the use of artificial intelligence (Proces@), which you will read about in this report.

This has been possible thanks to the **talent** of our professionals. In a law firm like ours, attracting and retaining talent has played and will always play a vital role. We have a global team, with a shared corporate culture, of more than 2,000 people of 23 different nationalities. We promote equal opportunities and merit-based promotions and we encourage training and lifelong learning. We have the best team and will continue to build it up over the next few years, with greater diversity, digital skills and new ways of working.

Against this backdrop, a commitment to **sustainability** in its broadest sense is an obligation. We are very aware of what we receive from society as a firm and our intention is to further economic and social progress and to serve the public interest in the countries in which we provide our legal and tax advisory services, by contributing our knowledge of the law.

Placing our clients at the center of our strategy, Garrigues is committed to earning its leading position in the main areas of business law every day, with a team dedicated

to delivering added value to clients and the most innovative solutions in an ever-changing world. Thanks to this commitment and to the trust placed in us by many of the leading companies in the markets we operate in today, we are a firm of choice in Spain, Europe and Latin America. Our resolve is not to sit back but to strive for excellence each and every day.

I trust this 2017 Integrated Report will help you to get to know Garrigues better.

Kind regards,

Fernando Vives
Executive chairman



About this report





About this report

This is the twelfth consecutive year that Garrigues has published its Integrated Report (known until four years ago as the Corporate Social Responsibility Report). This report corresponds to the Garrigues 2017 fiscal year (January 1, 2017 through December 31, 2017).

In 2017, we continue to take into account the guidelines and recommendations of the integrated reporting framework published by the International Integrated Reporting Council (IIRC) in December 2013, adapting them to the progress made on each issue and Garrigues' business and specific situation. In particular, pages 34-81 provide detailed information on our capital: human, intellectual, social and relationship, natural and financial. This is also the second year we have applied the October 2016 GRI Standards.

Garrigues adhered to the United Nations Global Compact in 2002. This report constitutes our Communication on Progress as regards the implementation of the 10 principles in the areas of human rights, labor, the environment and anti-corruption.

Garrigues has assessed and defined its contribution to the Sustainable Development Goals (SDGs) approved by the United Nations. This series of 17 goals and 169 targets aims to solve the social, economic and environmental problems afflicting the world and covers the period 2016-2030. Page 55 sets out the contribution our pro bono program has made to the Sustainable Development Goals.

In addition, and for greater clarity, pages 87-92 of the Index of GRI Standards list the GRI disclosures alongside each of the principles of the Global Compact and the UN Sustainable Development Goals.

This report has been prepared and verified by an independent external entity, in accordance with the core option set out in the GRI Standards.

For more information, see the assurance letter on page 100 of this report.

For more information on Garrigues' activities:
www.garrigues.com

Please address any queries to:
comunicaciones@garrigues.com
or use the Contact Form on **www.garrigues.com**





InnovaTALENTbility



InnovaTALENTbility

At Garrigues, innovation, talent and sustainability are at the very heart of our business strategy:

- We strive to provide the best service to our clients all over the world, placing particular emphasis on professional ethics and innovation.
- We consider all of our people to be our principal asset.
- Garrigues is a responsible law firm that is committed to addressing global social, environmental and governance challenges. We are also deeply committed to all markets in which we operate.

This is why we have coined the term **InnovaTALENTbility**: a combination of innovation, talent and sustainability.

We have received widespread international recognition and accolades for our commitment to these three areas.

- European Firm of the Year: the UK publication Legal Week granted Garrigues its top honor in Europe in light of its expansion strategy, commitment to talent, and strides in innovation.
- Best Client Service: Chambers has doubly recognized the quality of Garrigues' client service, in both Spain and Latin America.
- Equal Opportunity Employer: Garrigues has been recognized for its procedures and policies to encourage equal opportunities.
- The United Nations Global Compact: Garrigues has renewed its commitment, held since 2002.





Innovation

Garrigues is always working on improving and modernizing its relationships with clients, identifying new options for the firm's internal management and applying novel solutions in legal practice that respond to ever more complex problems.



■ Innovation in the way we think and work

Garrigues has launched the Innovation Think Tank, a strategic project for the firm and one that is at the very heart of our digital transformation. The internal ideas lab arose as a way to channel the individual innovation efforts of our professionals, to promote the exchange of ideas and client-oriented solutions and to encourage new ways of thinking and working.

Facts and figures

- 112 individuals form part of the Innovation Think Tank
- The working groups have proposed 50 initiatives

■ Innovation for clients

Growth and business development

Garrigues' practice areas and departments adapt to clients' changing needs. We have worked to develop the digital economy and society since its early stages, advising the main players heading up projects and transactions in this major sector. In 2017, we sought out opportunities to connect with the entrepreneurial ecosystem, such as South

Summit (the leading event for start-ups in Southern Europe), where we helped organize the first legaltech start-up competition.

Facts and figures

- The winner of the competition was a digital platform for signing smart contracts using blockchain technology
- Nearly 100 projects entered the competition

Compliance culture

Garrigues is helping to establish a culture of compliance outside the firm through a client-tailored tool with innovative features to detect and monitor regulatory compliance. This IT application not only contributes to corporate compliance but also facilitates management of integral regulatory compliance systems.

Facts and figures

- This initiative was 'highly commended' in the technology category of the Financial Times Innovative Lawyer Awards
- 36 companies have already acquired this tool



■ Innovation in technological tools

In order to unlock synergies in lawyers' working processes, Garrigues has rolled out advanced tools and technologies tailored to legal practice:

Machine Learning

We have software that analyzes contracts and other legal documents, automatically extracting structured information from clauses and identifying anomalies. It is specifically designed for merger and acquisition transactions.

Collaborate 4.0

This software automatically compiles and reviews a large volume of documents involving the work of different teams (due diligence reports, minutes of board meetings, collective appeals, etc.). Garrigues Collaborate and its I-sheet and Document Automation modules make these processes more efficient and create collaborative spaces for lawyers and their clients.

Proces@

The Proces@ tool was developed by the firm in collaboration with the Knowledge Engineering Institute (IIC) of Universidad Autónoma de Madrid. The tool helps locate unstructured data in electronic documents and audio and video files, among others. It is the world's first tool of this type to be developed in Spanish.

Legal Proofreading

These systems reduce the time spent on reviewing all types of documents (contracts, agreements and briefs), enhancing quality while mitigating risks. Among other features, they automatically detect and highlight potential errors and inconsistencies in documents.

■ Innovation in work spaces

The firm has designed a space for innovation, specifically aimed at encouraging brainstorming and teamwork.

Facts and figures

The new innovation-friendly space features several different areas:

- An agora-style open-plan area for informal meetings
- Project rooms and study areas equipped with the latest technologies
- A classroom, which has been used as the base for the Innovation Think Tank



Talent

Garrigues' biggest asset is its people. Accordingly, the firm strives to attract and retain the best talent, offering professional development and training in an equal opportunity environment.

■ Talent at the service of clients

Proximity to our clients and an ongoing commitment to understanding their needs have always been our hallmarks. We strive to offer value to our clients by providing a quality service both in terms of technical advice and of the standard of conduct required of our professionals, fully respecting the principles and ethical values of the legal profession.

We are firmly committed to ongoing, specialized collaborative training, tailored to the global reach of our professionals. We also offer internships to university students from different countries, with a special focus on Latin America. We will also continue with global training programs for our professionals.

Facts and figures

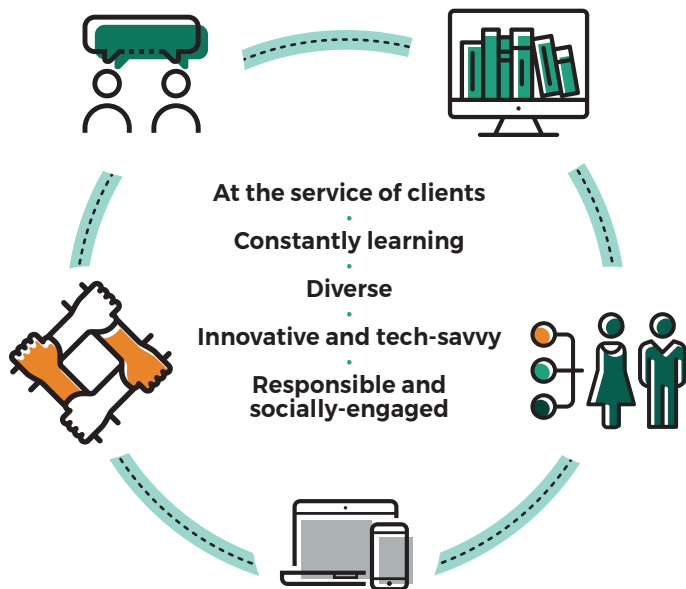
- New hires: 168 young professionals worldwide, from 54 of the most prestigious universities in the world
- Promotions: 12 promotions to partner and 56 promotions to senior associate
- 88% of our people have taken part in our training programs

Facts and figures

- 3,285 clients who have been with us on an ongoing basis for at least 5 years
- 2,042 individuals working out of 32 offices
- 298 partners

■ Talent that is constantly learning

We provide our professionals with all means and opportunities to enable them to enjoy a full and rewarding career at the firm and we offer our employees real learning prospects.





■ Diverse talent

We continue to hire the most talented professionals, while standing behind our commitment to nondiscrimination, equal opportunities, the integration of people with disabilities and respect for diversity.

Garrigues has set itself the goal of achieving greater workplace equality between men and women. To further this objective, the firm has prepared its second Equality Plan, which entered into force in 2017 with new measures aimed at fostering greater loyalty and professional development of talent.

The firm is also determined to continue embracing diversity and has strengthened its commitment to people with disabilities.

Facts and figures

- Gender split: 53% women / 47% men
- Gender split in new hires in 2017: 58% women / 42% men
- Different nationalities: 23
- Certification as an Equal Opportunity Employer

■ Innovative and tech-savvy talent

We strive to create an innovative setting in which our employees can contribute to the firm's digital transformation, making the business more dynamic and enhancing our relationships with clients.

Facts and figures

- Creation of the Garrigues Innovation Think Tank
- Road show visiting the main offices, to explain the firm's innovation projects and technological tools
- 640 people trained in the areas of technology and knowledge management

■ Responsible and socially-engaged talent

We have pledged to safeguard and support labor and human rights and to promote health and safety at work.

We are committed to providing information on our sustainability policies, goals and progress and to maintaining dialog with our stakeholders to continue improving our performance in this area.

We published our first annual sustainability report twelve years ago, in a pioneering attempt to provide detailed information on our commitment to all of our stakeholders. We have also broken new ground in the legal profession by publishing an integrated report using the GRI G4 Guidelines and, more recently, the 2016 GRI Standards.

Facts and figures

- 144 individuals took part in the pro bono program



Sustainability

Garrigues is a responsible law firm that is committed to addressing global social, environmental and governance challenges. We are also deeply committed to society at large.



As an international law firm, we have pledged to pursue our activities while at the same time advancing the UN Sustainable Development Goals (SDGs). Accordingly, we seek to safeguard and enhance the world's economic, social and environmental assets. Our work is guided by the United Nations Global Compact, to which Garrigues adhered in 2002.

In this regard, we have prioritized our efforts in this area on promoting peace, justice and strong institutions (Goal 16) and partnerships (Goal 17).

Garrigues also fosters quality education (Goal 4), contributes to gender equality (Goal 5) and economic growth (Goal 8), drives innovation (Goal 9), ensures reduced inequalities (Goal 10) and adopts responsible consumption practices (Goal 12).

■ Social sustainability: collaboration and partnership model

We are committed to collaboration and to creating effective partnerships in civil society:

- Under our pro bono program, we provide legal services to 64 non-profit organizations.
- The Garrigues Foundation contributes to social welfare and to developing and promoting science, education and legal culture.

- Through the Garrigues Collection, the firm seeks to actively participate in legal debate, to help rethink the institutions and concepts of traditional law and to contribute to the definition of new legal ideas.
- The Garrigues Chairs in Law foster the research and dissemination of legal knowledge.
- The Young Lawyers Awards encourage excellence in the study and practice of business law.
- We promote the training of young lawyers and help them begin their professional careers through educational cooperation agreements (130 agreements in force in 2017) and the participation by our professionals as teaching staff (over 250 of our professionals currently teach courses).
- We take part in expert groups, advisory boards and associations relating to the law.
- We collaborate with associations, professional organizations and similar groups in the jurisdictions in which we operate.
- We take part in charity campaigns.

Facts and figures

- Beneficiaries under the pro bono program: 64



■ Environmental sustainability: sustainable and healthy workplaces

We work to ensure that our offices are sustainable, healthy, accessible, efficient and environmentally friendly. In recent years, we have concentrated our efforts on creating sustainable workplaces, using more efficient equipment, lowering energy and water consumption, using environmentally-friendly materials, recycling and raising awareness among firm personnel of the importance of environmental conservation.

The buildings currently housing our head office in Madrid and our offices in Lima, London and Mexico City carry Leadership in Energy and Environmental Design (LEED) certification, an international verification standard developed by the US Green Building Council to promote the design of buildings on the basis of sustainable and high efficiency criteria. The Bogotá office has also been recognized as a sustainable building and our office in Mexico City has earned the Socially Responsible Enterprise (ESR) distinction.

We have pledged to help drive the shift towards a circular economy by implementing the lines of action envisaged in the Eco-efficiency Program.

Facts and figures

- Paper consumption: down 7.4% with respect to 2016
- Buildings with LEED or similar certification: 43.5% of total area

■ Economic sustainability: financial soundness

Garrigues has a high degree of financial stability and uses its financial resources mainly to ensure the continuity and sustainability of the business, to invest in innovation and in the talent of its professionals, to open new offices, to maintain and create employment of the best quality, and to contribute to the communities in which it operates.

This financial soundness is reflected in aspects such as:

- Positive working capital, standing at around €65 / €70 million in recent years.
- Partner contributions to funding the firm make up approximately 50% of the balance sheet. We rely on external financing on very specific occasions and for very reasonable amounts in line with the firm's business volume.

- The firm has a very large and representative client base across all business sectors and strictly observes fundamental ethical principles (integrity, independence and professional secrecy) in all our client dealings.
- The multidisciplinary nature of the firm and its international presence ensures its stability in all economic cycles.
- We maintain our leading position among tax and legal advisory firms in the main markets in which we operate.

Facts and figures

- Revenues: €357 million
 - Up 2.2% with respect to 2016



**A unique value
proposition in the
global business world**





A unique value proposition in the global business world

Thanks to its international activity and presence, Garrigues is truly a global firm, advising an increasingly sophisticated clientele. One of the firm's hallmarks is its vast experience as legal and tax advisor for clients around the globe, something which necessitates a thorough knowledge and understanding of the law in the different countries and a strong regional presence in continental Europe and Latin America.

Leadership

Leading firm in continental Europe
Number one firm in terms of revenue
 (The Euro 100, The Lawyer 2017)

Leading firm in the Iberian Peninsula
Number one firm in terms of billings
 (Expansión 2017)

Financial indicators

Global

Revenue	Growth
€357.1 million	up 2.2% on 2016

Non-Spain markets

Revenue	Growth
€45.1 million	up 9.1% on 2016

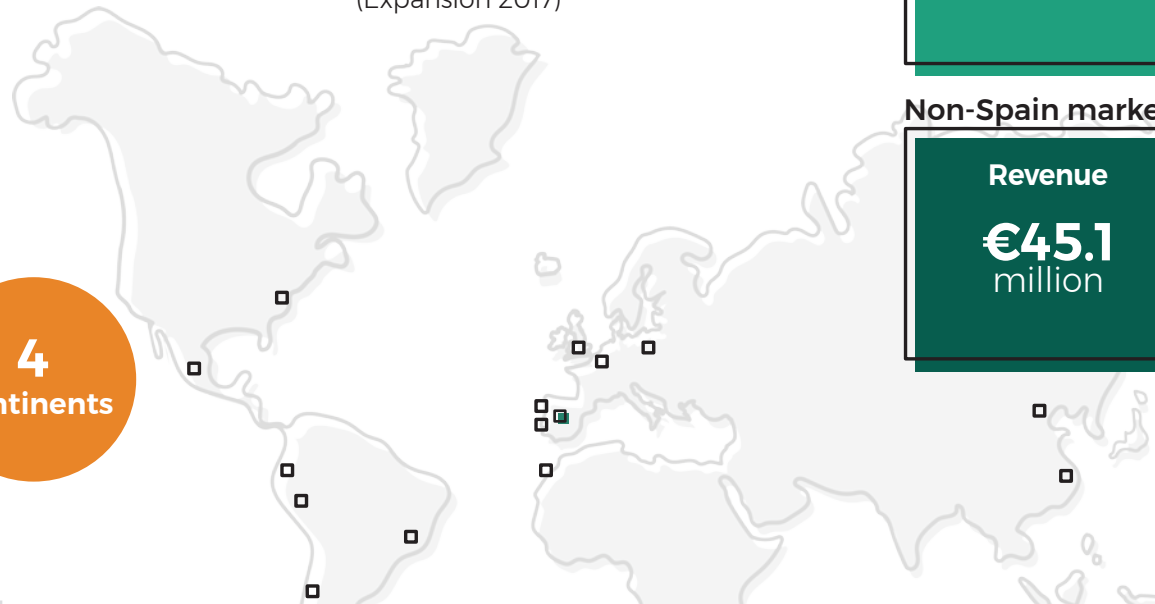
32
offices

13
countries

4
continents

2,042
individuals

23 Nationalities



International clients

19% of Garrigues' clients are from outside Spain and Portugal, up 26.2% on 2016.

Cross-border transactions

The M&A Department is present in all of Garrigues' 32 offices worldwide.

We advise clients in over 85 countries.



