

GARRIGUES



*The importance
of small details*

2012

Corporate Social
Responsibility
Report

GARRIGUES

Corporate Social Responsibility Report 2012

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1. Introduction

Introduction

The small details can make all the difference. In this report on the 2012 financial year, we wish to reflect the details that set us apart from the rest.

Throughout this year, we have made every effort to improve the services we provide our clients. We have sought to work with them side by side, listening and catering to their needs and reinforcing teamwork and collaboration across practice areas and among firm professionals with a view to creating added value. Bearing out this ever-present concern for our clients' needs, this year we have placed a special emphasis on expanding and bolstering cross-disciplinary bespoke advisory services in key areas of activity known at Garrigues as "industries".

The commitment to the dedication and proven expertise of our team has been the key to exceeding market expectations and taking on responsibilities with confidence and determination. We have equipped our team with the necessary resources and opportunities to ensure they can get the best out of their potential and talent. A structured career path, the chance to take part in high-profile engagements and continuous training are the foundations to ensure that this goal is met. The unstinting search for better customer service and greater clarity in our proposals led us to modify the description of professional categories in 2012, set to enter into force in the coming year so as to ensure that they properly reflect the level of experience of the firm's professionals.

We take particular pride in the pro bono initiatives with which our professionals contribute with what they know best: their work. This year, the firm has designed its pro bono program, setting out the main characteristics of the pro bono tax and legal services provided free of charge to not-for-profit entities with welfare, cultural and educational aims and activities. It received the official stamp of approval in 2013 with the presentation of the Pro Bono Manual, detailing the terms and conditions governing the program.

Alongside the pro bono program and true to its nature, the firm has dedicated a major part of its corporate social responsibility policies to legal research and creating scholarships and awards for young jurists via Fundación

Garrigues and Centro de Estudios Garrigues. The corporate outreach activities pursued over the course of the year drew on the support of many people.

On the environmental front, our priorities were oriented towards identifying, evaluating and managing impact, above all in terms of the efficient and responsible use of resources and infrastructure.

The legal profession cannot and should not remain aloof to the financial crisis. The market situation is ushering in changes to the industry. Garrigues has seen a moderate dip in earnings in the 2012 fiscal year. We have worked harder, but the challenge facing many of our clients and the fierce competition has left us unable to charge fees in line with those in previous years.

We are nonetheless satisfied since, thanks to the talent and dedication of our people and a tighter control of costs, we have managed to hold on to our market share and profitability.

The challenge for 2013 is to continue improving client service, staying true to the ethical values and principles that are our hallmark, optimizing resources and making a commitment to develop our people. These undertakings will see us emerge from these uncertain times stronger than ever, ensuring the firm remains robust well into the future and consolidating our position as the market leader in the legal services industry.

We would like to finish by thanking our clients for placing their trust in Garrigues and our professionals for their sterling efforts.

Fernando Vives
Managing partner

Ricardo Gómez-Barreda
Senior partner



2. Who we are

Who we are

The firm

Created in 1941, Garrigues is continental Europe's largest tax and legal advisory firm in terms of revenues and headcount. Our people and our clear and undeniable international calling give us the ability to provide our clients with a comprehensive advisory service of the very highest quality wherever they may need it, with respect and observance at all times of the applicable legislation in force in each and every jurisdiction in which we operate.

For more information: 

A service you can rely on across all areas of the law

We provide professional tax and legal advisory services with multidisciplinary teams that guarantee the same standard of service everywhere.

Find out more about our Practice Areas at: 

Geographic proximity to clients: global network

We are continental Europe's leading law firm, present in Europe, the Americas, Asia and Africa. We accompany our clients wherever they may be, with 35 dedicated offices and an array of alliances.

See more on our Offices and Desks at: 

Industry specialization

We provide our clients with added value tax and legal services, drawing on in-depth knowledge of their businesses and the industries in which they operate.

Our Industries and Sectors can be found at: 

Structure and governing and managing bodies

A professional limited liability company, Garrigues is owned by all of the firm's practicing partners.

For more information: 

A commitment to the world we live in as a business strategy

Garrigues has clear, well-established hallmarks both internally among those who make up the firm and in its dealings with clients and society at large, based on excellence in client service, a commitment to people and professional ethics and independence.

The values and principles underpinning this identity are most notably the following:

UNSHAKEABLE VALUES

- a) Commitment to client service
- b) Commitment to quality
- c) Commitment to the firm and its members
- d) Commitment to ethical conduct

CORE ETHICAL PRINCIPLES

- a) Integrity
- b) Loyalty
- c) Independence
- d) Ongoing training
- e) Dignity and respect
- f) Professional secrecy

These values and principles are inseparably linked and all those who work at the firm are duty bound to uphold and safeguard them and are responsible for conveying them in their day-to-day activity, at all times observing the legislation in force.

Compliance and integrity

Garrigues identifies and keeps a close eye on potential compliance-related risks as regards the applicable legislation and codes of conduct and, where possible, sets in place measures aimed at mitigating and/or reducing the firm's overall exposure to such risks. These measures have been defined in the firm's in-house policies, procedures, regulations, codes and rules, approved by the firm's competent bodies and mandatory for all Garrigues' people.

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 has identified its stakeholders and makes a special effort to encourage and ensure constant communication with them, and ongoing identification of new channels of communication, while taking on board their expectations and defining what courses of action to take in this connection.

MAIN CHANNELS OF COMMUNICATION

STAKEHOLDERS IDENTIFIED BY GARRIGUES

	Clients	Personnel	Partners	Alliances	Entities	Public authorities	Society
CSR Report	•	•	•	•	•	•	•
Electronic newsletters with information of interest	•	•	•			•	
Training	•	•	•	•	•	•	
Feedback surveys on the CSR Report		•	•				
Website	•			•	•	•	•
Intranet		•	•				
Working groups, seminars, forums	•	•		•	•	•	•
Press round-ups		•	•		•		•
Periodic meetings		•	•		•		
Online (extranet specific website)	•			•		•	
Direct communications with firm personnel and departments	•	•	•	•	•	•	•
Garrigues e-suggestions box		•					•
Garrigues Collection (Garrigues' Style Manual)		•	•				•
Awards organized by the firm	•					•	•
Periodic evaluations		•	•				
Satisfaction surveys	•						
Partners' Meeting			•				
Professional associations					•		
InterNos		•	•				
Blogs		•	•				

Website

Garrigues' website (<http://www.garrigues.com>)  has undergone a wholesale aesthetic and functional overhaul, with a view to making this platform one of the firm's best aids for work and practice development. On the one hand, the site has become notably easier to navigate, meaning that all of the key pages are just one click away.

Furthermore, certain significant structural adjustments have been made to the website. To take one example, the information has now been broken down into three major blocks:

- First of all, details on the various business-related aspects. Here, all the firm's services are broken down by practice areas and industries, the firm's desks, Garrigues' offices worldwide and our professionals.

- Corporate information on the firm, its background and governance, the Foundation and all of the corporate outreach initiatives carried out by the firm as part of its commitment to society can be found in another major block. Particularly worthy of note in this section is the new personnel recruitment section, detailing the opportunities on offer at Garrigues and the values and professional foundations that underpin the smooth running of the firm.
- A third section includes all of the news items and updates, both informative and educational, generated by the firm.



Industry groups

- * Automotive
- * Banks and Savings Banks
- * Corporate Governance and Corporate Responsibility
- * Energy
- * Family Business
- * Pharmacy and Biotechnology
- * Private Equity
- * Real Estate
- * Sports & Entertainment
- * Technology & Outsourcing
- * Telecommunications & Media
- * Tourism and Hotels
- * Transport & Shipping



Practice areas

- * Corporate Law and Commercial Contracts
- * Banking and Finance
- * Energy
- * Tax
- * Labor and Employment Law
- * Litigation and Arbitration
- * Environmental
- * Maritime and Transportation
- * Mergers & Acquisitions
- * Insurance
- * Telecommunications
- * Accounting Law
- * Administrative Law
- * Restructuring and Insolvency
- * Information Technology
- * Pharmaceutical and Biotechnology
- * Securities Markets
- * Real Estate
- * E.I.L. & Arbitration
- * Human Capital Services
- * Planning and Zoning
- * Criminal Law
- * Intellectual Property
- * Sports & Entertainment

MAIN ACCOLADES

Most Innovative firm in Continental Europe - *FT Innovative Lawyers 2012 Awards*

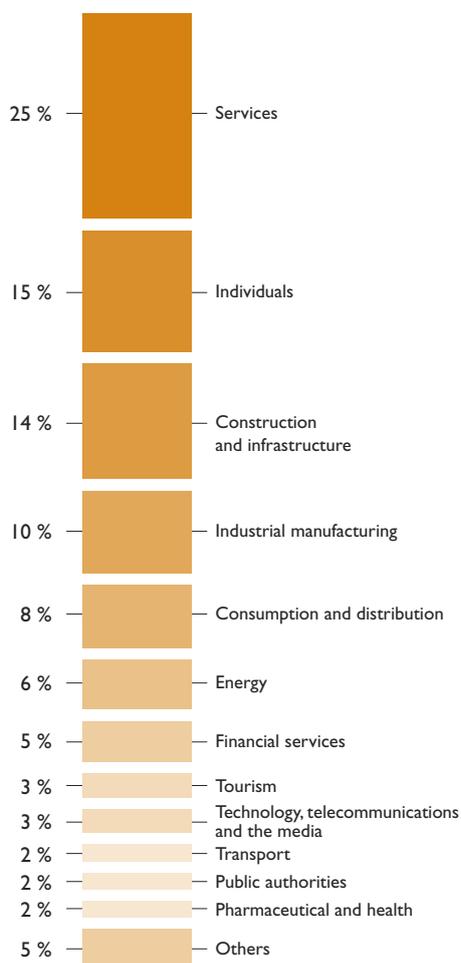
Best Spanish Law firm - *International Legal Alliance Summit & Awards' 2012*

Law firm with the Best Reputation - *2012 Merco Report*

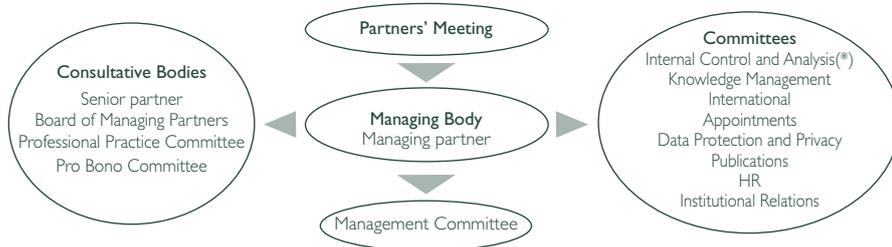
European firm of the Year - *Legal Week British Legal Awards 2011*

CLIENTS

INDUSTRY BREAKDOWN



ORGANIZATION



(*) Anti-money laundering internal control committee

GLOBAL SERVICE

AREAS

- Commercial Contracts and Business Law
- Administrative Law
- Banking and Finance
- Accounting Law
- IT Law
- Telecommunications and Audiovisual Law
- Securities Market Law
- Sports & Entertainment
- EU and Competition Law
- Pharmaceutical and Biotechnology
- Tax
- Real Estate Law
- Labor and Employment
- Shipping and Transport Law
- Criminal Law
- Zoning
- Insurance La Lana Regulations
- M&A
- Human Capital Services
- Litigation and Arbitration
- Environment
- Industrial and Intellectual Property
- Restructuring and Insolvency
- Energy Sector Regulation

INDUSTRIES

- Automotive
- Banks and Savings Banks
- Private Equity
- Family Business
- Energies
- Pharmaceutical and Biotechnology
- Corporate Governance and Corporate Social
- IT, Outsourcing & New Technologies
- Real Estate
- Sports & Entertainment
- Telecommunications & Media
- Transport and Shipping
- Tourism and Hotels

DESKS

- Asia-Pacific Desk
- French Desk
- German Desk
- Italian Desk
- Indian Desk
- US Desk

PRESENCE IN SOCIETY

Garrigues Chair - Universidad de Navarra

Garrigues Chair - ICADE

Garrigues Chair in Law and Business - Universidad de Zaragoza



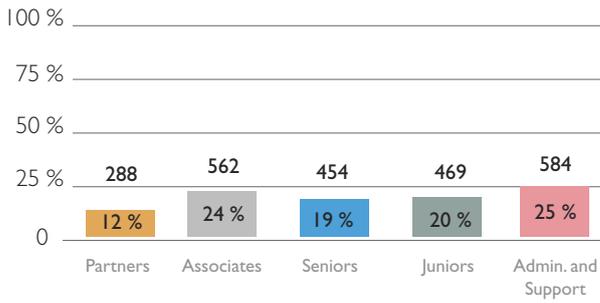
FUNDACIÓN
GARRIGUES

GARRIGUES
CÁTEDRA

GARRIGUES
COLECCIÓN

TALENT AND COMMITMENT

AVERAGE HEADCOUNT
BY PROFESSIONAL CATEGORY



OUR CORE GOALS

Our success lies in the trust placed in us by clients

Our goal is to help create value

Our strategy: to recognize, attract and manage talent

ECONOMIC DIMENSION

Number of offices: 35

Area occupied: 64,084 m²

Number of partners: 284

Revenues from transactions:
350.5 million € (335.6 million € in Spain
and 14.9 million € in Portugal)

