NEINVER SUSTAINABILITY REPORT 2014

Company
Growth
Stakeholders
Environment

NEINVER
Create. Future. Now.

PRESENTATION

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Message from the Chairman

(G4-1)

"The main achievement was, unquestionably, the magnificent earnings, showing a resumption of growth"

Dear friends,

This year, once again, I am pleased to present NEINVER's Corporate Social Responsibility Report, with which we wish to show the company's commitment to sustainability and our progress in the various facets of this area.

Sustainability is a growing priority for NEINVER and our different groups of stakeholders. Investors' decisions increasingly depend on how sustainably a company develops and manages its properties. Employees care about how transparent a company is and the opportunities it offers for them to advance in an appealing, enriching atmosphere. Store operators play a vital role in improving our sustainability performance. Government agencies and local communities have welcomed our centres and they expect the company to be transparent, sensitive to their concerns, and committed to creating jobs and economic growth opportunities.

NEINVER has launched initiatives reflecting its awareness of how much its stakeholders care about these issues and how sustainability benefits the company's operations. The following pages describe these actions in detail.

Let me summarise NEINVER's main achievements of the past year. The first, unquestionably, **was the magnificent earnings (€24.1 million in profits), showing a resumption of growth** after three years of a complex situation in the property market.

Equally noteworthy was the **signing of three strategic alliances with internationally respected partners:** TIAA-CREF (co-managed with its subsidiary TIAA Henderson Real Estate), KKR and Colony Capital. This not only opens the door to further growth through development of new centres and upgrades to existing centres, but also clearly vouches for the solidity and confidence the company inspires in the market.

In new development, in 2014 **NEINVER started construction on a new centre in Spain, in the Catalan town of Viladecans**. The project will involve an €80 million investment, and its 26,500 sq. m will house more than 130 stores, representing top-name fashion brands, and restaurants. Besides helping to promote tourism and energising commerce in the area, its construction and operation will create job opportunities for the local community.

Besides developing new properties, one of the strategic priorities for NEINVER's future growth will involve **leveraging new technologies and expanding digital channels, to adapt to shoppers' needs**. In 2014 the company made progress in developing an omni-channel strategy to improve satisfaction among visitors to the centres, through better knowledge of their behaviour and needs.

These accomplishments would not have been possible without the dedication of the 266 professionals who make up the company. I thank all of them sincerely and invite them to bring the same enthusiasm to the challenges the company has defined for the coming years.

Madrid, July 2015
José María Losantos y del Campo
Chairman

Message from the Chief Financial Officer

(G4-1)

"At NEINVER we are convinced that responsible conduct generates value"

With this Sustainability report, NEINVER is taking the next step in its commitment to transparency.

In preparing this publication, the company followed **the Global Reporting Initiative's G4 standard, which meant revising the content** to ensure a focus on issues relevant to the company's stakeholders.

Content was selected based on a materiality study in which NEINVER not only identified the types of topics to include but also structured the information in a way that clearly conveys **how we create value through our operations and how much of this value is passed along to the various groups of stakeholders.**

At NEINVER we are convinced that responsible conduct generates value. Good economic and operational performance is essential to improving sustainability performance, but **responsible conduct also makes the company more attractive** to investors, marks us as a high-quality partner, strengthens the link between our employees and the company, and makes our centres run more efficiently, which benefits our store operators and bolsters our integration with the local community.

The company has reached important milestones in these areas, some of them in 2014. Specifically, with regard to the environment, NEINVER was **the first company in the sector to implement an ISO 50001–certified energy-efficiency system in all its centres.** This is in addition to the company's other certifications for its centres' environmental management, quality management, occupational risk prevention, and sustainability, a field in which the company is an industry leader.

The company's responsible behaviour, however, **goes beyond earning these distinction**s. This way of working pervades all our activities and has translated into other achievements in terms of managing our people, promoting ethical conduct and improving relations with the community.

In 2014 the Human Resources department thus **continued to deploy our Strategic Plan** to help bolster employee professional development mechanisms, strengthen workers' ties to the company's values, and retain the best talent. Milestones for the year include the satisfaction survey and the training of management, including senior management, to better implement the professional performance evaluation programme.

We have begun a project to **foster ethical conduct in the company,** which will include updating the Code of Ethics and developing a compliance protocol. NEINVER has also worked to **create a standard, boilerplate lease** to avoid the sort of discretion that might lead to the inclusion of illegal clauses or to agreements that diverge from the company's principles.

To increase our integration with the community, NEINVER has also signed **an agreement with the Viladecans town government and launched a Communication Plan** to strengthen transparency during development of the new centre, and to work jointly on projects to promote the region's economic and social development. Plans include training initiatives to boost employability in the neighbouring community and projects to promote tourism in the region.

These are some examples of NEINVER's efforts to improve its sustainability performance. Along with these, and from a strategic perspective, the company is now creating a **roadmap of new CSR priorities for the coming years** to help maintain our leadership in that area.

I invite you to read this report and find out all about our commitment and the progress we have achieved.

Madrid, July 2015
Carlos González
Chief Financial Officer

COMPANY PROFILE AND PERFORMANCE IN 2014

1

"NEINVER is one of Europe's leading property development and management companies.

It began its operations in 1969, acquiring, developing and managing different property products: business parks, logistics properties and shopping centres.

NEINVER's growth strategy has been based on specialisation in the outlet sector"

Excellence in management

BREEAM In-Use certification
100% of all its outlets that are more than two years old

ISO 9001, 14001, 50001
100% of the retail portfolio [2]

OHSAS 18001
100% of centres in Spain [2]

NEINVER at a glance

KEY FIGURES FOR 2014 (G4-9)

NET SALES
59.7 €M

EMPLOYEES
266

VALUE OF THE PORTFOLIO
2,013 €M

TOTAL GLA[1] MANAGED (COMMERCIAL AND INDUSTRIAL PROPERTIES)
724,041 sq.m.

GLA[1] MANAGED IN COMMERCIAL PROPERTIES (OUTLET CENTRES AND RETAIL CENTRES)
580,083 sq.m.

GLA[1] RENOVATED OR BEING RENOVATED IN 2014
73,000 sq.m.

COMMERCIAL PROPERTIES MANAGED (OUTLET CENTRES AND RETAIL CENTRES)
23

VISITORS[2]
58.1 M

AVERAGE OCCUPANCY[2]
96%

DOMESTIC AND INTERNATIONAL BRANDS[2]
1,200

SALES REVENUE AT MANAGED COMMERCIAL PROPERTIES[2]
1,149 €M

[1] GLA: Gross leasable area.
[2] Does not include data from the Nassica centre (Madrid) or Vista Alegre centre (Zamora), added in September 2014.

Involved in every phase of the property cycle

More than 16,600 jobs created, directly or indirectly[3]

Europe's only shopping centre manager to earn ISO 50001 energy-efficiency certification for its entire portfolio

A trusted partner: in 2014 it signed 3 new joint-venture agreements with internationally respected investors

(G4-6)

[3] Estimated number of jobs created by the various centres and their store operators. Includes NEINVER's own staff
[4] BRICOR managed at the Vila do Conde centre.

Portfolio managed by NEINVER

OUTLET CENTRES

15

GLA[5] OF OUTLET SPACE

311,600 sq.m.

RETAIL CENTRES

8

GLA[5] RETAIL SPACE

268,483 sq.m.

OUTLET CENTRES IN DEVELOPMENT

3

GLA[5] IN DEVELOPMENT

62,500 sq.m.

LOGISTICS PROPERTIES

22

GLA[5] OF LOGISTICS PROPERTIES

143,958 sq.m.

[5] GLA: Gross leasable area

Company milestones in 2014

"The signing of three joint-venture agreements with internationally respected investors, progress in the Viladecans property, and the earning of new certificates for sustainability are some of the company's milestones for 2014"

NEINVER acquires 100% of the assets of its former joint venture with MAB

This purchase gave NEINVER full ownership of the properties in France, Germany and the Netherlands that had been part of the joint venture. This advanced the company's strategy of becoming Europe's largest operator of outlet centres by strengthening its presence in the most important growing markets.

NEINVER – KKR joint venture, created to acquire and manage 2 retail centres in Spain.

In September 2014, an agreement was signed to acquire two retail centres – Nassica in Madrid and Vista Alegre in Zamora – in a joint venture between the company and KKR, a leading investment firm. NEINVER will assume management of these assets.

NEINVER – TIAA-CREF joint venture, created to build a long-term investment platform.

NEINVER and TIAA-CREF signed a strategic alliance to create a leading platform for long-term investment in outlet centres in Europe. This strategic alliance, created through a 50/50 joint-venture agreement, already has properties in its portfolio: Roppenheim The Style Outlets in France, and FACTORY Warsaw Annopol, Futura Park Krakow and FACTORY Krakow in Poland.

This joint venture will invest in outlet centres, with an initial focus on NEINVER's current properties and pipeline projects in Europe. In managing all centres that are included in the portfolio, NEINVER will continue to contribute its specialisation in asset management and its operational expertise.

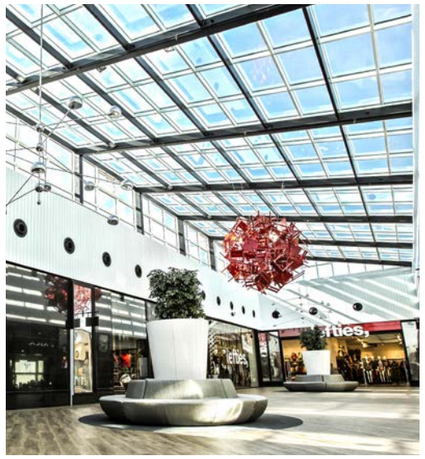
NEINVER – Colony Capital joint venture, created to acquire logistics assets in Europe.

NEINVER and Colony Capital, a global property-investment firm, signed a joint-venture agreement to acquire logistics assets in European markets. With a particular interest in Spain and Portugal (where they have already completed their first joint acquisition of 13 logistics assets with a total area of 91,359 sq.m, and where they hope to obtain others until they reach a total of 110,000 sq.m), the scope of investment will range from currently operating logistics assets to new logistics properties in development.

Company milestones in 2014

Development of the Viladecans The Style Outlets project.

In Viladecans, just outside Barcelona, NEINVER is developing its first outlet centre in Catalonia. In 2014 the company obtained the permits and licences needed to begin construction. Throughout that same year, NEINVER maintained very active communication with principal stakeholders in the local community, spreading the word about the project's benefits as a driver of economic activity, job creation and social cohesion, and also as a tourist attraction in the region. The company also signed a collaboration agreement with the Viladecans town government, in which both parties committed to fostering joint actions to leverage these benefits.



NEINVER is the first European retail property company to earn ISO 50001 energy-efficiency certification for all the centres it manages.

With this credential, NEINVER also becomes the first retail property company in Spain to achieve quadruple certification for all its commercial assets managed as of September 2014 (ISO 50001 for energy efficiency, ISO 9001 for quality management, ISO 14001 for environmental management and OHSAS 18001 for Occupational Health and Safety).

BREEAM In-Use certification of all its outlet centres.

As part of its commitment to sustainable management and development of its properties, in 2014 NEINVER earned BREEAM In-Use certification for Roppenheim The Style Outlets, completing the process of gaining that certification for its entire portfolio of outlet centres in Europe that have been operating for more than two years.

Towards a new corporate strategy.

In 2014, NEINVER began defining a new strategy to keep propelling and growing the business, adapt the company to new market conditions and seek to stand out more clearly from the competition.

The process, which originated in the Management Committee, has involved the various areas of the company through targeted working groups. Approval of the strategy is expected in 2015.

Criminal compliance project.

NEINVER has begun developing an ambitious project to strengthen ethical behaviour in the organisation and avoid any type of illicit conduct.

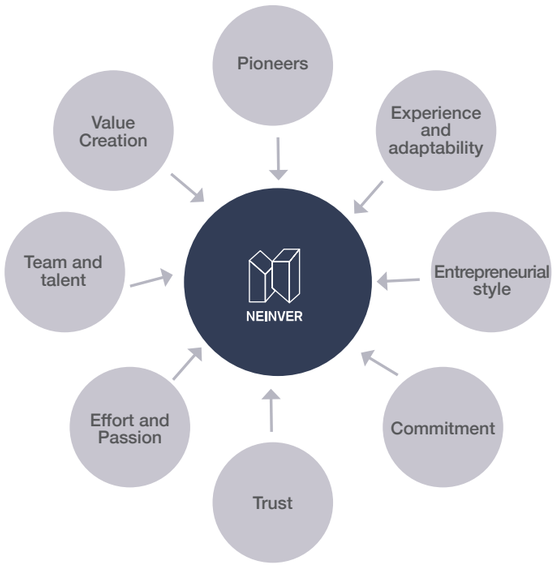
The company will thus adjust its management to comply with the latest revision of the Spanish Penal Code, addressing issues such as defining an organisational structure, a Code of Ethics, protocols and policies to prevent illegal incidents and to report infractions, and a disciplinary system in case of violations. Similarly, NEINVER continues to work on an anti-corruption policy, which all the Group's workers will be required to know and obey.

This is how NEINVER creates value (G4-3)

"NEINVER is a leading property development, investment, fund management and property management company"

NEINVER'S MISSION, VISION AND VALUES

NEINVER's mission, vision and values are aligned with the company's strategic goals. They aim to help strengthen its position as a **benchmark** company in the retail property sector, bolster its **leadership** as one of the main companies specialised in development, investment, fund management and property assets, and solidify its **appeal** as a strategic partner, thanks to its experience, talent and passion.



To adapt to needs in its surroundings and among its stakeholders, and tailor its principles to the company's new strategy, NEINVER has worked since 2014 to update its corporate mission, vision and values. The new versions should be published in late 2015.

Our Mission

Our mission is to develop, acquire and manage retail assets that meet our stakeholders' expectations, while ensuring long-term sustainable growth that generates value for society.

Our Vision

Our vision is to be leaders in the European retail property industry and become a worldwide benchmark through the quality and excellence of the projects we develop and the services we offer.

Our Values

- **Pioneers.** We are pioneers, able to anticipate and adapt to every need.
- **Experience.** Forty-five years' experience in the sector has given us knowledge of every phase of the property cycle. We can offer our clients a solution customised to their needs.
- **Entrepreneurial Style.** We have a unique style that distinguishes and unites us in a shared vision: to anticipate needs in the market and innovate with each project.
- **Commitment** to investors, the brands and sustainable development, and to the local community and the properties themselves. Our goal is their goal. We create strategic alliances that teach us ways to improve.
- **Trust.** We are building our business and building trust. Every day, NEINVER works to be the benchmark for top quality.
- **Effort and Passion.** *NEINVER is now a strategic partner that spreads its passion for a job well done, focusing on a continual effort to improve.*
- **Team and Talent.** We have the best talent for developing unique experiences through personal interaction. We are a unified team, driven by talent, effort and passion.
- **Value creation** for our stakeholders through a distinctive approach to management, a unique mix of products and services, and development of sustainable properties.

BUSINESS MODEL (G4-4)

NEINVER is a leading property development, investment, fund management and property management company.

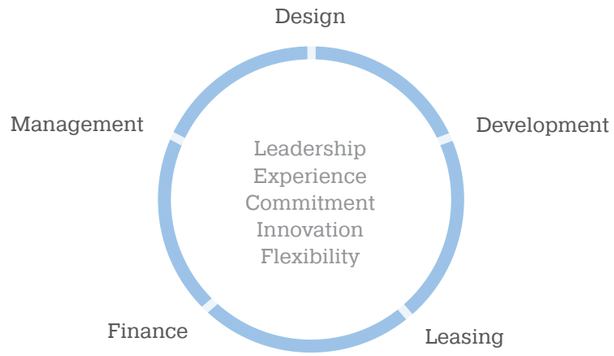
Since its founding in 1969, its business has revolved around developing, acquiring, leasing and managing a wide range of property products, including commercial properties, business parks and logistics assets. In the last 15 years, NEINVER has developed more than 1.5 million sq. m of logistics property, tailored to each client's needs. Values of sustainability and social responsibility are always present throughout the entire property cycle.

NEINVER has bolstered its position in the European retail property market with 580,083 sq. m of managed space, 2,000 store locations and 1,200 of the finest domestic and international brands. In 2014 the company resumed its commitment to managing logistics properties, a field in which it has a great deal of experience. This new focus is embodied in the joint venture created with the global investment firm Colony Capital in late 2014.[6]

After its latest acquisitions in 2014, NEINVER's management portfolio consists of 23 commercial assets (15 Outlet Centres, 6 Retail Parks and 2 Retail Centres) and 22 Logistics Assets. It owns or co-owns all of them.

[6] For more information about this alliance, see the sections "Company Milestones in 2014" (page14) and "Operating results" (page 46).

A benchmark company in the market: management of the entire property cycle



Asset development

NEINVER is committed to designing and developing innovative properties, adaptable to the needs of each client and market, and complying with the highest standards of sustainability. The company has experience developing a wide range of property assets such as logistics facilities, business parks, offices, and especially leisure and retail parks and outlet centres, in which it has specialised for the past 20 years.