Latin America, a key region for global connectivity

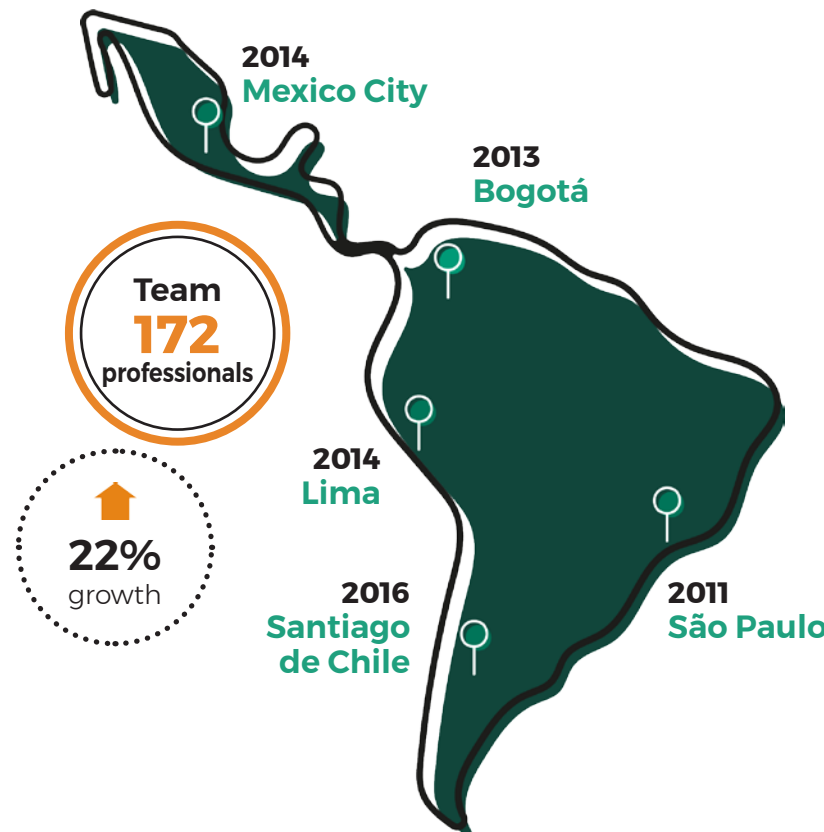
In 2013, Garrigues embarked on a new strategy of establishing a fully-integrated network of own offices staffed by local lawyers. Since then, we have made good on this strategic commitment and, after only five short years, we are now present in the Pacific Alliance countries (Chile, Colombia, Mexico and Peru) and have a foreign law office in São Paulo, Brazil, making us the Iberian law firm with the greatest presence in Latin America. Thanks to our Latin American network, along with the expert teams advising on local law from our offices in Europe and Asia (Shanghai and Beijing) and the backing of our London and New York offices, Garrigues is in a highly privileged position to reach all corners of the globe.

Clients

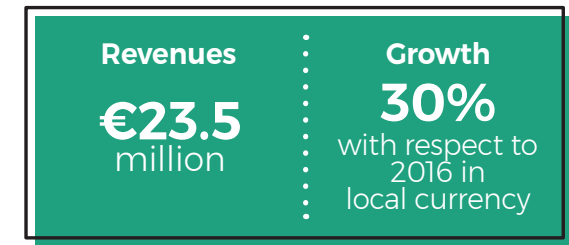
- Latin America accounts for **7.2%** of Garrigues' total client base.
- The number of clients in the region has **climbed 60.3%** in the past 12 months and **775%** over the past decade.

Garrigues is unique in the region because...

- We have cultivated a strong identity based on leadership and excellence.
- We have a long history as industry trailblazers.
- We are an independent firm with one of the largest office networks.
- We have always followed a clear strategy.
- We believe in being a united firm, working as a single team and with a shared corporate culture.
- We aren't afraid to break the mold.



Financial indicators



Leadership

Client Service Award: Latin America
 Chambers Latin America Awards

Best Infrastructure Law Firm of the Year: Andes
 LatinFinance Project & Infrastructure Awards

Recommended Firm in Chile, Colombia, Mexico and Peru
 Latin Lawyer 250

Law Firm of the Year: Andes
 LatinFinance Deals of the Year Awards



The value of reputation



The value of reputation

Garrigues remains a benchmark in the legal services industry in Spain (Expansión, May 16, 2017) and has garnered recognition from the leading international publications. As in 2016, the firm was recognized for its work around the world during the year, particularly in Latin America.

In addition to these prestigious awards from specialized legal publications, Garrigues was also recognized for its work in other areas, such as:

■ Innovation

Financial Times Innovative Lawyer Awards Europe

October 2017

- **Innovation in technology: highly commended firm**
«Developed by the firm's G-Advisory consulting team, Core is a new application to manage company compliance for corporate crime, data privacy, environment quality assurance and security risks».
- **Innovation in enabling business growth: commended firm**
«The firm designed new corporate vehicles to incorporate Prosegur Cash's business lines across multiple jurisdictions into a single restructuring, enabling it to list on the Spanish stock exchange».
- **Innovation in driving value: commended firm**
«Lawyers navigated Spanish legal and regulatory restrictions to allow Enel Green Power, a renewable energies company dual-listed in Italy and Spain, to delist from the Spanish stock exchange following a demerger».
- **Innovation in collaboration: commended firm**
«A programme that helps immigrants prepare for the Spanish government's new citizenship test».

The British Legal Awards
November 2017

European Law Firm of the Year

Chambers Latin America Awards
November 2017

Client Service Award: Latin America

LatinFinance Project & Infrastructure Awards
September 2017

Best Infrastructure Law Firm of the Year: Andes

2nd Expansión Legal Awards for Excellence in
Business Law Practice, 2017
June 2017

Best Tax Firm

Chambers Europe Awards
April 2017

Client Service Award: Spain

LatinFinance Deals of the Year Awards
January 2017

Law Firm of the Year: Andes



■ Talent

Merco Talento Universitario

December 2017

- Garrigues was the only law firm ranked (70th).

Merco Talento

October 2017

- Garrigues placed 35th in the general ranking and was the only law firm to make the list.

Equal Opportunity Employer certification

September 2017

- The Ministry of Health, Social Services and Equality certified Garrigues as an Equal Opportunity Employer, a mark of excellence that acknowledges companies “that notably and significantly excel in the application of equal treatment and equal opportunity policies” through equality measures and plans.

Actualidad Económica ranking

September 2017

- Garrigues was among the top five companies in the Training category in Actualidad Económica’s annual Best Places to Work ranking, and number eight in the ranking as a whole.

Universum Awards

May 2017

- Spain: Most Attractive Employer.

■ Sustainability

Merco Empresas

March 2017

- Garrigues was the only law firm on the list of the top 100 companies with the best corporate reputation in all industries (ranked 57th).

Merco Responsabilidad y Gobierno Corporativo

December 2017

- Garrigues was the only law firm to make this ranking (ranked 52nd).

Certification under ISO/IEC 27001:2013 - Information security management

December 2017

Socially Responsible Enterprise (ESR) distinction

December 2016

- Centro Mexicano para la Filantropía, A.C. and Alianza por la Responsabilidad Social Empresarial en México (ALIARSE) awarded Garrigues México, S.C. the Socially Responsible Enterprise (ESR) distinction in 2017, citing its public and voluntary commitment to socially responsible management.



In 2017, Garrigues' practice areas were ranked as Band 1 or Tier 1 by the main international directories in their respective categories for Spain:

Chambers Global 2017

Band 1

Corporate/M&A
Dispute Resolution
Energy & Natural Resources
Project Finance

Band 2

Banking & Finance
Capital Markets
Intellectual Property

IFLR1000 2018

Band 1

Banking
Project Finance
Capital Markets: Equity
Capital Markets: Structured Finance
and Securitisation
Capital Markets: Debt
M&A
Restructuring and Insolvency
Project Development

Chambers Europe 2017

Band 1

Competition/European Law
Corporate/M&A
Corporate Compliance
Dispute Resolution
Employment
Energy & Natural Resources
Investment Funds
Planning; Private Equity
Project Finance
Public Law
Real Estate
Restructuring/Insolvency: Restructuring
Tax
TMT: Information Technology

Band 2

Banking & Finance
Capital Markets
Dispute Resolution: Corporate Crime
Environment
Insurance
Intellectual Property
Restructuring/Restructuring: Restructuring
Sport
TMT: Telecommunications

Legal 500 2017

Tier 1

Banking and Finance: bank regulatory
Banking and Finance: borrower side
Banking and Finance: lender or arranger side
Capital Markets: debt
Capital Markets: equity
Commercial, Corporate and M&A
Dispute Resolution
EU and Competition
Employment
Environment
Insurance
Private Equity
Projects and Energy
Public Law
Real Estate and Construction
Restructuring and Insolvency
Tax
Industry Focus: Food
Industry Focus: Manufacturing
Industry Focus: Retail
Industry Focus: TMT

Tier 2

Industry Focus: Healthcare and Life Sciences
Intellectual Property: Patents
Intellectual Property: Copyright
Intellectual Property: Trade Marks

In terms of specialized directories, Garrigues' tax practice was ranked Tier 1 by World Tax 2018 (International Tax Review).



Trust, credibility
and client satisfaction





Trust, credibility and client satisfaction

One of our main objectives is to gain our client's trust and ensure they are satisfied with the services we provide.

We know how important it is to listen to our clients, to gain in-depth knowledge of their businesses and activities and to understand their needs and goals, in order to deliver solutions that meet these expectations.

This is why Garrigues periodically evaluates the level of client satisfaction through the client satisfaction survey, which is completed by a representative sample of clients from across Spain linked to the different practice areas. The survey enables us to obtain client feedback on eleven basic questions (although in two of the questions they are asked to evaluate up to ten different aspects of our activity) that clients answer and subsequently discuss with our professionals at a follow-up meeting.

On completion of the client satisfaction survey in April 2018, the firm achieved an overall rating (taking into consideration all questions asked) of 8.68 (on a scale of 0 to 10), in line with previous years.

When asked to directly rate their satisfaction with Garrigues on a scale of 1 to 10, clients gave the firm a 9, slightly outperforming last year's result.

When choosing Garrigues as a law firm, clients valued the firm's reputation, the quality of service, the talent of our professionals, the prestige of our lawyers, our proven knowledge and experience in the sector, and trust.

In terms of quality of service, the highest-ranked aspects were rapport and dedication, the technical know-how of our professionals, empathy and adaptability, the capacity to meet deadlines and the ability to resolve setbacks.

The process also identified a number of areas for improvement, relating to fees and the billing system, sending of newsletters and alerts, and the ongoing consolidation of our international network.

Apart from the client satisfaction survey, client suggestions are also channeled through the Head of Compliance and Professional Practice.

■ Clients by region and industry

The location of our office network has a clear bearing on where our clients hail from. We currently have an extensive network of own offices outside the Iberian Peninsula and have earned the trust of a great many international clients. In 2017, 18.9% of Garrigues' clients came from outside Spain or Portugal.

The following table shows where our clients come from (excluding Spain and Portugal):

Client breakdown, by region (excluding Spain and Portugal)	
Origin by region	%
Africa	3.9
Asia	4.6
Central America and the Caribbean	5.9
Europe	43.3
North America	9.8
Oceania	0.3
South America	32.3
Total	100



Garrigues is able to attract clients from around the world due to the dedication and experience of our professionals, accustomed as they are to working on international projects, and to our extensive office network.

Garrigues is also a founding member of Taxand, the world's largest independent tax organization, present in over 40 countries. Taxand brings together more than 400 partners specialized in tax matters and 2,000 tax advisers (for more information, please visit www.taxand.com).

Our clients hail from the following industries:

Client breakdown, by industry	
Industry	%
Services	28.2
Construction & Infrastructure	10.7
Individuals	16.1
Industrial Manufacturing	9.7
Consumer Goods & Distribution	8.8
Energy	4.5
Financial Services	6.5
Tourism	2.5
Technology, Media and Telecom (TMT)	2.8
Public Authorities	1.1
Transport	1.8
Life Sciences and Healthcare	1.7
Other	5.8
Total	100

■ Types of clients

Broadly speaking, our clients hail from medium-sized and large private sector companies.

As many as 82.9% of the companies listed on the IBEX 35 at December 31, 2017 were Garrigues clients during the year, as were 57.6% of the companies listed on the Madrid Stock Exchange's electronic trading platform as of the same date. Furthermore, 25.7% of the companies making up the MAB Alternative Stock Exchange at 2017 year end were clients of Garrigues during the year. Lastly, in Portugal, 38.9% of the PSI-20 companies on the Lisbon Stock Exchange as of December 31, 2017 were clients of the firm in the year.

These figures testify to the high standard of the services we deliver to the largest and most sophisticated companies in the countries in which we operate.



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Ethics and governance





Ethics and governance

MISSION STATEMENT



To offer the best advice to our clients wherever they pursue their business activities, as one of the world's leading providers of legal and tax services.

The Garrigues Code of Ethics is published on our website

VISION STATEMENT



In order to be a leading international provider of legal and tax advice, we need to:

- deliver client services to the highest ethical and quality standards;
- have the best professionals, able to constantly innovate and adapt to change: our people are our main draw;
- be aware of the need to actively commit to society and contribute to sustainable development.

VALUES



Unshakeable values:

- Commitment to client service
- Commitment to quality
- Commitment to the firm and its members
- Commitment to ethical conduct

Core ethical principles:

- Integrity
- Loyalty
- Independence
- Ongoing training
- Dignity and respect
- Professional secrecy



■ Ethics

Garrigues has a clear, well-established identity, rooted in our ability to provide client service of the highest quality, both in terms of technical advice and of the standard of conduct required of our professionals in fully respecting the principles and ethical values of the legal profession. These values include integrity, loyalty, independence, ongoing training, dignity and respect, and professional secrecy.

In view of Garrigues' unshakeable commitment to ethical conduct in delivering its services, the firm's professionals not only strictly comply with all laws and regulations, but also refrain from taking any action or imparting any advice that, even while well within the confines of the law, could be considered questionable or improper from a professional or ethical standpoint, in light of the specific circumstances.

The values and principles that underpin Garrigues' identity, along with the standards and rules of conduct required of all Garrigues professionals, are set out in the firm's **internal regulations**, comprising the Code of Ethics, the internal anti-money laundering and counter terrorist financing regulations, the Corporate Compliance Program and the firm's internal policies.

The **Garrigues Code of Ethics** is the mainstay of our internal regulations, setting out the ethical conduct that must inspire and guide the firm's members at all times. This code seeks to foster ethical and responsible behavior by all Garrigues professionals and to further the firm's commitment to the principles of business ethics and transparency in all of its dealings. Compliance with the Code of Ethics is understood to be without prejudice to strict observance of applicable legislation, ethical standards and other provisions of Garrigues' internal regulations.

Given the importance of the Code of Ethics to the firm, it is published on the Garrigues website and can be freely consulted.

With a view to ensuring awareness and observance of the Code of Ethics by all members of Garrigues, they are asked each year to confirm their commitment to familiarize themselves and comply with the provisions of the code. Moreover, the firm has set up the Garrigues Ethics Channel, a private and strictly confidential internal communication channel through which all of the firm's members can report, in line with the legislation in force in each country, any conduct by a member of the firm that may be irregular or contrary to the law, our ethical standards, the Code of Ethics, or to any other provisions of Garrigues' internal regulations.

All new hires are required to complete a specific e-learning course on the Code of Ethics and asked to confirm their commitment to observing the code.

In December 2017, the Garrigues Code of Ethics was updated in order to strengthen and clarify the rules applicable in the event of breach of the code or any of the provisions set out in the firm's internal regulations.

In addition, the updated code expressly covers information security following the successful implementation in 2017 of the firm's Information Security Management System, which brought the existing security measures into line with the security requirements of the ISO 27001 international standard.

In view of Garrigues' activity, another core component of the firm's **internal regulations are the regulations on anti-money laundering and counter-terrorist financing**, which set out the obligations, procedures and control measures established by the firm in order to comply with the applicable AML/CTF legislation. In particular, the regulations establish procedures in the areas of due diligence, reporting, document storage, internal control, risk assessment and management, client acceptance, internal control bodies and fulfillment of reporting and notification requirements.



During the year, the Garrigues group reviewed and updated its internal risk analysis of its general exposure to money laundering and terrorism financing and revised its Anti-Money Laundering and Counter-Terrorism Financing Manual with a view to updating certain schedules and adding new ones to clarify certain due diligence obligations.

In 2017, the team of professionals entrusted with anti-money laundering and counter-terrorist financing tasks was shored up by adding a new member to the internal control body and by appointing a support team for the firm's Information Processing and Analysis Unit, comprising Garrigues professionals from around the world.

The firm has also stepped up training initiatives to keep Garrigues professionals informed of their prevention obligations and the latest developments in this area, and to remind them of key practical issues to be borne in mind when carrying out their day-to-day work. These training activities have included sessions held in person or via video conference, as well as the launch of a new, highly practical e-learning course on the AML/CTF prevention obligations incumbent on the firm's professionals.

In 2017, the firm improved the system used to evaluate the knowledge acquired during the different AML/CTF training courses.

Along with the Code of Ethics and the internal regulations on anti-money laundering and counter-terrorist financing, Garrigues' body of internal regulations is rounded out by the firm's **Corporate Compliance Program**.

The chief objective of the program is to identify and monitor potential criminal liability risks for the firm and to implement measures to mitigate such risks and reduce overall global exposure in this regard.

The Corporate Compliance Program comprises both preventive management (based on an analysis and assessment of criminal liability risks) and enforceable elements (such as general and specific prevention measures to keep criminal risks from arising).

In 2017, the Corporate Compliance Program underwent an internal audit and was updated accordingly. In particular, the prevention measures pertaining to the different practice areas were updated to bring them into line with the particular characteristics of each department, and the specific prevention measures set out in the risk maps for the internal departments were revised and updated.

Improvements were also made to the IT tool used to manage these prevention efforts, and the firm continued to prioritize training on the Corporate Compliance Program.

The last component of Garrigues' internal regulations are the **internal policies**.

These policies notably include the **policy on conflicts of interest** since, given the firm's substantial client portfolio, the diversity of its practice areas and the large number of offices and countries from which we operate, it is particularly important to ensure that any potential conflicts of interest that may arise (and do in fact arise with increasing frequency) in the firm's professional practice are properly identified, prevented, managed and resolved.

This is a highly important issue, not only from an ethical standpoint, but also given its particular sensitivity as regards the firm's relationship with its clients. Accordingly, under the supervision and coordination of the Professional Practice Committee, Garrigues has put in place extremely stringent internal procedures aimed at managing and resolving these cases as expediently as possible, whether the potential conflict of interest involves a new client or matter or arises from unforeseen circumstances in the course of an engagement already in progress.