ENVIRONMENTAL DIMENSION

Electricity consumption: 28,592 GJ,
equal to 13.4 GJ/person

Water consumption: 16,666 m³,
equal to 7.81 m³/person

CO₂e emissions: 6,308 t CO₂,
equal to 2.9 t CO₂/person

Recycled paper: 169 tons, accounting
for 86 % of paper consumed

Urban waste generated:
150 kg/person

HUMAN DIMENSION

Average headcount: 2,357 people

Percentage of women: 53 %

Employee turnover: 464

Number of new hires: 268

Professional promotions:
21 new partners and 103 new associates

Absentee rate: 2.16 %

Training hours by professional
category: 61 h/partner, 78 h/associate,
103 h/senior, 243 h/junior,
36 h/admin. and support

SOCIAL DIMENSION

Young Jurists Awards: 12 editions

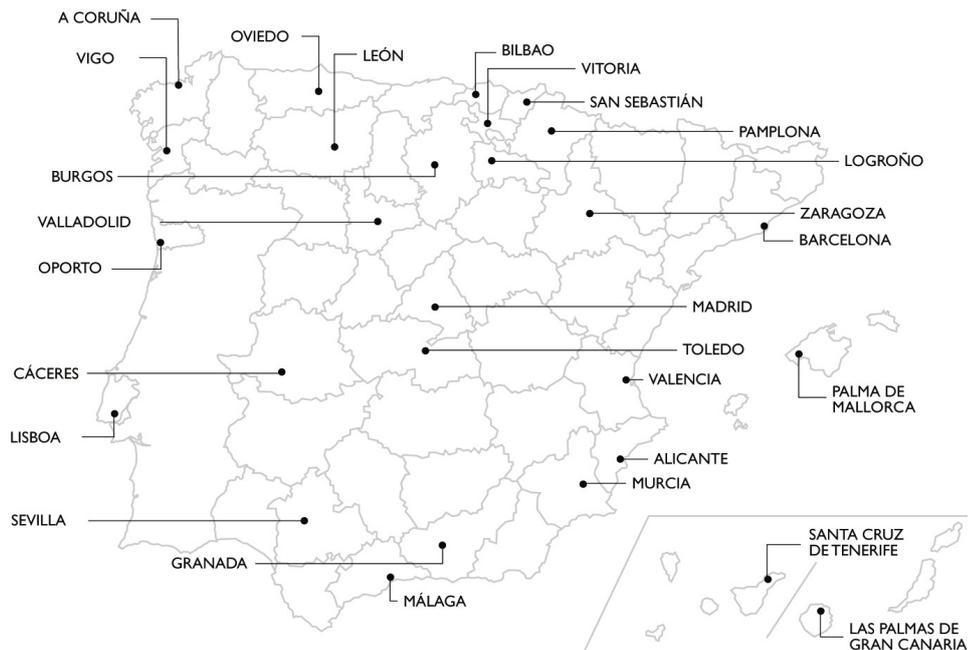
UN Global Compact
Signatory since 2002

Scholarships program: 10 editions

Corporate outreach programs:
More than 20 beneficiary entities

Corporate volunteer initiatives:
5 beneficiary entities

THE LARGEST OFFICE NETWORK IN IBERIA



OFFICES ON FOUR CONTINENTS



Tax alliance in more
than 50 countries





3. Clients

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Clients

The trust and satisfaction of our clients lies at the heart of our success, the result of our client-centered approach and a job well done. With this in mind, we view every engagement as a challenge. We undertake to deliver on every project and engagement entrusted to us and our professionals are aware of the importance of listening to clients, of gaining an in-depth insight into their businesses and activities and of understanding their needs and goals, all with the aim of being able to provide tailor-made solutions to cater to their needs.

Ongoing, comprehensive, bespoke tax and legal advice and providing professional services of the very highest quality are our chosen route towards attaining success.

We seek to build stable, ongoing relationships with our clients, based on trust and mutual understanding, by acting loyally and with transparency.

Using in-house resources or in conjunction with other entities, Garrigues carries out many informative, refresher, training and other similar initiatives, aimed above all at clients (although often also at other parties), such as organizing seminars to provide updates on new legislation, working breakfasts, taking part in conferences and seminars with clients, etc.

Relations with clients

Types of clients

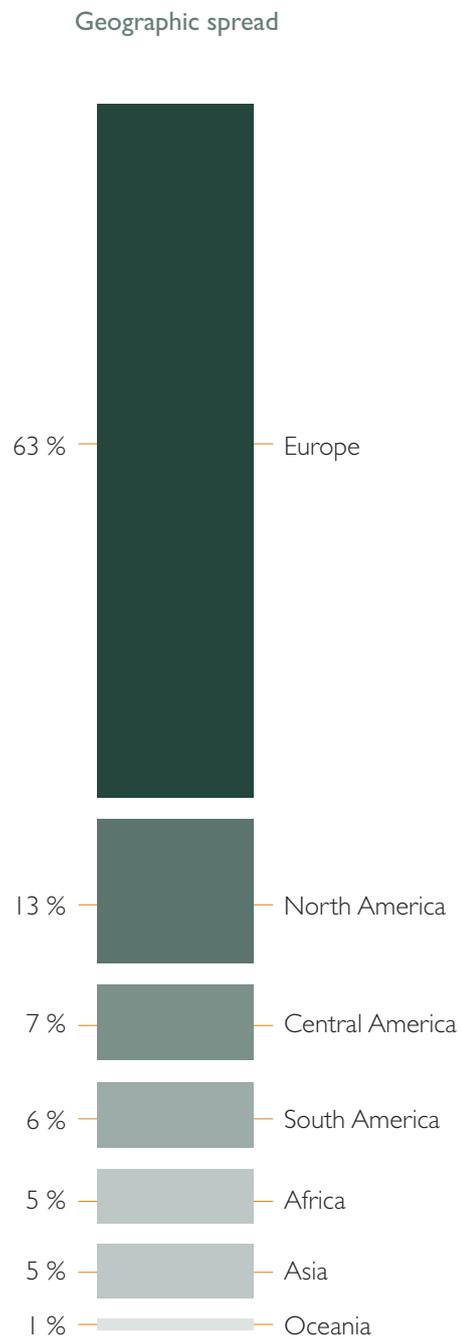
Generally speaking, our clients hail from medium-sized and large private sector companies.

As many as 89 % of IBEX-35 listed companies as of August 31, 2012 have been clients of Garrigues in the course of the year, and 57 % of the companies listed on the Spanish Stock Exchange Continuous Market on the same date. Elsewhere, 9.5 % of the companies making up the MAB Alternative Stock Exchange at August 31, 2012 have been clients of Garrigues during that year. While in Portugal, 20 % of the PSI-20 companies on the Lisbon Stock Exchange as of August 31, 2012 received the services of Garrigues Portugal in 2012.

These figures testify to the high standard of our services, on offer to Spain and Portugal's leading and most demanding companies.

Clients' geographic and industry profile

The location of our office network has a clear bearing on the origin of our clients. While Garrigues is essentially an Iberian concern, it is nonetheless an outward-looking firm. We currently have a large network of offices outside the Iberian Peninsula, and a considerable number of international clients, spread across the five continents, now accounting for 10.5 % of our total client base, have placed their trust in our services. The following chart shows the geographic distribution of our clients based outside the Iberian Peninsula:

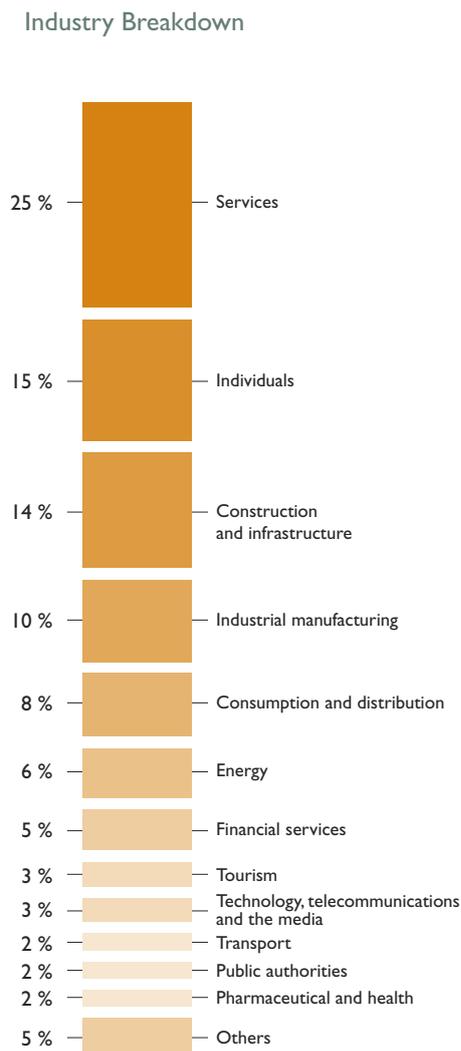


This significant worldwide reach is first of all down to the vocation and experience of our professionals, accustomed as they are to working on international projects and, secondly, to our extensive office network.

Garrigues serves its Brazilian clients from its São Paulo office. The firm's decision to set up in that country was spurred by the excellent growth prospects in one of the world's economic powerhouses. Garrigues has obtained all of the necessary permits issued by the Brazil Bar Association (Ordem de Advogados do Brasil - OAB), to operate as a foreign law firm in Brazil, and in doing so became the first Spanish law firm to secure such a license.

Garrigues is also a founding member of Taxand, a global network made up of more than 2,000 tax advisers hailing from over 50 firms from the five continents, providing tax advisory services to multinational clients. 

The industry profile of the international clients on our roster can be seen in the following chart:



Client satisfaction

For some years now, Garrigues has been carrying out regular surveys of satisfaction levels among its clients using the "Client Satisfaction" program.

In 2012, the steps taken within this program took the shape of a satisfaction survey, which involved questionnaires being sent out and interviews and meetings being conducted with a representative sample of 91 clients from across Spain and related to the various practice areas.

The questionnaire, alongside the specific comments made by each client interviewed, has enabled the firm to receive the replies to particular questions in numerical parameters allowing us to identify the main strengths and areas for improvement to be taken into account in our relations with clients and the provision of our services. The feedback gathered from the interviews was then discussed with partners and other personnel from the firm in order to take the appropriate measures in each specific case based on the comments and suggestions made, as well as to follow up on their practical implementation.

In 2012, the firm received an average overall score of 8.61 on a scale of 0 to 10, representing an improvement on 2011 (8.38) and 2010 (8.33).

The most important feedback we obtained from the survey was that our clients rate highly the integrity and reputation of the firm and the trust we inspire, all of which is linked to our commitment and the personalized relationship and good communication we build up with clients. Other highly-rated features were our proactive approach and initiative, the clarity and usefulness of our advice and the technical quality of the firm's services. As areas for improvement, clients suggested that the firm should strengthen its international network, provide more detailed descriptions of services provided with our fee invoices, and increase information on new developments and matters of interest.

Apart from client satisfaction surveys, any potential client suggestions, complaints and claims are received through the partner in charge of Professional Practice.

Managing conflicts of interest

The firm's substantial client portfolio, the diversity of its practice areas and the large number of offices and countries from which it operates make it particularly important for us to ensure that any potential conflicts of interest that may arise (and do in fact, 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. Under the supervision and coordination of the Professional Practice Committee, the firm 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 for the firm or arises from unforeseen circumstances in the course of an engagement already in progress.





4. The value of talent

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The value of talent

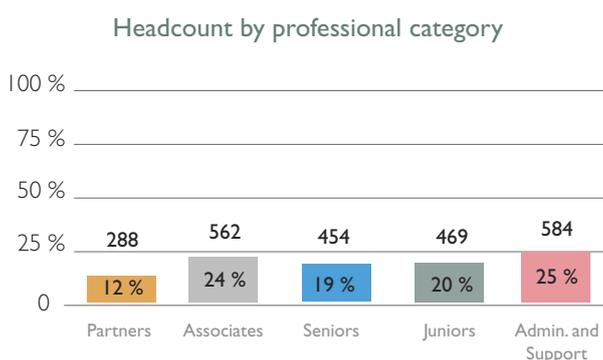
Our undertaking to provide clients with an excellent service is linked to the talent of our people. For a first-rate, value added professional services organization such as Garrigues, human capital is of paramount importance.

Consequently, we are under the obligation to attract the finest talent to our organization, to retain it and to make all resources and opportunities available to our people to develop and achieve the greatest success in their professional surroundings, collectively within the firm and in society as a whole, adding the value that enables us to provide first-rate tax and legal services.

Our personnel

Our people work in a fiercely competitive market and environment. Garrigues can only manage its human capital properly by having human resources policies as a top priority. These policies are generally coordinated by the Human Resources (HR) Committee, comprising representatives from the firm's various practice areas and members of the HR Department. The Committee prepares, studies and debates proposals, which are then submitted to the Executive Board for approval. The HR Department oversees the launch and follow-up of every new measure adopted.

The structure of our human resources and their distribution by professional and functional category are as follows:



The following chart shows the firm's average headcount in 2012 and the changes over the past three years.