Asset management

Asset management is one of NEINVER's defining traits. Serving as the manager of assets it also owns (or co-owns[7]) reinforces its long-term commitment to the assets' sustainability, value and quality, and helps create a unique, trusting relationship with investors and clients. By managing the centres (including the leasing of their GLA), NEINVER is working to gradually increase the sales revenue and value of all its properties.

Fund management

Thanks to its experience in the market and its ability to analyse properties' viability, NEINVER is considered a strategic partner for investment-fund management. The company has established a long-term relationship with investors who have placed their trust in the Group's management and its ability to generate value in the assets, as well as its vision in seeking new opportunities.

Since 2007, NEINVER has managed an investment fund called IRUS European Property Fund, specialised in developing and acquiring commercial property assets in Europe. IRUS Fund has generated attractive returns and stable dividends by acquiring assets developed by NEINVER and obtaining new assets in different markets, thanks to comprehensive, specialised management. At present, IRUS owns 11 Outlet Centres and a Retail Park, all managed by NEINVER[8], and a logistics property, spread across Spain, Portugal, Germany, Italy and Poland.

[7] For example, IRUS Fund assets or the properties that NEINVER co-owns through various joint ventures with Meyer Bergman-PKP, Heitman and KKR.
[8] It also owns a commercial space adjacent to San Sebastián de los Reyes The Style Outlets (Decathlon).

SPECIALISATION IN THE RETAIL PROPERTY (G4-4)

Within the retail sector, NEINVER's growth strategy over the last 20 years has been based on specialisation in outlet properties. The company manages 15 centres with a total of 311,600 sq.m of GLA, in the FACTORY and The Style Outlets platforms. In recent years the Group has positioned itself as one of the European leaders in this sector, with more than 1,500 stores operated by 930 top brands.

FACTORY

A first-generation outlet concept, synonymous with smart shopping, offering name-brand products at deep discounts all year.

The Style Outlets

A platform of best-in-class outlet centres, a next-generation concept in services for shoppers and the design world, fostering a shared international platform that can be tailored to each local environment.

Specialisation in developing and managing this type of property asset requires careful management of every variable affecting the consumers' shopping experience, the operators' satisfaction and the investors' profits.

Therefore, two key areas of NEINVER's business are: 1) to build a trusting, mutually beneficial relationship with store operators, which will let the company sign and renew leases with brands, and 2) to keep offering shoppers an attractive mix of stores and a comfortable, pleasant shopping experience, with exclusive services.

By doing this, the company has successfully boosted foot traffic in its centres and, by extension, their sales revenue, allowing store operators and investors to improve their results, and increasing the value of the company's assets year after year. It does all this in a context of integration with the local community and under strict sustainability standards throughout the property cycle.

COMMITMENT TO QUALITY (G4-14) (G4-DMA) (G4-CRE6) (G4-CRE8)

One of NEINVER's main goals is to do business responsibly. Commitment to the environment, sustainable construction and quality in property asset management are defining characteristics that have made the company the industry leader in this area.

Year after year, NEINVER has achieved ever-higher standards of quality and environmental protection in its processes, which has been recognised by the most stringent international certifications.[9]

ISO 14001 environmental certification, ISO 9001 quality certification and ISO 50001 for energy

Coruña The Style Outlets
Getafe The Style Outlets
Las Rozas The Style Outlets
San Sebastián de los Reyes The Style Outlets
Sevilla The Style Outlets
Vicolungo The Style Outlets
Castel Guelfo The Style Outlets
Vila do Conde The Style Outlets
Roppenheim The Style Outlets
Zweibrücken The Style Outlets
FACTORY Krakow - Futura Park Krakow
FACTORY Poznan
FACTORY Ursus
FACTORY Wroclaw- Futura Park Wroclaw
FACTORY Annopol
Galeria KATOWICKA
Galeria Malta
Parque Alegra
NEINVER Management Spain Head Office
NEINVER Management Poland Head Office

BREEAM in use

Coruña The Style Outlets
Getafe The Style Outlets
Las Rozas The Style Outlets
San Sebastián de los Reyes The Style Outlets
Sevilla The Style Outlets
Vicolungo The Style Outlets
Castel Guelfo The Style Outlets
Vila do Conde The Style Outlets
Roppenheim The Style Outlets
Zweibrücken The Style Outlets
FACTORY Krakow
FACTORY Poznan
FACTORY Warsaw Ursus
FACTORY Wroclaw-Futura Park Wroclaw
Galeria Malta
Parque Alegra

BREEAM New Construction

Coruña The Style Outlets
FACTORY Annopol
FACTORY Krakow
Viladecans The Style Outlets[10]
Amsterdam The Style Outlets[10]

OHSAS 18001 Health and Safety

Coruña The Style Outlets
Getafe The Style Outlets
Las Rozas The Style Outlets
San Sebastián de los Reyes The Style Outlets
Sevilla The Style Outlets
Parque Alegra
NEINVER Management Spain Head Office

[9] For more information, see the chapter "Reducing the company's environmental footprint".
[10] In the process of being certified

International operations

POLAND

"NEINVER Poland owns and manages the largest chain of outlet centres in the country"

2014

421.3 €M
In sales revenue (+14% from 2013)

12.4 M
Visitors to FACTORY centres (+5% from 2013)

85
Employees

5
Outlet centres

2
Retail parks

2
Shopping centres

229,300 sq.m.
GLA managed

97%
Occupancy rate

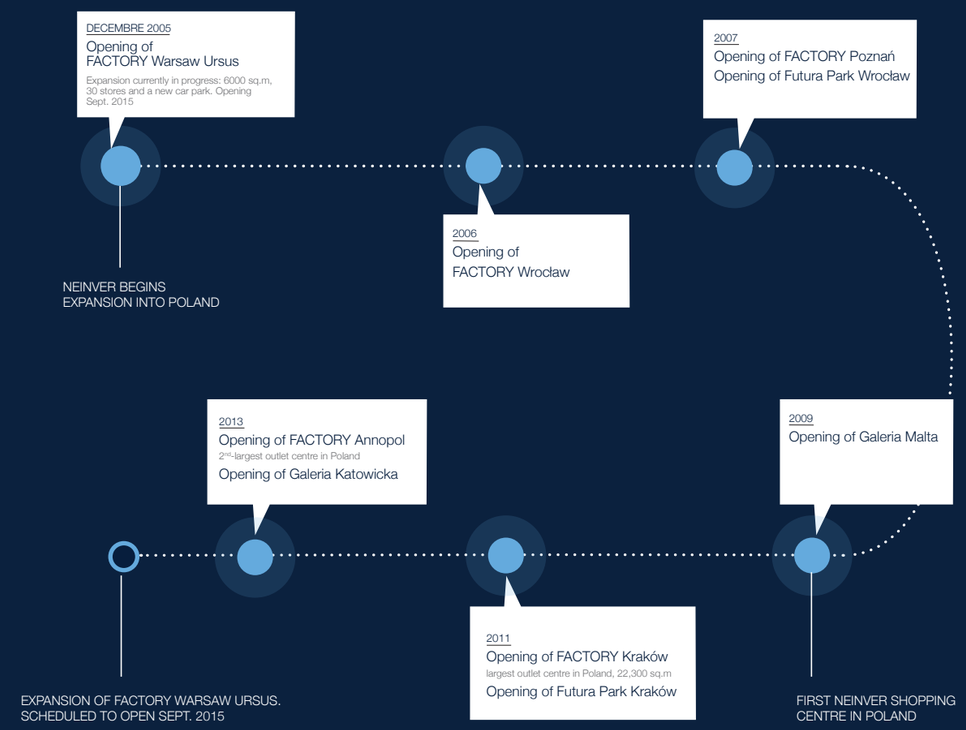
7,000
Jobs created directly or indirectly

67,241 Gj
Like-for-like energy consumption (-11% from 2013)

Highlights

- Replaced much of the **lighting with LED systems,** especially at the FACTORY Poznan, FACTORY Wroclaw and Galeria Malta centres.
- Created **co-working spaces** available to customers at Galeria Katowicka, FACTORY Warsaw Annopol and FACTORY Krakow.
- Optimised the **Building Management System** (BMS) used at all its centres, to achieve better energy management.

NEINVER in Poland



POLAND. CENTRES IN THE COUNTRY

FACTORY Warsaw Ursus

FACTORY Warsaw Ursus was the first NEINVER outlet centre in Poland. It has become one of the country's most successful outlet centres, which is why it is being expanded to include 30 new stores. It should be completed in September 2015.

FACTORY Warsaw Annopol

FACTORY Warsaw Annopol is the second-largest outlet centre in Poland. With 19,800 sq. m of GLA and more than 100 stores, it is the most recently opened NEINVER outlet centre in Europe, having opened in March 2013. Thanks to its energy-efficient, environmentally friendly design, this centre has received the BREEAM New Construction certification.

FACTORY Kraków & FUTURA PARK Kraków

FACTORY Kraków is the largest outlet centre in Poland, at 22,300 sq.m. The centre is part of the **FUTURA PARK retail park**. FUTURA opened in 2011 and has 42,000 sq.m of commercial space, and also has received BREEAM New Construction certification.

FACTORY Poznań

FACTORY Poznań is located ten minutes from the city centre of Poznan. With an occupancy rate of 97%, the centre features brands such as Nike, Reebok, Pepe Jeans, Levi Strauss, Adidas and Mango.

FACTORY Wrocław & FUTURA PARK Wrocław

Since 2006, NEINVER has owned **FACTORY Wrocław.** This centre, which is part of the **FUTURA PARK** retail park, also owned by NEINVER, signed 12 new leases and 4 renewals in 2014.

Galeria Katowicka

Galeria Katowicka is a retail complex with 53,000 sq.m of GLA and 220 store locations. Its construction involved a major redesign of the city centre of Katowice, significantly improving the quality of life in the area.

Galeria Malta

Galeria Malta in Poznan was the first retail centre developed by NEINVER Poland, in 2009.

SPAIN

"NEINVER is strengthening its leadership in Spain with new acquisitions and developments, such as the centre in Viladecans"

2014

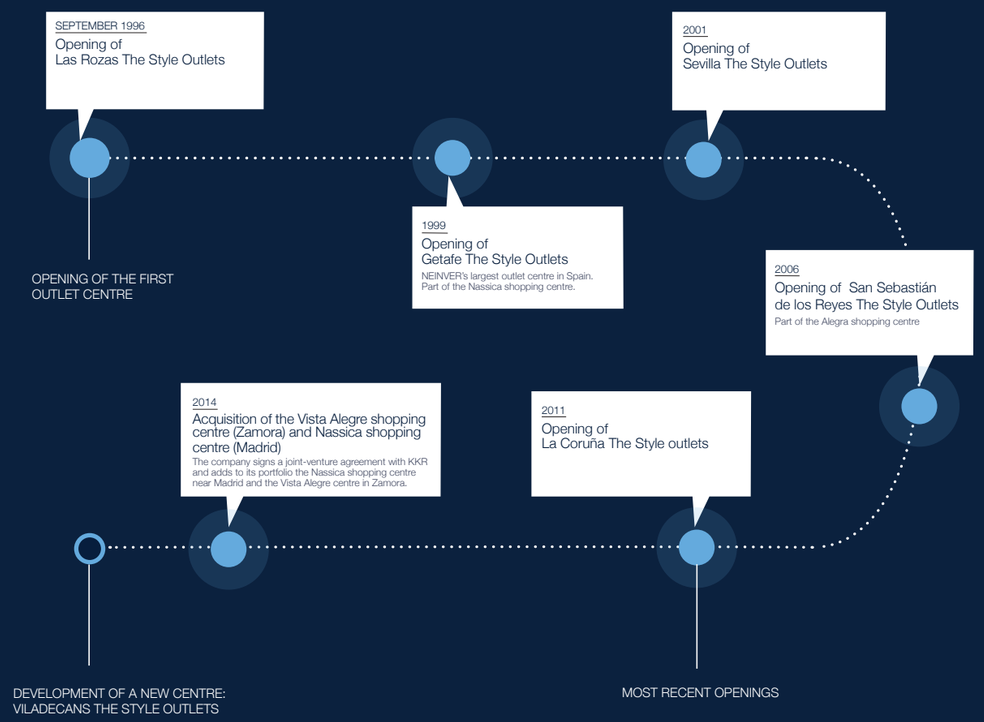
319.1 €M	In sales revenue (+5% from 2013)
13.3 M	Visitors to The Style Outlets (+4% from 2013)
114	Employees
5	Outlet centres The Style Outlets
3	Retail parks
1	The Style Outlets centre in development
192,155 sq.m.	GLA managed[11] in retail and outlet centres
94%	Occupancy rate
4,420	Jobs created directly or indirectly
27,524 Gj	*Like-for-like* energy consumption (-8% rfrom 2013)

[11] Besides outlet and retail centres, NEINVER manages 22 logistics properties in Spain.

Highlights

- Obtained the **permits and licences needed** to begin construction of the Viladecans centre.
- Acquired the **Nassica and Vista Alegre** centres. NEINVER also assumes management of them.
- **New store operators at centres** (The North Face, Adolfo Dominguez, Adidas, Vipsmart, Acosta, Adidas/Reebok)

NEINVER in Spain



SPAIN. CENTRES IN THE COUNTRY

Sevilla The Style Outlets

Sevilla The Style Outlets is the leading outlet centre in Andalusia, with 16,400 sq.m and 66 stores. In 2012 it was expanded and given a new image as it joined The Style Outlets brand. In 2014 this centre won the award for Best Renovation of a Shopping Centre from the AECC (Spanish Association of Shopping Centres).

Getafe The Style Outlets & Nassica

Getafe The Style Outlets is the largest outlet centre NEINVER manages in Spain, with 21,064 sq.m of GLA. It is part of the **Nassica** retail centre, also owned by NEINVER since the signing of the joint-venture agreement with the KKR investment group in 2014.

San Sebastián de los Reyes The Style Outlets & Alegra

San Sebastián de los Reyes The Style Outlets, which opened in 2006, is part of a large retail centre that is also owned by NEINVER: **Alegra**. Nearby there is also a large retail space owned by IRUS Fund, operated by the French company Decathlon.

Las Rozas The Style Outlets

Las Rozas The Style Outlets was the company's first outlet centre, with which it entered this sector in 1996. It was the prototype for the outlet concept in the Spanish market, and was a huge success.

La Coruña The Style Outlets

Coruña The Style Outlets opened in 2011 and, thanks to its energy-efficient, environmentally friendly design, it earned the BREEAM New Construction certification.

Vista Alegre (Zamora)

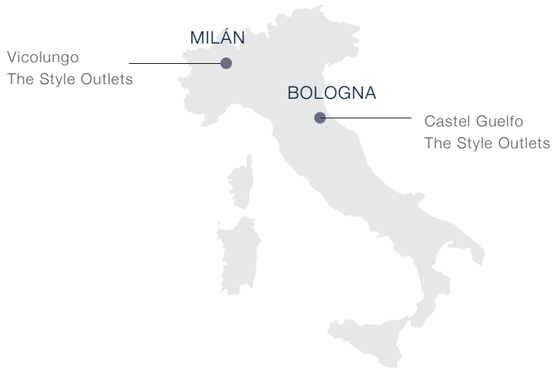
Vista Alegre. NEINVER has added this centre to its portfolio thanks to the joint-venture agreement signed with KKR.

Viladecans The Style Outlets (In development)

Viladecans The Style Outlets will begin construction in 2015 and will feature 104 stores representing premium domestic and international brands, which will occupy 90% of the space. It is scheduled to open in 2016, by which time the company plans to have it certified under the BREEAM New Construction standard**.**

ITALY

"Design, quality and great brands in Italy"



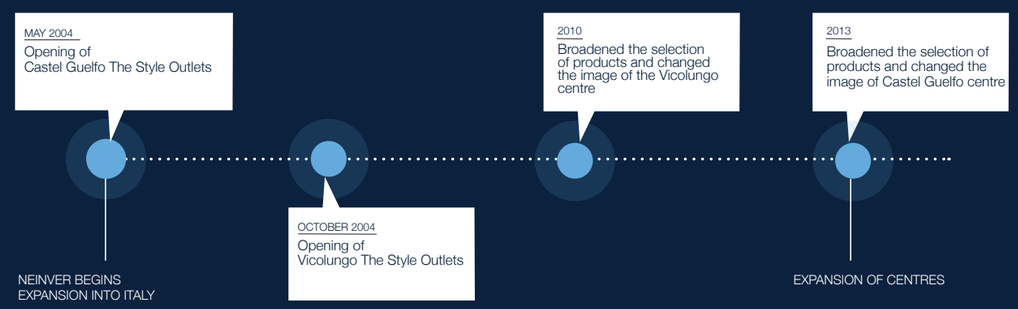
2014

214.9 €M In sales revenue (+8% from 2013)	6.3 M Visitors (+4% from 2013)	23 Employees	2 The Style Outlets Centres
58,700 sq.m. GLA managed	99% Occupancy rate	1,500 Jobs created directly or indirectly	3,832 Gj *Like for like* consumption (-1% from 2013)

Highlights

- Replaced lights with **LED systems.**
- At the Vicolungo centre, established a **system for waste separation and separate collection.**

NEINVER in Italy



Vicolungo The Style Outlets

Vicolungo The Style Outlets is located on the outskirts of Milan. Its great success has led to several expansions of the centre to its current 34,200 sq.m and 146 stores.