Garrigues' internal policies also include the policy on **measures to prevent corruption, bribery and influence peddling**, reflecting the firm's deep commitment to strictly complying



with all legislation and ethical guidelines when delivering its services, as well as to transparency in all its dealings.

Garrigues firmly rejects any conduct that could be reproached or questioned from either a legal or ethical standpoint. In particular, Garrigues eschews any form of corruption, bribery or influence peddling and defends the need to safeguard fair market competition and to ensure that public services are provided both objectively and impartially.

Accordingly, upholding the values, principles and guidelines enshrined in Garrigues' Code of Ethics, this policy establishes specific measures aimed at preventing and, failing that, identifying and addressing any type of corruption, bribery or influence peddling. These measures make up the model for ethical conduct that must inspire and guide all Garrigues employees at all times, ensuring that they act ethically, responsibly and with integrity.

In addition to the above policies, a range of other policies govern how Garrigues pursues its professional activity.

Some of these policies were updated in 2017 to enhance the management and supervision procedures in place in specific areas, and two new policies were approved.

In particular, a new **internal policy on managing documents on paper** was approved, setting out the criteria and guidelines for dealing with such documentation.

Secondly, as part of the process to roll out the Information Security Management System, a new **information security policy** was adopted. In line with the ISO/IEC 27001:2013 standard, the policy reflects the fundamental information security principles reflected in the methods and procedures for using and securing information belonging to the firm and/or its clients, as set out in Garrigues' other internal regulations. Due to their importance, the

fundamental information security principles included in this policy are posted on Garrigues' corporate website.

During the year, the firm set up the Information Systems Security Committee, which has absorbed the former Personal Data Protection Committee.

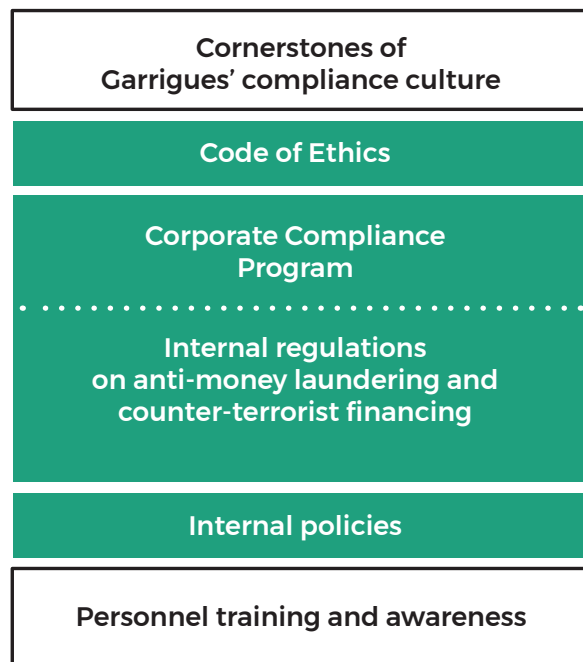
This committee is entrusted with reviewing and ensuring the proper functioning of Garrigues' Information Security Management System. During the year, the committee spearheaded the project to bring the firm into line with the new EU General Data Protection Regulation.

In order to continue promoting and encouraging responsible conduct by all, a number of training and educational programs were offered to keep firm personnel abreast of new developments arising from the review and update of Garrigues' internal regulations.

1,425 Garrigues employees received training in ethics and good professional practice in 2017.



Over the coming year, Garrigues will continue to work on reviewing, improving and updating the components of its internal regulations, focusing on implementing new initiatives to provide comprehensive information and training and raise awareness among all personnel.



More information

■ Governance

A professional limited liability company, Garrigues is owned by all of the firm's practicing partners. The management, administration and representation of the firm falls to the executive chairman, Fernando Vives, by virtue of the resolution adopted by the Partners' Meeting. In carrying out his duties, the executive chairman is supported by the senior partner, the Partners' Meeting and the Professional Practice Committee, as well as by other advisory committees, each with their own respective supervision, control and advisory functions.



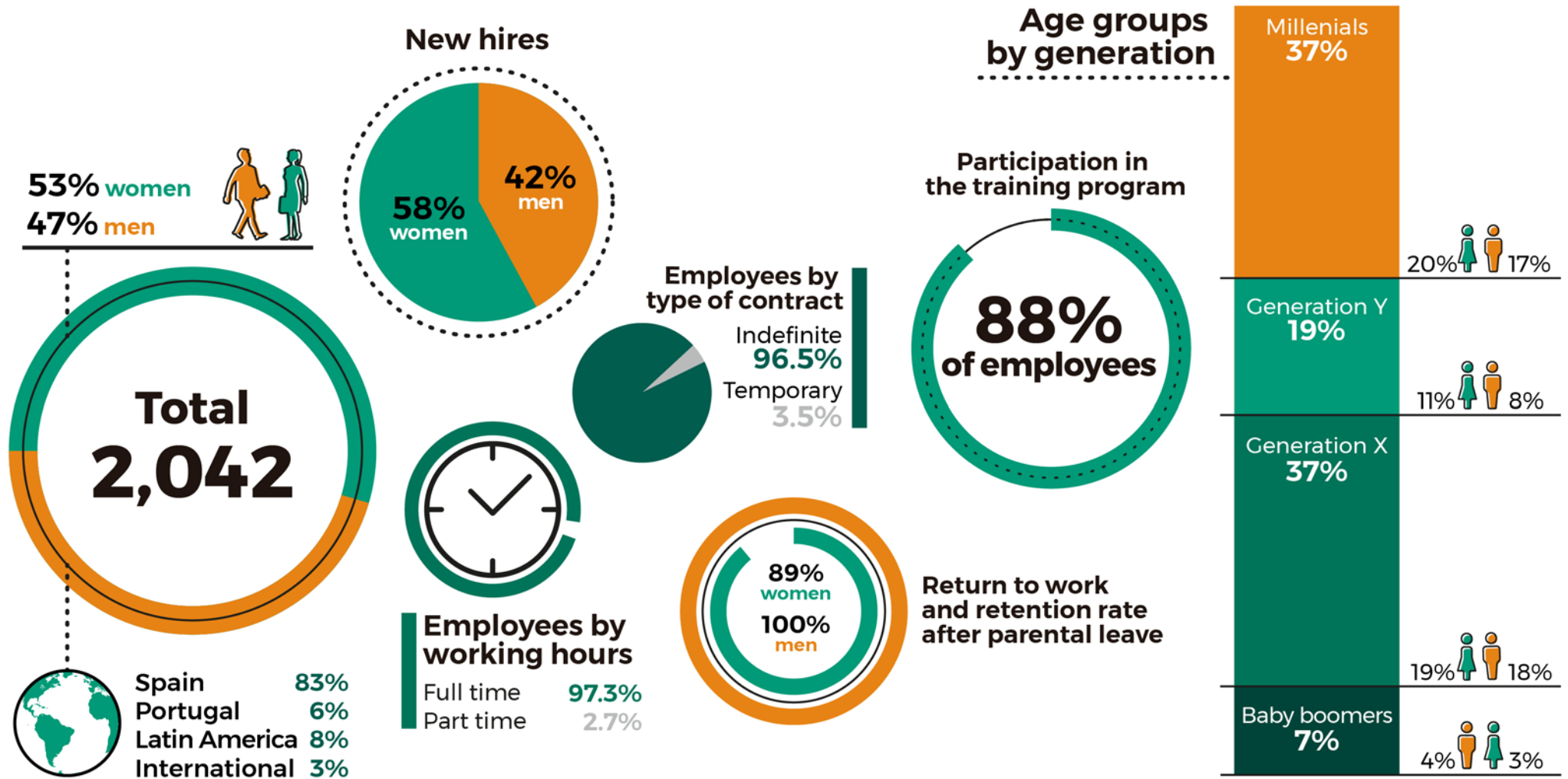
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Human capital

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Human capital





▲ 2017 ACCOMPLISHMENTS

Our people management strategy focuses on **seven key challenges:**

- ▶ **Attracting talent.** Maintaining our unwavering commitment to new graduates, offering them the opportunity to pursue an attractive career in an unbeatable work environment
- ▶ **Talent management.** Having a close relationship with all our professionals, fostering active participation and decision-making among all team members and allowing them to reach their personal and professional goals, which means also striving to continually improve as an organization
- ▶ **Training and career development.** Providing our employees with an ongoing training plan and supporting their professional development, building on their skills and abilities
- ▶ **Compensation and benefits.** Offering a fair and competitive performance-based compensation system
- ▶ **Culture.** Ensuring that the entire firm shares a common culture focused on a job well done, the strictest ethical standards, excellence in client service and the value of teamwork
- ▶ **Diversity and equal opportunities.** Enhancing our commitment to creating a working environment that respects and embraces broad diversity
- ▶ **Innovation.** Optimizing technological resources in order to manage personnel more efficiently and effectively

- Launch of the second Equality Plan.
- Consolidation of the female-to-female mentoring program.
- Consolidation of two international training programs: Introduction to International Business Law Practice and the International Training Program.
- Roll-out of the new Fórmate-e e-learning platform.
- Update of the “Join Us” section of the Garrigues website.
- Culmination of the digitalization of selection process tests.
- Update of the Garrigues brochure distributed to university students.
- Consolidation of training for mentors assigned to new hires, in order to better attract and retain talent.
- Launch of individual feedback meetings with interns.
- Consolidation of teams in the Asian and Latin American offices.
- Launch of an upward feedback pilot project.
- Redefinition of the performance assessment process for administrative and support personnel.
- Implementation of an online program to make it quicker and easier for employees to manage childcare vouchers.



■ Committed to talent

The future of Garrigues depends on its ability to recognize, attract and retain talent. Careful management of personnel is therefore a priority for the firm.

■ Team of professionals

Our professionals hail from many different nationalities, endowing the firm with a variety of perspectives that enrich our culture, enhance our work and make us stronger and wiser as a firm.

Garrigues has a team of 2,042 professionals at 32 offices worldwide.



Our professionals have the opportunity to work around the world, both at Garrigues' own offices and at the offices of reputable

and prestigious foreign law firms with which we have forged close professional relationships.

No matter where its professionals work, Garrigues observes the applicable legislation and collective labor agreements in all regions in which it operates.

■ Professional development

On joining the firm, all professionals are aware of the firm's career plan, which sets out a defined path with high expectations in terms of personal and professional development.

The different professional categories below reflect the level of experience of each professional, making them easily identifiable in the market and among professionals in the legal and tax services industry in particular.



JUNIOR · ASSOCIATE · SENIOR · PRINCIPAL · COUNSEL · PARTNER
ASSOCIATE ASSOCIATE

Internal promotions are based on a rigorous competency-based performance appraisal carried out each year. During the evaluation process, each individual's performance and career prospects are analyzed and discussed, personal and professional encouragement is given, and feedback is obtained and assessed. Career progression at Garrigues is 100% merit-based.

The evaluation process includes a self-assessment, allowing the employee in question to reflect on his or her performance. Moreover, in order to ensure greater objectiveness and rigor in evaluations and analysis of information by managers, "external" teams of highly experienced professionals (partners and counsel) analyze the evaluations carried out in other departments in order to provide feedback and comments.

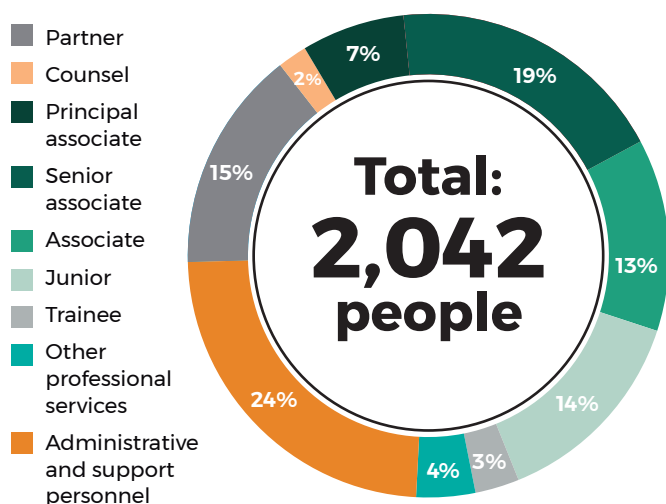
12
promotions to
partner

56
promotions to
senior associate



The upward feedback pilot program reflects the importance the firm places on individual talent management and responsible leadership. Under the program, employees can appraise the performance of the individuals who usually supervise them, including partners, acting as a kind of “talent manager”. Using 28 questions about work management, people management and professional skills, the upward feedback program helps improve leadership at the firm, makes our teams more efficient and allows for growth of both our professionals and the organization as a whole.

Headcount by professional category, 2017



■ Commitment to diversity and equal opportunities

To respond to the challenges facing the firm, we need to have a broad range of talent, ideas and perspectives at our disposal. From the very beginning, Garrigues has been committed to nondiscrimination, equal opportunities, the integration of people with disabilities and respect for diversity.

In 2017, the Ministry of Health, Social Services and Equality certified Garrigues as an Equal Opportunity Employer, a mark of excellence that acknowledges companies “that notably and significantly excel in the application of equal treatment and equal opportunity policies” through equality measures and plans.



In 2008, Garrigues broke new ground as one of the first law firms to implement an equality plan. Year on year, the firm has continued to add new measures to the plan, which has now yielded measurable results. This year, the firm launched its second **Equality Plan**, upholding the measures introduced under the first plan and adding new measures leading to greater retention and professional development of our people.

The equality measures recently launched by Garrigues include:

- The **Garrigues Optimum Plan**, which allows employees to reduce their working hours for one year following the end of their maternity or paternity leave in order to meet the needs of their young child or children, with no reduction in pay.
- The **Mentoring Program**, which supports female professionals by giving them a space to develop valuable working relationships and providing them with tools and methods to foster their development at the firm.



As shown in the following table, several different generations work side-by-side at Garrigues, learning from each other in an environment of mutual respect:

Gender split, by generation

Age	M	W	Total
Baby boomers (born before 1965)	4%	3%	7%
Generation X (born between 1965 and 1979)	18%	19%	37%
Generation Y (born between 1980 and 1984)	8%	11%	19%
Millennials (born after 1985)	17%	20%	37%
Total	47%	53%	100%

*men (M), women (W)

Garrigues has pledged to create a working environment that respects and embraces this broad diversity.



■ Disability initiatives

Garrigues actively works on a number of disability initiatives. Among the activities carried out in 2017, the firm signed the ONCE Foundation’s Compromiso Integra, a commitment to helping people with disabilities into work and offering them employment opportunities at the firm. Garrigues also supports the training and integration into the labor market of people with disabilities by procuring goods and services from special employment centers, by carrying out corporate outreach projects and by supporting and sponsoring innovative projects helping young adults and women with disabilities find work, along with other groups that have difficulty entering the job market.

The firm was also one of the main contributors to the First National Conference on Disability and the Law, held in November 2017 and organized by Fundación Derecho y Discapacidad and the Spanish Committee of Representatives of People with Disabilities (CERMI).

Other work by Garrigues in this area includes pro bono services, training and corporate volunteering, measures to ensure that the

firm’s offices are accessible to those with disabilities, collaboration with entities, publication of legal works on the subject, and more. All these efforts are aimed at raising awareness and fostering diversity, as well as working on legal innovation to create the necessary environment for the social integration of people with disabilities.

■ Talent: the foundation of our excellence

At Garrigues, attracting talent, that human ability to progress and excel in our endeavors, is at the core of our selection process.

In 2017, approximately 5,400 individuals submitted their CVs to Garrigues. After closely evaluating all applicants in search of the best talent, we carried out over 1,400 selection processes, leading to the hiring of 168 young professionals worldwide. These new hires were graduates of 54 different universities, including some of the most prestigious law schools in the world.

In attracting the best talent, Garrigues works closely with universities year on



year. One of our most successful measures in this regard is the internship program for law students, announced at the 93 university presentations and job fairs the firm participated in across Spain and in the other countries in which we have offices.

In 2017, the firm designed a new brochure aimed at students interested in starting their legal careers at Garrigues.

Thanks to these efforts, a high percentage of our newly-hired young professionals had already worked as interns in our offices under one of the 130 agreements Garrigues holds with leading universities.

The entire Garrigues team behind these internship programs plays a key role in identifying those interns with the greatest potential and who may later join the firm as employees. The program is constantly adapted to the global needs of the profession, with a focus on innovation and on the use of new technologies. The team comprises

lawyers that participate in all phases of the selection processes, the firm's Human Resources personnel, and mentors who closely monitor and support each intern's performance and progress. In 2017, these mentors received training to acquire the tools needed to cultivate the talent so highly valued at Garrigues.





Internships offered by Garrigues:

Internships as part of the Master's Degree for Access to the Legal Profession

The firm offers internships to students pursuing the Master's Degree for Access to the Legal Profession, involving them in professional engagements that further their preparation as future lawyers.

Degree internships

- Summer internships
- Internships during the academic year

The firm offers internships to students studying law (or dual qualifications including law) during the final years of their degree.



University students once again named Garrigues the best law firm to work for in 2017

In 2017, Garrigues garnered the following awards, closely linked to its efforts to attract talent:

- For the fourth year in a row, university students voted Garrigues the number one law firm to work for, as part of the "Most Attractive Employer" survey carried out by Universum.
- Garrigues is the first and only law firm to make the Merco Talento ranking, based on 9,000 surveys of final-year students regarding their job priorities and other aspects of their job search.
- Forética, the association of CSR firms and professionals, recognized Garrigues for its "Future lawyers internship program", an initiative forming part of Forética's 2016-2020 campaign.

■ Training

As part of the push towards greater innovation and use of new technologies befitting a global firm like Garrigues, in 2017 the selection process for young professionals and interns was digitalized.

Garrigues places the utmost importance on the ongoing training of its people, not only as an essential strategy to ensure that its professionals possess the necessary technical expertise to provide the best legal and tax advice and continue to be recognized for their excellence and client service, but also as a necessary tool for their professional development.