Headcount by year

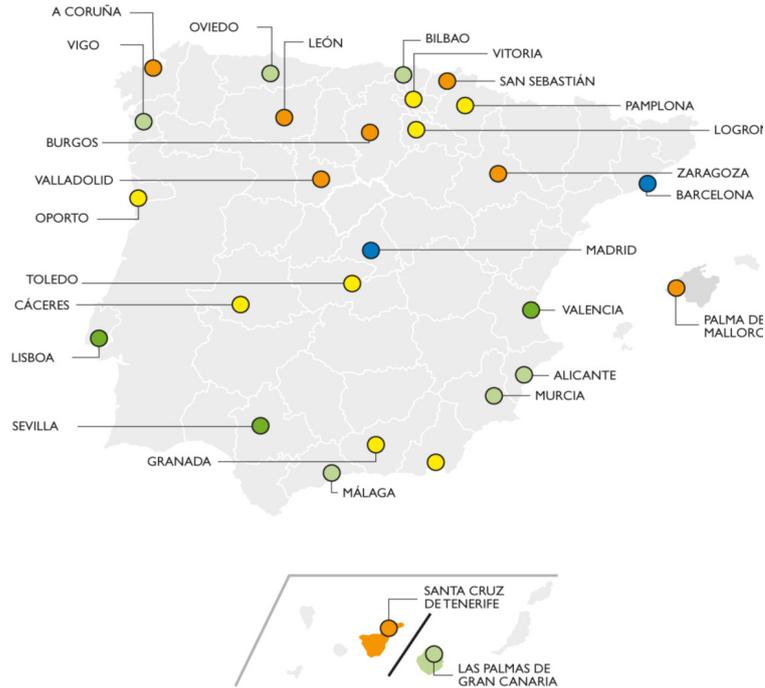
	2010	2011	2012
Spain	2,421	2,335	2,161
Portugal	143	141	126
International	87	78	70
TOTAL	2,651	2,554	2,357

In an industry as competitive as ours, related to providing high-quality professional tax and legal advisory services, the market and clients call for the services of professionals with extensive experience, sound technical know-how and expertise. An unstinting search for better customer care and greater transparency in our fee proposals has led us to clarify the definition of professional categories, which now perfectly reflect our professionals' degree of experience. As a result, the names of the various professional categories were modified in September 2012 and now read as follows:

- Partner
- Counsel
- Principal Associate
- Senior Associate
- Associate
- Junior

Additionally, the firm strives each year to carry out its policy of taking on new hires, furthering their training and giving them access to the tools and opportunities they need to grow professionally at Garrigues. This is also our unshakeable commitment to young graduates, to give them access to the labor market and start them out on their life's path.

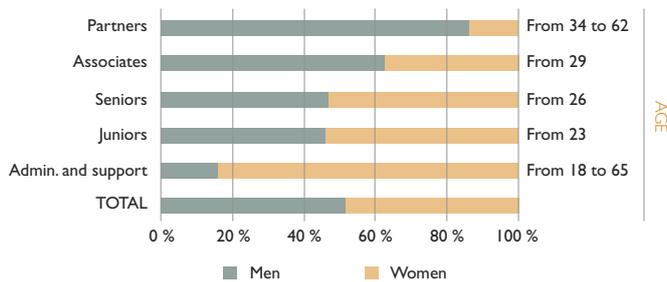
Map of Garrigues' personnel



(Number of personnel)

The chart below depicts our people by category, gender and age in 2012:

Number of people by category, gender and age



Garrigues promises completely equal treatment and opportunities for men and women and has policies in place to facilitate a work-life balance.

In 2012, 72 employees out of a total of 94 who took maternity leave were still serving at the firm 12 months after coming back to work, which in percentage terms is 77 % of all women taking maternity leave. As for the new fathers, 26 employees out of a total of 37 taking paternity leave were still serving 12 months after coming back to work, a 70 % slice of the total number taking paternity leave.

Staff returning after maternity/paternity leave

	Women		Men	
	N°	%	N°	%
Left within 12 months of returning after maternity/paternity leave	22	23	11	30
Left before returning after maternity/paternity leave	0	0	0	0
Serving 12 months after returning from maternity/paternity leave	72	77	26	70
TOTAL	94	100	37	100

There is also an Equality Committee, which follows up on the measures put into practice to deal with equality matters. We can proudly say that there have been no cases of discrimination at the firm.

As a general rule, Garrigues personnel work full time, except in cases where the firm's HR policies permit, or indeed improve on, opportunities for flexi-time working arrangements, under the Organic Law for Effective Equality between Men and Women, in the case of Spain. For some years now, Garrigues has also applied other conditions designed to facilitate a better work/life balance, such as additional rest days at Christmas and Easter (at the offices in Spain), or an intensive working schedule on Fridays (which allows employees to take the afternoon off), along with other benefits described in detail in «Compensation system».

The firm's policy is to execute indefinite-term employment contracts with our personnel. With junior lawyers in the first two years of their professional career after completing their degrees, however, the firm enters into a work-experience contract.¹

With respect to its entire workforce, Garrigues observes the applicable legislation and collective labor agreements in all of the geographic areas in which it operates.

In the course of their professional careers, some of our people may on occasion decide to seek new fresh challenges. Our professionals are highly coveted and recognized in the marketplace and one part of our HR management policy is to gain first-hand knowledge of the reasons that cause employees to make the decision to leave our organization. Only then are we able to identify the areas where we can improve as an organization and work on them.

The chart below provides a breakdown of the total personnel turnover figures (by number of people) in recent years:

1.- At the firm's international offices, we use the customary types of contracts according to the local legislation in force.

Variations in employee turnover

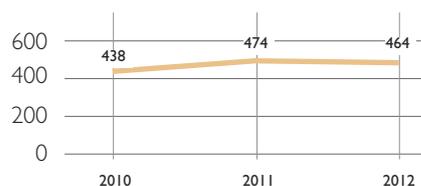


Exhibit II of this document contains detailed employee turnover figures by gender, professional category and region at the 2012 year-end.

Because of the type of activity we carry on, the risk of practices in breach of human rights is all but non-existent, and no circumstances associated with this type of practices have come to light to date.

In another area, the absenteeism rate at Garrigues in 2012, meaning absence from work for more than three working days due to a non-occupational disease, was barely 2.16%.

Professional development

Garrigues has a career plan structured into clearly identified professional levels. All careers information is available on our website.

As noted in the "Our Personnel" section, professional categories were changed in September 2012, although this has had no impact on the time it takes to develop a professional career. As we see it, the new definitions better reflect the reality of the professional experience amassed and makes it easier to identify in the market in general and among tax and legal services industry professionals in particular.

From the very moment they join the firm, all Garrigues personnel are aware of the opportunities open to them: a highly attractive professional career with outstanding prospects for personal and professional growth.

Garrigues remains committed to ensuring that new generations of professionals have access to all the resources and opportunities that will give them a rich and rewarding career at our firm.

The entry into force of the Law on Entry to the Legal Profession in Spain, where most of our future lawyers will practice, brings with it significant changes to the conditions on entering the profession. The firm has already brought all of its processes into line with the new requirements laid down by the legislation, in line with the new academic calendars and syllabi of the various universities.

Throughout their time at the firm, our people undergo annual evaluations, both written and in the form of face-to-face interviews with their line manager. 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.

We have kept our promotions policy and the offer of an attractive career path for our professionals. As an example, 21 new partners have been promoted this year.

Two particularly significant milestones lie along this career path:

- Promotion to the category of senior associate: marking the firm's recognition and the result of excellent performance during the initial years of their career.
- Promotion to partner: bringing with it professional recognition by the firm and renown in the professional services market and among clients. Making it to partner marks the beginning of a phase of maturity and the consolidation of technical expertise in which team leadership, overall business management and the search for the utmost technical quality and innovation in the provision of services and solutions for clients pose exciting challenges. Partner promotions are based on objective principles and meritocracy. This task falls to the Appointments Committee, which monitors professionals' development after a certain degree of experience has been gained, with a view to annually identifying the profile and potential of candidates and, in short, the extent to which they fulfill the requirements to be partner. Broadly representative and with members from different areas of the firm, this Committee assesses candidates in an objective and democratic election process. Ultimately, the final decision on promotions rests with the Partners' Meeting, which makes its decisions on the basis of the recommendations made by the Committee.

Our continuous pursuit of excellence and the maintenance and improvement of our quality standards in the provision of professional services, imply the application of an ongoing demand within the evaluation process of all employees.

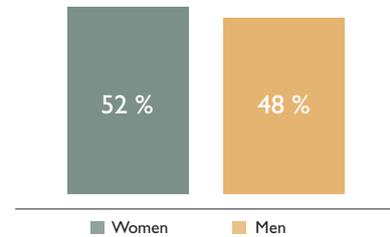
There are also specific career and professional promotion plans in place for individuals working in internal departments or support services for the legal and advisory practice areas.

A commitment to equal opportunities

Garrigues has had its own Equality Plan in place since 2008, with a view to ensuring that principles of equal treatment and non-discrimination are applied in all the relevant areas or elements of the employment relationships of its people. The plan sets out the mechanisms to prevent any direct or indirect discrimination in processes for recruitment, hiring, professional classification, training, promotion, professional career development, compensation and working conditions.

Our people are afforded equal opportunities wherever they work, and there has not ever been one single case of discrimination on any grounds (gender, race, religion, origin, or otherwise) at the firm.

New hires by gender



Similarly, in the recruitment of recent graduates, men and women are hired on an entirely equal footing at the firm.

Exhibit II of this document has a detailed breakdown of new hires by gender, professional category and region in 2012.

In December 2012 the firm hosted an event staged by the European Professional Women's Network (EPWN) Leading business growth in a diverse world.

Garrigues also encourages the hiring of disabled persons and purchases goods and services from a range of foundations and special employment centers. In this regard, notable examples in 2012 were the engagement agreements entered into with special employment centers for the provision of maintenance and gardening, vending products and office cleaning and hygiene services.

Attracting talent

Our process of attracting and recruiting talent is the same for all candidates looking to join the firm, wherever we operate. This is a demanding, rigorous process, based on an assessment of candidates' merits and skills in line with objective criteria. Garrigues seeks academic excellence, albeit without losing sight of personal achievements. To this end, when evaluating candidates we also take into account extracurricular activities, work experience and participation in social and cultural initiatives.

Our wide geographic reach means we meet candidates from a variety of universities in Spain and worldwide. We offer them the opportunity to conduct interviews by videoconference, meaning they do not have to travel from their places of origin.

Activities built around recruitment

Attracting talent

- Relations with universities: employment forums, presentations at universities and open days at the various offices.

Teaching

- Classes and seminars by Garrigues personnel at Spanish and international universities.
- Participation in debating tournaments and moot arbitration competitions.

Garrigues has for many years helped train university teams for this type of competition (Willem C Vis International Commercial Arbitration Moot, Moot Madrid).

New hires

- Work-experience policy. One of the student-based activities at Garrigues that has really taken hold in the last few years is its work-experience policy.

WORK EXPERIENCE PROGRAMS

We have a commitment to Spanish, Portuguese and other international universities and training institutions with which Garrigues has signed collaboration agreements. Under these agreements, work experience programs are on offer to students across the entire office network and in all specialist areas.

Garrigues offers four work experience programs:

- Summer internships: in June, July or September.
- Internships during the academic year: part-time work-experience arrangements that are compatible with academic study.
- External *practicum*: Garrigues also collaborates with certain universities by accepting students for their external *practicum* (a compulsory subject on certain syllabuses). In 2011-2012, for the first time, Garrigues took on *Practicum* students at degree level (Bologna Process).
- Internships granting access to the legal profession: mandatory and supplementary work experience on master's programs granting access to the legal profession.

Work experience programs are also available for students from foreign universities, such as Instituto Tecnológico y Estudios Superiores de Monterrey (Mexico), Universidad de El Rosario (Colombia) and Georgetown University (U.S.).

- Candidate referral bonus policy. Garrigues encourages the firm's professionals to assist with this task by offering a bonus where candidates referred by firm personnel are taken on.

Training

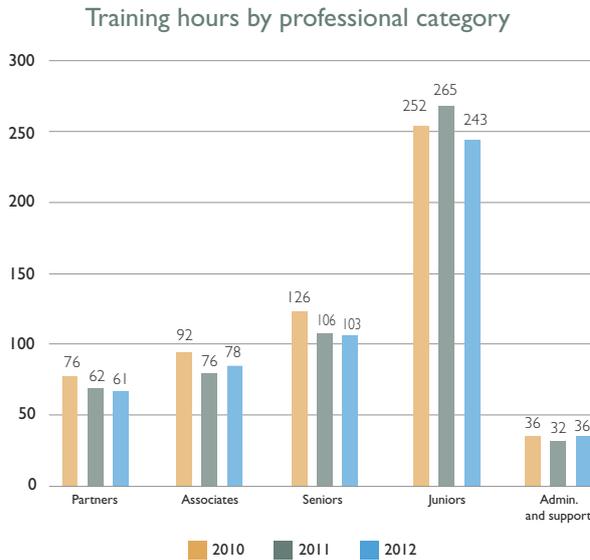
Against a highly complex economic backdrop and within an increasingly demanding business framework, people are taking on an ever greater importance within organizations. The future of a business will depend on its ability to draw on committed, flexible, driven and results-oriented professionals. With this in mind and given that the training and development of our people has always been a strategic asset for the firm, Garrigues, despite the prevailing economic winds, remains true to its commitment to ongoing, quality training both in its day-to-day activities and in the shape of its Training Program, with a view to ensuring excellence in the provision of client service.