Castel Guelfo The Style Outlets

Castel Guelfo The Style Outlets is located near Bologna and its opening in 2004 marked the beginning of NEINVER's expansion into Italy. It was expanded in 2013, and now has 110 stores and 99% occupancy.

PORTUGAL

"NEINVER owns the largest outlet centre in northern Portugal"

2014

- **12.75 €M** — In sales revenue (+16% from 2013)
- **4.1 M** — Visitors (+2% from 2013)
- **11** — Employees
- **1** — The Style Outlets centre
- **1** — Retail centre
- **43,928 sq.m.** — GLA managed
- **96%** — Occupancy rate
- **1,700** — Jobs created directly or indirectly
- **8,589 Gj** — *Like for like* energy consumption (-3% from 2013)

Highlights

- Signed **16 new leases with major companies**, for a total of 6,200 sq.m.
- Sponsored the **National SB20 sailing championship.**
- Achieved major savings of water and energy through initiatives such as **replacing lighting with LED systems.**
- **Improved traffic management** for access to the centre.

NEINVER in Portugal

- NOVEMBER 2004 — Opening of Vila do Conde The Style Outlets
- 2009 — Broadened the selection of products and changed the centre's image
- 2011 — Acquisition of Bricor

NEINVER ENTERS THE PORTUGUESE MARKET

FIRST NEINVER RETAIL CENTRE IN PORTUGAL

Vila do Conde The Style Outlets

Vila do Conde The Style Outlets, located on the outskirts of Oporto, is the largest retail fashion centre in northern Portugal. Its huge success has led to two expansions, doubling its surface area to 29,000 sq.m. Vila do Conde is part of the NASSICA retail park, also owned by NEINVER.

Bricor

Bricor, a Spanish chain of DIY home improvement stores, manages a large space within the NASSICA retail complex, where **Vila do Conde The Style Outlets** is also located. NEINVER acquired this retail centre in 2011, but it is managed by the owner of the chain.

GERMANY

"NEINVER, owner of the largest outlet centre in Germany"

2014

163.6 €M
In sales revenue (+11% from 2013)

3.8 M
Visitors (+11% from 2013)

20
Employees

1
The Style Outlets centre

1
The Style Outlets centre in development

28,800 sq.m.
GLA managed

100%
Occupancy rate

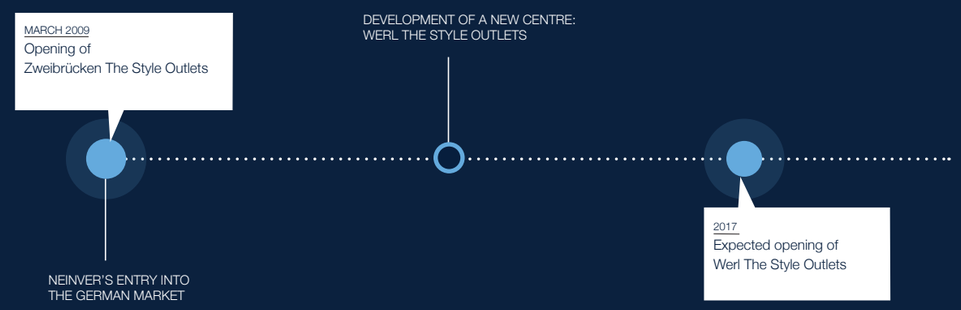
1,100
Jobs created directly or indirectly

2,846 Gj
Like for like energy consumption (-3% from 2013)

Highlights

- **Installed LED lights** in the car park at the Zweibrücken centre, **and digital metering of water and heat** to better manage the consumption of both.
- Used **100% eco-friendly floor-cleaning machines.**
- Signed **11 new leases.**

NEINVER in Germany



Zweibrücken The Style Outlets

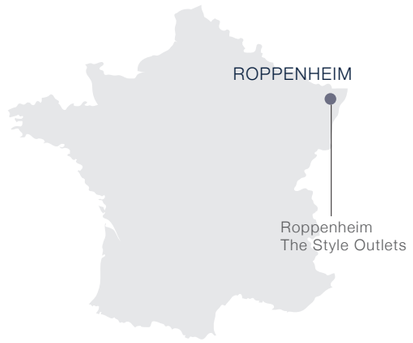
Zweibrücken The Style Outlets is located between Germany's borders with Luxembourg and France. Since it opened, it has indirectly created 1,100 jobs in the area.

Werl The Style Outlets (In development)

NEINVER is developing an outlet centre with 17,000 sq.m of retail space, with room for 80 to 100 stores and 1,400 parking spaces. It is scheduled to open in 2017.

FRANCE

"Roppenheim The Style Outlets draws visitors from France and Germany by offering a unique shopping experience, thanks to the range of services, brands and products it offers"



2014

4.88 €M
In sales revenue (+16% from 2013)

1.4 M
Visitors (+19% from 2013)

13
Employees

1
The Style Outlets centre

27,200 sq.m.
GLA managed

93%
Occupancy rate

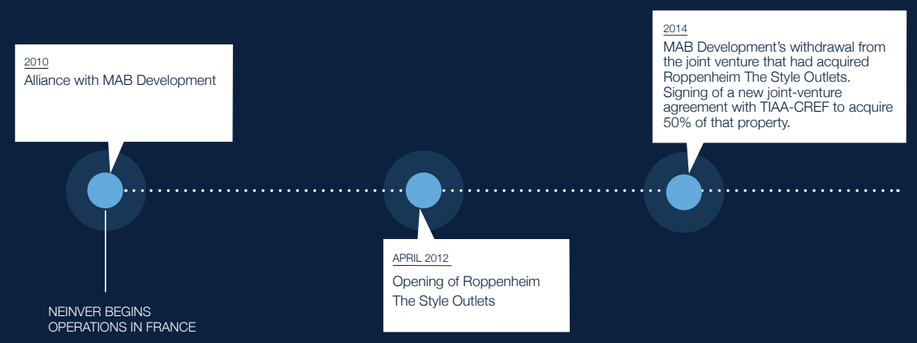
630
Jobs created directly or indirectly

27,524 Gj
Total energy consumption (-8% from 2013)

Highlights

- In 2014, NEINVER bought out MAB Development's stake in the Roppenheim property and assumed full ownership of it. A 50% interest then went to **TIAA-CREF after the joint-venture agreement was signed** between NEINVER and this investment group.
- Obtained **BREEAM In-Use** certification, with a rating of Excellent.
- Implemented **new green spaces, lounges and children's play areas.**
- Opened **7 new stores** and a temporary **art gallery.**

NEINVER in France



Roppenheim The Style Outlets

Roppenheim The Style Outlets is located in the Alsace region. Built to resemble a traditional Alsatian small town, it is the only centre NEINVER manages in France. It contains 27,200 sq.m and 109 stores.

THE NETHERLANDS

"NEINVER is entering new markets: The Netherlands"

Amsterdam The Style Outlets. (In development)

NEINVER is developing its first property in the Netherlands: **Amsterdam The Style Outlets**, which will comprise 18,000 sq.m of retail space, 115 stores, and another 1,000 sq.m devoted to food service. **Amsterdam The Style Outlets** involves turning a former industrial zone called "Sugar City" into a modern retail complex whose design is based on traditional Dutch architecture, with emphasis on the use of light, vegetation and water.

Located 8 kilometres from the city, **Amsterdam The Style Outlets** will be the first outlet centre in the region, giving it a catchment area with 12 million potential customers. Construction will start in 2015 and the centre is scheduled to open in 2017.

2014: resuming growth

MANAGEMENT MODEL (G4-DMA)

NEINVER began generating profits again in 2014. The company thus reversed the trend of the previous three years, in which earnings had been negative.

The change in Spain's economic situation, ending a period in which the property industry was hard hit by the crisis, contributed to this improvement. The new economic context has allowed NEINVER to end the asset adjustment and writedown process undertaken in recent years.

Additionally, the rise in recurring income (reducing exposure from and dependence on property transactions and reaffirming the company's commitment to the outlet sector), the quest for operational efficiency, and the support of banking institutions in adapting financial debt to the new situation, have allowed the company to overcome this situation.

Financial goals

In this context, NEINVER's Finance Department has set several goals that will continue into next year:

- **Increase operating income from the company's ordinary business.** The company is pursuing greater diversification, both geographically and operationally, allowing it to generate more revenue in different activities such as asset management and leasing its properties.
- **Rationalise and optimise the company's structural costs.**
- **Increase EBITDA/OIBDA (EBITDA excluding the sale of assets).**
- **Rationalise the company's financial structure.** Since late 2011, NEINVER has undertaken a process of significantly restructuring this debt, allowing it to considerably reduce its financial costs and adjust debt maturities to the company's needs.
- **Increase resources budgeted for investment.** In this regard, NEINVER has established new investment agreements with internationally respected partners (KKR, TIAA-CREF and Colony), letting it speed up its growth in the outlet sector by investing in new property developments and currently operational properties. The additional resources will also let the company grow in other areas, such as developing and managing logistics properties, a sector in which NEINVER has traditionally been a benchmark in Spain. Besides the signing of investment agreements with other partners, the generation of revenue from the company's regular business activities will provide surplus funds that can be used as investments.

2014 EARNINGS

NEINVER recorded a profit of €24.9 million in 2014, in contrast with the loss of 47.2 million recorded in 2013. This return to profitability is mainly explained by:

- **Reduction of the provisions recorded due to impairment of assets and shares.** Over the past three years, senior management undertook an asset writedown process that penalised the company's income account. This process ended in 2013, allowing a drastic reduction of entries for impairment. Thanks to this, a new era has begun now that the company's Income Account is no longer reduced by those writedowns, and can now just show the actual income from its ordinary activities.

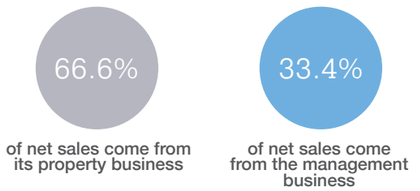
  Thus, numerically, the provision for shares and assets progressed from 140.6 million in 2012 and 45.8 million in 2013 to just 2.9 million in 2014, with prospects that in the coming years some assets' value may recover, leading to a positive figure for this item.

- **Increase in income from sale of assets.** NEINVER's income of this type rose from 3.4 million in 2013 to 10.8 million in 2014. The policy of reducing debt by disinvesting, especially from land, is generating additional positive income, mainly due to increases in the sale price of the plots of land.

- **Strength of the Group's operations.** In terms of operating results, the company's OIBDA (EBITDA excluding the effect of sale of assets) stayed nearly flat at €15.8 million, up slightly from 15.5 million the previous year. EBITDA rose to €26.6 million, up by 40.3% from 2013, due to earnings from the previously mentioned sale of assets.

Net sales stayed at the same level as the previous year, where a decrease in income from managing properties under development was offset by rental of space in the Group's properties.

Income from management thus totalled €19.9 million (down 10% from 2013) and rental of its properties brought in 39.8 million (up 7.7% from 2013).



Personnel expenses decreased by 6.7% in 2014, which, together with the change in overhead expenses, reflects a 2.1% reduction from 2013 (total volume of expenses of €29.6 million).

The Group's balance sheet as of 31 December 2014 showed that NEINVER had total assets of €668.8 million, up 7.9% from the €619.7 million as of 31 December 2013. This increase mainly occurred in the value of its property investments and investments in associated companies (primarily IRUS).

The company's financial position also improved. Its gross bank debt totalled €375.9 million as of 31 December 2014, down from 387.1 at the end of the previous year and 583.6 million in 2012, continuing a reduction of its land-related debt, replacing it with debt associated with equity in keeping with plans that senior management put in place in previous years. In 2014, in this area, NEINVER also started refinancing debt from the loans for the Annopol and Roppenheim centres.

Reduction of financial expense in the past year

Principal NEINVER economic and financial figures, 2012–14

In millions of €	2014	2013	2012
Net sales	59.7	59.0	53.1
OIBDA	15.8	15.5	8.0
EBITDA	26.6	19.0	13.3
Profit or loss for the financial year	24.9	-47.2	-154.7
Assets	668.8	619.7	873.0
Gross bank debt	375.6	387.1	583.6

Economic value generated, distributed and retained by NEINVER, 2012–14 (G4-EC1)

In thousands of €	2014	2013	2012
Economic value generated	**70,497**	**64,341**	**70,245**
Net receipts	59,661	59,018	53,622
Dividends	0	0	5,300
Sale of (fixed) assets	7,298	0	0
Sale of financial assets	3,538	5,323	11,323
Economic Value Distributed	**67,076**	**60,430**	**69,107**
Operating costs[12]	28,749	20,884	26,142
Salaries/Benefits	17,154	18,383	18,178
Payments to providers of capital	13,666	19,431	23,142
Payment to governments	7,507	1,732	1,644
Economic Value Retained	**3,421**	**3,911**	**1,138**

[12] Because this property company develops buildings with the intention of retaining ownership and using them as a source of future rental income, this item does not include payments for developing and constructing those assets, which are included in the calculation of Economic Value Retained once they are sold. In this regard, the gross costs totalled €4.698 million in 2014 and €9.690 million in 2013.

Operating results (G4-8)

PROPERTY DEVELOPMENT AND NEW ACQUISITIONS

Projects in development

NEINVER has four projects in development, of which construction work on one occurred in 2014 (FACTORY Warsaw URSUS) with 15,689 sq.m of GBA.

In 2015 and 2016, the company will start to build another three of these projects in Viladecans (Spain), Amsterdam (the Netherlands) and Werl (Germany) with 222,408 sq.m of GBA.

Centre expansion projects in 2014

Country	Property	Description	GBA in sq. m	Shop locations
Poland	FACTORY Warsaw Ursus	Expansion scheduled for completion in 2015.	15,689	26
TOTAL UNDER CONSTRUCTION			**15,689**	**26**

Approved projects whose construction will begin in 2015–16

Country	Property	Description	GBA in sq. m	Shop locations
Spain	Viladecans The Style Outlets	Scheduled to begin construction in 2015 and open in 2016.	33,489	94
The Netherlands	Amsterdam The Style Outlets	Construction will start in 2015 and the centre is scheduled to open in 2017	69,165	150
Germany	Werl The Style Outlets I	Construction will start in 2016 and it is scheduled to open in 2017.	119,754	80
TOTAL, PROJECTS WHOSE CONSTRUCTION WILL BEGIN IN 2015–16			**222,408**	**324**

Properties acquired (G4-13)

The signing of a joint-venture agreement with KKR added two new centres to the portfolio managed by the company: Nassica (near Madrid) and Vista Alegre (in Zamora) with 123,861 sq.m of GBA.

Properties acquired in 2014

Country	Property	Description	GBA in sq. m	Shop locations
Spain	Nassica shopping centre (near Madrid)	Acquisition	107,861	44
Spain	Vista Alegre shopping centre (in Zamora)	Acquisition	16,000	16
TOTAL ACQUIRED IN 2014			**123,861**	**60**

The company has also acquired 100% of the properties in France, Germany and the Netherlands owned by its former joint venture with MAB Development. With this purchase, NEINVER advanced its strategy of becoming Europe's largest operator of outlet centres by strengthening its presence in the most important growing markets.

Identification and analysis of new properties

To complement its projects in development, NEINVER continues to assess new opportunities to develop assets. In 2014, there were 25 properties in the study phase.

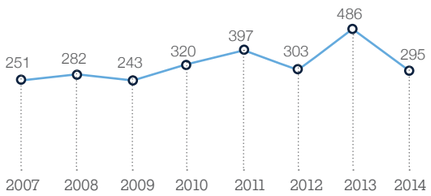
LEASING

NEINVER currently manages the leasing and re-leasing of more than 2,000 store locations in 6 European countries, with a portfolio of more than 1,200 domestic and international brands. In 2014, NEINVER's leasing team signed 295 leases for a total of 77,922 sq.m, giving the retail and outlet centres a 96% average occupancy rate, up from 94% in 2013.

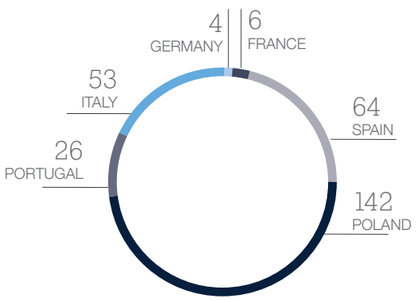
The number of leases signed was 39% lower than the previous year because new properties had opened in 2013 (FACTORY Annopol and the Galeria Katowicka Retail Centre), which had strongly boosted this indicator.

Notable results in specific countries include strong leasing in 2014 in Poland, a country that accounted for 48% of the leases signed during the year.