With this in mind, training constitutes a basic principle of the management and organization of the firm, in which our professionals play a decisive role. The Human Resources Department works towards achieving the firm's goals and improving the efficiency of the organization, providing our team with an environment that fosters professional growth and helps them meet their career goals at the firm, while ensuring excellence in client service. It also offers ongoing training opportunities suited to



each professional’s level of experience and responsibility, enabling them to efficiently perform their work and to take on greater responsibilities and challenges in a constantly changing profession.

The firm’s ultimate goal in this regard is for clients to view Garrigues lawyers as “benchmark professionals” who can identify and deliver comprehensive solutions that meet and exceed their expectations.

To achieve this objective, Garrigues regularly organizes training, refresher and specialized courses and seminars, publishes updates on noteworthy legislative, academic and case law developments as they arise, and places state-of-the-art technologies at the disposal of its professionals in the various areas in which they work.

In 2017, the firm placed particular emphasis on offering a number of residential courses and corporate retreats for our professionals, according to their level of experience and professional category. These events facilitate and deepen the personal and professional relationships between colleagues and allow them to learn from each other’s experience in different areas. At the firm level, they encourage the different departments and offices to share know-how, in order to gain a global perspective on professional practice.

Over 800 professionals participated in the different residential courses.



Our International Training Program is now well-established and provides our professionals with a unique development opportunity, enabling them to gain experience at law firms in other countries or broaden their academic training at an international level. Through the program, lawyers can be seconded to one of the foreign law firms with which Garrigues works on a regular basis or enjoy a temporary transfer to one of our international offices. For those wishing to study abroad, the firm offers the possibility of studying a Master of Laws (LL.M.) at a prestigious foreign university or a Master of Laws in International Transactions at Centro de Estudios Garrigues in collaboration with Fordham University.

In order to encourage proper management of the risks inherent in our profession, in 2017 we continued to educate our professionals on the Corporate Compliance Program and the specific measures to be adopted in each department, as well as anti-money laundering and counter terrorism financing obligations.

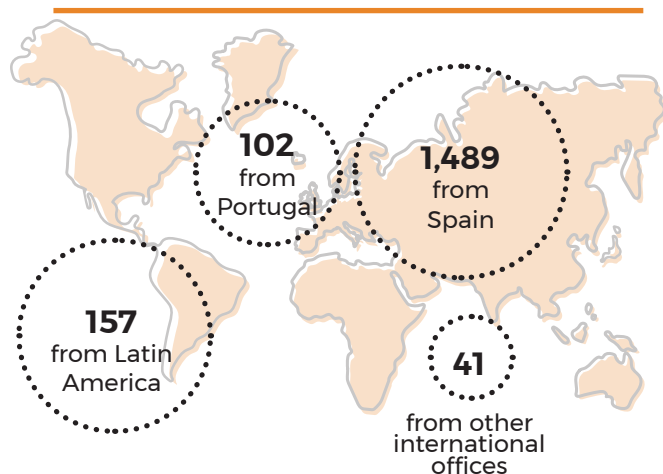
Training programs are aimed at all personnel, irrespective of gender, and are personalized according to the level of experience of each professional.

88% of Garrigues employees took part in our training programs in 2017.





Participants in training programs by region



**Key training program figures
(number of people trained)**

Training program	Personnel
Technical training (technical courses and meetings held at different departments/offices)	1,295
Ethics and good professional practice	1,425
Management skills	969
Languages	666
Technology	240
Knowledge management	400
External training	310

Furthermore, we believe that one of the best ways to learn is on the job itself, that is, gaining experience by participating in complex legal engagements and transactions at the highest level. This provides our lawyers with ideal opportunities to develop their skills and abilities.

Based on all the above efforts, in 2017 Garrigues placed among the top five companies in the Training category in Actualidad Económica’s annual Best Places to Work ranking, and number eight in the ranking as a whole.

■ Compensation system

Garrigues rewards the accomplishments of its people using a performance-based compensation system. This system is applied consistently and uniformly to all Garrigues personnel and is based on:

- **Fixed compensation:** in the form of salary bands linked to the various internal organization levels and to professional category.
- **Variable compensation:** generally speaking, calculated on the basis of Garrigues’ overall results, in conjunction

with the results of the different regions. Garrigues has brought the variable compensation of its professionals more into line with profitable management objectives.

Our compensation packages are periodically reviewed for each level of experience, taking into account salary trends in the different national markets and in our practice areas. Accordingly, these packages are among the most competitive and fair on the market.

The salary package of each employee is reviewed on an annual basis with respect to both fixed and variable components (for professionals with a variable component in their compensation structure).

As part of the general Human Resources policy, we ensure full equality in compensation, ensuring no gender discrimination in this regard.

On top of salary-based compensation, the firm also offers a wide range of employee benefits, such as payment of 100% of accident insurance premiums for all personnel, 50% of the premiums for optional life insurance, and 50% of the premiums for optional private health insurance, both for employees and their families, should they choose to take up this offer.



Garrigues also gives its employees in Spain the option to sign up for flexible compensation programs that allow them to optimize their net income using certain products: luncheon vouchers, childcare vouchers, transport vouchers, training programs and private health insurance (50% of premiums for employees and their families).

In cases of absence due to temporary incapacity, maternity or paternity leave, the firm tops up employees' social security benefits to 100% of their salary from the very first day of absence, paying the necessary supplement (even where the salary is higher than the maximum social security contribution base).

■ Other employee benefits

The HR Department continually seeks to forge new agreements with companies offering services that can be used by firm personnel during their free time and vacation periods (hotel chains, gyms, gifts, fashion, automotive, etc.). These discounts are offered to employees via the e-Bazar section of the firm's intranet.

■ Workplace medicine and occupational risk prevention

Garrigues' internal policies include the Policy on Quality, Risk Prevention, the Environment and Corporate Social Responsibility, which ensures compliance with occupational risk prevention and health & safety legislation in all countries in which the firm operates.

To this end, Garrigues has had its own joint Workplace Medicine and Occupational Risk Prevention Service since 1997, staffed by a team of occupational physicians, nurses and risk prevention experts.

The aim of the service is to achieve the best quality of life for Garrigues employees and partners through integral health management. It also promotes a culture of prevention, both among Garrigues employees and at subcontractors. With this in mind, the different components of the service coordinate and collaborate with other departments to foster occupational risk prevention at the firm and at suppliers.

In 2017, firm personnel received occupational risk prevention training via the online training platform. Further training was provided for

people working in certain positions who, due to their special characteristics, require more specific and detailed preparation and information in this regard.

The Workplace Medicine and Occupational Risk Prevention service advises all Garrigues personnel on issues in this area, playing an important role in campaigns to raise awareness of primary and secondary prevention of the most important illnesses. It has also broken new ground in the practice of predictive medicine by applying findings from the study of DNA variables that condition responses to certain drugs to patients with tumors and cardiovascular problems. The service also does an important job in monitoring health and providing on-site medical services.

No occupational diseases were reported at the firm in 2017. Moreover, the already-low accident rate was reduced even further during the year.

In 2018, the firm will conduct a study to prevent vascular disease in women taking medication that puts them at increased risk.

Garrigues will also run occupational risk prevention refresher courses, adding a specific section on international business travel.



► FUTURE GOALS

- Implement new measures to achieve a work-life balance.
- Strengthen Garrigues' commitment to people with disabilities.
- Use and promote gamification elements on the Fórmate-e e-learning platform.
- Study and prepare a health and safety protocol for business travel, including an e-learning course.
- Consolidate the global departmental retreats launched in 2017.
- Improve the process of setting and evaluating partner objectives, through the Garrigues Portal.
- Improve the process of setting and evaluating counsel objectives, through the Garrigues Portal.
- Continue to analyze salary trends in the different markets in which we operate, in order to ensure that our salary packages are fair and competitive, particularly to attract and retain young talent.
- Increase the reach of content published on the e-Bazar section on intranet.
- Modernize our internship programs.
- Implement summer programs.
- Update the job application form located in the "Join Us" section of the corporate website.
- Increase our social media presence to better attract talent.
- Further develop individual feedback meetings with interns.



• **Intellectual capital,
technology and innovation**





Intellectual capital, technology and innovation

▲ 2017 ACCOMPLISHMENTS

- Creation of the Garrigues Innovation Think Tank.
- First Legaltech Startup Competition, held as part of South Summit 2017.
- Selection of a document assembly tool to be rolled out in 2018.
- Streamlining of due diligence processes using HighQ Collaborate technology.
- Provision to lawyers of the first machine learning tools for revising agreements and contracts.
- Daily specialized alerts for Latin American offices.
- Creation of new formats for internal distribution of Knowledge Management news: Infómat-e Poland, China and Latin America.
- Training workshops for international offices on the Garrigues Collaborate tool.
- Obtainment of information security management certification under ISO/IEC 27001:2013 and creation of a Security Committee and an Information Security Department.
- Implementation of two additional levels of malware protection: new perimeter firewall and activation of an advanced early detection tool for all types of viruses.
- Continued expansion of the IP telephone system at the Brussels, Lima and São Paulo offices and enlargement of bandwidth in all our Latin American offices.
- Relocation of our backup Data Processing Center.
- Improved user experience through simplified remote access to IT tools, a new e-learning platform and a new web tool allowing users to access multifunctional devices from any office.



In 2017, Garrigues remained strongly committed to technology as a way to set the firm apart and to add value for our clients and professionals. The main technology and innovation initiatives carried out during the year were as follows:

■ **Garrigues Innovation Think Tank, South Summit and the First Legaltech Startup Competition**

According to the Financial Times, Garrigues is one of the European law firms that have changed the rules of the game in the legal services industry over the past decade. The firm has advised on the development of the digital economy since its early stages and is the leading provider of advice in Spain for companies, projects and transactions in this major sector, offering support to both large global operators and emerging companies and their investors. Garrigues is also present in the main innovation and enterprise forums, such as South Summit.

In 2017, Garrigues launched the Innovation Think Tank, an internal ideas lab designed to foster collaboration among professionals

from different departments and offices, leading to innovation initiatives that add value for our clients. A total of 112 members of the firm participate in the think tank, divided into seven work groups. These members signed up voluntarily as soon as they heard about the initiative.

The Think Tank is structured around different challenges that are addressed by the work groups. This methodology has given rise to around 50 different initiatives related to innovation in business development, contact with clients and prospective clients, and performance of client work. Benefits of the Innovation Think Tank include the creation of new solutions to improve processes, mechanisms for automating routine tasks and strategies to enhance client service and build up other services.

The firm is working to roll out some of these projects during 2018. Of the 50 initiatives, 13 have been selected and are currently in different stages of study and development. Some of the proposals, which aim to improve working processes and to enhance certain services, require technological development, while others aim to identify ways to improve working methods, both internally and client-facing.

In 2017, Garrigues and Spain Start-up, the organizer of South Summit, reached an agreement to launch a project to select and promote new initiatives in the area of law and new technologies. As a result of this agreement, South Summit, together with Garrigues, ran its first-ever Legaltech Competition.

In launching this initiative, Garrigues sought to strengthen the entrepreneurial ecosystem and foster entrepreneurship in projects arising from the legaltech world.

The winner of the first Garrigues Legaltech Competition at South Summit was the start-up Finboot, a digital platform for signing smart contracts. According to the judges, all of the shortlisted candidates were aligned with the major legaltech trends prevailing in Silicon Valley. Initiatives included projects that have a disruptive effect on the market, that propose more efficient models for aggregation and online matching of supply and demand, that eliminate the need for intermediaries or that seek to automate processes or analyze big data.



■ Artificial intelligence and process automation

In 2017, the Technology and Knowledge Management departments worked closely with the firm's professionals to apply artificial intelligence and new technologies to traditional legal processes, in order to save time, improve working efficiency and enhance the quality of client service.

As regards document review, the firm rolled out software that uses artificial intelligence to automatically analyze contracts and other documents and detect and easily correct any errors or inconsistencies. The tool helps lawyers to become more efficient at these tasks and ensures that their written documents are of the high quality expected at Garrigues.

Also in respect of document review, in 2017 the firm tested machine learning tools for automating the manual review of contracts and other documents as a standard part of the legal review process. These solutions automatically analyze documents and extract key clauses and other information. Since they were rolled out in the firm, the tools have cut revision times for lawyers and have helped them detect risks in due diligence and other processes.

As part of the firm's ongoing process optimization and innovation efforts, in 2017 the Knowledge Management Department launched two new HighQ Collaborate modules (a tool for collaboration both internally and with clients) in order to streamline due diligence processes. These modules help coordinate and manage the work of due diligence teams, allowing different groups to work simultaneously, providing

an overview of the status of the work and generating automatic alerts on very high risk contingencies, among others. As well as coordinating the entire process, the tool can automatically generate due diligence reports using the document automation feature. These modules help boost the efficiency, speed and security of these delicate processes.

■ Consolidation of Proces@

Proces@ is one of the firm's most important automation and improved efficiency initiatives. 2017 saw the consolidation of the Proces@ robot, designed by Garrigues and the Knowledge Engineering Institute (IIC) to more quickly and reliably manage the legal documentation received and analyzed at the firm. This is the first time a law firm in Spain has designed and implemented this type





of system in Spanish, since, until now, these initiatives were mainly developed in English. One of the chief advantages of Proces@ is its ability to transform audio files and multimedia documents into indexable text.

■ Internationalization

In 2017, Garrigues carried out the following initiatives as part of the firm's internationalization efforts: the development of customized alerts for the Latin American offices, the addition of online reference materials to the Virtual Library for Latin American offices and the organization of workshops on how to use the Collaborate platform. The firm also continued its training program for international offices.

Special daily alerts service for Latin America

All Garrigues lawyers receive daily email alerts with customized content relating to their respective areas, as part of a general information sharing service. In 2017, a special daily service was rolled out for our Latin American offices (Brazil, Chile, Colombia, Mexico and Peru). Lawyers receive links to

articles in the leading national newspapers, along with curated information on legislation, case law, administrative decisions and regulations, legal commentaries and bibliographies, editorials and other information relating to their countries, all cataloged by the offices' different practice areas. The Knowledge Management Department compiles, reviews, selects and classifies this legal information from roughly 40 different local sources.

Virtual Library

In 2017, a large number of e-books were added to the Garrigues Virtual Library's Latam Catalog, featuring content of interest for the Brazil, Chile, Colombia, Mexico and Peru offices.

In addition, in order to easily locate material of interest (books, magazines and academic articles) for the firm's country and regional support desks, a new Desks Catalog was also created in the Virtual Library.

Training on the Garrigues Collaborate platform

During the year, specific workshops were offered to the international offices on the Garrigues Collaborate tool, used to share

information and knowledge both internally and with clients. In particular, workshops were held for the Lima, Bogotá, Mexico City, Warsaw, London, Brussels, Casablanca, Shanghai and Beijing offices, during which users learned about the tool and its potential uses and applications in working processes, both internally and client-facing (including internal portals, due diligence reviews, court proceedings, board secretary services, arbitration proceedings, legal and environmental audits, compliance, insolvency proceedings and more).

Training program for international offices

In order to keep lawyers and support personnel at international offices abreast of the latest internal developments, the number and frequency of InFórmate newsletters has been increased. These newsletters feature practical information on databases, new books and magazines of interest for the office in question, information pills and database search tips. This year, a total of 18 international InFórmate newsletters were sent out to offices in China, Poland, Brazil, Chile, Colombia, Mexico and Peru. Specific training was also offered to 105 new hires at these offices.



■ Information Security Management System certification under ISO/IEC 27001:2013

The firm has reviewed its processes in order to ensure compliance with ISO/IEC 27001:2013 and to optimize the security of its documentation and management systems, in line with the requirements set out in this internationally recognized standard.

As part of this process, Garrigues created an Information Systems Security Committee and an Information Security Department, both of which are tasked with the review and correct operation of the management system.

The firm also installed TRAPS advanced anti-malware software on each and every PC, along with a double firewall providing a further layer of security for Garrigues' internal network.

■ Unified communications

The firm continued to roll out IP telephony. During 2017, this system was installed in the São Paulo, Mexico City, Lima, Warsaw and Brussels offices.

Bandwidth was increased at all Latin American offices and the firm's backup Data Processing Center (DPC) was relocated to a more modern and better-equipped facility. The primary function of this backup DPC is to provide infrastructure that can be activated in a contingency event.

■ Improved user experience

In 2017, the firm simplified access to all remote IT applications, meaning that Garrigues professionals can easily access the same software and tools available in the office from any internet-enabled location.

A new e-learning platform with enhanced features was also rolled out as a training vehicle for our professionals.

Lastly, a web tool was launched to improve accessibility to our multifunctional printers, allowing users to locate and configure any of these devices remotely.