Garrigues deems it essential that all those who work at the firm are viewed as the "professionals of choice" by its clients, which is why it offers each employee a broad-ranging, personalized Training Plan, which is an ever-present part of our professionals' lives right from their very first day at the firm:

- Welcome Program
- Executive Master's Degree in Business Law
- Garrigues Schools
- Ongoing technical training
- Professional and ethical codes of conduct
- Building management skills
- Language training
- Training in technology and knowledge management
- Scholarships to study at Centro de Estudios Garrigues

Training plans cover all personnel across the board, regardless of gender.

The following chart shows hours spent on training by professional category:



Our training programs are designed to develop professional judgment, a questioning outlook and technical and professional excellence, with a view to ensuring the very highest quality in everything we do.

The ongoing Training Program is very broad in scope, and its key indicators are as follows:

	Personnel trained	
	2011	2012
Welcome programs	218	179
Executive Master's Degree in Business Law	364*	343**
Garrigues Schools	204	233
Technical training specific to each group or specialist area	1,731	1,514
Training in ethics and good professional practice	876	1,850
Management skill-building	477	531
Language training	872	626
Training in technology	615	1,826
Training in knowledge management	353	407
Training on the firm's professional image	1,016	1,046
External training (delivered outside the firm)	346	349
Training for admin and support staff	467	535

* Of whom 210 were new hires embarking on the course.

** Of whom 181 were new hires embarking on the course.

Elsewhere, it is worth noting that the firm actively encourages "organizational learning", sharing know-how and experience via the numerous channels of communication in place to facilitate this process: sharing "best practices", promoting the use of new technologies, keeping our intranet updated every day with a host of databases on legislation, case law, news items, rulings, etc.

This, together with the firm's commitment to nurturing and managing talent and the importance for Garrigues of developing a collaborative leadership model in which partners, as well as good managers, must also take the lead and become vehicles for passing on the firm's values and ethical principles, led to the staging this year, for the very first time, of the New Partners Meeting, an event aimed at professionals who have made partner and which now forms part of the "Garrigues Schools" held annually for firm professionals.

Residential in nature and run over the course of several days, these "Garrigues Schools" take place in a relaxed setting away from the working environment and feature contributions from both in-house and external speakers. These gatherings help Garrigues people to feel a bond with the firm, as the firm's values, policies, procedures, rules and working methods are handed down, thereby fostering a Garrigues culture, one of the bedrocks of Garrigues' excellence and success.

Furthermore, aware of the need to take maximum advantage of new technologies, this past year has seen the roll-out of a range of e-learning training initiatives, with highly encouraging results, 1,876 people having been trained with this tool. Among the subjects tackled on this platform was anti-money laundering and counter-terrorism financing, a subject on which all our professionals receive ongoing and specific training, as it has become a cornerstone of Spanish legislation governing the legal profession.

Elsewhere, the Garrigues Manual on Prevention of Money Laundering and the Financing of Terrorism (which contains the internal policies and procedures established in this area) is available to all personnel on the Intranet, as is the applicable legislation and additional practical information.

Compensation system

Garrigues rewards the achievements of its workforce using a performance-linked compensation system which aims to attract, motivate and retain talent.

The system also drives good professional practice and the growth of the business on terms that create the necessary conditions for our professionals to pursue an attractive professional career. This compensation policy is applied consistently across the board 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' corporate earnings. Garrigues has also sought to bring the variable compensation of its professionals more into line with profitable management objectives.

Equal opportunities are guaranteed at the firm. This means that opportunities for professional development are based on strictly objective criteria relating to merit and professional ability, and no distinction is made as regards compensation on any basis other than professional considerations. In particular, a person's gender has absolutely no bearing on either their base salary or variable compensation (determined in line with the internal compensation structure for each professional category and level of experience), and there are therefore no discrepancies or conditioning factors whatsoever as regards the amount of compensation in this connection.

We believe that the compensation we offer meets expectations at every level of experience and is, without a doubt, well above the market average. The firm's employees are paid over and above the statutory minimum salary set for every place where it operates and for every professional category.

In view of the current financial downturn, we have attempted to take a cautious approach to decisions on the compensation system for our people. Nonetheless, both the fixed and variable components of annual pay continue to be managed in line with the customary schedule and procedure. With respect to the variable component, it will continue to be linked to the performance of the business. In the future, even though widespread economic uncertainty remains the order of the day, the firm intends to remain true to our promotion and professional development policy, as well as our training programs and new flexible compensation alternatives, thus testifying to our commitment to people, their motivations and ensuring their efforts do not go unrewarded.

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

The total amount contributed by the firm in relation to the above insurance policies is:

	Premium payments (€)		
	2010	2011	2012
Accident and life insurance premiums	223,611	148,586	178,689
Medical insurance premiums	916,133	891,000	1,029,650

Garrigues also gives employees the option to sign up to flexible compensation programs that allow them to optimize their net income using certain products: luncheon vouchers, kindergarten vouchers, computer hardware buyers' program (the ICH program), training programs and, new this year, transport vouchers.

	Number of participants in the flexible compensation systems		
	2010	2011	2012
Luncheon vouchers	154	152	176
Kindergarten vouchers	91	112	135
Computer hardware buyers' program	52	29	164
Training programs	25	23	29
Transport vouchers	-	-	273

Furthermore, Garrigues employees also benefit from special deals with leading brands and retailers in the form of better terms or discounts on a wide range of goods and services. These deals can be found by everyone at the firm in the e-Bazar section of our Intranet.

The firm encourages and supports voluntary secondments to other Garrigues offices within and outside Spain. This initiative has been expanded by giving our lawyers the chance to spend time at other law firms, mainly based in English-speaking countries, with which we have cooperation agreements.

Working atmosphere

Working atmosphere is one of the aspects that is most highly rated by our people. The relationships among colleagues, teamwork and the spirit fostered in each work group at Garrigues are some of our greatest assets.

Among the leisure activities scheduled for Garrigues' employees, parties are held in December at our various offices for the children of those who work at the firm. These parties offer a perfect opportunity for the little ones to visit the facilities and to get to know their parents' colleagues and the place where they spend their daily working lives.

Lastly, our HR Department provides an outplacement service to help professionals find new openings for their career outside the firm should the need arise.

Health and safety at work

The activity of Garrigues' Shared Workplace Medicine and Occupational Risk Prevention (ORP) Service, staffed by a team of occupational doctors, company nurses and graduate risk prevention experts, revolves around the following four preventive disciplines: occupational medicine, hygiene, ergonomics and safety.

In May 2010, the Shared Workplace Medicine and Occupational Risk Prevention Service successfully negotiated the Prevention System Audit carried out by Cerne Auditores de Prevención, S. L., valid for four years, i.e., from May 2010 to May 2014.

PREVENTIVE MEDICINE

Area: throughout Spain

- Health check-ups using in-house and external resources: **746**
- Office check-ups managed from Madrid: **407**
- Encouraging a healthy lifestyle through vaccination campaigns, promoting healthy habits and health education (face-to-face appointments and publication of guides on the Intranet)

Area: Madrid and Barcelona

	2010	2011	2012
Health check-ups	389	381	339

DOCTOR'S SURGERIES

Areas: Madrid and Barcelona

Daily surgeries in Madrid and Barcelona offering personalized diagnoses and treatment

	2010	2011	2012
Doctor appointments	6,062	6,082	5,960
Nurse appointments	1,848	2,730	3,042
Clinical lab. tests	954	1,381	1,249

HEALTH ADVICE

Area: throughout Spain

The most important work focuses on the preparation of expert analyses and advice for employees regarding any health-related disputes that may arise with the National Health Service, private insurance companies, mutual insurance companies and other sectors with a bearing on employees' health

HYGIENE

Area: throughout Spain

Compliance with current legislation on the prevention and control of legionnaires' disease

Area: Madrid and Barcelona

Quarterly analyses of indoor air quality and food in vending machines at the Madrid and Barcelona offices by taking environmental samples and microbiological cultures. A total of **276** industrial hygiene reports were prepared

ERGONOMICS

Area: throughout Spain

- Ergonomics-related queries resolved: **231**
- Ergonomic equipment to improve workstation posture
- Preparation of ergonomic studies and personalized recommendations to improve workstation conditions

SAFETY

Area: throughout Spain

- Periodic health and safety audits at all Garrigues offices
- Updating of the safety equipment at each office
- Basic safety reports: **28**
- Low occupational accident rate. Investigation into the possible causes and implementation of the relevant measures should any take place

	2010 (*)	2011 (*)	2012 (*)
N.º of cases of occupational accidents with sick leave	5	12	8
n.º of occupational accidents on the way to/from work	3	7	5
n.º of occupational accidents at the workplace or on journeys made in working hours	2	5	3
N.º of cases of occupational diseases	0	0	0
N.º of days' sick leave due to occupational accidents	23	275	327
n.º of days' sick leave due to occupational accidents on the way to/from work	14	212	59
n.º of days' sick leave due to occupational accidents at the workplace or on journeys made in working hours	9	63	268

N.º of accidents	2012 (*)	
	Region	Gender
3	Barcelona	Woman
2	Barcelona	Man
2	Madrid	Woman
1	Seville	Woman
8	TOTAL	

(*) Figures are for calendar year

- Note that there have been no fatal accidents
- Occupational Risk Prevention (ORP) training:
 - ORP training courses (**229** new professionals)
 - Initial Response Teams (IRT) / Alarm and Evacuation Teams (AET) (**120** employees)
 - Basic ORP training course (**50** hours)



5. A community to the community

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A community to the community

Pro bono work

Garrigues has always demonstrated a firm commitment to social responsibility and, in this area, pro bono work takes on a particular importance. Within this context, the firm has made the pro bono activity it has pursued for years now official in the shape of the pro bono program.

The pro bono program sets out the main characteristics of the pro bono (tax and legal) services provided by the firm free of charge to not for profit entities with charitable, welfare, cultural and educational activities.

The aim of the program is to channel and organize pro bono work in response to the interest professionals from the firm have always shown for such initiatives and that has once again been borne out by the feedback obtained from the pro bono survey conducted in 2012: 65 % of those who replied would like to perform some type of pro bono work and 96 % view it as a fitting contribution to society.

General coordination of the program lies with the Pro Bono Committee, made up of 13 professionals from various offices and departments. The committee's duties include approving new projects and seeking to ensure compliance with the mechanisms in place to guarantee the quality of the services provided.

Fundación Garrigues: Corporate outreach

Our corporate outreach initiatives are carried out through our foundation, Fundación Garrigues, whose core premise is to align the firm's social commitments closely with its strategic goals.

The in-house survey conducted in 2012 revealed that a considerable number of people at Garrigues believe in social outreach and wish to take part in activities in such connection.

- 97 % consider that the firm should have a corporate outreach program.
- 78 % would like to contribute to the volunteer initiatives coordinated by the firm.
- 91 % would like to continue to receive information on Garrigues' corporate outreach activities.

At the firm, corporate outreach takes shape through the following initiatives:

Corporate voluntary initiatives
Scholarships and awards
Socially responsible buying
Loan of used assets
Donation of IT equipment, furniture, fittings and office material

Founded and funded entirely by the firm, Fundación Garrigues was set up on April 1, 1997 and plays a pivotal role in the implementation of the firm's CSR policy. The Foundation's funds are spent on two broad categories of activities: educational and cultural activities, basically in the context of legal culture, and community outreach projects, related to either education or welfare and cooperation, such as those detailed below:

1.- Educational and cultural activities

- a. Legal research: Garrigues Chair
- b. The Young Lawyers Awards
- c. Scholarships program

2.- Social outreach

- a. Corporate voluntary work
- b. Various projects

1.- Educational and cultural activities

a. Legal research

- Garrigues Chair in Global Law, Universidad de Navarra.
- Garrigues Chair in the Modernization of Business Law, Universidad Pontificia Comillas, ICADE.
- Garrigues Chair in Law and Business Studies, Universidad de Zaragoza.

b. The Young Lawyers Awards

In July 2012, Centro de Estudios Garrigues played host to the 12th annual awards ceremony, presided over by the Secretary of State for Justice.

c. Scholarships Program

As in previous years, scholarships were awarded, targeted at higher education and, specifically, the field of law, for young students approaching the end of their studies in:

- Real Colegio Complutense at Harvard: Real Colegio Complutense research fellowships at Harvard Law School were awarded.
- Official Master's Degree in Business Law, Universidad Pontificia Comillas de Madrid, ICADE.

2. - Social outreach

In 2009 we created "el Rincón Social/Social Corner", an in-house communication channel featuring in our in-house digital weekly newsletter InterNos. This is a well-established volunteer area in which we publish and raise awareness of the most high-profile projects, voluntary work experiences and initiatives of fellow employees and the foundations and NGOs we work with.

The following table sums up the main voluntary initiatives launched in 2012 with the contribution of firm personnel.