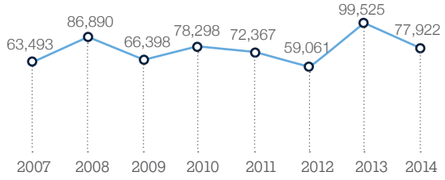
Changes in number of leases



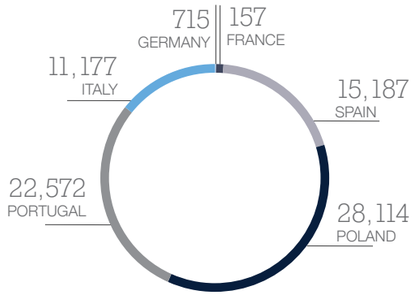
Number of leases signed, by country



Changes in leased area (sq. m)



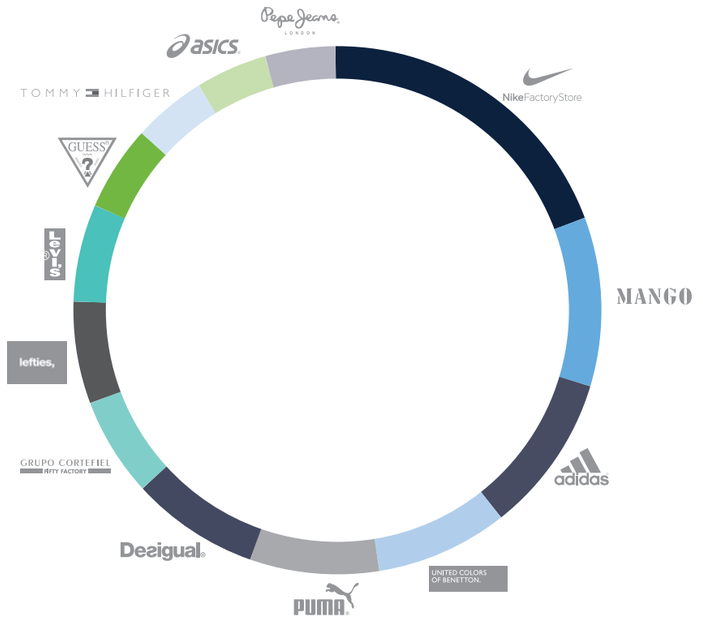
Leased area, by country (sq. m)



NEINVER remains committed to a policy of leasing its units to top international brands for a higher-quality mix of stores in its shopping centres, and offering shoppers an ever more appealing range of products and services.

Reflecting this process, the major store operators in the portfolio managed by NEINVER, in terms of units and area leased, include quality brands such as Nike, Mango, Adidas, United Colors of Benetton, Puma and Desigual. In 2014 these were joined by new prestigious brands such as Abercrombie & Fitch, The Kooples, and Michael Kors.

GLA of largest outlet operators[13]



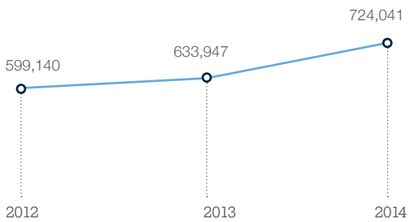
NikeFactoryStore	12.401 sq.m.	Desigual	4.962 sq.m.	GUESS	3.398 sq.m.
MANGO	6.504 sq.m.	GRUPO CORTEFIEL	4.169 sq.m.	TOMMY HILFIGER	2.956 sq.m.
adidas	6.284 sq.m.	lefties	3.914 sq.m.	asics	2.653 sq.m.
UNITED COLORS OF BENETTON	4.999 sq.m.		3.759 sq.m.	Pepe Jeans	2.808 sq.m.
PUMA	4.979 sq.m.				

[13] Counting only operators occupying at least 2,500 sq.m of GLA.

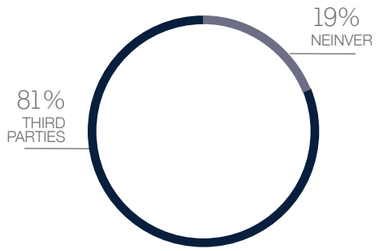
ASSET MANAGEMENT

Asset management remains one of the core activities in NEINVER's business strategy. After its latest acquisitions in 2014, the company's management portfolio consists of 23 commercial assets (15 outlet centres, 4 retail parks and 4 retail centres), with a total area of 580,083 sq.m. NEINVER also manages 22 logistics properties with a total area of 143,958 sq.m. The assets the company manages have a total area of 724,041 sq.m.

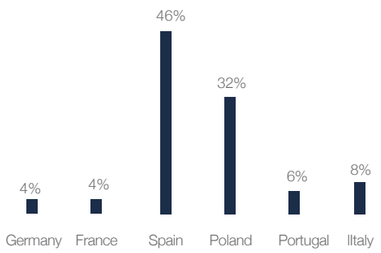
Changes in GLA managed (sq.m)



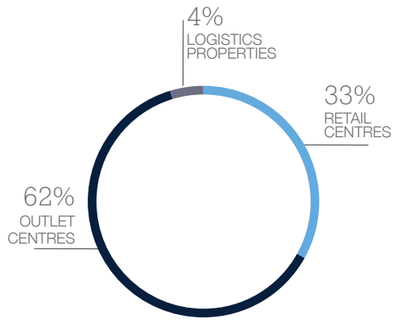
GLA managed, broken down by ownership (sq.m)



Geographical breakdown by GLA of managed assets



Breakdown of business use of managed assets, by value

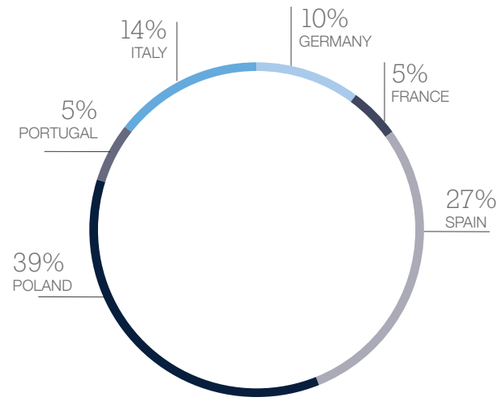


Improving assets' value through management

Regarding the value of the assets it manages, NEINVER continues to be a benchmark company for asset management in the retail property sector. The company is known for the quality of its management, reflected year after year in the assets' increased foot traffic and sales revenue.

Changes in the NEINVER portfolio's KPIs, 2013 vs 2014

Geographical breakdown of managed assets, by market value



These key indicators reflect the company's ability to increase its sales volume and its profitability for store operators and investors. This translates into a market value totalling €2.013 B as of 31 December 2014. Some €259 M of this represents NEINVER's managed portfolio and €1.754 B is the market value of assets managed for third parties.

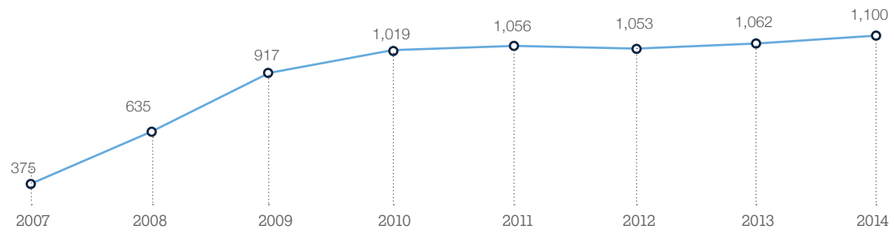
FUND MANAGEMENT

IRUS Fund

IRUS European Fund is an industry-specific fund focused on outlet centres, retail warehouses and individual properties, defined as investing in the following countries: Spain, Poland, Portugal, Italy, France, Germany, Greece, the Netherlands, Belgium, Austria, Norway, Sweden, Denmark, Hungary, the Czech Republic, Slovakia and Lithuania. The fund concentrates on investing in assets developed by NEINVER as well as assets acquired from third parties.

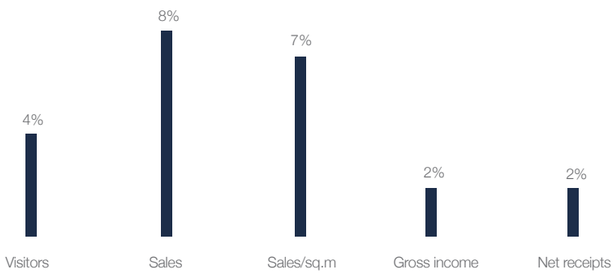
The fund has €480 million in equity, fully subscribed as of February 2007 by top-class European institutional investors, including NEINVER's 20% equity stake. Currently, it manages 13 assets in 5 countries, with a total of 280,028 sq. m of GLA and a combined value of €1.100 B, 3.6% higher than in December 2013 for the same asset portfolio (including the value of the expansion of IRUS Ursus, as of 31 December 2014).

Increase in the value of portfolio assets 2007–14



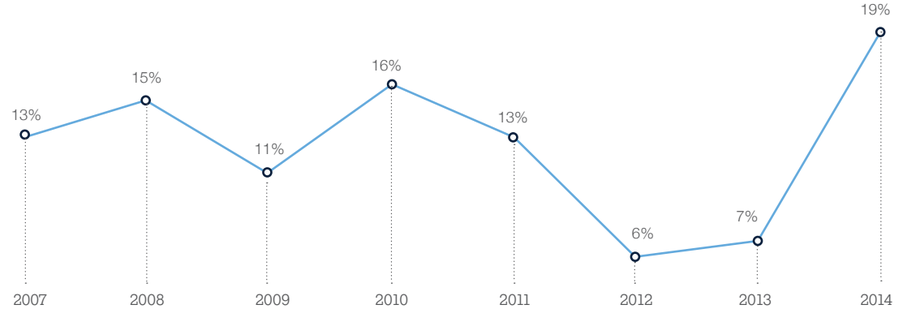
Since its establishment in 2007, the Fund has distributed a total of €87 million in dividends, equal to 18% of the capital committed by the investors, a very clear indication of the fund's successful management. Year after year it has bolstered the value of its asset portfolio, despite the property crisis in Europe and widespread steep declines in property values.

Changes in the IRUS portfolio's KPIs, 2014 vs 2013



At the same time, IRUS Fund assets ended the year with steady growth in their performance data. Compared to 2013, improvement was seen in the number of visitors, sales figures and sales/sq.m, gross income and the occupancy rate. This last indicator's behaviour is especially noteworthy, as it reached 98.7% in 2014.

Expired leases (GLA)



The re-leasing schedule also provides the property with great solvency and stability. The diversity of brands, with more than 700 store operators managed; the centres' high occupancy rates; the diversification of assets, in terms of both their age and location and the fact that the duration of the leases ranges from 5 to 10 years, depending on the country, mean that the schedule of lease expiry within the portfolio ensures stability in the process, year after year.

SALE OF ASSETS (G4-13)

In 2014, NEINVER continued its policy of selling non-strategic assets, mainly plots of land, to reduce the bank debt associated with them. To that end, 3 plots of land were sold in 2014 (Carpetania, Gdansk and Plot D in Getafe), which allowed the repayment of €20 million in debt.

In terms of assets, it sold Roppenheim The Style Outlets to Neptune Property Venture, the joint venture through which NEINVER and the U.S. pension manager TIAA-CREF will co-invest in the European outlet sector.

THE PATH TO ONGOING SUSTAINABLE GROWTH

2

"After several years of economic crisis, the retail sector is starting to recover. Over that period, the outlet model proved highly resistant to circumstances, and it has now reached maturity in the marketplace"

This context has new implications for the business, and NEINVER is analysing them continually to manage risk and take advantage of any opportunities that may arise.

Industry overview (G4-2)

The recovery of consumers' purchasing power and the internationalisation of the market are driving a revival of the European retail property sector.

In turn, the outlet model, which already proved highly resistant to the poor economic environment, has evolved into a mature sales channel in the European market, though it is still growing and is expanding internationally. Customers continue to demand quality at affordable prices and the brands see the outlet channel as one of their most profitable points of sale.

In this context, the lack of new development opportunities in Europe, the high cost of finance, delays in obtaining permits and difficulty capital are the main **challenges when developing new properties**. Therefore, throughout 2014, NEINVER signed joint-venture agreements with different partners that will let the company develop new centres while acquiring and renovating existing ones.

Sustainability is another increasingly influential factor. Developing and managing assets sustainably plays an ever-larger role in investors' decisions and in the strategies of retail-property developers and managers. NEINVER has achieved high performance in this area, having obtained BREEAM In-Use certification for the management of its centres, and other standards certifications such as ISO 14001 and ISO 50001. This not only helps the company stand out from the competition but also fosters cost savings, attracts new investors and boosts the value of the managed assets.

The development of **new technologies and the expansion of digital channels** are another element generating opportunities for the business. The increasingly widespread use of mobile devices and apps represents a new relationship channel that makes it possible to get to know and interact with customers as never before.

By creating its Digital and Strategy Business Unit in 2014, NEINVER is working specifically on this to develop a digital strategy that contributes added value to the business model.

Lastly, the **quick changes in shoppers' needs** make it clearer and clearer that managers must innovate, giving customers and store operators an ever broader, more attractive offering. Besides a good mix of brands, the keys to success include the surroundings, innovation, an omni-channel approach, and leisure.

To improve its offerings continually and be able to always meet the expectations of end customers and store operators, NEINVER strives to provide a unique shopping experience, committing itself to innovation, continual improvement of brand quality and of the services and comfort in its centres.

As mentioned before, another of the company's strategic commitments in this area is to continue developing an omni-channel strategy, to help improve shoppers' satisfaction through a better understanding of their behaviour and needs.

Industry overview.
Sources of opportunity in the retail and outlet sectors.

Challenges in developing new centres

Lack of opportunities for new development
High cost of debt
Delays in obtaining permits
Difficulties recycling capital

Sustainable development and management of assets

The property sector generates most of Europe's carbon emissions.
Investors, developers and managers place great value on sustainability certification (BREEAM, ISO 14001, ISO 50001 and others).

New technologies and the digital world

The digital world offers new opportunities to get to know shoppers better and to develop mechanisms for interacting with them.

Unified, omni-channel response

The natural evolution is towards omni-channel, creating a unified concept for the brands and for the end consumer by integrating the physical and digital experience.

Sources: AECC report "Dimensión del Comercio Electrónico en España y su incidencia en Centros Comerciales", 2013; Jones Lang LaSalle "Retail Market Report", 2014; ICSC conference, European Outlet Conference, 2014.

RISK MANAGEMENT (G4-2) (G4-46)

NEINVER periodically identifies and assesses the factors indicated above and other sources of strategic risks and opportunities for the business.

Additionally, at the operations level, the company evaluates another type of risks that can affect its performance, such as those associated with illegal practices or those associated with asset management, solvency, debt repayment and the group's social and criminal liability.

Proper management of these risks is a priority for NEINVER. To identify and ensure control of these risks, the company is developing a Risk Map that classifies and categorises them by traits. These risk factors are affected by variations in external conditions, new regulations, and the company's circumstances, and NEINVER therefore seeks to identify them periodically. The Management Committee has ultimate responsibility for updating them.

Besides the risk map, the company has developed other tools to avoid the impact of such episodes on the organisation. The most notable of these are the **crisis manual,** designed to guide the company's actions in handling any emergencies involving its properties, and the **framework of policies and procedures to ensure ethical behaviour[14] in the organisation.**

In this context, NEINVER launched a project in 2014 to develop a criminal-compliance protocol to be completed in 2015, to help bring its management of legal compliance-related risks in line with the latest reform of Spain's Penal Code. In its periodic update of the risk map, the company is working to analyse new types of cyber-risk, and defining steps to manage them.

[14] For more information, see section "Commitment to integrity" (page 68).

Leadership strategy

In recent years, the company has followed a strategy based on internationalisation and diversification, in both the functioning of its business model and the type of property assets it manages. Thanks to this, NEINVER has experienced considerable growth.

With the current specialisation in the retail property and outlet sector as a key driver of growth, the company continues striving to identify business opportunities internationally, invest in properties in which it detects strong potential, develop exclusive sustainable assets and provide optimal management of them. It also seeks to diversify into other types of assets, such as logistics properties, with which the company traditionally has much experience.

NEINVER aims to adapt quickly to external circumstances in the sector and to the company's own circumstances, and mould its strategy to manage its most significant risks so they will not affect its ability to create value in the short, medium and long term.

In 2014, to overcome the scarcity of financing and bolster its economic stability, NEINVER followed a strategy focused on capitalisation of the company, debt reduction and seeking investment partners, creating joint ventures to continue growing and expanding into new markets. In 2014, the company signed agreements with the following investment groups: TIAA-CREF, KKR and Colony Capital.

In asset management, its goal consists of keeping ahead of shoppers' preferences and needs. To achieve this, throughout the past year and continuing into 2015, the Group has focused on continuing to attract the finest brands to its centres, on building a new digital ecosystem to broaden its points of contact with brands and shoppers, and on offering its customers an innovative and exclusive range of options in a unique atmosphere.

Another distinctive aspect of its strategy is the company's commitment to doing business in keeping with principles of sustainable development and social responsibility. The company's policy, indicated in the previous section, has let it project an image of commitment to sustainability and to its stakeholders, which has made the company a market leader in this sphere.