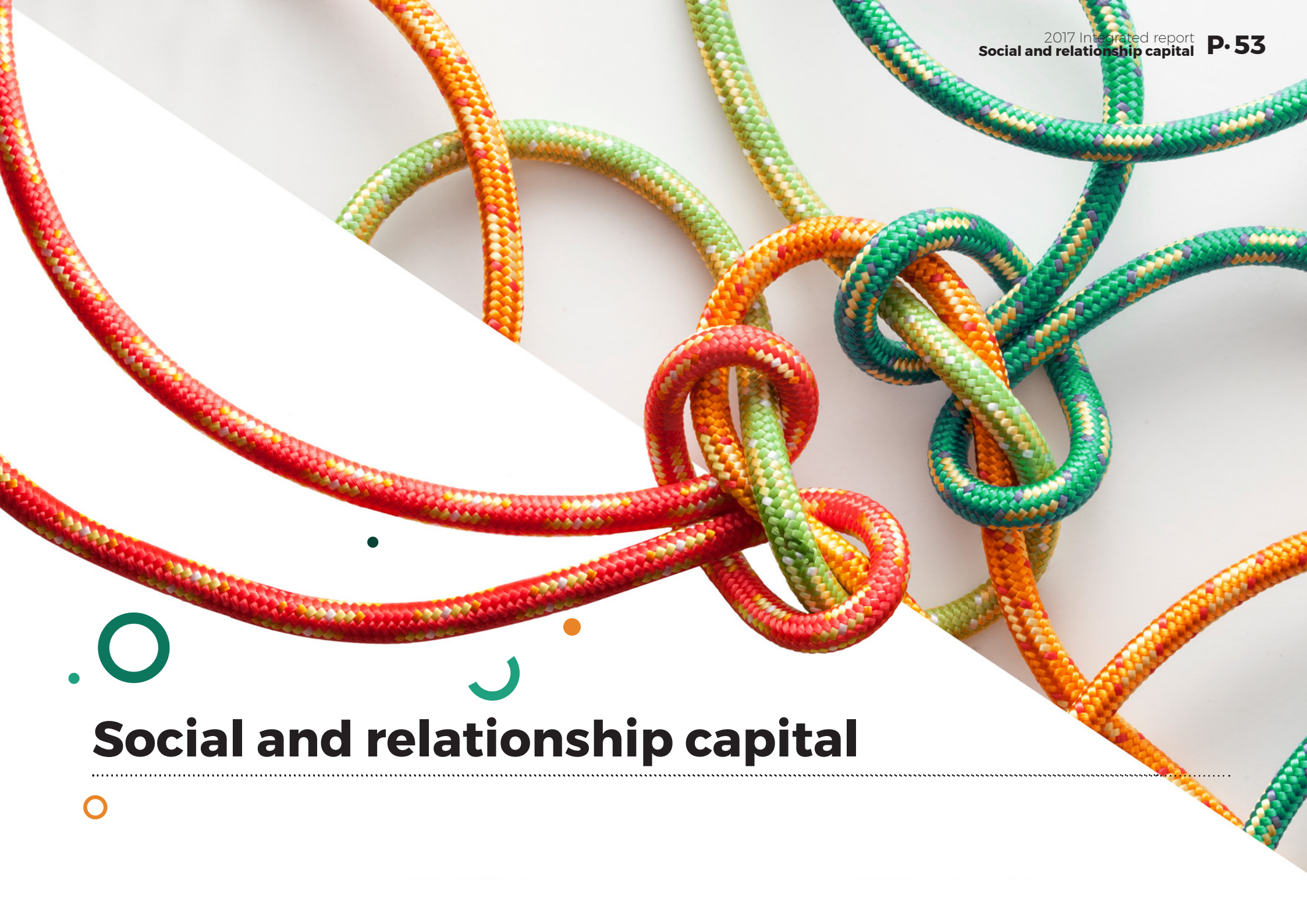


▶ FUTURE GOALS

- Implement the document assembly tool throughout Garrigues.
- Conduct a global satisfaction survey of the services offered by the Knowledge Management Department.
- Study and propose a plan to improve and/or replace the firm's internal communications and knowledge management platforms (including the intranet).
- Together with providers, streamline e-book procurement and cataloging processes for Latin American and international offices.
- Apply HighQ Collaborate technology to automate the firm's different management processes.
- Artificial intelligence and process automation.
 - Study new ways of applying machine learning and robotics to business processes.
- Unified communications
 - Open a new DPC in Latin America to respond to the increased number of users in the region.
- Cybersecurity
 - Implement a tool to analyze unusual activity in the internal network, to further enhance the security of our infrastructure.
- Achieve greater maturity of the information security management system.
- Adapt to the new General Data Protection Regulation (GDPR).
- Desktop empowerment
 - Modernize workstations: (i) more versatile equipment with new functionalities (lightweight, convertible laptops) and a new operating system; (ii) additional features for our multifunctional printers; (iii) latest-generation headsets; and (iv) two-monitor set-up for employees as needed, following the general trend set in recent years.
- Continue digital transformation

The firm continues to make progress on its ongoing project to improve and provide continuity to digital transformation initiatives, in order to:

 - Enhance our client relationship model.
 - Innovate in order to gain a competitive edge.
- Streamline business processes using new instruments and technologies.



Social and relationship capital





Social and relationship capital

Pro bono program

▲ 2017 ACCOMPLISHMENTS

- Provision of pro bono tax and legal services to 64 organizations (58 in 2016).
- 144 Garrigues lawyers took part in the different areas of the pro bono program (106 in 2016).
- 27 new projects launched during the year.
- Creation of a new communications channel allowing any member of the firm to propose pro bono work.

Garrigues has always demonstrated a firm commitment to social responsibility, particularly through the provision of pro bono services. Through its pro bono program, the firm provides legal and tax advisory services free of charge to non-profit entities serving the public interest and with charitable, welfare, cultural, civil, research and educational purposes and activities.

The pro bono program was set up in 2012 in order to formalize the pro bono activity that the firm had been performing for many years and to provide all professionals with the tools to carry out this important work.

General coordination of the pro bono program lies with the Pro Bono Committee, made up of professionals from various offices and departments. The committee's duties include approving new projects and ensuring compliance with the mechanisms in place to guarantee the quality of the services provided.

In 2017, Garrigues provided pro bono legal advice to 64 non-profit entities (over 10% more than in 2016) on matters as diverse as

data protection, compliance, the formation of companies, bylaw amendments, contracts, specific and recurring advice on commercial, tax and labor matters, advice on public subsidies, advice on real estate matters, and integral advice to companies supporting enterprise and to local and international non-profit entities on the defense of human rights. During the year, 144 Garrigues lawyers participated in the program (38 more than in 2016).

In 2017, the firm created the Pro Bono Channel, a new communications channel enabling any employee to propose pro bono work. In addition, the pro bono manual was updated to promote the program at all Garrigues offices worldwide.

The firm also assessed the program's contribution to fulfillment of the United Nations Sustainable Development Goals (SDGs).

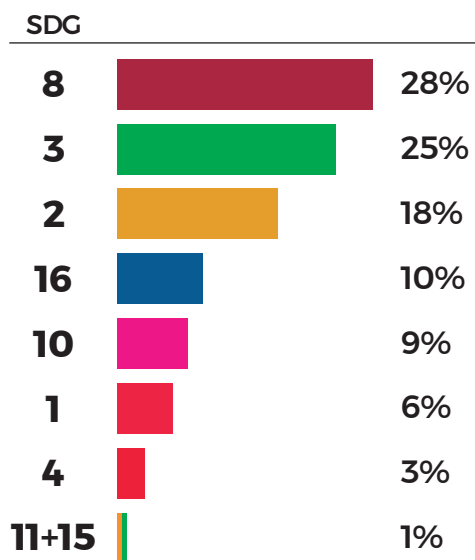


As reflected in the following charts, based on the number of hours dedicated to each non-profit under the program, Garrigues' contribution to the SDGs in 2017 was primarily as follows: decent work and economic growth (Goal 8), good health and well-being (Goal 3) and zero hunger (Goal 2).

Legal clinics

In collaboration with various legal clinics, this year we continued to assist Universidad Pontificia Comillas and IE University by supervising and mentoring students who combine their specific training with a social commitment to provide legal assistance to non-profit entities that request their help.

Contribution to the SDGs based on the number of hours dedicated to each non-profit under the Garrigues pro bono program



SDGs supported by the non-profits served under the Garrigues pro bono program



FUTURE GOALS

- Increase the number of entities benefitting from pro bono services.
- Increase the number of lawyers participating in the pro bono program.
- Foster the development of the program at our international offices.
- Strengthen our contribution to the Sustainable Development Goals.



Garrigues Foundation: Corporate outreach

▲ 2017 ACCOMPLISHMENTS

- Promotion and coverage of corporate outreach projects in the “Social Corner” section of the intranet.
- 17th Young Lawyers Awards.

Our corporate outreach initiatives are fully aligned with the strategic objectives of the firm and are carried out through the Garrigues Foundation and the Human Resources Department. The Foundation, set up and funded entirely by the firm, was established on April 1, 1997 and plays a pivotal role in implementing the firm’s corporate social responsibility policy.

Our corporate outreach initiatives take the form of awards and scholarships, volunteering, charity campaigns, events and raising awareness, as detailed below.

Young Lawyers Awards

In order to foster excellence in knowledge and the practice of business law, the Garrigues Foundation, together with publishing house Thomson Reuters Aranzadi and Centro de Estudios Garrigues, held the 17th edition of the Young Lawyer Awards, which were presided over by the Minister of Justice.

Scholarship program

As in previous years, Garrigues awarded scholarships to young law students approaching the end of their university studies in the different cities where the firm has offices.

Social Corner

Our internal communication channel, Social Corner, located on the intranet, promotes and shares news of the charitable exploits of colleagues who work closely with worthy causes and organizations, proposes initiatives our people can participate in and explains the projects on which the firm collaborates.

Science and Law Symposiums

During 2017, the Garrigues Foundation and Fundación para la Investigación sobre el Derecho y la Empresa (FIDE) organized several symposiums analyzing the role of law and jurists in today’s society, particularly with regard to scientific and technological developments. The matters addressed during the year or scheduled for 2018 include: advances in neuroscience and the study of the brain, genomics, demographic challenges and the application of new technologies.



Notable outreach initiatives

Corporate volunteering

- Participation in the Escuela de Fortalecimiento project run by Fundación Integra, which works with groups at risk of social exclusion. Twenty volunteers from Garrigues took part in 40 workshops in 2017, providing training to disadvantaged groups who face great difficulties in accessing the job market. The training gives candidates the tools to improve their chances of securing employment. Over 80 hours of training were provided, helping 144 individuals into work.
- Participation in a training program for immigrants on constitutional values, held at immigrant participation and integration centers (CEPI) in Madrid. 24 volunteers took part in 2017.
- Participation in the 7th International Corporate Volunteering Week.
- Participation in the 5th edition of the course entitled “Legal practice in the 21st century and the socially-engaged lawyer. Basic notions of corporate social responsibility” at Universidad Autónoma de Madrid.
- Collaboration in the 3rd edition of Programa Empresa, run by Fundación Prodis. Garrigues was recognized for its

collaboration and commitment to the program.

- Collaboration with Fundación Bakuva’s educational program.
- Training sessions in the educational programs run by Fundación Carmen Pardo Valcarce as part of its “Programa Campus.”

Charity events

- **Rock & Law Lisbon.** October 2017. The Walkers from the Lisbon office took part in the 9th edition of this charity concert. This year the concert supported the “Casas Primero” project run by Asociación AEIPS and the proceeds went to the homeless.
- **Rock & Law Barcelona.** July 2017. JC & The Dealbreakers from the Barcelona office took part in the 7th Spanish edition of this charity concert. The proceeds went to Fundación Esclerosis, whose mission is to improve the quality of life of people with multiple sclerosis.
- **Charity runs and sporting events.** Our people took part in numerous sporting events for worthy causes, such as charity runs and football and golf tournaments coordinated by organizations such as the Spanish Cancer Association, Fundación Create, Cooperación Internacional ONG and Prodean.

Campaigns

- Operation Kilo food drive. The firm has coordinated food drive campaigns for the Spanish Federation of Food Banks (FESBAL) since 2012. Garrigues then matches the number of kilos donated each year, doubling the impact.
- Charity book drive. The firm once again participated in the book drive to support cooperation projects run by the non-profit AIDA (Ayuda, Intercambio y Desarrollo), with excellent results. This year 550 books were donated during the drive held in April.
- Blood donation campaigns in conjunction with the Spanish Red Cross.
- Seminar at the Madrid office to raise awareness of the projects run by the Spanish Federation of Parents of Children with Cancer.
- The Mexico office promoted several campaigns in support of non-profit entities, such as the purchase of cookies for meeting room refreshments from APAC (Asociación Pro Personas con Parálisis Cerebral) and coordination of campaigns to collect plastic bottle caps (“Tapitas de Amor” campaign) to help children with cancer and their families.



Recognition

Financial Times - October 2017. This year was the first time that the awards included a specific category recognizing collaboration in the legal services industry. The training program for immigrants on constitutional values was particularly noteworthy in this category. A total of 32 professionals from Garrigues volunteered on this initiative, together with individuals from other law firms. The Financial Times recognized the teamwork of various law firms on a joint community outreach initiative at the 2017 Innovative Lawyers Awards.

Fundación Prodis - June 2017. The Foundation acknowledged Garrigues' collaboration on many fronts by singling the firm out for recognition at the graduation ceremony for the third intake of Programa Empresa run by Prodis.

Fundación Integra - March 2017. Garrigues was recognized for the valuable work of its volunteers in appreciation of their efforts and commitment at the first Integra Voluntaria event.

FUTURE GOALS

- Hold the 18th Young Lawyers Awards.
- Remain committed to our community outreach initiatives and increase the number of campaigns in which Garrigues employees take part in collaboration with various charities, with a particular focus on entities that work towards the integration of people with disabilities and respect for diversity.
- Continue to actively support causes by providing information on new corporate outreach projects and initiatives in the "Social Corner" section of the intranet.



Garrigues and education: Centro de Estudios Garrigues

▲ 2017 ACCOMPLISHMENTS

- Launch in 2017 of the new Master's degree in Fashion Business & Law and of two new programs aimed at professionals: the Executive Program in Entrepreneurship & Start-ups and the Executive Program in Corporate Compliance.
- Continued consolidation of the Master's Degree for Access to the Legal Profession, with the intake rising from 79 students (2014/2015 academic year) to 125 students (2017/2018 academic year).
- Consolidation of the Executive Program in Sports Management, with the intake rising from 14 students in the inaugural year (2015/2016) to 23 students in the 2017/2018 academic year.
- Teaching of a new edition of the Training the Global Lawyer program, with students from Instituto Tecnológico de Monterrey.
- Official recognition, for the 2017/2018 academic year, of the Master of Laws in International Transactions.

Centro de Estudios Garrigues (CEG), a subsidiary of the law firm Garrigues, was set up in 1994 in order to provide quality training in areas related to the firm's professional work.

The link with Garrigues enables CEG to keep in constant touch with professional practice, providing a way in which to apply the knowledge, methods and experience gained from professional practice to the field of education. This is not, by any means, an exclusive relationship, as CEG is conceived as an open forum for participation, with the involvement of professionals hailing from highly diverse backgrounds: public authorities, the judiciary, academic circles, private enterprise, and other firms and consulting practices.

The range of training programs on offer includes:

- Master's Degree Programs: requiring full-time study and aimed at recent graduates.
- Executive Programs: compatible with work and aimed at experienced professionals.
- In-company training programs: tailored to the needs of each company and placing particular emphasis on training in competencies requiring a mix of technical know-how and practical skills.
- Specific programs for foreign university students, particularly from Latin America.
- Other open-access courses and seminars: looking at new developments and matters of particular interest in the legal and business community.



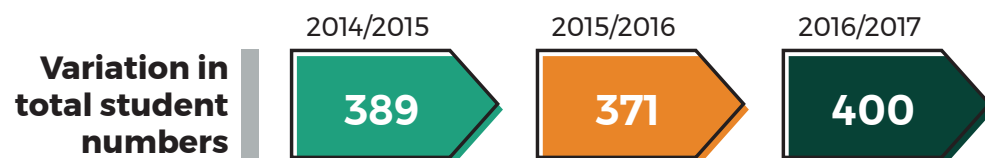
The following long-term programs were taught in the 2016/2017 academic year (which began in October 2016):

Centro de Estudios Garrigues students on long-term programs, 2016/2017

Program	First intake	Total students
Master's degree programs		
Master's Degree in Taxation	1994/1995	211
Master's Degree in Business Law	1996/1997	
Master's Degree in Human Resources	1997/1998	
Master's Degree in Labor Law Counseling	1999/2000	
Master's Degree in Banking and Finance	2000/2001	
Master's Degree in Legal Practice (<i>Access to the Legal Profession</i>)	2013/2014	
Master of Laws in International Transactions	2016/2017	
Executive programs		
Executive Master's Degree in Human Resources (and specialization modules)	2004/2005	189
Executive Program in Labor Relations	2004/2005	
Executive Master's Degree in Tax Counseling	2007/2008	
Executive Master's Degree in International Taxation	2009/2010	
Executive Master's Degree in Business Law	2013/2014	
Executive Program in Sports Management	2015/2016	
Executive Program in Fashion & Law	2016	
Executive Program in Entrepreneurship & Start-ups	2017	
Total students 2016/2017		400



Variation in total student numbers over the last three academic years was as follows:



At October 2017, a total of 223 students were enrolled in the 2017/2018 Master's Degree programs. The definitive data for the Executive Programs is not yet available, as the registration period runs through April 2018.

The success of our Master's programs is borne out by various indices and figures, as shown below:

#1 Our programs led the ranking of Master's Degree programs drawn up by *El Mundo*

2017/2018 Programs:

- Master's Degree in Taxation
- Master's Degree in Business Law Practice
- Master's Degree in Labor Law Counseling
- Master's Degree in Banking and Finance
- Master's Degree in Human Resources

Percentage of students employed on completion of the teaching period of the Master's Degree program

Program	Average placement %		
	2014/2015 (October 2015)	2015/2016 (October 2016)	2016/2017 (October 2017)
Master's Degree in Taxation	97.2%	97.0%	100%
Master's Degree in Business Law	88.6%	97.3%	100%
Master's Degree in Human Resources	94.6%	100%	97%
Master's Degree in Labor Law Counseling	92.9%	96.9%	100%
Master's Degree in Banking and Finance	62.5%	85.7%	92%
Master's Degree in International Law	93.8%	100%	100%
Average placement	90.1%	97.2%	99%

(*) Includes students in employment and students in internships

CEG has signed collaboration agreements with most of the leading law firms and enterprises for professional practice management, as well as agreements with foundations and other academic institutions in order to promote study and research in the field of tax and law.

In this regard, the Center has notably entered into agreements with Fundación Universia to offer grants for students with disabilities, with three students benefitting from a 25% reduction in fees in the 2016/2017 academic year.



With respect to Latin America, the Center has signed collaboration agreements with Instituto Tecnológico de Monterrey (Mexico), Universidad Austral (Argentina), Universidad de los Andes (Chile), Universidad Javeriana de Cali (Colombia), Universidad San Ignacio de Loyola (Peru) and Universidad Montevideo (Uruguay), as well as with Fundación Euroamérica, Fundación Carolina and Funglode (Dominican Republic).

Since October 2009, CEG has been authorized to deliver training programs as a center attached to Universidad Antonio de Nebrija, and is thus entitled to offer official master's degree programs that are fully recognized within the European Higher Education Area.

In addition, since 2012 CEG has had the necessary administrative clearance to deliver the Master's Degree in Legal Practice for access to the legal profession. This program was taught for the first time in the 2013/2014 academic year, with the following four specialties: Tax Law, Business Law, Labor and Employment Law and International Business Law.

With this master's program, CEG's goal is to become a center of choice for quality legal training.