CORPORATE OUTREACH ANNUAL REPORT - SUMMARY OF 2012 PROJECTS

JANUARY

Blood donation campaign at the Madrid office in collaboration with the Madrid Autonomous Community Transfusion Center
Donation of work clothes to Fundación Carmen Pardo-Valcarce

FEBRUARY

Participation in the 6th annual Madrid Autonomous Community Know Your Laws program, at Centro de Participación e Integración (CEPI) Hispano Ecuatoriano de Madrid

MARCH

Donation of printing equipment via Fundación Valora, to the Parish of Nuestra Sra. de la Asunción, Los Doce Apóstoles in Madrid and to Fundación Red Madre

APRIL

Loan of rooms at the Madrid office for the sale of national lottery tickets for the benefit of the Spanish Cancer Association (AECC)
Participation of volunteers from the Seville office in the charity sports event to raise funds for Fundación Prodean

MAY

Book donation campaign for the NGO AIDA. Raising awareness of the campaign on social networks
Collaboration with Fundación San Juan de Dios in Seville on its fund-raising t-shirt campaign
Volunteers from the Lisbon office took part in a volunteers day at a soup kitchen
Volunteers from the Madrid office took part in the Madrid Autonomous Community Know Your Laws program, at Centro de Participación e Integración (CEPI) Hispano Ecuatoriano de Madrid

JUNE

Volunteers from the Madrid office took part in another Madrid Autonomous Community Know Your Laws program, at Centro de Participación e Integración (CEPI) Hispano Ecuatoriano de Madrid
Loan of rooms at the Seville, Malaga and Las Palmas offices for the sale of Red Cross lottery tickets
Volunteers from the Madrid office took part in the *Eco Charity Run*

JULY

4th edition of Rock in Law in Lisbon. €64,643 were raised and donated to various projects by APSA, CERCIOEIRAS, Fundação Ferreira Freire and Fundação DoGil
3rd edition of *Rock in Law* in Madrid. €49,330 were raised and donated to a soup kitchen run by Mensajeros de la Paz
Blood donation campaign in collaboration with the Madrid Autonomous Community Transfusion Center

SEPTEMBER

Collaboration in the annual collection to raise funds for the Valencia Provincial Delegation of the Spanish Cancer Association (AECC)
Donation of furniture to Asociación RETO in Valladolid

OCTOBER

Volunteers from the Seville office took part in a fun run to raise money for Fundación Pequeño Deseo
Participation in the 8th Fundación Gmp Paddle Tennis Tournament
Collaboration with Fundación Mary Ward on its 1st Charity Race
Donation of printers to Fundación Betesda in Madrid
Súmate al Rosa campaign with the Spanish Cancer Association (AECC) – raising awareness of breast cancer at the Madrid office
Donation of uniforms via Fundación Valora to the NGO Cesal

NOVEMBER

Partner for a Day program in collaboration with Fundación Junior Achievement at the Madrid office
Donation of printers to Fundación Manuel María Vicuña via Fundación Valora
Donation of IT equipment, printers and faxes to the NGO Cooperación Internacional in Zaragoza

DECEMBER

Operación kilo to collect food for the Spanish Federation of Food Banks at all Garrigues offices. Over 2,500 kilos were collected throughout the firm's offices
The firm collaborated with Cáritas on a digital corporate Christmas card

**Garrigues and education:
Centro de Estudios Garrigues**

Founded in 1994, Centro de Estudios Garrigues (CEG) is an institution affiliated to the firm, set up 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 through 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, however, as CEG is conceived as an open forum for participation, with the involvement of professionals hailing from highly diverse backgrounds: the 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 Master's Degree 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.
- Other open-access courses and seminars: looking at the latest issues and matters of particular law and business-related interest.

The following long-term programs were taught in the 2011/2012 academic year (which began in October 2011):

Students at Centro de Estudios Garrigues,
2011/2012 intake

Program	First intake	Total students
MASTER'S PROGRAMS		
Master's Degree in Taxation	1994/1995	
Master's Degree in Business Law	1996/1997	
Master's Degree in Human Resources	1997/1998	143
Master's Degree in Labor and Employment Legal Advisory Services	1999/2000	
Master's Degree in Banking and Finance	2000/2001	
EXECUTIVE PROGRAMS		
Executive Master's Degree in Human Resources (and specialization modules)	2004/2005	
Executive Program in Employment Relations	2004/2005	
Executive Program in Business and Finance for Lawyers	2007/2008	
Executive Master's Degree in Tax Advice	2007/2009	504
Master's Degree in Business Law (for Garrigues professionals)	2008/2009	
Executive Master's Degree in Corporate Finance	2009/2010	
Executive Master's Degree in International Taxation	2010/2011	
Executive MBA Professional Services firms Management	2011/2012	
TOTAL STUDENTS 2011 / 2012		647

Variations in total student numbers over the last three academic years were as follows

	2009/2010	2010/2011	2011/2012
Total students	728	616	647

The drop-off in student numbers observed in the 2009/2010 and 2010/2011 academic years were fundamentally on the Executive programs, which can be put down to the general economic slump.

In October 2012, the total number of students already registered at CEG for the 2012/2013 intake stood at 491, taking in previous programs set to continue this academic year. This figure will be increased by those joining as students in the 2012/2013 academic year; the February 2013 Executive Master's Degree in Human Resources and those pursuing the Compensation and Benefits module in 2013.

All of these programs are open to the public at large, except the Executive Master's Degree in Business Law, which is only for Garrigues professionals.

The program is offered to all the firm's new hires and aims to round off their university education with the business law expertise required to take their first steps in professional practice at the highest level.

The international legal practice side of the program is taught by Harvard Law School.

The success of our Master's programs is borne out by various facts and figures, such as the following:

Percentage of students employed on completion of the Master's program

PROGRAM	PLACEMENT		
	Course 2009/2010 (% at 15/10/2010)	Course 2010/2011 (% at 20/10/2011)	Course 2011/2012 (% at 29/10/2012)
Master's Degree in Taxation	86.2 %	95.8 %	94.4 %
Master's Degree in Business Law	93.3 %	97.1 %	89.7 %
Master's Degree in Human Resources	100 %	100 %	100 %
Master's Degree in Labor and Employment Legal Advisory Services	95.2 %	100 %	96.3 %
Master's Degree in Banking and Finance	100 %	100 %	88.9 %
Average placement percentage	94.6 %	98.3 %	93.7 %

Placement of our programs on the ranking of Master's programs drawn up by El Mundo, June 2012

PLACE IN EL MUNDO RANKING (BY SPECIALTY)	
2011/2012 Programs	Placement
Master's Degree in Taxation	1º
Master's Degree in Business Law	2º
Master's Degree in Labor and Employment Legal Advisory Services	1º
Master's Degree in Banking and Finance	1º

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. At present, CEG has agreements to grant scholarships or other collaborative activities with the following:

- Universities: Universidad de Navarra, Universidad Autónoma de Madrid, Universidad de Deusto, Universidad Antonio de Nebrija, Centro Universitario de Estudios Financieros (CUNEF), Universidad de Cantabria, Universidad Católica Portuguesa, Tecnológico de Monterrey (Mexico), Universidad Austral (Argentina) and Universidad de los Andes (Chile).
- Other institutions: Fundación Euroamérica, Fundación Carolina, Funglode (the Dominican Republic), Univesia and ONCE.

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.

Moreover, in 2012 a new CEG Master's Degree in Legal Practice granting access to the legal profession is set to be delivered with the following four specialist areas: Tax, Corporate, Labor and Employment and International Business Law. The program has already been certified by the National Quality and Accreditation Evaluation Agency (ANECA) as a master's program granting access to legal practice.

With this new master's program, CEG's goal is to set itself up as a center of choice for quality legal training.

Moreover, in conjunction with Fundación Garrigues, Universidad de Navarra and the publishing company Thompson Reuters Aranzadi, CEG once again organized and publicized the annual Young Lawyers Awards, which were handed out in 2012 at the CEG's headquarters at an event attended by the Spanish Secretary of State for Justice.

Another important achievement is the Center's 2005 publication, the Garrigues' Style Manual (published by Thomson Reuters Aranzadi), which tackles the most common linguistic and format-related doubts that arise when drafting legal documents. A style guide adapted to Catalan was published in 2010.





6. Innovation at the service of quality

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Innovation at the service of quality

Information technology

True to our goal of giving our people access to the very latest technology in order to provide a better, more efficient service in keeping with the state of the art technology, this year the firm has continued to invest in the tools that will enable us to do just that.

To this end, an array of initiatives and projects were set in motion, notable examples including:

<p>TYPE Telecommunications Infrastructure Systems</p>	<p>PROJECT Start-up of a 2nd Data Processing Center</p>	<p>PROJECT DETAILS Project to duplicate the entire infrastructure for critical IT processes at a 2nd Center. A new storage cabin, various servers and all of the necessary infrastructure have been set in place</p>
<p>TYPE Telecommunications Infrastructure Applications</p>	<p>PROJECT Backup project</p>	<p>PROJECT DETAILS Implementation of a second backup robot to handle the exponential growth in incoming information</p>
<p>TYPE Applications Knowledge Management Systems Infrastructure Usability</p>	<p>PROJECT Lync</p>	<p>PROJECT DETAILS Implementation and distribution of a new tool: Lync, a unified messaging system. Garrigues personnel have a new instant audio, video and messaging tool</p>
<p>TYPE Systems Knowledge Management Usability</p>	<p>PROJECT Migration to Windows 7 and Office 2010</p>	<p>PROJECT DETAILS Project involving the migration of the entire work force at the firm (2,344 pieces of equipment) to Windows7 and Office 2010, to optimize performance. This project entailed almost all Technology areas (Systems, Training, User Support, etc.)</p>
<p>TYPE Applications Knowledge Management Usability</p>	<p>PROJECT AML</p>	<p>PROJECT DETAILS Implementation of a management tool to combat money laundering and the financing of terrorism</p>
<p>TYPE Web 2.0 Applications Knowledge Management</p>	<p>PROJECT Blogs</p>	<p>PROJECT DETAILS Launch of two tech-based open source blogs as in-house communication tools</p>

Knowledge management

This past year we have been able to strike the right balance between in-house and distance training, thus enabling us to boost our professionals' knowledge management and legal database skills. We have stepped up the frequency of courses, encouraging self-study and personalized training, more efficiently capitalizing on our human and economic resources.

A range of initiatives have been launched to boost online training, since our lawyers are increasingly taken with this training method (almost 30 % of those who replied to our satisfaction survey preferred some type of non-face-to-face training), which has economic and organizational advantages:

- Creation of courses and uploading of self-study videos onto the firm's e-learning platform.
- Promotion of distance training using videoconferencing and various remote connection systems (NetMeeting to start off and moving to Lync in recent months).
- Fresh design of legal database training materials, including hyperlinks to the resources, self-study videos and e-learning platforms of providers.

Our next challenge is to make further headway with all of the activities initiated this year, to expand the catalog of videos available to users on the firm's e-learning platform and to make the distance training delivered by our providers another option to take into account in order to keep up to speed.

Knowledge blog

Since January 2012 the firm has a Knowledge Blog as a new channel to disseminate information from the Knowledge Management and Documentation Department.

We use the blog to inform of the latest departmental management-related developments (intranet, documentation centers, library, extranet, databases portal, daily alerts, etc.). It is a more user-friendly resource than the traditional newsletters and, more to the point, allows readers to comment on the blog itself. The ultimate goal is to make it a space for exchange and collaboration rather than simply a channel to raise awareness of new developments.

News items are drafted by documentation center staff. Periodic monitoring of the entries that have received the most hits gives us an idea of the subjects of most interest to our readers and, in short, also serves to guide our actions.

As of now, Garrigues has two blogs: the IT Blog (Technology Department), already well-established, and the Knowledge Blog (Documentation Department), still in its infancy. Even so, since it was launched towards the end of January until June of that same year, we published 37 entries that have received a total of 3,208 hits, averaging out at around 35 hits a day.

A new blog for the Criminal Law department will shortly be unveiled, to be maintained by the lawyers themselves, which looks set to break new ground for the firm.



GARRIGUES fórm@t-e

Home Courses People Habilidades

Home > Courses > Prevención del... > 4. Nuevo manual de la LPBC ...

4. Nuevo manual de la LPBC del Grupo Garrigues
 Te vamos a mostrar los cambios del nuevo Manual de PBC en tan sólo 17 minutos, tanto en las definiciones y en las obligaciones de diligencia debida como las nuevas obligaciones de... (See more)
 Posted by: Cecilia Cladera | Edit Information

Visits: 226 Comments: 1 Rate this object: 1 2 3 4 5 6 7 8 9 10 Average rate: **6**

Welcome Luis... (Log out)
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 08:29:11 Time in Learning Objects

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- My email (42 new messages)
- (14 new queries)

Highlights in Fórm@t-e

¡Hola! Bienvenid@ a la guía rápida sobre el manejo de Fórm@t-e.

Guía Rápida. Un Paseo por Fórm@t-e
 Con esta guía queremos darte...
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GARRIGUES fórm@t-e

Home Courses People Habilidades

Home > Courses > Credentia... > BDC - Introducing data on L...

BDC - Introducing data on the BDC
 This 15-minute clip shows the information to be included on the BDC

Welcome Luis... (Log out)
 21 Learning Objects completed
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- My Mentoring
- My contacts
- My email (42 new messages)
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 Posted by: Cecilia Cladera



7. Eco-efficiency program

Environmental awareness	37
Responsible consumption	37
Climate change commitment	38

Eco-efficiency program

At Garrigues we are convinced that large organizations have a duty to promote respect for the environment and corporate social responsibility, generally, in the business environment.

Our commitment remains linked to specific items on which we focus our efforts to improve year after year, forming part of our Eco-efficiency Program, as part of the undertakings taken on board with the United Nations Global Compact, to which the firm signed up in 2002:

- ENVIRONMENTAL AWARENESS-RAISING
- RESPONSIBLE CONSUMPTION
- WASTE MANAGEMENT
- COMMITMENT TO CLIMATE CHANGE

Environmental awareness

As part of our commitment to environmental responsibility, we continually develop initiatives aimed at environmental training and awareness-raising, both internally, by informing on procedures at our offices (posters detailing good practices in specific areas and sending the informative quarterly newsletter Garrigues Sostenible in English and Spanish, to all members of the firm), and externally, by preparing the Environment newsletter and free-of-charge informative sessions on the latest developments in this area, aimed at clients and firm collaborators.