Thanks to this strategy, NEINVER creates value for customers, store operators, investors and communities, thus building long-term relationships based on trust and mutual benefit. All of this has allowed it to become a partner of choice for major international investment and development firms, a favourite lessor for the finest brands, and a manager that was able to increase foot traffic and sales even during the crisis, positioning itself in 2014 as Europe's second-largest operator of outlet centres.[15]

TOWARDS A NEW BUSINESS STRATEGY

In 2014, NEINVER's Management Committee began the process of defining a new strategy to keep growing the business, adapting the company to new market conditions and seeking to stand out more clearly from the competition.

This process is continuing in working groups in which the various areas of the company participate. The final version of the strategy should be approved by late 2015.

[15] Based on number of square metres managed. Source: International Council of Shopping Centers.

"Handling every phase of the property cycle, through direct, comprehensive management of its assets, is one of NEINVER's key distinctive features. This lets it ensure the long-term sustainability and increased value of its properties"

Digital Business, adapting to the environment

"The digital environment and new technologies offer NEINVER the opportunity to evolve towards an omni-channel model, in other words, towards using the various channels (including digital) to improve the customers' shopping experience and learn more about their behaviour and needs"

Until now, NEINVER had focused on strengthening its B2B (business-to-business) relationship and loyalty model. Today, the company is making advances in setting up a B2C (business-to-consumer) relationship model to finally be able to develop, through this omni-channel strategy, a single management model for both (B2B2C).

To that end, in 2013 NEINVER began developing a new digital ecosystem on which it continued working throughout 2014. It will use this to communicate and put customers and brands in communication with each other in a different way.

The idea is to move from an aggregate information model, with anonymous users and unintegrated data that make it hard to measure the return on actions, to a Digital Relationship Model, in which users are easily identified and activated. In this approach, omni-channel information is integrated and the return on initiatives is quantifiable and measurable. To develop this digital ecosystem, NEINVER is working to implement and integrate various elements (see figure).

The creation of this new relationship model will provide added value for the company, the brands and the end consumers:

- **Benefits to B2B customers:** The brands and tenants of commercial spaces will benefit from all the segmented, customised information about their target audience.
- **Benefits to B2C customers:** The end customer will benefit from this new channel or ecosystem, which will offer them a selection of products customised to their tastes and preferences through effective, relevant omni-channel communication.
- **Benefit to NEINVER:** This new management System lets the company obtain consolidated information about the centres and their users, to guide its strategy based on the behaviour, tastes and expectations of its B2B and B2C customers, improving its relationship with both. These are key goals for NEINVER as a qualified manager.

Elements for creating the NEINVER digital ecosystem

Unique digital identifier to recognise the customer at all digital points of contact (web, Wi-Fi, Loyalty Card, etc.)

A single database of customers

New websites and content-management solutions

New Wi-Fi at the shopping centres

A new, unique app that integrates all the functions needed to build relationships with customers

New eCRM (Customer Relationship Management) system that makes it possible to relate, qualify and adapt the communication with shoppers and tailor the various brands' offerings to them

New control panels to optimise the processes and business indicators across all shareholder groups.

Digital transaction model

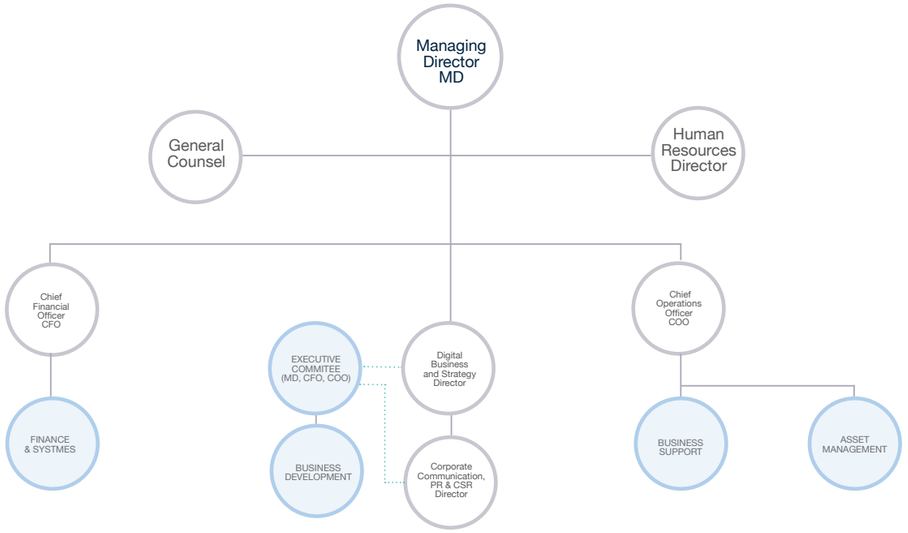
Corporate governance

GOVERNANCE MODEL

"The company's organisational structure is designed to foster good implementation of the established strategy, which encourages cooperation between departments and the various business areas, and above all, positive results"

NEINVER restructured its organisation in 2013, thus strengthening its corporate identity and increasing coordination, yielding a more coherent structure and strengthening the group's overall goals. Through this structure, NEINVER focuses on areas that offer the company maximum opportunity and growth potential, devoting resources and effort to initiatives and properties that help position us as market leaders.

NEINVER organisation chart



CORPORATE GOVERNANCE (G4-7) (G4-34) (G4-35) (G4-36) (G4-38) (G4-40) (G4-42) (G4-44) (G4-45) (G4-49)

"The NEINVER group's corporate governance structure is built around the operations of 2 boards and 3 committees that make decisions independently"

The top corporate body is the General Shareholders' Meeting, represented by the Losantos family, who hold 100% of the share capital. This body is not involved in the company's day-to-day management, though senior management must report to it periodically.

The Board of Directors, in turn, is the group's top executive body and is responsible for the company's long-term strategy.

The Advisory Board comprises professionals from outside the Company. The Strategy Committee, Management Committee and Development/ Operations Committee are established as executive bodies. Their organisation is designed to strengthen the company's various strategic priorities through the robust participation of the committees that support it and with fully transparent decision-making.

BOARD OF DIRECTORS

The group's top executive body, responsible for the company's long-term strategy.

ADVISORY BOARD

A group of outside professionals who provide expert advice to the company.

MANAGING DIRECTOR

EXECUTIVE COMMITTEE

33% WOMEN

Defines global strategy and makes decisions about the issues with the greatest impact on the Group.

Management Committee

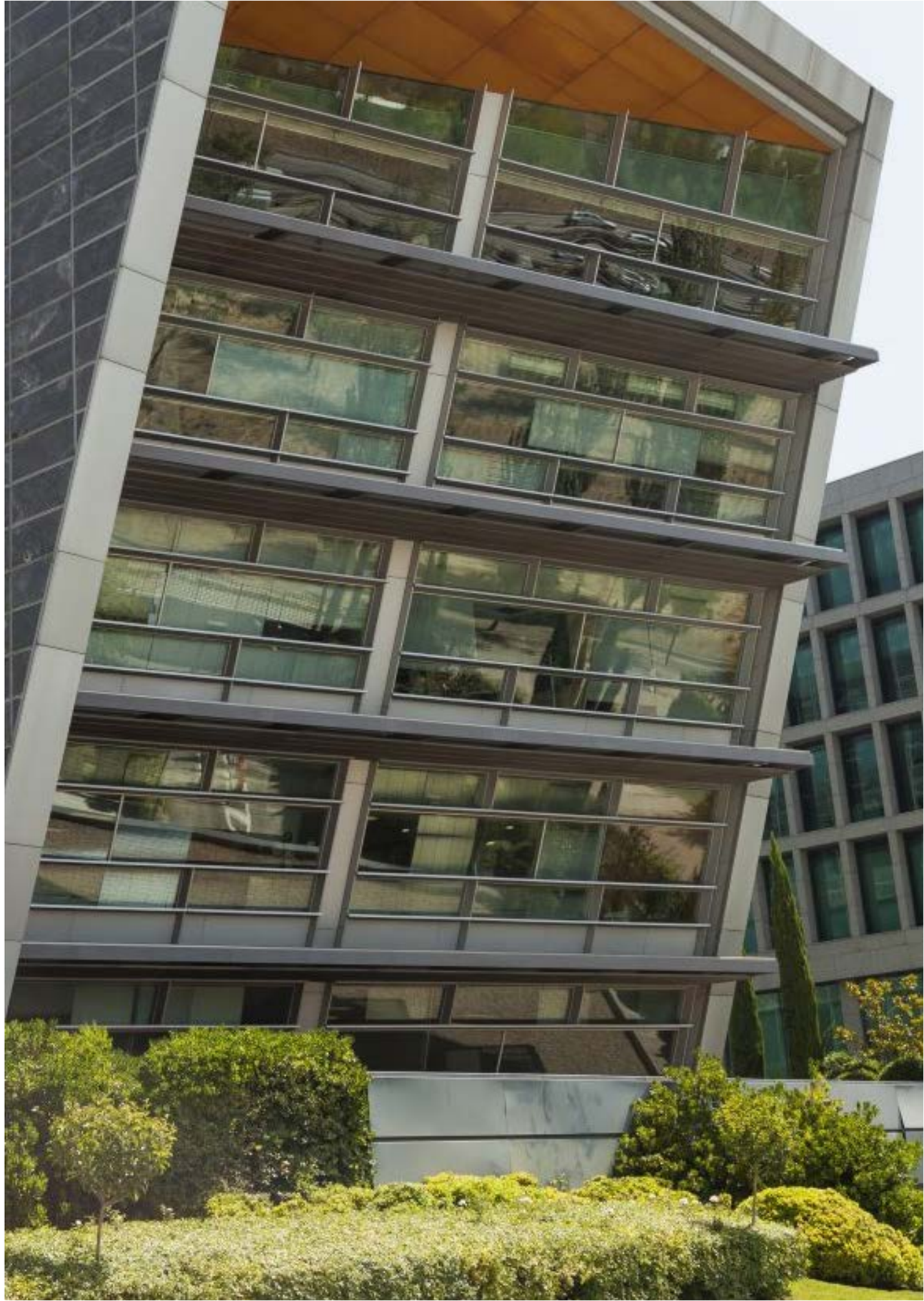
Oversight of the business from the perspective of each major area of the company.

29% WOMEN

Development/ Operations Committee

Develops and implements long-term strategy. Analyses portfolio properties as well as investments and potential properties to be developed, monitors operations, and plans the company's activities at the international, local and B2B levels. Also analyses and defines corrective actions.

32% WOMEN



Commitment to integrity

"Behaving with integrity in a way that ensures legal compliance, transparency and respect for legitimate interests is a basic principle for ensuring the proper functioning of the company and maintaining close relationships with stakeholders"

NEINVER has put in place a range of mechanisms to insure compliance with these principles, both in the company's operations and in employees' behaviour. This framework is also required of other organisations with which NEINVER does business.

1. ETHICS AND PREVENTING BAD BUSINESS PRACTICES

(G4-56) (G4-57) (G4-58) (G4-DMA)

The company has a corporate Code of Ethics that serves as an employee conduct guide. The Code sets strict corporate ethical principles and it guides conduct in situations related to business practices and the industry (transparency, legal compliance, data protection, conflicts of interest, etc.) and related to treatment and interactions among the employees (respect and equality, workplace health and safety, etc.).

NEINVER also enforces a strict policy against corruption and other bad business practices, such as those affecting free competition.

In this context, the company is governed by the regulations in force in each country. Through specific clauses in its contracts, it is committed to guaranteeing that its business relations never include anti-competitive elements such as radius clauses.

As for fighting corruption and fraud, NEINVER worked in 2014 to strengthen its management framework to prevent such practices.

The company is developing a compliance programme that reflects the latest reform of Spain's Penal Code*, a programme that should be finalised by the time the new law takes effect in July 2015. This programme refers to the organisation's Code of Ethics and establishes new policies and processes, reporting of violations, and a disciplinary system in case of noncompliance.

Additionally, it specifies who is responsible for their development, compliance and oversight. The policies to be developed include ones intended to avoid illicit conduct, especially in economic and taxation contexts, such as the anti-corruption policy, which all workers are expected to know and obey.

With the approval of the Criminal Compliance Project, a confidential email address will be set up for reporting infractions, which can also be used to answer questions and receive suggestions.

All the company's employees must know and respect the Code of Conduct, report any irregularity and know and sign the Criminal Compliance Project document.

*Under this new law, individuals are not the only ones that can be held criminally liable for crimes committed to benefit a company (fraudulent disposal, concealment of assets, money laundering, etc.): companies themselves can now be held liable as well.

2. COMMITMENT TO OUTSIDE INITIATIVES

(G4-15) (G4-56)

NEINVER has signed several external codes of conduct, such as the United Nations Global Compact and the RICS regulation, which bolster the organisation's commitment to ethical behaviour.

External codes of conduct

United Nations Global Compact

It promotes the implementation of 19 principles for improving CSR, corporate sustainability and sustainable development. (signed May 2012)

RICS – Royal Institution of Chartered Surveyors

This trade association certifies property- and construction-sector experts around the world and ensures that they follow the property industry's most stringent ethical international standards, recognised by investors.

The Company has several RICS (MRICS)-certified professionals, and the Facilities Management department complies with RICS standards.

3. INTEGRITY IN THE RELATIONSHIP WITH PARTNERS AND STORE OPERATORS

(G4-DMA)

NEINVER's commitment to integrity extends to other organisations with which it has commercial or financial relationships, and the company took steps in this area in the past year.

Specifically, regarding store operators, NEINVER has standardised the leases it signs with them. Leases now consist of a core boilerplate text used at all centres in all countries, fleshed out with a part that is adapted to the local conditions and characteristics, to avoid discretion in leases and thus prevent the inclusion of clauses or agreements that would be illegal or at odds with the company's principles and values.

Regarding partners, the agreements signed with them include specific anti-corruption and anti-bribery clauses that establish ethical commitments. By default, noncompliance by any of the parties invalidates the contract.

4. TRACKING AND MONITORING COMPLIANCE WITH COMMITMENTS

To monitor compliance with all the procedures described, NEINVER conducts internal audits and has measurement systems that use interviews, inspections, and surveys of its department heads to periodically review the processes for approving contracts with clients and suppliers, and for debt collection, budget-tracking reports, procedures for the acquisition and sale of assets, etc. The ultimate goal is therefore to:

- Eradicate corruption.
- Increase transparency in the company's own business activities.
- Improve its employees' relationship with the various stakeholders.

Approach to Corporate Social Responsibility management

"NEINVER considers corporate responsibility a key element of its business and therefore in recent years has deployed a strategy to manage the aspects that matter most to the company in this context"

Integrating corporate responsibility into operations that generate major advantages.

Acting responsibly has let NEINVER anticipate risks, identify and meet stakeholders' expectations, take advantage of other opportunities arising from improved asset management, and improve the transparency of its activities.

To guarantee the organisation's suitable performance in this area, NEINVER has established a management system ensuring that implementation of the planned measures is evaluated at the highest level of the organisation. The Corporate Social Responsibility Committee, made up of representatives from various departments, reports periodically to Senior Management and is in charge of updating strategy, identifying new priorities and ensuring that the company's actions in this area are appropriate.

In 2015, as part of the revision of the company's Social Responsibility Strategy, this committee will be restructured, redefining its functioning, composition and responsibilities.

CSR management at NEINVER. Benefits from and improvement of transparency to stakeholder groups

TRANSPARENCY AND STAKEHOLDER MANAGEMENT

(G4-26)

At NEINVER, social responsibility also involves acting and communicating with transparency. The company engages in ongoing dialogue with the various stakeholder groups with whom it interacts, and has set up several channels through which to respond to their needs for information about the functioning of the organisation.

To guarantee proper management of stakeholder relationships, NEINVER is constantly identifying priority stakeholders while assessing their expectations and how these change over the phases of a property's life cycle.

In 2014, as part of a reputation study, the company carried out an interview phase with its main stakeholder groups. Forty representatives of the various groups were interviewed about their perception of the current state of the large retail centres market (outlet and full price), about the main companies in the sector and about NEINVER's reputation and positioning among those companies. This yielded updated knowledge about these groups' perception of the company, the main aspects they value and the information the stakeholders need.

The results are of interest not only for improving the relationship's effectiveness and that of the company's communication mechanisms for interacting with stakeholders, but are of great importance in NEINVER's ongoing work to revise its global strategy.