In the 2016/2017 academic year, CEG continued with its volunteer program, offering students the possibility of participating in several activities on Saturdays. Four non-profits collaborated with this program (Banco de Alimentos, Desarrollo y Asistencia, Pueblos Unidos and Accem Madrid).

Moreover, in conjunction with the Garrigues Foundation and the publishing house Thompson Reuters Aranzadi, CEG once again organized and publicized the annual Young Lawyers Awards, which were handed out in 2017 at CEG's headquarters at an event attended by the Spanish Minister of Justice.

For more information:
www.centrogarrigues.com

FUTURE GOALS

- Continue to enhance the international dimension of Centro de Estudios Garrigues.
- Continue to garner recognition for the Master's Program for Access to the Legal Profession, as a benchmark master's program.
- Consolidate the programs taught for the first time in 2017.
- Launch the Summer School in Law and Business, with a faculty of top-tier professionals from around the world, aimed particularly at foreign students and covering a range of topics related with business law, with a comparative and multi-disciplinary approach.



The Garrigues Collection (published in Spanish)

Our commitment to responsible legal practice and the firm’s deep-seated interest in training and research in the field of law gave rise to the Garrigues Collection, which was unveiled in 1999 with the publication *El gobierno de las sociedades cotizadas* (Governance of Listed Companies). It contains works of considerable legal interest such as *La sociedad cotizada* (Listed companies), *El derecho español en el siglo XX* (Spanish law in the 20th Century), *La licencia de marca* (Trademark Licenses) and *Comentarios a la Ley Concursal* (Commentary on the Insolvency Law), among others. The work *Derecho práctico de Reestructuraciones e Insolvencias empresariales* (Practical Law of Business restructuring and insolvency) was published in 2017.

The “Garrigues spirit”, embracing both tradition and reform, remains unchanged and is faithfully reflected in the Collection. With the Collection, the firm seeks to actively participate in the legal debate, to help rethink the institutions and concepts of traditional law and to contribute to the definition of new legal ideas.



FUTURE GOALS

- Publish two new works as part of the Garrigues Collection:
 - *Las normas generales antielusión en la jurisprudencia tributaria española y europea (General anti-avoidance rules in Spanish and European tax case law).*
 - *Defensa jurídica de las variedades vegetales protegidas: una perspectiva práctica (Legal defense of protected plant varieties: a practical perspective).*

Electronic codes

2017 ACCOMPLISHMENTS

- Participation in the *Código de derecho de la Competencia* (Competition Law Code), published by the Official State Gazette (BOE).

Garrigues also collaborates with the Official State Gazette Government Agency in selecting, ordering and reviewing the provisions of electronic codes. These codes, a compilation of the main provisions in force in the Spanish legal system, are constantly updated and are offered for free download in electronic pdf and ePub formats to facilitate their storage and reading across different electronic devices. In recent years, codes have been published in Spanish on the following: pharmaceutical law, insolvency law, intellectual property, sports law and foreign investment in Spain. The code on competition law was published in 2017.



Garrigues Chair

Garrigues Chair on the Modernization of Company Law, Universidad Pontificia Comillas, ICADE

In 2017, the Garrigues Chair continued to propose solutions and promote measures cultivated from ongoing reflection, dialog with industry players and research. These take the form of specialized seminars on matters concerning corporations and other forms of association, as well as publications the findings of which will be shared with the professional, university and learning communities.

The most relevant corporate law seminars held in 2017 were as follows:

- Seminar on “Directors’ liability: Restructuring of dogma and interdisciplinary issues” (February 17).
- Seminar on “Spoiling Law: Law through cinema” (March 2).
- Seminar on “Public and Private Coercion in Corporate Governance Systems: Approximation of US, UK and Spanish comparative law” (March 13).

- Seminar on “Current issues regarding auditor independence” (May 29).
- III Seminar on “Corporate and Tax Law”, organized in collaboration with the Spanish Association of Tax Advisors (AEDAF) and Universidad Complutense de Madrid (UCM) (October 10).

In addition, volumes 9 and 10 of the *Cuadernos de la Cátedra* collection were published in 2017, featuring the following articles:

- Restructuring director liability (part one): Foundations of dogma and classification of liability under the Spanish legal system. Author: Daniel Prades Cutillas.
- Restructuring director liability (part two): Accountability and connection between the Capital Companies Law and the Insolvency Law; Likelihood of success of corporate and individual actions in insolvency proceedings and legal certainty. Author: Juana María Pardo Pardo.
- Criminal breach of duty by directors, with particular focus on accounting fraud,

from the notary’s point of view. Author: Sigismund Álvarez-Royo Villanova.

- Debate on comparative corporate governance issues: coercion of the governance system, communication with shareholders and investor protection. Author: Patrick O’Malley.

In 2018, the Garrigues Chair on the Modernization of Company Law will continue to drive corporate law research in order to deepen our knowledge of this important branch of law and, above all, to support companies and society as a whole.



Garrigues Chair in Law and Business, Universidad de Zaragoza

In 2017, the Garrigues Chair fulfilled its commitment to providing activities and internships for Universidad de Zaragoza students through several initiatives and by organizing seminars, conferences and courses to encourage the transfer of knowledge to Aragón society as a whole.

The Chair actively helped plan and carry out skill- and competency-building events for Universidad de Zaragoza students, with activities like the university debate league organized by the School of Economics and Business student body. Garrigues participated in the league in collaboration with other institutions, such as the Aragón Economists' Association and the Chamber of Commerce. In this same vein, the Chair also sponsored the Aragón regional government's "Economic Olympics". This initiative, in its ninth year, fosters ties with students interested in entrepreneurial activities and the study of Economics and Business.

In order to both motivate students and recognize excellence, the firm organizes the Garrigues Awards for the best Universidad de Zaragoza law students and the Seminar on Law and Business: A professional practice perspective. These activities are very popular among the university's law students, particularly those studying the combined degree in Law and Business Administration, and enable students to network with industry professionals. In 2017, the third edition of the awards and the fifth annual seminar were held.

The Chair also organizes speakers for certain modules on Universidad de Zaragoza's own Expert in Corporate Responsibility Management qualification. This qualification is offered to professionals working in the field of corporate social responsibility. The objective is to bring business management models into the future by incorporating the principles of transparency, ethics, sustainable growth and value sharing among different stakeholders.

With the collaboration of professor Vicente Salas, a member of the Business Organization and Management Department and director of the Bank of Spain, Garrigues organized the seminar (given in Spanish) entitled "Directors of capital companies: Legal and compensation policy issues", which identified and analyzed problems surrounding director compensation from both a legal and business standpoint. A number of well-known and respected experts in these different areas spoke at the event.

In 2018, the Chair will continue to engage in activities that strengthen the collaboration between Garrigues and the Universidad de Zaragoza and Aragón society as a whole. To that end, new editions of some of the above activities are already being prepared. In terms of knowledge transfer, the Chair plans to hold a seminar on Law and Market Failures, in which renowned experts will discuss the role the law should play in encouraging competition and competitiveness.



Information sharing

Legislation alerts ■

Legislation alerts contain select information from official bulletins and the main legal sources. The different departments briefly outline the most significant legislative developments to ensure clients receive important information as quickly as possible. A total of **321 alerts** were published in 2017.

InHouse ■

InHouse is Garrigues' web 2.0 internal communication channel. Members of the firm can stay informed by consulting the intranet homepage, where articles on current issues are published daily. Since its creation, almost **1,250 items** have been published on the six sections of the platform: News, Social Corner, Credentials, Gente G, Occupational Health and Diary. **4,670 multimedia items** (images, pdfs and videos) have been also generated since its creation.

Moreover, each Thursday employees are sent a round-up of the week's most important articles by email. A total of **50 InHouse newsletters** were sent out in 2017.



Garrigues professionals also regularly publish articles in specialist newspapers, journals and other media, adding to Garrigues' in-house archive of academic articles year on year.

Commentaries ■

These are specific publications in which each department carries out an in-depth analysis of recently published legislative and case law developments that, due to their impact on business and society, require a more detailed explanation. A total of **52 commentaries** were published in 2017.

Newsletters ■

Garrigues offices and practices publish newsletters containing the latest legislative developments, commentaries and case law, as well as industry news. Our newsletters are sent to clients and contacts on a regular basis, enabling them to stay abreast of key industry developments. A total of **138 newsletters** were published in 2017.



Social networks and blog

Social networks have become an essential part of the corporate communication strategy and reputation of an entity, enabling them to convey the messages they consider most appropriate as regards their activity and to ascertain how they are viewed and establish their digital identity on social media.

The firm's activity on social networks (primarily Twitter, Facebook and LinkedIn) has grown tremendously in the three years since the firm began using these tools, guided by the principles of objective and transparent communication, with the aim of sharing legal commentary and information regarding the activity of our professionals in their various areas of practice. Rigor and excellence in client service take precedence over seeking an increase in traffic beyond the organic growth naturally occurring on each network.

At the end of 2017, we had 14,327 followers on Twitter. Our followers on LinkedIn, the quintessential professional network, number almost 31,761, up 6,763 on 2016, while we have around 5,118 followers on Facebook, our most recent social network account, (year-on-year growth of 1,039). These platforms enable us to

multiply the reach of our messages and can be used by Garrigues professionals from any office and in any country.

Our digital strategy on social networks is combined with the Garrigues blog, a space where short articles (posts) and the firm's knowledge on issues of current interest can be shared. The number of subscribers and visits continues to grow steadily.

With only one year under its belt, the Labor and Employment Law blog has clocked up 39,592 visits and has over 1,000 subscribers.

In addition to the firm's general blog, there is a good deal of activity on our other specialist blogs: Nuestra Fiscalidad, run by the Garrigues Tax Department and the newspaper Expansion, and Fiscalidad Foral (on Basque Country and Navarre tax issues).





Website

The entire website security and systems infrastructure was overhauled in 2017.

Greater availability

The website is now cloud-based. Content is distributed across a number of servers, allowing the site to stay up and running if any individual server fails. This redundancy affords the website greater stability and availability.

Faster

Since the Garrigues website is distributed by a content delivery network (CDN), loading speeds are faster worldwide, since they no longer depend on the physical location of the servers. Content is simultaneously stored in several countries and areas around the globe, which improves load latency. For example, content will be delivered to someone visiting the website in Chile by the closest available node to their location.

Enhanced security

Web Application Firewall (WAF) technology has been implemented to neutralize threats before they reach applications. All web accesses are individually analyzed. Any malicious accesses are blocked before reaching web applications and Garrigues servers, thereby protecting data.

The hardware firewall layer that protects the website network is configured with high availability. If one of the firewalls becomes inactive, another firewall will take control to avoid a security breach. These firewalls block unauthorized access to network resources, thereby ensuring their security.

The new web systems provider is certified under international information security management standard ISO/IEC 27001:2013.





Events

The firm as a whole, as part of its institutional relations, and the individual practice areas organize events, seminars, working breakfasts and training workshops throughout the year. These events feature speakers who are experts in their respective fields, whether from within the firm or from other entities and organizations, and are able to address the subject matter thoroughly and in a manner that will be of use to the clients or guests in attendance.

In addition to specific events organized to discuss current legislative issues in a highly practical way, various departments hold annual seminars to analyze legislative developments, such as the tax and legal updates for businesses, employment forums and HR directors' forums.

Garrigues frequently lends its meeting spaces and joins together with various foundations, institutions, businesses and associations to organize key events. The firm also occasionally plays host to major international legal organizations holding events in different fields, such as tax law and corporate law.

A total of 547 events were held at Garrigues' offices last year, most of them organized by the different practice areas and by the Garrigues Foundation, although this number also includes events for which the firm lent out its facilities to other companies or institutions.

Number of seminars in which Garrigues participated in 2017

Department	Seminars
Tax Law	135
Corporate/Commercial	95
Litigation & Arbitration	64
Administrative Law	10
IP	15
Labor & Employment	111
EU Law	12
General	84
Madrid facilities lent out to third parties	21
Total	547

FUTURE GOALS

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- Continue participating in and promoting events of general interest.



- 2017 Young Lawyers Award
- 1st Legaltech Competition organized by Garrigues and South Summit 2017
- 2017 labor update seminar
- 2017 tax update seminar
- *Reto al Futuro* (Challenging the Future), 2018





Collaboration with associations and other entities

Garrigues is a member of more than 90 national and international associations, professional groups and similar entities in the public and private arenas (business associations, chambers of commerce, etc.).

During 2017, Garrigues contributed, as a partner entity, to the 2017 Social Value Report carried out by Fundación SERES. We also continued to collaborate with Fundación Derecho y Discapacidad (through the Master's degree in Disability, Personal Autonomy and Care for Dependent Persons), Plataforma del Tercer Sector, the Spanish Association of Foundations, Club de Excelencia en Sostenibilidad and the Spanish Accounting and Business Administration Association (AECA).

▲ 2017 ACCOMPLISHMENTS

- Preparation of a practical guide on complying with regulations governing the number of positions set aside for people with disabilities.

Dialog with stakeholders

Garrigues defines its stakeholders as individuals or organizations in society that significantly affect, or can significantly contribute to, its activities or decisions, or that are, or can be, significantly affected by the firm's actions and its professional practice.

Garrigues' stakeholders, as identified in the Code of Ethics, are its clients, personnel, partners, alliances, entities (other firms, suppliers, the media and other organizations), authorities, regulatory bodies and public authorities, as well as society as a whole.

Garrigues makes a special effort to encourage and ensure constant communication with the stakeholders it has identified, and to continually identify new channels of stakeholder communication, while taking on board their expectations and defining what courses of action to take in this connection.

To this end, Garrigues periodically reviews its stakeholder groups and analyzes the relevance and materiality of the different topics in order to identify the topics deemed most important. Stakeholders are provided with the pertinent information on these material topics in different ways, usually through the Integrated Report.

The following table shows Garrigues' stakeholders and the main channels of communication in place:

■ Clients

- Integrated Report
- Client experience and satisfaction
- Direct comments / informal meetings
- Testimonials and specialized media reports
- Client and ethical requirements
- Meetings, committees and external working groups

■ Partners

- Integrated Report
- Client experience and satisfaction
- Direct comments / informal meetings
- Formal meetings and internal committees

■ Personnel

- Integrated Report
- Client experience and satisfaction
- Direct comments / informal meetings



■ Regulatory bodies and public authorities

- Integrated Report
- Testimonials and specialized media reports
- Client and ethical requirements
- Press and media (including social networks)
- Meetings, committees and external working groups
- Legislation

■ Alliances

- Integrated Report
- Direct comments / informal meetings
- Meetings, committees and external working group

■ Entities (suppliers, the media, etc.)

- Integrated Report
- Direct comments / informal meetings
- Testimonials and specialized media reports
- Meetings, committees and external working groups
- Formal meetings and internal committees

■ Society

- Integrated Report
- Testimonials and specialized media reports
- Press and media (including social networks)
- Meetings, committees and external working groups
- Legislation
- Formal meetings and internal committees

The firm's most important stakeholders are addressed through the most direct channels of communication (surveys, meetings and direct dialog), in addition to the indirect channels used for the majority of stakeholders (Integrated Report or CSR Report, testimonials and specialized or general media reports, requirements, external working groups, regulations, etc.). One of the firm's main stakeholders groups are its employees. Garrigues conducts an internal CSR survey in order to identify employee expectations.

In addition to the above channels, other means of communication are used with stakeholders, such as training and information sessions, the website and blogs, and corporate social networks. The value of the latter as an institutional communication channel for the promotion of Garrigues' identity and corporate culture has been clearly established.



Natural capital



Natural capital

Environmental sustainability is an issue close to Garrigues' heart and is therefore something we work to improve just as with any other aspect of our activity.

We endeavor to ensure that our business model is environmentally responsible and complies with environmental legislation while at the same time eliminating and mitigating all of the impacts of our business.

We have pledged to help drive the shift towards a circular economy by promoting the following lines of action under Garrigues' Eco-efficiency Program:



▲ 2017 ACCOMPLISHMENTS

- Implementation of 2,877 m² of sustainable office space (making the most of natural light, recycled materials and recyclables, Forest Stewardship Council-certified products, LED and other low energy lighting, and systems to reduce water consumption). Creation of modern collaborative spaces at our head office, and remodeling of eating areas at other offices.
- Ongoing publication of the Garrigues en Verde/GoGreen Garrigues newsletter, sent to the entire organization and published in Spanish and English, with a view to educating and raising awareness among all Garrigues personnel.
- Remodeling and expansion of our office in Santiago de Chile, installing LED lighting throughout the office and sensor faucets in the restrooms. Expansion of the Mexico City and Lima offices, installing LED light bulbs in certain areas. Partial installation of LED technology in areas of the Bilbao, Madrid, San Sebastian and Valencia offices.
- 153 fluorescent light bulbs replaced with LED bulbs in common areas and parking garages with 24-hour access at the head offices.
- 79 multifunctional printers replaced.
- Maintenance and inclusion of new data on the Eco-efficiency portal on the Garrigues intranet. Data on electricity and water consumption, paper destruction and recycling broken down by office. The portal can be used to consult any of the past newsletters sent to firm personnel.
- Ongoing study of the potential installation of electric vehicle charging stations.



■ Sustainable and healthy workplaces

Since moving to our new headquarters in 2006, one of the most important decisions taken was to standardize the infrastructure of all offices, with priority given to environmental aspects that make our personnel more comfortable and reduce consumption, both in terms of resources and costs.

At our new offices, and when refurbishing existing offices, we try to separate areas using glass wherever possible in order to make the most of natural light. A large part of our office fronts are made entirely of glass, which greatly improves the amount of light that reaches interior areas.

The fixtures and fittings used are as environmentally friendly as possible. This is the case of our furniture, where we favor wood from sustainably-managed forests and certified by the Forest Stewardship Council. A very large percentage of the metal components of our furniture and chairs is recycled. All our vinyl wallpaper can also be recycled.

Almost 50% of our carpets' components are made from recycled materials.

More and more of our office space has lighting that complies with the energy efficiency standards recommended by the European Commission's Greenlight Program, and new infrastructure and refurbishments feature LED or low-energy lighting wherever possible.

Both in new construction and refurbishments, we try to ensure restrooms have sensor faucets and dual-flush toilets, both within our own office space and in shared areas, thereby helping to save natural resources.