Responsible consumption

This section covers not only the initiatives and results with respect to natural resource consumption and the management of the waste we generate, but also our concern for issues as crucial as sustainable procurement.

Sustainable procurement

Garrigues is firmly committed to working with providers who meet, or are willing to take on board, the social responsibility and environmental commitments assumed by the firm. At present, 66 % of the contracts handled by the General Services, Logistics and Infrastructure Department (SGLEI) include sustainable criteria:

- The obligation and undertaking to observe all ethical, environmental and conduct rules generally accepted in their business.

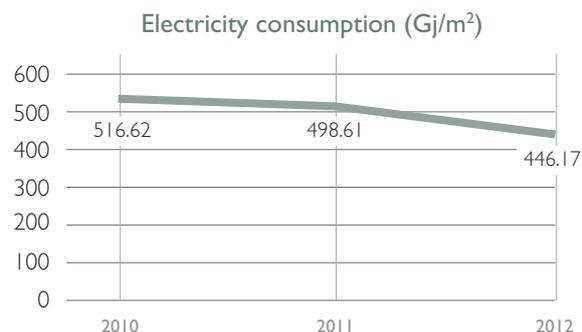
- Acceptance of the undertaking not to contravene any of the principles established in the United Nations Global Compact, to which Garrigues signed up in 2002.
- Submission by bidders of quality and environmental certifications, which are valued in the selection process.

The firm's policy does not contain specific requirements in relation to procurement from local suppliers. Moreover, in light of the services obtained by Garrigues, there is not considered to be any direct risk of violation of human rights. To date, there have been no complaints or information in this regard.

Consumption of resources

a) Energy

The energy we consume most of continues to be electricity² and all of our electricity is obtained from outside sources. We also use fossil fuels in boilers for heating and sanitary hot water at some of our offices. No data are available on the consumption of these fuels since almost all of these boilers are controlled by the owners of the buildings housing our offices. We make considerable efforts to cut down on consumption by installing efficient lighting systems, low consumption IT and printing equipment, and awareness-raising campaigns. These steps have led to a 10.5 % reduction in electricity consumption with respect to 2011.

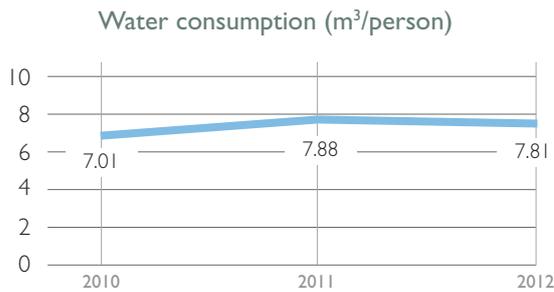


2.- We assume, as a reasonable conclusion in our environment, that the energy sources from which we obtain our electricity form part of the national energy generation mix.

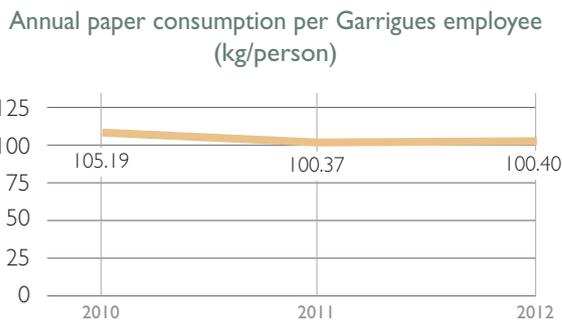
b) Water

Our action in this area seeks to raise awareness among our people and install (or having the owners of our buildings install) mechanisms which, combined with the use of new technologies, help to reduce consumption.

2012 saw a slight decrease in annual average water consumption per person with respect to the preceding year.

**c) Paper**

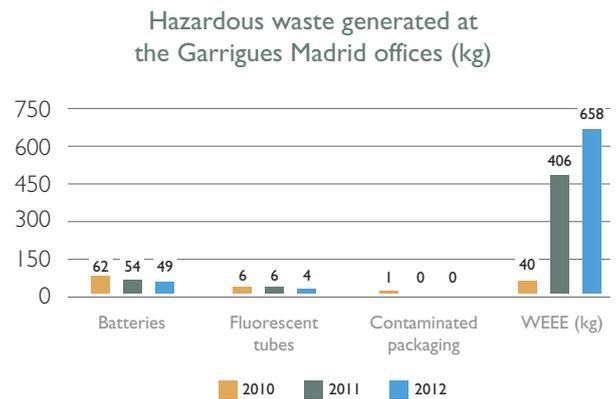
This year, paper consumption per person was on a par with the preceding year. In order to make good on our goal of cutting paper consumption, we use the finest multifunctional equipment with state of the art technology (double-sided printing, blocking, with energy reduction systems and that send and receive faxes with the resulting savings on paper), which, moreover, is constantly being upgraded. 92 % of the paper consumed comes from sustainably managed forests, and any paper no longer usable is destroyed and recycled by authorized managers.

**Waste management**

Given our area of activity, the waste we generate (319 tons) is mostly domestic and non-hazardous in nature. All Garrigues' offices have specific containers for the selective collection of light packaging, paper and organic material.

Moreover, we continue to generate some hazardous waste which is stored and delivered to authorized waste managers to be transported and treated as required. Such waste comprises fluorescent light bulbs, toner cartridges, batteries and end-of-life IT equipment that cannot be donated to NGOs. In any event, we are working to reduce it.

The breakdown of hazardous waste generated at the Garrigues Madrid office³, over the past three years is summarized below:



With respect to waste electrical and electronic equipment (WEEE), note that desktop telephone terminals have been received from various offices, as have printers, servers, computer keyboards, UMTS cards and the odd non-obsolete UPS that could not feasibly be reused and that have been properly managed.

Climate change commitment

Garrigues actively participates in initiatives to control climate change and raise awareness of the issue, and prepares an annual inventory of the GHG emissions produced by our business.

The main sources of indirect GHG emissions at Garrigues are from paper and electricity consumption at our offices, and the transport needs of our people (for either business travel or daily commuting). Emissions from these sources are quantified according to the Greenhouse Gas Protocol  and included in our GHG Inventory.

Set forth below is the Garrigues GHG Inventory for the last three years.

3.- The only available data is for the Madrid office since the other offices are not managed directly by Garrigues, except in the case of WEEE. We estimate that the Madrid office figures account for more than half of the hazardous waste generated at Garrigues.

Greenhouse gas emissions inventory
(Tons CO₂e)

	2010	2011	2012
Electricity	2,767.57	2,255.99	2,660.67
Daily commuting	2,135.77	2,007.08	1,725.22
Private vehicle (gasoline)	528.29	495.43	285.91
Private vehicle (diesel)	950.32	893.08	845.82
Private vehicle (biodiesel)	-	-	37.57
Bus	293.91	273.76	173.03
Motorbike	86.49	86.49	100.85
Subway / train	276.77	258.32	282.05
Trips	2,128.68	1,644.53	1,368.50
Plane	1,847.27	1,389.19	1,123.59
Train	172.54	207.89	209.40
Car	108.82	47.42	35.50
Boat	0.06	0.02	0.01
Paper consumption	679.62	607.98	553.97
TOTAL EMISSIONS CO₂e (TON)	7,711.64	6,515.58	6,308.37
EMISSIONS PER PERSON CO₂e (TON/PERSON)	3.08	2.78	2.95

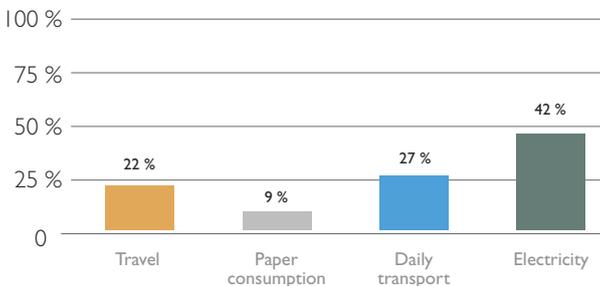
By energy source, 9 % of indirect GHG emissions come from paper consumption, while the remaining 91 % is distributed equally among the other sources (electricity, business trips and daily transportation). Therefore, in recent years the main efforts to reduce GHG emissions at our offices have targeted energy consumption (discussed in the "Energy Consumption" section) and business trips (promoting the use of videoconferencing).

Thanks to the use of videoconferencing, this has avoided the need to make 12,585⁴ business trips, not to mention the large cost saved for the firm, a net reduction of 2,239 tons of CO₂ equivalent emissions, as well as bringing greater productivity and making life easier for our people.

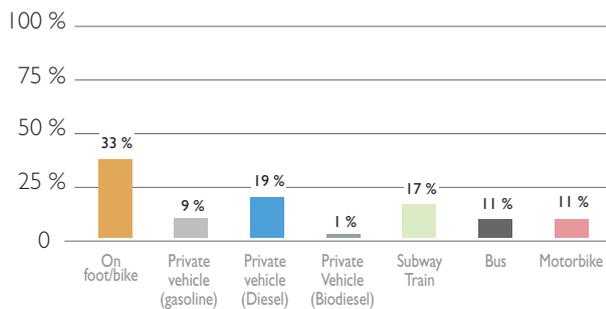
In terms of daily transport and according to the mobility survey conducted in 2012, public transport remains the most popular mode of transport (used by 28 % of our people), along with the most sustainable transport of them all: traveling on foot or by bicycle, which is the preferred way for 33 % of our people.

Garrigues does not generate significant emissions of non-GHG gases.

CO₂e Emissions



Modes of transport used by Garrigues personnel on their commute to work



4.- It has been estimated that 50 % of the persons taking part in a video-conference would have traveled.



8. Economic performance

Key financial aggregates

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Economic performance

Key financial aggregates

Garrigues closed a financial year that may be deemed very solid, bearing in mind the current economic backdrop, enabling us to maintain our privileged position as continental Europe's number one tax and legal services firm in terms of billings and headcount.

2012 saw aggregate revenues from operations at J & A Garrigues, S. L. P. and subsidiaries, and Garrigues Portugal, S. L. P. and subsidiaries hit the €350.5 million-mark, representing a slight 4.9 % decrease on the preceding year.

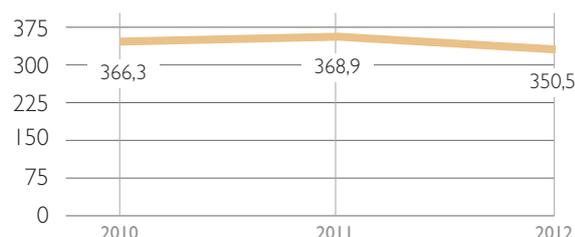
Tax and legal services accounted for €340 million of this figure while the remaining €10.5 million came from other related services.

The revenues of J & A Garrigues, S. L. P. and subsidiaries amounted to €335.6 million, compared with €351.7 million in the preceding year, representing a slight 4.6 % downturn on the preceding year.

Garrigues Portugal, S. L. P. and subsidiaries reported revenues totaling €14.9 million, down 13.3 % on the preceding year.

There follow the variations in aggregate revenues at Garrigues over the past three years:

Variation in aggregate revenues
(millions of euros)



The following tables show the key financial aggregates of Garrigues, per the consolidated financial statements of J & A Garrigues, S. L. P. and subsidiaries and Garrigues Portugal, S. L. P. and subsidiaries.

Key Financial Aggregates of J & A Garrigues, S. L. P. and Subsidiaries

(thousands of euros)	2010	2011	2012
Direct economic value generated	349,763	352,581	336,832
a) Revenues	349,763	352,581	336,832
Revenues from operations	348,955	351,745	335,620
Other operating revenues	430	439	743
Financial revenues	154	397	469
Extraordinary revenues	224	-	-
Economic value distributed	347,016	348,802	332,851
b) Operating costs	95,079	83,932	89,111
Depreciation and amortization expense	7,004	6,680	6,655
Variation in working capital provisions	7,661	6,717	15,292
Outside services	80,285	69,994	66,655
Extraordinary expenses	129	541	509
c) Personnel and professional expenses	225,989	237,002	219,819
d) Payments to capital providers	4,800	6,705	5,461
e) Payments to public authorities	20,740	20,773	18,028
Tax on economic activities and other non-income taxes	513	474	592
Corporate income tax	612	721	-934
Social security taxes	19,615	19,578	18,370
f) Donations and other community investments	408	390	432
RETAINED EARNINGS	2,747	3,779	3,981

Key Financial Aggregates of Garrigues Portugal, S. L. P. and subsidiaries			
(thousands of euros)	2010	2011	2012
Direct economic value generated	17,469	17,225	14,914
a) Revenues	17,469	17,225	14,914
Revenues from operations	17,359	17,168	14,892
Other operating revenues	0	0	0
Financial revenues	1	41	19
Extraordinary revenues	109	16	3
Economic value distributed	15,683	16,184	15,170
b) Operating costs	4,503	5,222	5,425
Depreciation and amortization expense	431	420	543
Variation in working capital provisions	413	134	-14
Outside services	3,654	4,668	4,645
Extraordinary expenses	5	-	251
c) Personnel and professional expenses	10,098	10,531	9,279
d) Payments to capital providers	275	107	418
e) Payments to public authorities	806	314	44
Tax on economic activities and other non-income taxes	1	4	12
Corporate income tax	616	97	-145
Social security taxes	189	213	177
f) Donations and other community investments	1	10	4
RETAINED EARNINGS	1,786	1,041	-256

Key Financial Aggregates Garrigues Aggregates			
(thousands of euros)	2010	2011	2012
Direct economic value generated	367,232	369,806	351,746
a) Revenues	367,232	369,806	351,746
Revenues from operations	366,314	368,913	350,512
Other operating revenues	430	439	743
Financial revenues	155	438	488
Extraordinary revenues	333	16	3
Economic value distributed	362,699	364,986	348,021
b) Operating costs	99,582	89,154	94,536
Depreciation and amortization expense	7,435	7,100	7,198
Variation in working capital provisions	8,074	6,851	15,278
Outside services	83,939	74,662	71,300
Extraordinary expenses	134	541	760
c) Personnel and professional expenses	236,087	247,533	229,098
d) Payments to capital providers	5,075	6,812	5,879
e) Payments to public authorities	21,546	21,087	18,072
Tax on economic activities and other non-income taxes	514	478	604
Corporate income tax	1,228	818	-1,079
Social security taxes	19,804	19,791	18,547
f) Donations and other community investments	409	400	436
RETAINED EARNINGS	4,533	4,820	3,725

The “Payments to Public Authorities” captions disclose payments made in connection with social security taxes, 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 to the social security system for contributions in respect of employees' and partners' personal income tax withholdings in Spain (IRPF) and Portugal (IRS) and the VAT on the activities of the firms and their partners. These amounts are set out below by calendar year.