NEINVER stakeholder management. Main expectations and relationship channels (G4-24) (G4-27) (G4-26)

Stakeholder group	Aspects of the company that interest them	Communication channels
Investors and strategic partners	• Economic and financial performance and sustainability • Centres' earnings • Risk management, business opportunities and reputation • Management to optimise expenditures and investments and maximise the assets' value • Certification of the centres and environmentally sustainable management of the centres	• Annual reports • Quarterly and annual reports to IRUS Fund • Specific reports about the centres and their sustainability performance (GRESB questionnaire) • Periodic meetings with senior management • Information on the web and in the media • Meetings with centres' managers
Employees	• Strategy and organisational changes • New projects • Working conditions • Training and development opportunities • The work environment and job satisfaction • Improving work-life balance, flexible working arrangements	• Intranet • In-house releases and visual communication in offices • Personal interviews • Informational meetings between management and teams • Satisfaction survey
Store operators	• Centres' earnings • The company's management model • Actions to create a retail environment that drives sales	• Marketing activities • Periodic centre-level and corporate-level contact • Periodic reports on changes and progress among operators • Satisfaction surveys
Shoppers	• New services, promotions and activities at the centres • Which brands are in the centres • Maintaining environmental and safety conditions to ensure a suitable shopping experience	• Emailed information about new services, promotions and activities at the centres • Information through the media • Shopper surveys • Customer service systems as well as mechanisms for submitting suggestions (on site and online) • Community outreach
Community	• Jobs creation and wealth generation in the surrounding area • Development of infrastructure and services available to the entire community • Collaboration agreements with institutions • Support for social projects	• Meetings with each area's key socioeconomic players • Information through the media • Participation in cultural events and activities
Institutions	• Jobs creation and wealth generation in the surrounding area • Fostering employment in population segments that face special difficulties • Training and first employment experiences for young people • Sustainable development and management of centres • Regulatory compliance • Sign agreements on the preservation of public spaces	• Constant ties to local and regional authorities during the property's design, development and management phases • Joint action plans • Cooperative relationship with local employment agencies
Media	• Information about the company's activity and about the sector. • Innovative projects or other actions in the centres (sustainability, renovations, expansions, etc.).	• Ongoing one-to-one contact. • Surveys and interviews with management • Press conferences • Reports in the press and other media
The industry	• General information about the company • Fostering best business practices that protect free competition • Promote sharing of experience and business networking • Visibility to brands and investors	• Participation in events and trade shows • Presence and participation as experts at domestic and international conferences • Company professionals' participation on steering committees of industry organisations

NEW PROJECTS TO IMPROVE CORPORATE TRANSPARENCY

To bolster its transparency, the company carried out a range of activities over the past year aimed at improving its communication tools and ensuring that its content is tailored specifically to stakeholders' needs:

Materiality study

NEINVER has conducted a new materiality study to identify the sustainability issues most relevant to the company. The study's conclusions were used to design the content of the report and define the key directions of the company's future CSR strategy. For more information, see the chapter "About this report."

G4-compliant 2014 Sustainability Report

NEINVER has taken a qualitative leap forward by developing this sustainability report in compliance with the new version (G4) of the GRI Guidelines.
Aligning the report's content with the conclusions of the materiality study ensures that the information included focuses on issues that are relevant to the company's stakeholders.

Sustainability executive

To highlight the company's sustainability efforts and performance, NEINVER has developed, besides the sustainability report, an executive summary of the report. The executive summary is distributed at all meetings with interested parties, to spread awareness of NEINVER's commitment to responsible behaviour.

Sustainability web pages

On its website, NEINVER has created a sustainability section summarising the report's content along with the information published in previous editions.
This section of the site, updated annually, describes the company's commitments and performance to anyone interested in its operations.

TOWARDS A NEW CORPORATE SOCIAL RESPONSIBILITY STRATEGY, 2015–18

NEINVER has begun a process to update its Corporate Social Responsibility strategy. By doing this, the company will define its priority areas of action for the coming years, to respond to key aspects of sustainability indicated by stakeholders. These priorities are fundamental for a business in this industry.

This revising and updating of the Corporate Social Responsibility strategy coincides with the process to revise the organisation's global strategy, to ensure alignment between the two and to explore the opportunities that good sustainability performance can offer the business in the coming years.

CREATING VALUE FOR STAKEHOLDERS

3

"The commitment of the people who make up the company is vital to achieving its strategic goals. NEINVER is committed to promoting corporate values, talent management, commitment to equality and non-discrimination, and the improvement of internal communication as tools to strengthen the management of human capital"

Employees

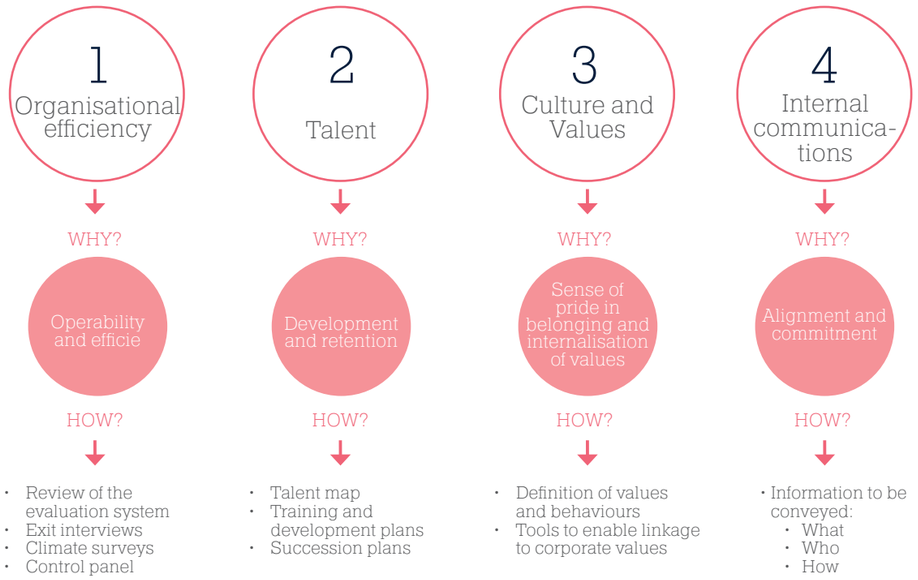
Management model (G4-DMA)

NEINVER manages its employees in accordance with its 2014–16 Strategic Human Resource Plan, which is part of the company's overall management model.

Over the past year, NEINVER has worked on developing the plan's key principles, which aim to align the work team with the company's business, redefine HR processes and policies to support strategic activities, and use new performance indicators to assess the results that the properties have achieved, among other goals.

To implement this Plan, the company has rolled out actions for each principle, including initiatives on good corporate governance, performance management, creating a talent-development map, and defining communication and promotion systems.

Key priorities of the 2014–16 Strategic Human Resource Plan

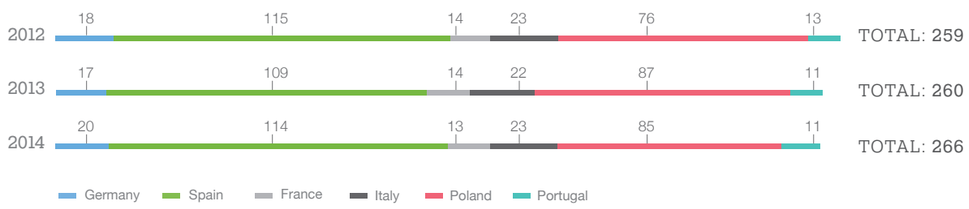


NEINVER STAFF IN 2014 (G4-10) (G4-11) (G4-LA1)

At the end of 2014, NEINVER had 266 professionals on staff, spread over six European countries, mostly in Spain and Poland.

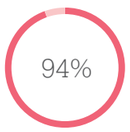
Ninety-two per cent of the employees have full-time contracts. Of these, 94% have open-ended contracts.

Changes in NEINVER staffing. Broken down by country (2012–14)

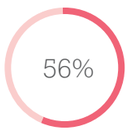


Percentage of employees with a full-time contract (2014)

Percentage of employees with an open-ended contract (2014)



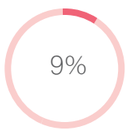
Percentage of employees with a contract reached through collective bargaining (2014)



Average staff turnover

	Male			Female		
Age	Hires	Departures	Ratio	Hires	Departures	Ratio
<30	3	-	0.56	22	10	6.02
30-50	8	11	3.57	15	27	7.89
>50	2	-	0.38	-	-	-
TOTAL	**13**	**11**	**4.51**	**37**	**37**	**13.91**

Voluntary departures in 2014



COMMITMENT TO LOCAL JOB CREATION FOR YOUNGER WORKERS

NEINVER is committed to job creation in all the communities where it operates. Besides the jobs it generates directly (indicated above), the company's operations generate **jobs with other employers** with whom NEINVER does business, including the brands in its centres, suppliers from whom it buys products and services, and other businesses in the local community that benefit from the shopping centres' presence. The scope of this job generation is explained in detail in the "Local communities" section of this chapter.

In this regard, NEINVER works closely with employment-related government agencies to also ensure that some of this job creation benefits **populations facing special challenges**, such as young people, the unemployed and people over 45. Specifically, NEINVER runs projects intended to promote employment among **recent university graduates.**

The company therefore has an active policy of cooperating with schools and universities near its centres, offering students the chance to have a first work experience in the company through a grant. The intern's supervisor, a NEINVER professional, is vital to the students' growth throughout their stay.

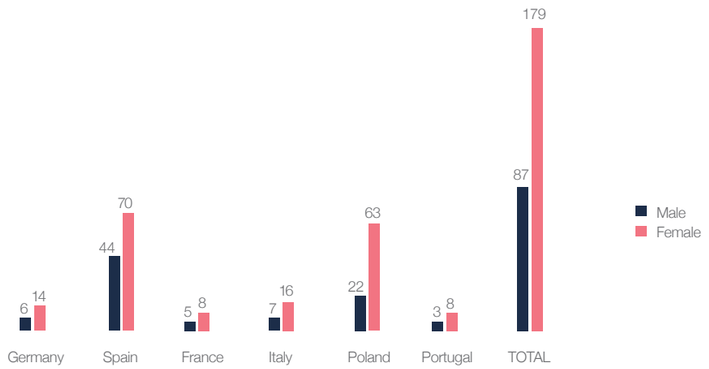
From 2012 to 2014, the company offered 47 internship grants: 41 in Spain, 3 in Italy, 1 in Germany and 1 in France.

PROMOTING EQUAL OPPORTUNITIES AND NON-DISCRIMINATION (G4-10) (G4-DMA) (G4-LA3) (G4-LA12)

NEINVER defends gender equality in all countries, sections and levels of the organisation, making it a fundamental principle of its corporate culture. Strong participation by women is one of the company's hallmarks and therefore it promotes not only equal pay but also full equal opportunities.

Non-discrimination is a commitment the company makes in terms of not only gender, but also race, nationality, religion, sexual orientation, marital status, age and disability, promoting fairness and impartial treatment of all people in the organisation.

Breakdown of staff by gender (2014)



Breakdown of staff by gender and age in senior management and management (2014)

Category	Age	Male	Female	Total
GOVERNANCE TEAM	<30	-	-	-
	30-50	0.75%	0.38%	1.13%
	>50	-	-	-
Governance total		**0.75%**	**0.38%**	**1.13%**
SENIOR MANAGEMENT	30-50	1.88%	1.88%	3.76%
	>50	0.75%	-	0.75%
Senior Management total		**2.63%**	**1.88%**	**4.51%**
MIDDLE MANAGEMENT	<30	-	-	-
	30-50	7.14%%	8.27%	15.41%
	>50	0.38%	0.38%	0.75%
Middle Management total		**7.52%**	**8.65%**	**16.17%**

TRAINING AND PROFESSIONAL DEVELOPMENT ACTIVITIES (G4-DMA) (G4-LA9)

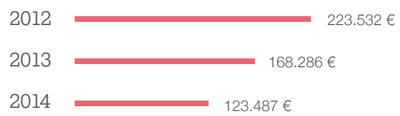
NEINVER makes professional training a priority given its importance in ensuring staff members' professional growth and in helping the company meet its strategic goals.

In 2014, NEINVER invested more than €120,000 in such projects, providing each of its employees with an average of 53.98 hours of training during the year.

This was slightly less than the previous year for several reasons. In part, this was because in 2013 in Spain, the company launched a new 2013–14 training catalogue aimed at all employees. That year, many of them completed the courses they requested, so fewer people took part in training programmes in 2014 (mostly new employees or those who requested additional training to address new interests or new job positions).

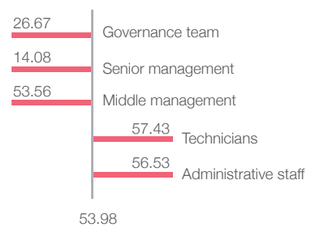
Average hours of training per employee (2012–14)

Investment in training (€)

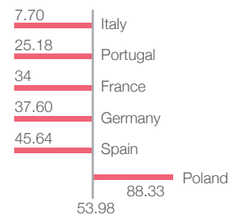


Hours of training by gender, compared to the average (2014)

Hours of training by employee category, compared to the average (2014)



Hours of training by country, compared to the average (2014)



Trainings have been run both by outside entities and by units within the organisation. As in previous years, the company has stayed focused on language training, in Spain, for example, where it incorporated TOEIC certification into all English courses to ensure their effectiveness. It also gave trainings on occupational risk prevention, first aid, job-specific technical training, and management courses, among others.

Training in Spain

Specifically with regard to Spain, in 2014 online and in-person training programmes were put in place in cooperation with public institutions and local organisations. These programmes have centred on areas such as accounting and finance, professional skills, information technology, marketing and internet, and business administration.

PERFORMANCE ASSESSMENT (G4-LA11)

Each year, the company carries out a performance assessment process of all its employees. NEINVER uses this to determine whether employees met predefined objectives, and this influences decisions about the variable portion of their compensation.

To improve the process and ensure that the assessment of objectives and the development conversations are conducted in a consistent way, NEINVER gave training in 2014 to all senior managers and team managers to guarantee that the same criteria are applied in all areas of the company and all countries where it does business.

This training emphasised issues such as defining a formal performance tracking phase, setting objectives based on the challenges to be met, and having a constructive conversation with workers to evaluate whether objectives have been achieved.

360° EVALUATION

In 2014 the company began work on a 360º evaluation involving its entire staff. This methodology let NEINVER analyse the performance of each employee in 2013, assessing teamwork and cooperation.

The company intends to perform it again in 2015, changing the focus and decoupling it from the performance assessment.

COMPENSATION POLICY FOR FAIR REMUNERATION (G4-52) (G4-DMA) (G4-LA2) (G4-LA3) (G4-LA13)

NEINVER uses international standards to set employee remuneration, aiming for compensation terms in keeping with those offered by the main competitors in the industry. To that end, in 2014 it updated its market salary information, in line with the company's salary bands, to guarantee internal fairness and establish a framework for salary rises that helps in decisions about compensation increases.

In compliance with its equality and non-discrimination policy, NEINVER makes no distinctions when setting employees' compensation other than differences between various job positions and their levels of responsibility. Any differences in average remuneration by category and gender (see table) reflect only this factor. Within one category there can be positions with different levels of responsibility and therefore different compensation, and these may be occupied by people of different genders.

Ratio of average salaries by category (women to men). Broken down by professional category

Category	2014
Executive Committee	1.23
Senior management	0.81
Middle management	0.76
Technicians	1.02
Administrative staff	0.77

As part of its compensation policy, NEINVER has implemented a flexible compensation plan for its employees in Spain, which 22% of the staff in that country made use of in 2014. The plan lets them take part of their compensation in the form of restaurant meal vouchers, childcare vouchers, a transport card or training subsidies, which workers can select based on their individual needs while reducing their tax bill.

NEINVER complements salary compensation with other benefits, such as health insurance, available to all employees and their immediate families,[16] and accident insurance, underwritten for all staff in all countries, though employees are not required to buy it.

Number of employees who took parental leave and rejoined the company afterward

		2014				2013				2012			
		Employees who went on leave		Employees who returned after leave		Employees who went on leave		Employees who returned after leave		Employees who went on leave		Employees who returned after leave	
Country	**Comments**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**
Spain	Only some employees who took leave in 2014 rejoined the company that year. The rest did so when their leave period ended in 2015.	2	8	1	5	3	6	3	6	5	6	5	6
Portugal	All employees who took leave in 2014 rejoined the company that year.	1	1	1	1	0	2	0	2	2	2	2	2
France	No employees took leave in 2014.	0	0	0	0	0	0	0	0	0	0	0	0
Italy	All employees who took leave in 2014 rejoined the company that year.	0	0	0	0	0	2	0	2	0	2	0	2
Germany	The employees who took leave in 2014 are still out on leave and will return when it ends.	0	2	0	0	0	0	0	0	0	0	0	0
Poland	One employee who took leave in 2012 transferred her job to Spain when it was over. The employees who took leave in 2014 will return at the end of their leave period in 2015.	1	6	1	4	0	3	0	0	0	8	0	10

Lastly, in upper management, NEINVER is deploying a compensation policy designed to promote loyalty and foster the medium- and long-term commitment of managers at this level. It therefore offers them long-term plans to complement their pay. In 2014, all senior managers in the company participated in one of these programmes. (G4-51)

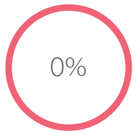
[16] Except in Germany, where public health coverage is so comprehensive that no private health benefits are needed.

COMMITMENT TO SAFETY AND HEALTH IN THE WORKPLACE (G4-DMA) (G4-LA6)

NEINVER remains committed to its employees' safety and health, and is taking the necessary steps to ensure safe, healthful workplaces. The success of those efforts is vouched for once again by the continued excellent statistics on occupational health and safety.