One of our main accomplishments in this area in 2017 was the creation at our head office in Madrid of a modern, collaborative, innovative and flexible space that goes beyond the traditional workspace. The structured but open-plan spaces are welcoming and foster teamwork, idea sharing, communication, concentration and reflection. There are separate spaces for work and for downtime.

The area is divided into three sections:

- The first section is an open-plan, multi-use area featuring sofas, armchairs and benches that can be set up in many different ways. This section is perfect for informal, off-the-cuff or quick meetings.
- The second section, separated by a glass and wood panel wall that retains the transparent feel while clearly defining the area, houses an employee dining room. This new, multi-use space can hold a large number of people, who can either purchase food and drink from the subcontracted cafeteria service or bring food from home. The room is outfitted with microwaves, vending machines and more. Before and after lunch, the space can also be used for meetings.
- Lastly, there are a number of small project rooms, as well as individual study areas. All of the spaces are equipped with state-of-the-art technology and audiovisual resources (interactive screens, touch screens, wireless projectors, HD video conference systems, etc.) and have been designed with acoustic comfort in mind.



As part of the firm's commitment to ongoing improvement, we have continued to modernize the dining areas at our offices, making them more inviting, comfortable and enjoyable. Moreover, these rooms can be used for meetings and other get-togethers both before and after lunch.

In 2017, Garrigues added changing rooms at its head offices in Madrid, fully equipped with LED lighting, thermostatic showers and sensor faucets.

Our goal of creating a sustainable, efficient and environmentally-friendly office has now been achieved with respect to more than 69% of the total surface area of our facilities worldwide.

The buildings currently housing our offices in Lima, London and Mexico City and our head office in Madrid (which together account for 29.43% of our total office area) carry Leadership in Energy and Environmental Design (LEED) certification, an international verification standard developed by the US Green Building Council to promote the design of buildings on the basis of sustainable and high-efficiency criteria. Our Bogotá office is also recognized as a sustainable building.

LEED-certified offices

Office	Certification
Lima	LEED Silver
London	LEED Platinum
Madrid	LEED Gold
Mexico City	LEED Gold

■ Responsible consumption of resources and waste management

Initiatives continued during the year to minimize both the consumption of natural resources and the amount of waste generated.

Energy

The main type of energy used at Garrigues is electricity, all of which is obtained from outside sources.

The furnaces and hot water heaters at some of our offices use fossil fuels. No data are available on the consumption of these fuels since almost all of the furnaces are controlled by the

owners of the buildings housing our offices. As a result of awareness-raising initiatives combined with the installation of efficient lighting systems and energy-saving computers and printers, we have been able to significantly reduce electricity use at our offices compared to previous years. Our prime goal is to continue in this vein, achieving even lower energy use figures in 2018.

Water

At Garrigues, we run initiatives to raise awareness among personnel of the importance of using water efficiently. We have also installed (and urged the owners of our buildings to install) mechanisms that, when coupled with the use of new technologies, help to reduce water consumption.

Garrigues' General Services, Logistics and Infrastructure Department (SGLEI) monitors electricity and water use, with each office uploading the data from their utility bills to a special platform on a monthly basis. This system enables us not only to obtain usage figures on both a global and itemized basis, but also to compare consumption across the different offices, note progress or setbacks, detect anomalies and establish corrective measures. The resulting information is



housed on the SGLEI portal and can be viewed by all Garrigues personnel. The employees in charge of compiling this data also draw up comparative charts on consumption by office.

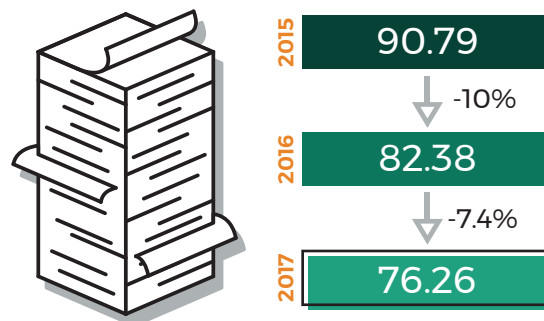
Paper

Garrigues uses multifunctional printers with state-of-the-art technology that helps reduce paper consumption, such as default double-sided, locked printing and low energy use systems that can also send and receive faxes. This equipment is also constantly being upgraded.

The bulk of the paper used at our offices comes from sustainably managed forests, and any used paper is destroyed and recycled by authorized waste management companies.

Thanks to these measures, total paper consumption at Garrigues offices in Spain was 76.26 kg/person in 2017, down 7.4% on the previous year. Historic data on paper destruction and recycling by office can be consulted on the firm's intranet.

Annual paper consumption per employee (kg/person)



Note: Usage data covering 86.7% of Garrigues' activity in 2015, 84.2% in 2016 and 83% in 2017 (average coverage in terms of headcount).

Paper consumption is one of the key environmental aspects for Garrigues, since it is directly related to the pursuit of our professional activity.

Waste management

The waste generated at Garrigues is mostly non-industrial and non-hazardous in nature. Garrigues' offices have specific containers for the selective collection of lightweight packaging, paper and organic material.

In addition, some hazardous waste is generated, such as fluorescent light bulbs, toner cartridges, batteries and end-of-life IT equipment that cannot be donated to non-profit organizations. This waste is stored and delivered to authorized waste management companies for the pertinent transport and treatment.

Energy efficiency and climate change

Garrigues continues to work towards a more sustainable world by carrying out initiatives aimed at reducing CO2 emissions. The firm actively participates in campaigns to raise awareness of energy sustainability and the fight against climate change. It also prepares an annual inventory of the greenhouse gas (GHG) emissions produced directly or indirectly by our business.

The main sources of indirect GHG emissions at Garrigues are electricity consumption at our offices and business trips by our professionals. Emissions from these sources are quantified according to the Greenhouse Gas Protocol (www.ghgprotocol.org).



■ Environmental awareness

Environmental awareness is one of the firm's biggest commitments. We believe that the best way to raise environmental awareness is to educate our people, by explaining what can be done and why, and by encouraging everyone to contribute to a collective solution. To do this, we carry out initiatives aimed at environmental training and awareness-raising. These efforts are directed both internally, by providing information on procedures at our offices (posters in specific areas that depict good practices and the new quarterly Garrigues en Verde/GoGreen Garrigues newsletter distributed to all members of the firm) and externally, by offering our clients and collaborators free informative and training sessions on the latest developments in environmental conservation.

▶ FUTURE GOALS

- Continue promoting the introduction of advanced technologies in order to reduce resource use and emissions. Replace all conventional halogen lighting with LED technology.
- Continue improving awareness campaigns to reduce electricity, water and paper consumption and to better manage our waste.
- Feature more information on the Eco-efficiency portal.
- Determine the feasibility of setting up electric vehicle charging stations in our office parking garages.



Financial capital





Financial capital

▲ 2017 ACCOMPLISHMENTS

- Sustained revenue growth with respect to last year.

During the year, Garrigues' net revenue exceeded the €350 million mark, amounting to €357.1 million, up 2.2% on the €349.4 million posted last year.

A major factor in this growth has been the strategy adopted by the firm in 2013 to open own offices as part of its international expansion.

This has enabled us to maintain our leading position among tax and legal advisory firms. Garrigues is once again the largest law firm in Spain and Continental Europe in terms of billings and is recognized as one of the most prestigious international firms of lawyers and tax advisers.

The key figures for the Garrigues Group for the last two years are as follows:

Key figures for the Garrigues Group as a whole

(thousands of euros)	2016	2017
Direct economic value generated	351,520	358,671
a) Revenues	351,520	358,671
Net revenue	349,445	357,138
Other operating revenue	1,264	964
Financial revenue	811	569
Economic value distributed	345,997	355,319
b) Operating costs	76,540	78,333
Depreciation and amortization expense	5,949	5,382
Variation in working capital provisions	115	1,984
External services	70,476	70,967
c) Personnel and professional expenses	246,648	245,716
d) Payments to capital providers	3,600	5,982
e) Payments to public authorities	18,904	24,935
Tax on economic activities and other non-income taxes	553	777
Corporate income tax	2,011	7,779
Social security	16,340	16,379
f) Donations and other community investments	305	353
Income for the year	5,523	3,352

“Payments to public authorities” includes payments made in connection with social security, corporate income tax, tax on economic activities and other taxes and levies.

Garrigues and its partners make other payments to public authorities such as those made in

respect of employees’ and partners’ social security contributions, personal income tax withholdings, and corporate income tax and VAT on the activities of the firms and their partners. The following table shows the figures for the above-mentioned items in Spain and Portugal, as these are the most significant.

**Personal income tax, VAT, social security contributions,
and corporate income tax for Spain and Portugal**

Spain (thousands of euros)	2016	2017
Personal income tax of partners, professionals and employees	79,988	78,090
VAT for the companies and partners	44,102	45,562
Social security contributions of the companies, partners, employees and professionals	20,839	21,441
Corporate income tax	2,740	5,425
Total	147,669	150,518
Portugal (thousands of euros)	2016	2017
Personal income tax of partners, professionals and employees	2,387	2,590
VAT for the companies and partners	1,326	1,348
Social security contributions of the companies, partners, employees and professionals	1,104	1,259
Corporate income tax	99	24
Total	4,916	5,221



**FUTURE
GOALS**

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- To ensure that revenues from operations and productivity perform consistently with market and economic conditions and with the firm's past record.



Guiding principles





Guiding principles

■ International standards

This report for the Garrigues 2017 fiscal year (January 1, 2017 through December 31, 2017) has been prepared in accordance with the following international reporting standards:

GRI Sustainability Reporting Standards (GRI Standards)

Garrigues' 2017 Integrated Report has been prepared following the GRI Standards published on October 19, 2016. Preparing the Integrated Report in line with the GRI Standards enables us to obtain a true and fair view of the firm's material topics, their impact and how they are managed.

The GRI Standards represent the latest global practices for disclosing information on the economic, environmental and social impacts of an organization.

International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)

This report takes into account the guidelines and recommendations set out under the integrated reporting framework published by the IIRC in December 2013, adapting them to the progress made on each issue and Garrigues' business and specific situation.

As well as informing the firm's stakeholders of its economic, social and environmental performance, this report identifies and describes Garrigues' main assets: human capital, intellectual capital and innovation, natural capital, social and relationship capital, and financial capital. We have also taken into account the principles of strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness, and consistency and comparability.

United Nations Global Compact

Garrigues adhered to the Global Compact in 2002. The Global Compact sets out 10 principles in the areas of human rights, labor, the environment and anti-corruption.

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) were approved by the United Nations in September 2015. This series of 17 goals and 169 targets aims to solve the social, economic and environmental problems afflicting the world and covers the period 2016-2030. Garrigues has assessed and defined its indirect and indirect contribution to the SDGs and to the rule of law. In doing so, the firm used a variety of tools, such as the SDG Compass developed by the Global

Reporting Initiative, the United Nations Global Compact and the World Business Council for Sustainability Development. In particular, in 2017, Garrigues analyzed the contribution of its pro bono program to the Sustainable Development Goals.

■ Materiality analysis

In the context of the Integrated Report, "material topic" means a topic that may substantively influence a stakeholder's opinion in relation to Garrigues and that may also result in a decision that could significantly affect Garrigues' results and objectives as a business group.

Material topics are listed in a separate column in the 2016 GRI Standards index, in accordance with the materiality analysis carried out in 2016.

■ Management approach

Economic topics have been material in preparing this Report mainly due to the expectations the firm's personnel and partners have in relation to certain issues addressed in the GRI Standards (value generated and



distributed, entry-level wages and pro bono work). This information is described in the sections of the report dedicated to pro bono work, personnel and economic topics.

Topics listed under the “Anti-corruption” and “Anti-competitive behavior” subgroups have been included in the report due to the relevance that ethical and compliance issues have for Garrigues and for practically all of its stakeholders, and the indicators chosen are those that specifically address these kinds of concerns. The section on ethics and governance at Garrigues provides detailed information on the organization and the steps taken by the firm in this respect, except for the “product/service labeling” topic, which has been included due to the importance of client satisfaction for the firm, its personnel and its clients, a matter addressed by the GRI Standards under this topic. This is a key issue for the firm, and our operating and organizational structure seeks to ensure the highest levels of client satisfaction.

The material environmental topics identified reflect the expectations that exist for the firm in this respect, although in a less intense

manner than for the previous topics. The impetus behind these expectations varies depending on the stakeholder, spanning from legal compliance and cost cutting as a part of appropriate environmental management to the sensitivity of partners, clients, society and personnel to certain issues (CO₂ emissions, recycling, etc.).

In short, at Garrigues we expressly identify environmental management as an activity for which we are all responsible, under the coordination of a specific department that regularly reviews and proposes environment-related goals, depending on the results achieved.

Lastly, with respect to the labor topics covered in the report, their materiality mainly stems from the importance of human capital at professional services firms, especially in the legal profession. Accordingly, all topics of the GRI Standards that result in improvements for personnel are material. Garrigues has a specific department and a committee to manage these topics. The information relating to these topics is set out in detail throughout this report.

Measurement and assessment of management approach

At Garrigues, we measure the performance, effective management and impact of economic, social and environmental topics using a series of instruments, including:

- Client satisfaction survey.
- Biennial internal corporate social responsibility survey.
- Consultations with corporate social responsibility experts and other stakeholders.
- Internal and external audits.
- Internal assessment mechanisms and KPIs.
- Project budgets and deadlines.
- Committees and control bodies specializing in different topics: Equality Committee, Pro Bono Committee, Professional Practice Committee and Information Processing and Analysis Unit.
- Annual reports and internal reporting mechanisms.
- Garrigues Ethics Channel.



■ Frequency

The Integrated Report is published annually. This is the fourth report published by Garrigues on the basis of the integrated reporting framework developed by the International Integrated Reporting Council (IIRC), and the twelfth edition of our CSR Report. The first report, referring to fiscal year 2006, was released in 2007.

The information disclosed in the Integrated Report on material topics relates to all Garrigues companies but excludes the impact on the upstream and downstream value chain, unless expressly indicated otherwise under the particular topic. The impacts on the value chain are described (where appropriate as a result of the materiality analysis) in the relevant section on each topic. Except where otherwise indicated, the information supplied relates to the Garrigues 2017 fiscal year: January 1, 2017 through December 31, 2017.

The average activity covered in terms of headcount is included in the section on natural capital. In some cases, 100% of the activity is not covered due to a lack of available data.

The section on social and relationship capital discloses qualitative information available up to the date of the assurance report.

The entities referred to in this report are:

- J & A Garrigues, S.L.P.
- Garrigues Portugal, S.L.P.
- Garrigues, LLP (USA) (*)
- Garrigues UK, LLP
- Garrigues Maroc SARLAU (*)
- Garrigues Human Capital Services, S.L.P. (*)
- Garrigues Polska i Roberto Delgado Gil, sp.k.
- Garrigues Letrados de Soporte S. L. P. (*) (formerly Rino Asesores, S.L.P.)
- G-Advisory Consultoría Técnica, Económica y Estratégica, S.L.P.
- Centro Europeo de Estudios y Formación Empresarial Garrigues, S.L.P. (*)
- Garrigues I P, S.L.P.
- Garrigues I P Unipessoal, L.D.A. (*)
- Garrigues Consultoría de Empresa Familiar, S.L.P. (*)
- J&A Garrigues Consultores em Direito Estrangeiro/Direito Espanhol
- Garrigues Colombia SAS (*)
- J&A Garrigues Perú Sociedad Civil de Responsabilidad Limitada
- Garrigues México, S.C.

- Garrigues Consultores Tributarios Ltda.
- Garrigues Chile Spa. (*)
- G-Advisory México S.C.
- G-Advisory Chile Spa.

(*) Sole-shareholder companies.

■ Accuracy

The information in this report is taken from data available on Garrigues' information systems.

Garrigues also takes into account other international standards such as the Greenhouse Gas Protocol (GHG Protocol WRI/WBCSD), the UNE-ISO 26000 Standard (2012), the OECD Guidelines for Multinational Enterprises (revised in 2011), the UN Guiding Principles on Business and Human Rights (2011), the Sustainability Accounting Standards for professional services (industry standard published in December 2014) and the European Commission Guidelines on non-financial reporting (2017).

In addition, in drafting this report, we applied the guidelines set out in Garrigues' Style Manual (Centro de Estudios Garrigues; publisher Thomson Reuters Aranzadi), which tackles the most common linguistic and format-related doubts that arise when drafting legal documents. A separate style guide, the



Llibre d'estill jurídic was published in Catalan in 2010, with its own specific identity and contents.

Garrigues has in place the means to ensure the quality and accuracy of the information included in this report and all related processes were adapted to the change in fiscal year in 2015.

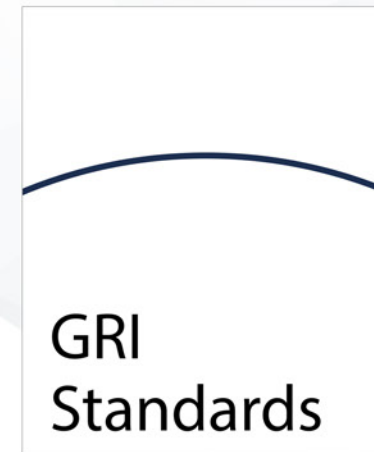
The preparation of the Integrated Report is coordinated by Garrigues' CSR Department, in accordance with applicable legislation and international benchmarks. The areas that participate in preparing the report have information systems in place that provide a solid source of content. All of the above is completed with the work performed by an external assurance provider.

This report was verified by the independent entity AENOR on June 7, 2018, in accordance with the core option of the GRI Standards.