Variations in Personal Income Tax, VAT and partner and company social security contributions for Spain and Portugal

(thousands of euros)	2010	2011	2012
SPAIN			
Personal income tax of partners, professionals and employees	72,415	73,335	72,610
VAT for the firm and the partners	43,077	42,273	40,646
Social security contributions of employees and professionals	24,113	24,104	23,082
TOTAL	139,605	139,712	136,338
PORTUGAL			
Personal income tax of partners, professionals and employees	1,715	2,258	1,888
VAT for the firm and the partners	1,875	1,639	1,096
Social security contributions of employees and professionals	1,034	1,096	906
TOTAL	4,624	4,993	3,890

Furthermore, in 2012 Garrigues received €234,954 in aid from the Spanish job training foundation *Fundación Tripartita para la Formación en el Empleo* and other institutions in respect of organizing training programs for its personnel. Garrigues also generated corporate income tax credits, totaling €69,249 in Spain and €31,313 in Portugal.





9. 2012 achievements and 2013 goals

2012 achievements and 2013 goals

Governance and Professional Practice

PROGRESS IN 2012

- Slight 4.9 % downturn in revenues from transactions
- Distribution of the results of the CSR and pro bono survey conducted among our people
- Presentation and publication of our CSR Report online and on the intranet
- Continuing delivery of a course on the legislation and the firm's anti-money laundering and counter-terrorism financing procedures to all the firm's personnel on the e-learning platform
- Training 1,876 people on the e-learning platform

GOALS FOR 2013

- To ensure that revenues from operations and productivity perform consistently with market and economic conditions and with the firm's past record
- To review and, where appropriate, reinforce the firm's set of internal policies, procedures, programs, regulations, codes and rules
- To approve and implement an in-house policy on social networks, blogs and other social communication media
- To prepare an Ethics Code and set in place an ethics channel, taking Garrigues' current Code of Professional Conduct as the starting point

Clients

PROGRESS IN 2012

- Launch of the client coordination and follow-up plan
- Review of the client satisfaction survey and interview process and increase in number of those interviewed
- Creation of new industry lines

GOALS FOR 2013

- To continue serving our customers in Latin America through an own network of offices
- To continue conducting client satisfaction surveys, and increase the number of clients interviewed
- To follow through on the client coordination and follow-up plan

Human Resources

PROGRESS IN 2012

- Review of the recruitment process
- Analysis of new flexible employee compensation schemes
- Managing collaboration of teachers on the Master's programs for entry to the legal profession
- Bringing work experience policies into line with the Bologna Process and the Law on Entry to the Legal and Court Procedural Representative Professions
- Improvement of communication with candidates using our IT system
- Creation of a new "Garrigues School" for partners
- Updating and integration with the SAP platform of the model for setting goals for and evaluating partners
- Establishment of a Mobility Plan at the firm, although figures on the number of accidents en route to work are not yet available

GOALS FOR 2013

- To change professional classifications
- To modify the recruitment process (cutting down on time taken to reply to candidates and inclusion of new tests)
- To draw up an Interns manual in line with the Law on Entry to the Legal Profession
- To increase the number of agreements signed for the Master's program for entry to the legal profession and the number of collaborating professional lecturers
- To take students on the Master's programs for entry to the legal profession on as interns
- To carry out analyses to detect premature osteoporosis in women at the firm
- To offer personnel help to quit smoking
- To launch a program to stratify the risk of breast cancer

Society

PROGRESS IN 2012

- Preparation of a course on Corporate Social Responsibility for the Legal Profession at Universidad Autónoma de Madrid
- Information on the corporate outreach initiatives of Garrigues personnel in the "Social Corner" section of InterNos. Increased participation by firm personnel
- Staging of *Rock in Law* in Madrid and Lisbon
- Staging in Madrid of the "Conference on Legal Pro Bono Work and Corporate Outreach" in collaboration with the CyrusVance Group
- Updating and communication of pro bono work planning and organization.
- Obtainment of a positive evaluation from ANECA for the new Master's Degree in Legal Practice granting entry to the legal profession, to be delivered with the following specialist areas: Corporate, Tax, Labor and Employment and International Business Law
- Teaching of new editions of already existing international programs (Emerging Legal Practices and Regulated Industries, with Escuela Internacional de Negocios de Colombia, International Business Law, with Harvard Law School, Anglo American Law and International Legal English and Business English Certificate), and teaching of new international programs (Drafting International Contracts and the programs Ethics and Humanities for a Global Citizenry and Training the Global Lawyer; the outcome of a collaboration agreement executed with Instituto Tecnológico de Monterrey)

GOALS FOR 2013

- To prepare and release the Garrigues Pro Bono Manual
- To step up the activities performed
- To continue supporting and taking part in the *Rock in Law* project
- To continue boosting the international profile of Centro de Estudios Garrigues
- To carry on modernizing the methodology applied, increasing virtual training at Centro de Estudios Garrigues
- To teach the first edition of the University Master's Degree granting entry to the legal profession at Centro de Estudios Garrigues

Innovation

PROGRESS IN 2012

- Start-up of the second DPC and conduct of real contingency trials
- Completion of the backup project with an additional robot, meeting the efficiency goals set
- Installation of LYNC (Unified Communication Solution), making audio, video and instant messaging communication available to all firm personnel
- Successful migration of all positions to the new platform (Windows 7 and Office 2010)
- Satisfactory installation of the new remote access system for general access, with installation on mobile devices pending
- Implementation of a new anti-money laundering and counter-terrorism financing tool
- Use of the Knowledge blog to publish useful and informative tidbits
- Preparation of a new design for training materials, with increased graphic content and more interactive
- Duplication, for the second year running, of the number of books available online via our catalog

GOALS FOR 2013

- To launch a project to change the network electronics
- To launch a project to improve international communications
- To integrate the credentials archive with the client documentation archive
- To promote new forums for collaboration
- To set in place an OCR tool to automatically index scanned image content
- To update the SAP management support platform
- To automate the administrative management of the physical archive
- To implement a tool to develop e-learning (rapid learning) content
- To monitor providers developing applications with legal content for tablets, e-readers and cell phones and promote their use within the firm
- To replace our current Catalog OPAC with another entirely online search tool
- To replace our current Catalog OPAC with another entirely online search tool

Innovation

PROGRESS IN 2012

- Creation of a space on the Garrigues Catalog to consult the complete text of the available books and journals
- Study and integration of content of the subscribed databases on the Catalog (online journals and books)

GOALS FOR 2013

- To launch a system to follow up on and consult applications made by our professionals with the documentation centers
- To study a system enabling loans of electronic resources housed on the Garrigues Catalog (essentially e-books)

Environment

PROGRESS IN 2012

- Regularization of 24 new agreements/addenda
- Implementation of LED technology in Burgos, Cáceres, León, Lisbon, Oviedo, San Sebastian and Vitoria
- Installation of timed switches in the bathroom stalls at Hermosilla and Ayala (Madrid)
- To replace the existing low-consumption bathroom fixtures at the offices in Lisbon and Vitoria and, in the case of Madrid, with other more effective low-consumption fixtures ("shower system")
- Inclusion of energy efficient and ergonomic blinds in the refurbishing of the León office
- Reduction of battery consumption by more than 30 % with respect to the previous year
- Replacement of more than 50 pieces of multifunctional equipment with more efficient models

GOALS FOR 2013

- To continue regularizing agreements and carry on likewise with newly signed contracts
- To continue incorporating cutting edge technology to cut down on consumption and emissions
- To study the implementation of waste collection by authorized managers at area head offices
- To start the storage and collection for recycling of lighting consumables (bulbs/fluorescent tubes) at all offices
- To continue cutting down on battery consumption
- To continue replacing multifunctional equipment with other more environmentally-friendly equipment when they expire
- To analyze the viability of getting rid of garbage bags in all garbage containers at our offices

The goals set for 2012 are detailed in the 2011 CSR Report, available at www.garrigues.com > The firm > CSR > Previous editions



Exhibits

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Exhibit I

Guiding principles

Scope

This Report contains information on Garrigues' activities in the countries in which it operated in fiscal year 2012 (September 1, 2011 through August 31, 2012). It also sets out quantitative indicators and data for the past 3 years.

The figures provided relate to the year-ends, except where circumstances require figures to relate to a calendar year; in which case this will be duly indicated and explained in the text.

The entities referred to in this Report are:

J & A Garrigues, S. L. P.

Garrigues Portugal, S. L. P.

Garrigues Human Capital Services, S. L. P. (*)

Garrigues, LLP (USA) (*)

Garrigues Maroc SARLAU (Marruecos) (*)

Garrigues Polska I Pablo Olabarri Gortázar,
Spolka Komandytowa

Garrigues Norte, S. L. P. (*)

Ribalta Abogados, S. L. P. (*)

Rino Asesores, S. L. P. (*)

Garrigues Medio Ambiente, Consultoría Técnica
y de Gestión Integrada del Medio Ambiente, S. L. P.

Centro Europeo de Estudios y Formación Empresarial
Garrigues, S. L. P. (*)

Garrigues IP, S. L. P.

Garrigues IP, L. D. A. (*)

Garrigues Sports & Entertainment, S. L. P. (*)

Garrigues Consultoría de Empresa Familiar, S. L. P.

Garrigues UK, LLP.

(*) Sole-shareholder companies

Frequency

The Report is published annually, this being the seventh CSR Report published by Garrigues. The first edition, in relation to fiscal year 2006, was released in 2007.

Consultation with stakeholders

Alongside the activities that form part of the initiatives for dialog with, and management of, Garrigues' 'stakeholders' and with a view to constantly improving the quality of the Report's contents, Garrigues periodically consults internal

departments regarding the CSR Report, as well as a range of stakeholders from outside the organization. Moreover, the entire contents of this Report were reviewed by the various persons in charge of the departments involved.

Accuracy

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

The Report was based on the G3.1 guidelines published in 2011 by the Global Reporting Initiative (GRI). The 'Making the Connection' report was also borne in mind as a means of cross-referencing the guidelines with the principles of the United Nations Global Compact, which Garrigues signed in 2002, the OECD Guidelines for Multinational Enterprises (revised in 2011) and the UN Guiding Principles on Business and Human Rights (2011).

Garrigues has in place the means to ensure the quality and accuracy of the information included in this Report. All of the areas involved in preparing the Report have information systems that provide a reliable source of content, all of which is backed up by the audit performed by an external assurance provider.

Materiality of the topics analyzed

The contents of this Report have been selected according to the materiality principle and accordingly only business-related aspects that have a significant or material bearing on CSR have been included. The factors taken into account in order to define the materiality of topics included the following: the CSR goals of stakeholders, any problems, risks and challenges facing the industry, and current legislation affecting Garrigues.

Application level

The application level of this Report is A+, the most exacting of all the possible levels of the GRI Guidelines, as confirmed by the external assurance given by AENOR (see Exhibit III).⁵

5.- The GRI G-3.1 guidelines establish application levels ranging from C to A+ (C, C+, B, B+, A and A+).