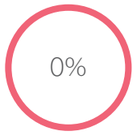
Workplace absenteeism

Occupational accidents



Occupational diseases

Days missed



In managing this, NEINVER complies with national regulations in each country where it does business and requires a training programme at each property about risk control and preventive management.

It also performs an annual risk assessment for each job position, evaluating parameters of temperature, humidity and lighting intensity, stress levels, accidents and fuel-efficient vehicles, among others.

New employees who join the company receive a best-practices guide on workstation ergonomics and accident prevention in the office, which is required reading.

NEINVER also has an Improvement Communication Model, which all employees are made aware of right from the moment they are hired. It is a channel for communicating all types of queries, suggestions and improvements in terms of occupational risks.

EMPLOYEE SATISFACTION SURVEY

In 2014 the company conducted an employee satisfaction survey of all employees, asking their opinions, whether they were satisfied in their job, and to assess whether they knew the company's challenges and goals, and how their work impacts those. All in-house staff in all six countries were invited to participate in the study. The response rate was 90%.

The topics of the survey also included career opportunities and the company's in-house communications, as well as commitment, recognition, and training and development. The main conclusions indicate that the aspects most appreciated by employees are the relations with co-workers, performance management and the company's values. By contrast, NEINVER employees felt that the main areas for improvement included communication between workers and the company, the remuneration and compensation system, and training and development.

Based on the survey of the work climate, NEINVER has defined an Action Plan to address the areas that had the lowest ratings.

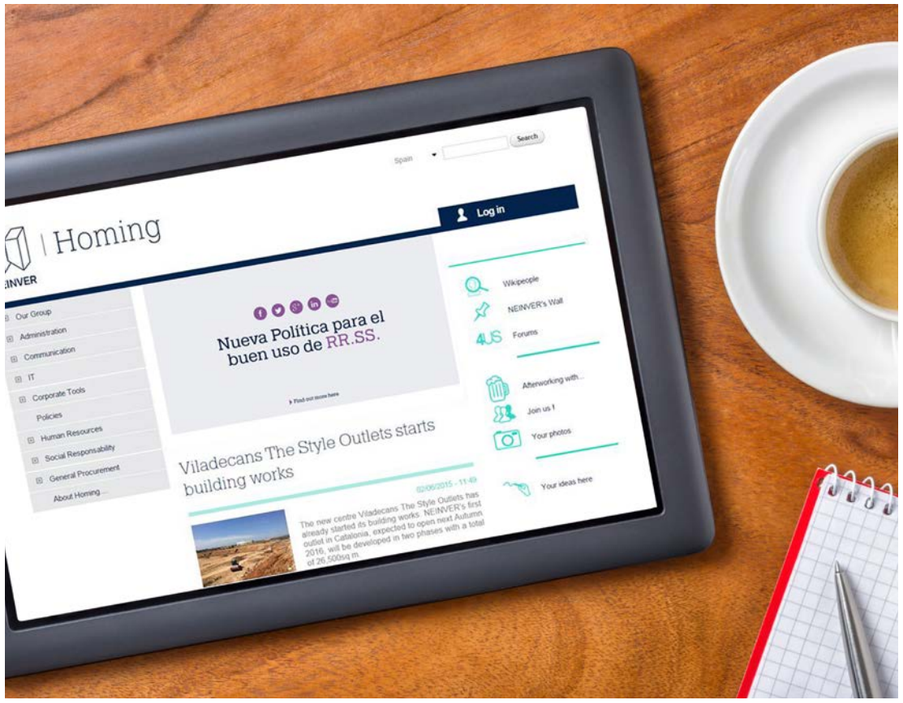
IMPROVING INTERNAL COMMUNICATIONS

NEINVER recognises the value of internal communications as a key tool for aligning employees' actions, creating a sense of connection among the staff, and defining a consistent corporate culture.

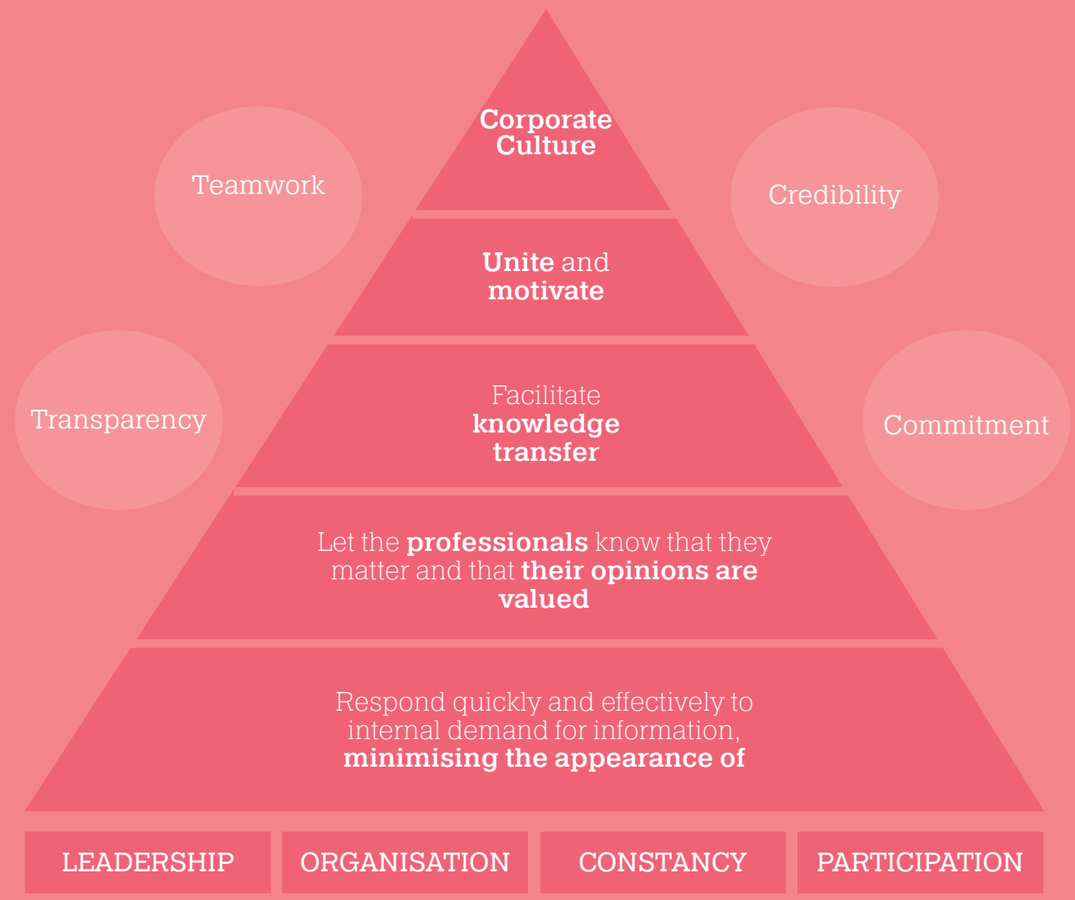
Internal communications are also of great interest to the staff, and the 2014 job-satisfaction survey indicated they wanted the company to continue expanding and improving its efforts in this area.

The development of the corporate intranet as the main tool for in-house communication continued in 2014, fostering employees' active participation by creating areas where they can share information about experiences, company-wide initiatives, questions, sporting events, and channelling the flow of country-level information in each country.

By doing this, NEINVER hopes to reinforce values such as transparency, credibility and its professionals' commitments and teamwork. In this vein, one of the main projects the company will undertake in 2015 is internal communication of the new values that make up NEINVER's culture, which are currently being redefined.



NEINVER internal communications



Investors

NEINVER's specialisation in the retail and outlet property sector, and its experience in developing, leasing and managing centres are an added value for the Group, much appreciated by international investors and developers, who see the company as a strategic partner for developing or acquiring new properties. The company has also developed and managed logistics properties for more than 45 years, and is one of the main players in that market.

Additionally, NEINVER is working to ensure the environmental and economic sustainability of its assets, transparency of communication with its stakeholders, risk management, and integrity in all its operations, qualities that even further increase the value of the properties it develops and manages.

Besides having its portfolio certified under multiple internationally recognised environmental and quality standards, each year, in its eagerness to bolster the credibility of its good practices in this sphere, NEINVER reports on the sustainability performance of all of the IRUS fund centres that it manages, through the GRESB questionnaire.

This competitive edge has made it possible, in recent years, for NEINVER to sign strategic alliances with major financial partners, reinforcing its leadership in the European retail market.

Besides being the fund manager and managing the IRUS fund's assets since 2007, in 2014 NEINVER signed joint-venture agreements with the property-investment firms KKR, Colony Capital and TIAA-CREF.

Other investors such as Meyer Bergman and HEITMAN also placed their trust in NEINVER to jointly acquire/develop and then manage the Galeria Katowicka and Galeria Malta properties in Poland.

NEINVER's investors and partners

ColonyCapital

irus fund
Irus European retail property fund.

KKR

TIAA Henderson Real Estate

HEITMAN
A REAL ESTATE INVESTMENT MANAGEMENT FIRM

MeyerBergman

In its agreements with these partners, NEINVER includes binding anti-corruption and anti-bribery clauses, setting out commitments that both parties must sign and comply with as a basic requirement of their partnership.

"Investors play a key role in NEINVER's growth and internationalisation strategy, and therefore the company strives to build a relationship with them based on commitment and maximum transparency. In this context of mutual trust, one essential part of building solid, long-term partnerships is a commitment to sustainability and ethical behaviour in every area (environmental, economic, social)"

Store operators

"NEINVER works in partnership with its store operators, providing them with a retail environment favourable to their sales and promoting the marketing of the centres so the stores can operate successfully there. Creating a culture of commitment to the operators helps attract new brands and improves the mix of stores, while making NEINVER's properties more attractive to investors and shoppers. At present, NEINVER is working with 1,200 of the top national and international brands. Seventy per cent of the stores renew their leases"

NEINVER develops close, mutually beneficial relationships with its store operators.

In this regard, maximising foot traffic is a top priority. The company therefore devotes tremendous effort to providing visitors with a unique shopping experience and optimising the management of the centres.

On the one hand, NEINVER is focused on optimising management from a commercial standpoint by offering various services to the store operators (visual merchandising, marketing activities, generating brand-specific data, etc.).

On the other hand, in recent years the company has adapted its outlets in Spain, France, Germany and Italy to a new umbrella brand, The Style Outlets, which has produced positive results (see highlight box).

The operators appreciate NEINVER's efforts. As the company's 2014 reputation study showed, store operators value NEINVER's close, friendly relationship with them, and the company's honesty and credibility.

THE STYLE OUTLETS

In 2009, to adapt to the preferences of shoppers and brands alike, NEINVER launched a new brand of outlet centres, The Style Outlets, for Spain, France, Portugal, Germany, Italy and, shortly, the Netherlands.

This new, more modern, more innovative image upgrades the outlet concept with sustainable architecture, a sense of design and a more well-rounded mix of stores, with a firm commitment to an omni-channel shopping experience and to bringing the arts to the centres' visitors.

This change has paid off in improved earnings for 2014 and in the arrival of new brands such as Michael Kors, Abercrombie & Fitch, and The Kooples.

IMPROVING SATISFACTION METRICS

Understanding operators' needs is vital to building efficient business relationships. Traditionally, NEINVER has conducted twice-yearly satisfaction surveys to identify areas needing improvement, to work on them and thus optimise the management of the centres. Over the past few years, the surveys have reflected steadily rising satisfaction levels.

In 2014 the company focused on redesigning the questionnaires to identify new demands and areas to be developed, and thus continue increasing operators' satisfaction in the future. Therefore, the surveys were not conducted in every country, pending the launch of the new surveys in 2015.

NEW SERVICES TO OPERATORS

In 2014 the company instituted new services in the centres, making things easier for operators and supporting them in their day-to-day activities. These include installing cash centres so store employees can deposit money from the registers directly, with no need to transport it; adding a currency-exchange service; offering private security services to the stores; and installing panic buttons. They have also been given security workshops to prevent shoplifting.

NEINVER continued to develop marketing campaigns whose ultimate goal is to attract more visitors and thereby boost the operators' revenue. The promotions launched by the FACTORY and The Style Outlets platforms, and the publicity provided to the brands in their online and offline platforms are some of the most common channels used by the company.

Lastly, besides the services in the centres and the marketing activities, as part of its digital business strategy, in 2014 NEINVER continued developing its eCRM tool, whose purpose is to relate, qualify and improve communication and adaptation between brands and shoppers. The eCRM (Electronic Customer Relationship Management) system will monitor every step of the customer's online trajectory, providing the store with personalised information about the user's habits and shopping preferences, so operators can focus their strategy, tailor product offerings and boost performance.

VISUAL MERCHANDISING ACTIVITIES

True to its commitment to help operators optimise the consumer's shopping experience, throughout 2014 the Visual Merchandising team once again continued developing a range of initiatives.

Visual Merchandising activities with store operators in 2014

Visual Merchandising training

This free training, offered to all operators, consists of two sessions per year:

- Theoretical/practical courses (window displays, sales techniques, implementing promotional strategies, etc.)
- Day-long consultation and assistance sessions for issues specific to each store and centre.

Responses to these trainings were very positive, and NEINVER has worked with operators to ensure the better performance of these teams and achieve optimal results in terms of quality and sales.

In-store communication tools

NEINVER has defined a company-wide in-store communication strategy through which it has designed and provided operators with in-store posters to announce promotions, accompany window displays, etc., incorporating elements of corporate creative materials from the current marketing campaign (Seasonal, Additional Discounts, Back to School, etc.).

The results have been positive both at the centre level (marketing campaigns have become more comprehensive and have a stronger impact) and at the store level (the customer's perception of the brands and shopping experience improves when these posters are used).

This initiative was piloted at the centres in Spain and will soon be extended to the other countries.

Direct activities in the stores

The Visual Merchandising team offers help to those brands whose earnings might have been threatened by the recent crisis. The team works with them in a direct, customised way, in close cooperation with the sales team.

After jointly analysing the weak points and areas that could be improved, the VM team designs an ad hoc action plan, including all the changes it deems necessary in terms of product presentation and the development and implementation of a suitable promotional strategy. Each operator, with support from the centre's VM and management teams, learns to work in a way that is in its own best interest, to improve its ratios.

The results have been very positive, and these brands' business has improved.

These initiatives in 2014 included updating and printing the new version of the Visual Merchandising manual that was developed the previous year, which contains the most important VM concepts applied to the outlet environment. It is meant as a daily reference guide for the stores, offering guidelines on how to run a successful promotion, new ideas for planning window displays, tips for announcing a new collection, and so on.

SHARED COMMITMENT

Working in partnerships involves sharing the company's culture and ethical principles. Therefore, through an initial evaluation, NEINVER makes sure to partner only with brands that operate responsibly and legally, and have a solid history and reputation.

In 2014 the company developed a new project of this type. NEINVER has worked to standardise its boilerplate leases, which set the main terms of the rental contracts and the company's relationship with the store operators. The company thus ensures, among other things, that all leases include consistent requirements to follow legal and regulatory norms in keeping with NEINVER's ethical standards and principles. In this regard, the company rejects any type of anti-competitive practices, and especially forbids any contractual clauses establishing bad business practices, such as exclusivity radius clauses.[17]

Sustainability is another area in which the company works closely in tandem with its operators to achieve shared goals.

On the one hand, NEINVER's leases include a set of specific sustainability clauses. It also gives construction-related Technical Guides to operators, with safety and environmental requirements to be met. Also, to contribute to good operational performance, NEINVER provides them with environmental and energy-efficiency best practices guides, creates dedicated spaces in its centres to help them properly manage waste, and devotes part of the twice-yearly Store Management Meetings to analysing performance and opportunities for improvement in this area. NEINVER also gets them involved in other environmental and awareness-raising initiatives, such as participation in the WWF's 2014 Earth Hour initiative.

Cooperation on sustainability not only offers environmental advantages but, since it also reduces the costs of running the centre (by saving resources such as energy and water), it lets NEINVER devote more resources to activities of interest to its operators and visitors: marketing initiatives, for instance, or new services.

For more information about the environmental criteria applied to operators, see "Reducing the company's environmental footprint" (page 118)

[17] A type of clause in which operators commit to not open another outlet store within a radius of up to 150 km.

The centres' visitors

"NEINVER innovates constantly to attract visitors to its centres and offer them the ultimate shopping experience"

Attracting visitors to the centres and satisfying them as they shop are two keys to success for the company and the store operators.

To achieve this, NEINVER applies a strategy in which careful design, technological innovation and the range of visitor services are basic priorities. The company thus hopes to stand out from the competition and earn its centres a reputation as the place where shoppers want to be, where they feel more like a guest than a visitor.

The company's fundamental aim is to turn visits and shopping into a pleasant, unique experience. So besides offering smart-shopping options to customers (top brands at 30 to 70% off, all year), NEINVER provides another set of services that contribute to satisfaction and make the visit more pleasant. These include valet parking, free parking, phone-charging stations, geolocation of minors, storing visitors' belongings while they shop, loans of pushchairs and wheelchairs, supervised children's leisure areas, organic dining options, Wi-Fi and information points.