Phases	Persons in charge
Consultation with stakeholders	<ul style="list-style-type: none"> • Internal agents • External agents (CSR experts)
Preparation of drafts	<ul style="list-style-type: none"> • Human Resources • General Services, Logistics and Infrastructure • Intangibles • Knowledge Management • Technology • Administration and Finance • Professional Practice • Medical Service • Centro de Estudios Garrigues • Garrigues Foundation • G-advisory
Review and consolidation	<ul style="list-style-type: none"> • CSR
Content and style review	<ul style="list-style-type: none"> • Garrigues Foundation • Professional Practice • Human Resources
Final approval	<ul style="list-style-type: none"> • Executive Chairman • Partners' Meeting
Layout and distribution	<ul style="list-style-type: none"> • Intangibles



SUSTAINABLE DEVELOPMENT GOALS



Index of GRI Standards, Global Compact and SDG





Index of GRI Standards, Global Compact and SDG

GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
General disclosures							
GRI 102	102-1		Name of the organization			4 - 5	
GRI 102	102-2		Activities, brands, products, and services			5	
GRI 102	102-3		Location of headquarters	Hermosilla, 3 - 28001 Madrid (Spain)			
GRI 102	102-4		Location of operations			5, 19 - 20	
GRI 102	102-5		Ownership and legal form			4 - 5, 33	
GRI 102	102-6		Markets served			4 - 5	
GRI 102	102-7		Scale of the organization			4 - 5, 19 - 20	1
GRI 102	102-8		Information on employees and other workers	8		34 - 45	6, 7, 8, 9, 10
GRI 102	102-9		Supply chain				20
GRI 102	102-10		Significant changes to the organization and its supply chain			4, 19 - 20	
GRI 102	102-11		Precautionary Principle or approach			28 - 33	
GRI 102	102-12		External initiatives			53 - 72	
GRI 102	102-13		Membership of associations	17		71	
GRI 102	102-14		Statement from senior decision-maker			6 - 7	
GRI 102	102-16		Values, principles, standards, and norms of behavior	16		28 - 33	
GRI 102	102-18		Governance structure			33	
GRI 102	102-40		List of stakeholder groups	17		71 - 72	
GRI 102	102-41		Collective bargaining agreements	8			19
GRI 102	102-42		Identifying and selecting stakeholders	17		71 - 72	
GRI 102	102-43		Approach to stakeholder engagement	17		53 - 72	



GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
General disclosures							
GRI 102	102-44		Key topics and concerns raised	16		10 - 17	
GRI 102	102-45		Entities included in the consolidated financial statements			85	
GRI 102	102-46		Defining report content and topic Boundaries			82 - 86	
GRI 102	102-47		List of material topics			83 - 84	
GRI 102	102-48		Restatements of information			82 - 86	
GRI 102	102-49		Changes in reporting			82 - 86	
GRI 102	102-50		Reporting period			82 - 86	
GRI 102	102-51		Date of most recent report			82 - 86	
GRI 102	102-52		Reporting cycle			82 - 86	
GRI 102	102-53		Contact point for questions regarding the report			9	
GRI 102	102-54		Claims of reporting in accordance with the GRI Standards			9, 83	
GRI 102	102-55		GRI content index			87 - 92	
GRI 102	102-56		External assurance			100	
Management approach							
GRI 103	103-1		Explanation of the material topic and its Boundary	1 - 17		83 - 84	
GRI 103	103-2		The management approach and its components	1 - 17		83 - 84	
GRI 103	103-3		Evaluation of the management approach	1 - 17		84	
GRI 201	201-1	✓	Direct economic value generated and distributed	2, 5, 7, 8, 9		79 - 81	
Market presence							
GRI 202	202-2	✓	Proportion of senior management hired from the local community			19 - 20, 38	



GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
Indirect economic impacts							
GRI 203	203-01	✓	Infrastructure investments and services supported	2, 5, 7, 9, 11		79 - 81	
Anti-corruption							
GRI 205	205-01	✓	Operations assessed for risks related to corruption	16	10		All of Garrigues members are obliged to comply with anti-corruption policies. Garrigues also subscribes to the principles of the Global Compact.
GRI 205	205-02	✓	Communication and training about anti-corruption policies and procedures	16	10	28 - 33, 43	
GRI 205	205-03	✓	Confirmed incidents of corruption and actions taken	16	10		None
Anti-competitive behavior							
GRI 206	206-1	✓	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16	10		None
Materials							
GRI 301	301-1		Materials used by weight or volume	8, 12	7 - 9	73 - 78	4
GRI 301	301-2		Recycled input materials used	8, 12	7 - 9	73 - 78	2
Energy							
GRI 302	302-1		Energy consumption within the organization	7, 8, 12, 13	7 - 9	73 - 78	3
GRI 302	302-4		Reduction of energy consumption	7, 8, 12, 13	7 - 9	73 - 78	5
Water							
GRI 303	303-1		Water withdrawal by source	6	7 - 9	73 - 78	2
Emissions							
GRI 305	305-1		Direct (Scope 1) GHG emissions	3, 12, 13, 14, 15	7 - 9	73 - 78	
GRI 305	305-2		Energy indirect (Scope 2) GHG emissions	3, 12, 13, 14, 15	7 - 9	73 - 78	5



GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
Emissions							
GRI 305	305-3		Other indirect (Scope 3) GHG emissions	3,12,13,14,15	7 - 9	73 - 78	5
Effluents and Waste							
GRI 306	306-1		Water discharge by quality and destination		7 - 9	73 - 78	2
GRI 306	306-2		Waste by type and disposal method		7 - 9	73 - 78	4
Environmental Compliance							
GRI 307	307-1		Non-compliance with environmental laws and regulations	16	7 - 9		None
Employment							
GRI 401	401-1	✓	New employee hires and employee turnover	5	3 - 6	34 - 45	9, 10
GRI 401	401-2	✓	Benefits provided to full-time employees that are not provided to temporary or part-time employees	8	3 - 6	34 - 45	
GRI 401	401-3	✓	Parental leave	5, 8	3 - 6	34 - 45	14
Labor/Management Relations							
GRI 402	402-1	✓	Minimum notice periods regarding operational changes	8	3		19
Occupational Health and Safety							
GRI 403	403-2	✓	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3, 8	3 - 6	44 - 45	13
Training and Education							
GRI 404	404-1	✓	Average hours of training per year per employee	4, 5, 8	3 - 6	34 - 45	16
GRI 404	404-2	✓	Programs for upgrading employee skills and transition assistance programs	4, 5, 8	3 - 6	34 - 45	
GRI 404	404-3	✓	Percentage of employees receiving regular performance and career development reviews	4, 5, 8	3 - 6	34 - 45	



GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
Diversity and Equal Opportunity							
GRI 405	405-1	✓	Diversity of governance bodies and employees	5, 8	1 - 2	34 - 45	7
GRI 405	405-2	✓	Ratio of basic salary and remuneration of women to men	5, 8, 10	1 - 2	34 - 45	
Non-discrimination							
GRI 406	406-1	✓	Incidents of discrimination and corrective actions taken	5, 8, 16	1 - 2		None
Public Policy							
GRI 415	415- 1		Political contributions				0
Marketing and Labeling							
GRI 417	417-3		Incidents of non-compliance concerning marketing communications				None
Customer Privacy							
GRI 418	418-1	✓	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16			None
Socioeconomic Compliance							
GRI 419	419-1	✓	Non-compliance with laws and regulations in the social and economic area	16			0



Notes

(1) By industry type and type of company ownership, the indicators that best reflect the firm's size are: number of people, number of partners and billings.

(2) The water supply at all our offices comes from the municipal water supply network and is only used for office purposes. Thus, the only waste water we generate is sanitary wastewater, which is channeled via the municipal treatment network. No accidental spillages have occurred. In 2017, water consumption at our offices was as follows:

Water consumption (m³ / person)

2015	2016	2017
7.11	8.97	8.89

Note: Water consumed to cover 89% in 2015, 86% in 2016 and 82.27% in 2017 of Garrigues' activity (average coverage in terms of headcount).

(3) Electricity consumption.

Electricity consumption (MJ / m²)

2015	2016	2017
418.22	422.63	371.88

Note: Energy consumed to cover 100% in 2015, 97% in 2016 and 96% in 2017 of Garrigues' activity (average coverage in terms of headcount).

(4) The waste generated at Garrigues is mostly non-industrial and non-hazardous in nature (214 tons in 2017). The hazardous waste generated at Garrigues offices in the last three years is summarized below:

Hazardous waste generated by Garrigues offices (kg)

2015	2016	2017
892.00	597.00	428.00

Note: Hazardous waste consumed to cover 34% in 2015 and 33% in 2016 and 2017 of Garrigues' activity (average coverage in terms of headcount).

(5) In recent years, the main efforts to reduce GHG emissions at our offices have targeted energy consumption (discussed in the "Responsible consumption of resources and waste management" section) and business trips (by promoting the use of videoconferencing). Garrigues does not generate significant emissions of other non-GHG gases. Set out below is the Garrigues GHG Inventory for the last three years.

Greenhouse gas emissions inventory (Tons CO₂e)

	2015	2016	2017
Electricity (scope 2)	2,805.65	2,799.70	1,691.82
Travel (scope 3)		1,605.93	1,843.52

Note: GHG emissions (Scope 2) to cover 100% in 2015, 97% in 2016 and 96% in 2017 of Garrigues' activity (average coverage in terms of headcount). Travel (Scope 3): these emissions have been calculated directly by our travel agency, according to the methodology established by DEFRA, to cover 94% (average coverage in terms of headcount).



(6) Headcount by professional category and region (2015, 2016 and 2017 year-end figures):

Headcount by professional category			
Category	2015	2016	2017
Partner	285	295	298
Counsel	29	32	31
Principal associate	112	121	143
Senior associate	405	407	387
Associate	288	267	268
Junior	277	296	293
Trainee	28	33	60
OPS	76	78	81
Administrative and support personnel	476	486	481
Total	1,976	2,015	2,042

Note: A new category, trainee, was created in 2015 for law graduates who have yet to sit the bar.

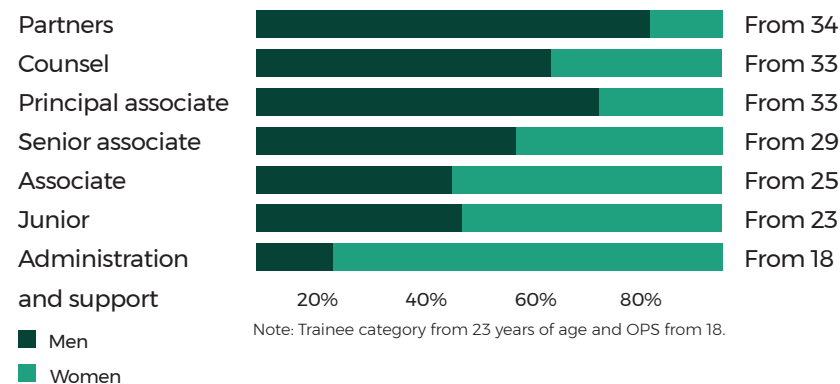
(7) Headcount by professional category, gender and age at 2015, 2016 and 2017 year-end:

Headcount by region			
Region	2015	2016	2017
Spain	1,714	1,696	1,695
Portugal	107	114	115
Rest of offices	155	205	232
Total	1,976	2,015	2,042

Headcount by professional category and gender

Category	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Partner	246	39	285	251	44	295	252	46	298
Counsel	21	8	29	22	10	32	22	9	31
Principal associate	80	32	112	88	33	121	105	38	143
Senior associate	206	199	405	205	202	407	189	198	387
Associate	136	152	288	127	140	267	119	149	268
Junior	131	146	277	124	172	296	127	166	293
Trainee	19	9	28	19	14	33	35	25	60
OPS	23	53	76	26	52	78	27	54	81
Administrative and support personnel	74	402	476	77	409	486	76	405	481
Total	936	1,040	1,976	939	1,076	2,015	952	1,090	2,042

Employees by category, gender and age





(8) Our philosophy is to sign indefinite-term employment contracts with our professionals. At international offices, Garrigues follows standard contractual practices in line with the local legislation in force.

(9) New hires by gender, professional category and region at 2015, 2016 and 2017 year-end:

New hires

Category	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Partner	100%	0%	4	93%	7%	14	100%	0%	1
Counsel	0%	0%	0	67%	33%	3	100%	0%	2
Principal associate	100%	0%	3	50%	50%	4	75%	25%	4
Senior associate	64%	36%	22	67%	33%	21	50%	50%	12
Associate	59%	41%	17	33%	67%	27	46%	54%	37
Junior	49%	51%	114	38%	62%	125	44%	56%	135
Trainee	67%	33%	27	53%	47%	30	53%	47%	49
OPS	39%	61%	18	50%	50%	12	25%	75%	12
Administrative and support personnel	10%	90%	41	13%	87%	47	12%	88%	33
Total	47%	53%	246	41%	59%	283	42%	58%	285

New hires

Region	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	84	87	171	67	108	175	88	111	199
Portugal	6	12	18	10	9	19	9	14	23
Rest of offices	26	31	57	39	50	89	24	39	63
Total	116	130	246	116	167	283	121	164	285



(10) Total employee turnover, by professional category, gender and region in 2015, 2016 and 2017:

Employee turnover by professional category and gender

Category	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Partner	5	1	6	15	0	15	8	1	9
Counsel	0	1	1	5	1	6	1	0	1
Principal associate	10	2	12	5	1	6	4	3	7
Senior associate	33	26	59	21	27	48	30	25	55
Associate	39	45	84	29	43	72	36	37	73
Junior	25	24	49	30	20	50	20	39	59
Trainee	3	1	4	2	1	3	7	4	11
OPS	3	8	11	3	5	8	2	8	10
Administrative and support personnel	2	33	35	3	34	37	5	33	38
Total	120	141	261	113	132	245	113	150	263

Note: A new category, trainee, was created in 2015 for law graduates who have yet to sit the bar.

Employee turnover by region

Region	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	103	114	217	92	103	195	89	117	206
Portugal	4	12	16	11	1	12	8	14	22
Rest of offices	13	15	28	10	28	38	16	19	35
Total	120	141	261	113	132	245	113	150	263

(11) Our firm has not undergone any process in its history that has resulted in job losses (collective layoff procedures, etc.).

(12) Absentee rate:

Absentee rate by gender (%)

Year	Men	Women	Total
2015	0.23	1.89	2.12
2016	0.17	2.31	2.48
2017	0.29	2.09	2.38

Note: The absentee rate calculated refers only to Spain.

(13) Medical service indicators. There have been no fatal accidents.

Medical service indicators

Indicators	2015	2016	2017
Doctor appointments	5,598	5,775	5,666
Nurse appointments	2,660	2,428	2,371
Health check-ups	935	875	784
Lab tests	1,076	807	889
Ergonomics-related queries	222	225	207
Health-related queries and reports	226	229	259
Safety-related reports	23	22	20
Training (attendees)	902	548	306



Medical service indicators

Accidents with sick leave	2015	2016	2017
Total number of accidents	12	10	6
Accidents on the way to/from work	11	9	4
Workplace accidents	1	1	2
Distribution by gender			
Number of women	9	8	3
Number of men	3	2	3
No. of days' sick leave	510	564	459

Note: Data refer solely to Spain.

(14) In 2017, 64 employees out of the 72 who took maternity leave were still at the firm 12 months after coming back to work, that is, 88.8% of all women taking maternity leave. As for new fathers, all 19 employees who took paternity leave were still at the firm 12 months after coming back to work, representing 100% of the total.

Staff returning after maternity/paternity leave	2015				2016				2017			
	Men		Women		Men		Women		Men		Women	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Left within 12 months of returning from maternity/paternity leave	6	23	12	17	6	24	10	14	0	0	8	11
Left before returning from maternity/paternity leave	0	0	0	0	0	0	0	0	0	0	0	0
Still at the firm 12 months after returning from maternity/paternity leave	20	77	57	83	19	76	62	86	19	100	64	89
Total	26	100	69	100	25	100	72	100	19	100	72	100

Note: Data refer solely to Spain.

(15) Total headcount by type of contract, gender and working hours. Data refer solely to Spain.

Total headcount	2016		2017	
	Men	Women	Men	Women
By type of contract and gender				
Permanent	530	857	529	853
Temporary	26	27	28	25
Total	556	884	557	878
By working hours and gender				
Full-time	553	848	551	844
Part-time	3	36	6	34
Total	556	884	557	878



(16) Variation in average number of training hours in 2015, 2016 and 2017:

Average number of training hours

Category	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Partner	58	62	58	58	75	60	66	75	67
Counsel	54	145	79	62	88	70	58	84	65
Principal associate	55	67	58	46	54	50	65	54	62
Senior associate	66	63	65	69	71	70	112	93	102
Associate	101	100	101	165	144	154	139	150	145
Junior	124	133	129	167	178	173	142	158	151
Trainee	94	112	100	113	133	121	81	108	92
OPS	56	36	42	58	32	40	59	37	44
Administrative and support personnel	36	41	40	30	31	31	35	29	32

Note: A new category, trainee, was created in 2015 for law graduates who have yet to sit the bar.

(17) Garrigues' employees are paid over and above the statutory minimum salary set for every region where the firm operates and for every professional category.

(18) In light of the nature and volume of the services obtained by Garrigues, no direct risk of violation of human rights is considered to exist in the supply chain, and the firm is not considered even to have a significant influence on its supply chain. To date, there have been no complaints or claims in this regard.

(19) Garrigues respects the right of its employees to be represented by labor unions and by other legitimate representatives, as well as to participate with them in negotiating their working conditions. All of the individual and collective rights of our employees are duly respected.

In this connection, there have been no contingencies relating to the exercise by Garrigues personnel of their right to freedom of association or to elect representatives.

Furthermore, Garrigues has not imposed any material modifications to working conditions, including the relocation of any of its personnel. Any changes arising in the future will be analyzed on a case-by-case basis in order to avoid or mitigate any adverse consequences for employees, while observing the procedures established in the legislation of each jurisdiction.

(20) Number of suppliers.

Number of suppliers

	2015	2016	2017
Spanish suppliers	3,178	2,717	2,815
International suppliers	388	402	305
Total suppliers	3,566	3,119	3,120

Note: Data referring solely to Spain.



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Assurance report





Assurance report

AENOR

VERIFICATION OF SUSTAINABILITY REPORT

VMS-2018/0018

AENOR has verified the Report by the organization

GARRIGUES


TITLE: 2017 INTEGRATED REPORT

In accordance with: GRI Standards of the Global Reporting Initiative

GRI option applied: Core

Verification Process: To grant this Verification Document, AENOR has verified that the report complies with GRI requirements and has checked the data and information contained in the report.

Issue date: 2018-06-07


Rafael GARCÍA MEIRO
General Manager

Original Electrónico

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GARRIGUES

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