Information consolidation and validation criteria

The following diagram shows the procedure for preparing, consolidating and validating the Report, as well as the departments involved at each stage:

		QUALITY CONTROL				
Phases	Consultation with stakeholders	Preparation of drafts	Review and consolidation	Content and style review	Final approval	Layout and distribution
	Persons in charge	Internal agents: employees chosen at random External agents (CSR experts)	Human Resources General Services, Logistics and Infrastructure Communication, Marketing and Institutional Relations Knowledge Management Technology Administration and Finance Professional Practice Medical Service Centro de Estudios Garrigues Fundación Garrigues Garrigues Medio Ambiente	Garrigues Medio Ambiente	Centro de Estudios Garrigues Fundación Garrigues Professional Practice Human Resources Garrigues Medio Ambiente	Managing partner Partners' Meeting

Exhibit II

Table of GRI contents and performance indicators

CSR REPORT CONTENTS

GRI Section	Description	Section	Page	Notes
1	Strategy and analysis			
1.1	Statement by the chairman, the managing partner and the senior partner.	1	4	
1.2	Description of key impacts, risks, and opportunities.	1, 3, 10	4, 10, 11, 44	
2.	Organizational profile			
2.1	Name of the organization.	Exhibit I	49	
2.2	Primary brands, products, and/or services.	2	7 (practice areas)	
2.3	Operational structure of the organization.	2, Exhibit I	7, 49	
2.4	Location of organization's headquarters.	c/ Hermosilla, 3 - 28001 Madrid (Spain)		
2.5	Number of countries where the organization operates.	2	7 (offices and desks)	
2.6	Nature of ownership and legal form.	2, Exhibit I	7, 49	
2.7	Markets served	2, 4	7 (practice areas), 12	
2.8	Scale of the reporting organization.	1, 3	4, 10, 11	(1)
2.9	Significant changes during the reporting period regarding size, structure, or ownership including.	1, 2, 3	4, 7, 8, 10, 11	
2,10	Awards received in the reporting period.	3	10	
3	Report parameters			
3,1	Reporting period for information provided.	Exhibit I	49	
3,2	Date of most recent previous report.	Exhibit I	49	
3,3	Reporting cycle.	Exhibit I	49	
3,4	Contact point for questions regarding the report or its contents.	"Contact us" section at www.garrigues.com		
3,5	Process for defining report content.	Exhibit I	49	
3,6	Boundary of the report.	Exhibit I	49	
3,7	Existence of specific limitations on the scope or boundary of the report.	Exhibit I	49	
3,8	Basis for reporting on joint ventures, subsidiaries, etc.	Exhibit I	49	
3,9	Data measurement techniques and the bases of calculations.	Exhibit I	49	
3,10	Explanation of the effect of any re-statements of information provided in earlier reports	Exhibit I	49	
3,11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Exhibit I	49	
3,12	Table identifying the location of the Standard Disclosures in the report.	Exhibit II	51	
3,13	Policy and current practice with regard to seeking external assurance for the report	Exhibit I	49	
4	Governance, commitment and engagement			
4,1	Governance structure of the organization.	2	7	
4,2	Indicate whether the Chair of the highest governance body is also an executive officer.	2	7	
4,3	Number and gender of members of the highest governance body that are independent and/or non-executive members.	2	7	See partners (7)
4,4	Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body.	2	8	
4,5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance.	2, 5	7, 23	
4,6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	2, 4	7, 8, 15	
4,7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body.	2, 5	7, 19	
4,8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance.	1, 2	4, 7, 8	
4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance.	2	7, 8	
4,10	Processes for evaluating the highest governance body's own performance.	2	7, 8	

CSR REPORT CONTENTS

GRI Section	Description	Section	Page	Notes
4,11	Explanation of how the precautionary approach or principle is addressed by the organization.	2	7, 8	
4,12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	6, 8, 9	26, 36, 40	
4,13	Memberships in associations.	Member of more than 90 associations, professional groups and similar entities, domestically and internationally, in the public and private arenas (bar and economists' associations in the jurisdictions in which we operate, business associations, universities, etc.)		
4,14	List of stakeholder groups engaged by the organization.	2	8	
4,15	Basis for identification and selection of stakeholders with whom to engage.	2, Exhibit I	8, 49	
4,16	Approaches to stakeholder engagement.	2, Exhibit I	8, 49	
4,17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	1, 3, 4, 10, Exhibit I	4, 10, 14, 44, 49	
5	Management approach			
5	Information on economic, social and environmental management approach.	1, 5, 6, 8, 9	4, 16, 26, 36, 40	

ECONOMIC (EC)

GRI Section	Description	Section	Page	Notes
	Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	9	40	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	2, 8	7 (practice areas), 38	
EC3	Coverage of the organization's defined benefit plan obligations.	5	23	
EC4	Significant financial assistance received from government.	9	40	
	Market presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	5	23	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	8	37	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	8	37	
	Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono.	6	26	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		N.A.	(2)

ENVIRONMENT (EN)

GRI Section	Description	Section	Page	Notes
	Materials			
EN1	Materials used by weight or volume.	8	37	
EN2	Percentage of materials used that are recycled input materials.	8	37	

ENVIRONMENT (EN)

GRI Section	Description	Section	Page	Notes
	Energy			
EN3	Direct energy consumption by primary energy source.	8	37	
EN4	Indirect energy consumption by primary source.	8	37	
EN5	Energy saved due to conservation and efficiency improvements.	8	37	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	8	37	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	8	37	
	Water			
EN8	Total water withdrawal by source.	8	38	
EN9	Water sources significantly affected by withdrawal of water.		N.A.	(3)
EN10	Percentage and total volume of water recycled and reused.		N.A.	(3)
	Biodiversity			
EN11	Description of land adjacent to or within protected areas or unprotected areas with a high biodiversity. Location and size of land owned, leased, or managed, with high biodiversity value and outside protected areas.		N.A.	(4)
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		N.A.	(4)
EN13	Habitats protected or restored.		N.A.	(4)
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		N.A.	(4)
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of risk of extinction.		N.A.	(4)
	Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	8	38	
EN17	Other indirect greenhouse gas emissions by weight.	8	38	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	8	38	
EN19	Emissions of ozone-depleting substances by weight.	8	38	
EN20	NO, SO, and other significant air emissions by type and weight.	8	38	
EN21	Total waste water discharge by quality and destination.		N.A.	(3)
EN22	Total weight of waste by type and disposal method.	8	38	
EN23	Total number and volume of most significant spills.		N.A.	(3)
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	8	38	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		N.A.	(3), (4)
	Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	8	36	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		N.A.	(5)
	Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.		No record of any fines or penalties	
	Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	8	38.39	
	General			
EN30	Total environmental protection expenditures and investments by type.		€ 369,040	

LABOR: Labor practices and decent work (LA)

GRI Section	Description	Section	Page	Notes
	Employment			
LA1	Total workforce by employment type, employment contract, and region.	5	17	(6) (7)
LA2	Total number and rate of new employees hired and average employee turnover by age group, gender, and region.	5	17	(8) (9) (10)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	5	19, 23	
LA15	Return to work and retention rates after parental leave, by gender.	5	17	
	Labor/Management relations			
LA4	Percentage of employees covered by collective bargaining agreements.			See 2009 CSR Report, section 6, page 59 available at www.garrigues.com > The firm > RSE > Last editions
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.			See 2009 CSR Report, section 6, page 59 available at www.garrigues.com > The firm > RSE > Last editions
	Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		N. A.	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender.	5	19, 24	(11)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	5	24	
LA9	Health and safety topics covered in formal agreements with trade unions.		N. A.	
	Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	5	21	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	5	21	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	5	19	
	Diversity and equal opportunities			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	5	17	(6) (7)
	Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	5	19	

LABOR: Human Rights (HR)

GRI Section	Description	Section	Page	Notes
	Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screenings.		N. A.	(12)
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening and actions taken.		N. A.	(13)
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	2, 5	7, 8, 21	
	Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	5	20, 21	

LABOR: Human Rights (HR)

GRI Section	Description	Section	Page	Notes
	Investment and procurement practices			
HR5	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.			See 2009 CSR Report, section 6, page 59 available at www.garrigues.com > The firm > RSE > Last editions
	Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor; and measures taken to contribute to the elimination of child labor.	2, 8	7, 8, 37	(14)
	Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor; and measures to contribute to the elimination of all forms of forced or compulsory labor.	2, 8	7, 8, 37	(14)
	Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		N.A.	(14)
	Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		N.A.	(15)
	Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		N.A.	(15)
	Remediation			
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.			No human rights-related grievances have been received

SOCIAL: Society (SO)

GRI Section	Description	Section	Page	Notes
	Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		N.A.	(15)
SO9	Operations with significant potential or actual negative impacts on local communities.		N.A.	(15)
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		N.A.	(15)
	Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	2	7, 8	
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures.	2, 5	7, 8, 21	
SO4	Actions taken in response to incidents of corruption.			No incidents whatsoever involving corruption, money-laundering or other type of corporate crime have taken place
	Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	2	7, 8	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		N.A.	(16)
	Anti-competitive behavior			
SO7	Total number of legal actions for anticompetitive behavior; anti-trust, and monopoly practices and their outcomes.		None	

SOCIAL: Society (SO)

GRI Section	Description	Section	Page	Notes
	Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	2	7, 8	

SOCIAL: Product responsibility (PR)

GRI Section	Description	Section	Page	Notes
	Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	2, 4, 7	7, 8, 14, 15, 32	(17)
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	5	24	(17)
	Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		N.A.	(18)
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		N.A.	(18)
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	4	14	
	Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			See 2009 CSR Report, section 6, page 59 available at www.garrigues.com > The firm > RSE > Last editions
PR7	Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	4	15	
	Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	4	15	
	Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	2, 4	7, 8, 15	

Notas:

N.A. = Not applicable

N.A. = Not available

- (1) The main indicators specific to the business are: number of persons, number of partners and billings.
- (2) Given that our activity takes place at offices and in areas in which there is considerable economic activity, the indirect financial impact on the local surroundings is not significant.
- (3) 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 water, which is channeled via the municipal treatment network. No accidental spillages have occurred.
- (4) All Garrigues offices are built on urban land. There is no protected area adjacent to our offices or any environmental impact on biodiversity.
- (5) Given Garrigues' activities, no reclaimable packaging is generated by our service.
- (6) Data on headcount by region and professional categories at the 2012-year end:

Headcount by region	2010	2011	2012
Spain	2,281	2,147	1,954
Portugal	143	131	115
International	76	66	66
TOTAL	2,500	2,344	2,135

Headcount by category	2010	2011	2012
Partners	274	279	284
Associates	555	535	504
Seniors	425	460	376
Juniors	637	478	417
Admin. and support	609	592	554
TOTAL	2,500	2,344	2,135

- (7) 2012 data on headcount by professional category and gender at the 2012 year-end:

	Partners	%	Associates	%	Seniors	%	Juniors	%	Admin. & support	%	TOTAL
Men	244	86 %	314	62 %	163	43 %	191	46 %	87	16 %	999
Women	40	14 %	190	38 %	213	57 %	226	54 %	467	84 %	1,136
Total	284	100 %	504	100 %	376	100 %	417	100 %	554	100 %	2,135

- (8) New hires by gender, professional category and region at the 2012 year-end:

Category	Men	Women	Total
Partners	0 %	0 %	0
Associates	63 %	37 %	8
Seniors	67 %	33 %	18
Juniors	50 %	50 %	212
Admin. and Support	13 %	87 %	30
TOTAL	48 %	52 %	268

Region	Men	Women	Total
Spain	116	125	241
Portugal	5	5	10
International	7	10	17
TOTAL	128	140	268

(9) Employee turnover by gender, professional category and region at the 2012 year-end:

Employee turnover by category and gender

Men (M) / Women (W)	2010		2011		2012	
	M	W	M	W	M	W
Partners	7	1	13	0	10	0
Associates	41	26	61	33	70	45
Seniors	38	58	49	81	73	81
Juniors	81	103	84	90	64	53
Admin. and Support	13	70	12	51	8	60
TOTAL	180	258	219	255	225	239

Employee turnover by region

	2012		
	M	W	Total
Spain	201	217	418
Portugal	15	11	26
International	9	11	20
TOTAL	225	239	464

(10) Our firm has never undergone any process in its history as a result of which jobs were lost (collective layoff procedures, etc.)

(11) Absentee rate:

	Total	Men	Women
2012 absentee rate by gender (%)	2,16	0,24	1,92

	2010	2011	2012
Variations in the absentee rate (%)	1,85	1,91	2,16

Note: The absentee rate calculated refers only to Spain

(12) Garrigues has not concluded any significant agreements in this respect.

(13) Given that practically all of Garrigues' suppliers are from Spain, a country that respects the human and labor rights of its workers, and that they are suppliers of office materials, it was not deemed necessary to conduct screening on human rights.

(14) Garrigues does not engage in activities in which work is produced by child labor; or by forced or compulsory labor. The firm scrupulously complies with the labor legislation in force and has signed up to the United Nations Global Compact.

(15) Garrigues' activities do not pose any risk to the local communities in which it operates. However, the Report describes the social and environmental actions taken to improve the local communities in which it operates.

(16) Garrigues does not make any financial or in-kind contributions to political parties or related institutions.

(17) Garrigues complies with the laws and regulations on the health and safety of clients. There are no known infringements or breaches in this respect.

(18) Garrigues' services do not generate any social or environmental impact that must be notified to our clients or end users. Garrigues scrupulously complies with the legislation applicable to it and has signed up to the United Nations Global Compact.

Exhibit III

Verification document

AENOR Asociación Española de
Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 005/13

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

GARRIGUES

Entitled ***CORPORATE SOCIAL RESPONSIBILITY REPORT 2012***

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report, being its application level: **A+**

This external assurance is in accordance with the requirements of the G3.1 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 22th February, 2013 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract – application nº GRI-003/13 dated 16th January, 2013 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate GARRIGUES, in the "GRI Reports List" which is published in its Web: <http://database.globalreporting.org>.

Issued on: 22th March 2013

AENOR Asociación Española de
Normalización y Certificación.

Avelino BRITO
Chief Executive Officer

*Exhibit IV**Garrigues' offices*Offices in Spain
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