58.13
million visitors in 2014

EVALUATING VISITOR SATISFACTION WITH THE CENTRES (G4-PR5)

NEINVER is continually assessing visitors' characteristics and their degree of satisfaction. It therefore conducts specific studies in which it evaluates multiple variables.

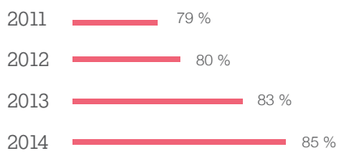
Year after year, visitors' overall satisfaction level has been increasing, as has their intention to return to the centres, which reflects the success of the related campaigns and approaches that the company adopted.

ASSESSMENT OF VISITORS' CHARACTERISTICS AND THEIR LEVEL OF SATISFACTION

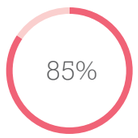
NEINVER evaluates multiple variables related to its visitors. This lets it identify its main strengths and opportunities for improvement, allowing it to define new approaches. Among other aspects, the company assesses:

- The visitor's characteristics (age, sex, frequency of visits, average spending and reason for the visit, types of stores frequented in the centres).
- Things they like and dislike about the centre (prices, brands, facilities, location, children's spaces, etc.).
- Satisfaction with the website and perception of the company in the media.
- Likelihood of coming back.

Changes in visitors' satisfaction rate 2011–14



Overall evaluation of the centres



Positive or very positive opinion

Overall intention to return

Definitely/ probably yes

VISITOR SERVICES

To address its visitors' expectations, suggestions or complaints, NEINVER has voluntarily set up a specific procedure, though not required by law, whereby incident forms and suggestion forms are made available at all its centres to anyone who wishes to use them.

Visitors can also submit inquiries via the web, and there is also an email address they can contact. All the centres also have information points that give visitors a way to communicate with the centre.

Regardless of the communication channel used, all concerns and complaints must be answered, preferably by e-mail or, if that is not an option, by phone. Depending on the issue, the submissions will be routed to the responsible parties in the company for response, following the relevant protocol.

Complaints received by NEINVER

Suggestions received

The statistics reflect complaints and suggestions received through the website.

ENSURING SAFETY AND SECURITY AT OUR CENTRES (G4-DMA) (G4-PR1)

Ensuring visitors' safety and security in the centres is vitally important to NEINVER, in terms of both physical safety and the security of personal data.

To ensure safety, the company has established specific Action Plans to avoid what are considered the most common types of accidents. It has also defined protocols that it passes along to store operators and security staff, to ensure the maximum safety of the visitors and their belongings.

Also, to ensure children's safety, NEINVER has instituted new services at its centres in Spain and Portugal: SecuryKids (child geolocation system within the shopping centre, using wristbands) and PluriKids (creation of a recreation area with workshops and games where parents can leave their children while enjoying their shopping experience). Another service that the Company has implemented for visitors is Compra Fácil, which means "Easy Shopping". People can leave their purchases or other objects at a cloakroom-like service near the information points, and then collect them before leaving. This way they do not need to carry bags around while they are in the centre.

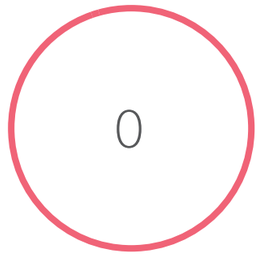
NEINVER also has a specific policy to ensure the security of personal data. Compliance is mandatory for anyone using systems and information owned by the company or by third parties who entrusted NEINVER with their resources an information under Spain's LOPD,[18] one of the most restrictive laws of its kind in the European Union.

This policy ensures the company's respect for confidentiality, regulatory compliance and the security of personal information. Provisions include setting security levels, establishing rules for handling data, and an acceptable-use policy for personal data. To date, NEINVER has received no complaints about noncompliance with personal data protection laws or regulations.

Additionally, to maximise this security, the company has been working to update an additional confidentiality policy to be signed by all employees as part of their job contract, to further guarantee such security. NEINVER is also considering buying a cyber risk insurance policy, to minimise the potential impact on the company in case of a data leak via the internet and/or telecommunications networks.

"NEINVER ensures physical safety at its centres by hiring the most reputable security firms, which respect and train their workers in Human Rights issues"

Complaints for noncompliance with Personal Data Protection laws



[18] The Personal Data Protection Act.

"Together with the brands with which it runs its centres, NEINVER promotes integration with the local community. From the initial phases of any property, the company builds cooperative relationships with local stakeholders, listening to their opinions and concerns and sponsoring activities to help bolster the community"

"Job creation, strengthening infrastructures serving the whole neighbouring area, attracting new visitors, supporting local culture, and cooperation with organisations are some of the main positive impacts that the company's activity generates in the surrounding area"

Local communities

(G4-24) (G4-DMA) (G4-S01) (G4-S02)

PREVENTING AND MANAGING IMPACTS ON THE LOCAL COMMUNITY

Developing and operating the company's centres generates a set of changes and impacts in the immediate surrounding area. Many of these are positive and contribute to the community's growth and well-being. Others, however, can affect it negatively.

To assess these impacts in advance and be able to manage them, NEINVER follows guidelines that, besides the environmental and social-impact studies required by law, involve a process of contact and dialogue with key local stakeholders.

Through meetings and other forms of dialogue, the company informs municipal governments, employment offices, local organisations (cultural, environmental, business, etc.) and other community representatives about the project and related activities. NEINVER also involves regional authorities when advisable due to the size of the project.

Contact with the local community

- Municipal governments
- Employment offices
- Local orgs. (business, cultural, environmental, etc.)
- Other local community representatives
- Regional authorities

Signing collaboration agreements is another common step in developing new properties. NEINVER signs this type of agreement with local authorities so they can cosponsor programmes that address issues of mutual concern, such as the city's economic and social growth and bolstering and developing the business environment.

Through this process, NEINVER bolsters transparency and responsibility in all its actions, especially with regard to stakeholders who may view the new properties with concerns about their possible impact on the environment or on the economy and local mobility. When developing new properties, the company performs and publishes socio-economic impact studies and assesses such repercussions. So far, none has found evidence of the centres' having severe negative impacts on the local economy. Their location on the outskirts of cities avoids conflicts of this type.

NEINVER provides complaint mailboxes in all its centres so that anyone who wishes to may file a complaint. It also performs follow-up and responds to complaints received through social media (Facebook, Twitter, etc.).

VILADECANS: (G4-EC8)

an example of community-integrated development

Viladecans The Style Outlets is the centre that NEINVER is developing through its joint venture with TIAA-CREF in the Catalan town of Viladecans, 10 minutes from the city centre of Barcelona.

The planned two-phase project will involve an investment of more than €80 million, and will feature more than 130 store locations, devoted to top-name fashion brands and to restaurants, in 26,500 sq. m of GLA. It will also draw tourists and energise business in the Barcelona metropolitan area. It has a catchment area of 7 million inhabitants, and in the first year, it is expected to welcome 2.7 million visits.

NEINVER is making a great effort to develop and operate this centre with maximum integration into the community and the local surroundings. To do this, the company has signed a **Collaboration Agreement with the Viladecans town government**, with both parties committing to work together to develop and implement projects and actions that could help the area's economic and social development. NEINVER also has developed a communication action plan to ensure transparency throughout the construction period.

Activities being carried out under the agreement, and their expected benefit to the community:

- **Job creation:** besides the 1,300 jobs expected to be created directly or indirectly during the operation of the centre, a commissioned study by economic experts estimates that the construction will generate about 2,500 jobs through direct and indirect job creation and a knock-on employment effect.
- **Infrastructure**: developing the centre has involved developing the surrounding area and building the viaduct that connects it to the C-32 motorway. This bridge opened to traffic in August 2014, producing notable improvements to traffic in the area.
- **Promoting tourism**: NEINVER will work to strengthen and promote tourism through initiatives and services such as establishing Tourist Information Points and a VAT refund counter in the centre, bolstering the flow of visitors via transport between the outlet centre and Barcelona's city centre, and cooperation with the Barcelona and Catalonia Offices of Tourism.
- **Training and know-how transfer initiatives**: to prepare interested members of the local community for the future jobs in the centre, NEINVER holds training sessions in cooperation with the local employment office, on topics such as business skills, languages, writing a CV, and job interviews. Company employees participate in these sessions, which are being well received among local residents.

Also, in keeping with NEINVER's sustainable construction policy, Viladecans will be developed in compliance with BREEAM and ISO 14001 standards, with the goal of earning those certifications. The whole complex was conceived in accordance with energy-efficiency and energy-saving criteria, and NEINVER ensures responsible management throughout the construction process.

CONTRIBUTION TO THE GROWTH OF THE LOCAL COMMUNITY (G4-EC7) (G4-EC8)

The company and its centres mostly have positive impacts. These include:

Job creation

The centres generate employment in the local community in several ways:

- Directly through staff positions in the company (centres' management and support staff).
- Indirectly, through all the people hired by the store operators and service providers in the centre.
- The third way they generate jobs is through a knock-on employment effect, resulting from activation of the local economy thanks to, among other things, the increased buying power of the previously mentioned direct and indirect employees.

When it arrives in a community, NEINVER works actively with local employment offices to match up job seekers with the centre's store operators. The company has also developed targeted projects to bolster training of local job seekers in subjects such as languages and sales techniques, thus making them more employable and more likely to be hired at the centres.

Infrastructure development

NEINVER's centres, normally located on the outskirts of cities, are an opportunity for urban transformation and the revitalisation of the neighbourhood. This is mainly because the centres attract a great many visitors to the area, which promotes the development of new roads, public transport links and upgrades to other infrastructures.

In addition, to reduce the impact of traffic on local mobility, NEINVER helps to build or widen roads, bridges, approach ramps and other structures.

Increasing the value of nearby properties

This urban transformation and revitalisation, activation of the economy, and the simple act of broadening the range of brands and products in and near the centre create this effect.

Promoting culture and art in the region

As a matter of policy, NEINVER does not usually provide sponsorships, but it occasionally does collaborate on a small scale on a one-off basis, always in projects aligned with the company's values. These include support for local festivals and artists from the immediate

Promoting tourism

NEINVER cooperates with local and regional institutions to promote tourism. The company has participated in round-table discussions and has ongoing collaborations with tourist information centres and regional airports. Similarly, social and cultural events such as summer festivals draw tourists to the area.

Training and know-how transfer

At its centres, NEINVER sponsors various training initiatives with local organisations and businesses and for local residents, to improve their skills and their employability.

Working with organisations and NGOs

NEINVER supports community organisations by letting them use space in its centres and by participating in fundraising events.

POLAND

NEINVER has generated 7,000 jobs in the country throughout its 15 years of operation there.

The company helped to develop infrastructure surrounding its centres in Katowice (a €250,000 investment in the rebuilding of the railway station) and Krakow (construction of a roundabout to improve access to our FACTORY Krakow centre and new streets to connect the centre to the adjacent motorways).

Galeria Malta supports the Poznan-Maltanka narrow-gauge railway, much valued by the local community.

NEINVER has made co-working spaces available to visitors to **Galeria Katowicka**, F**ACTORY Warsaw Annopol** and **FACTORY Krakow.**

The company has participated in various initiatives to advance women's role in society and to promote family activities (Project Weekends) to encourage a healthful, sustainable lifestyle.

Through its centres, NEINVER works with different charities by providing them with space and sponsoring fundraising activities. Among other groups, it cooperated with the Great Orchestra of Christmas Charity and with the Red Cross.

SPAIN

In Spain, NEINVER generates more than 4,400 jobs through its outlet centres and retail parks.

The centres hold numerous educational, cultural and sporting activities (photo exhibitions in A Coruña in cooperation with schools, academic institutions and social organisations; play workshops for children right in the centre; support for flamenco fashion shows in Seville; support of contests, races and other local activities at Las Rozas).

The centres in Spain have worked with NGOs on various types of events. All the centres donated space at Christmastime for gift-wrapping fundraisers in support of various organisations (Acnur, Nyumbani and the TAS Foundation). Other notable collaborations included the Junior Achievement Foundation (volunteers at the Las Rozas centre took part in sessions in which children simulated founding a business), Madre Coraje (a clothing drive at the Seville centre, to benefit the area's neediest people) and Santa Genoveva (organising a charity Halloween celebration in the childcare area of the Seville centre).

ITALY

The centres' operation in this country generated more than 1,500 jobs.

In Vicolungo, NEINVER took part in renovating the local church and supported the development of the branch locations of the Novara Red Cross and the Galliate Police Volunteer Association.

The company sponsors the Turin Book Club and MUBA (the Children's Museum of Northern Italy).

NEINVER supports local craftspeople by setting up Christmas markets. It has also donated space for art and photography exhibitions as a way to support local art.

NEINVER is a Corporate Golden Donor to the FAI, which is the Italian National Trust. In 2014 it also donated space and took part in fundraising events for Italy's National Multiple Sclerosis Association, the UGI (Italian Parents Against Childhood Cancer) and Save the Children.

PORTUGAL

Vila do Conde employs about 1,700 people, mostly from that region.

The centre works with local employment offices (Póvoa do Varzim) to help unemployed people find opportunities at the centre.

Vila do Conde spurred improvements to the network of access roads and municipal roads in the area, which improved local mobility and pedestrian safety.

NEINVER has supported various campaigns around cultural, social and environmental issues in the area.

The company has worked with local civil defence authorities and with the fire-prevention team in training activities about traffic safety and health.

The Vila do Conde centre has participated in a fundraising arts and crafts contest between various schools in Oporto. The most voted-for works were exhibited at the centre and the winning school won a €1,500 prize, which it donated to the charity Casa do Caminho.

NEINVER sponsors the local indoor football team in the Iberian Police Tournament (Torneo Ibérico de Policía). Some of the revenue from the tournament goes to benefit social causes.

GERMANY

Zweibrücken The Style Outlets is one of the region's largest employers, generating 1,100 jobs in the region.

NEINVER provided funding (€120,000) to the local airport, whose operations were in jeopardy as it was not served by enough airlines. It is also supporting a project to attract a tourist route that uses a vintage airplane. The company provided funds (€30,000) to promote tourism in the town.

Zweibrücken The Style Outlets has worked with the Children's Village NGO through its donation from its Christmas gift-wrapping fundraiser (€2,000). To that sum, the company added its own contribution of €3,000.

FRANCE

Roppenheim The Style Outlets generates more than 630 jobs.

The centre works with a variety of associations and NGOs (cooperation with KIWANIS to develop various events and fundraising races in support of needy children in the region, and wit the French Red Cross by donating funds raised in the centre in its Christmas gift-wrapping area).

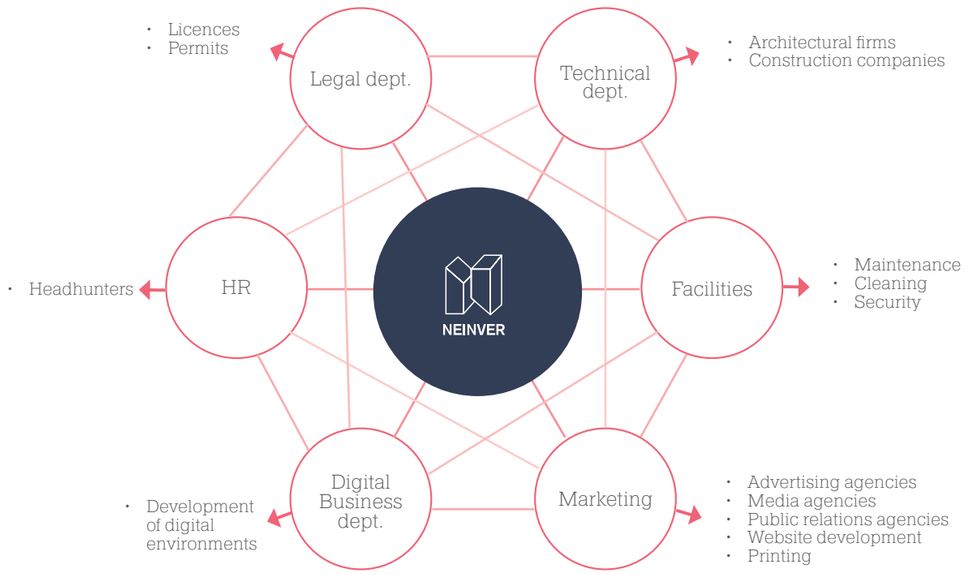
In terms of culture, the company supported the Basse-Zhorn Festival as well as an art exhibition (START) and the Russische Kulturtage cultural association.

NEINVER has sponsored several local sports clubs and tournaments: SIG (the Strasbourg basketball team) and the Internationaux de Tennis de Strasbourg.

Suppliers

"In managing its supply chain, NEINVER seeks to align it with the company's goals, and expects its suppliers to share its commitment to quality, the environment and responsible behaviour"

NEINVER's supply chain. Main types of suppliers, broken down by department (G4-12)



(G4-DMA)

DESCRIPTION OF THE SUPPLY CHAIN

(G4-12)

NEINVER does not have a linear supply chain. The company's involvement in every phase of the property cycle means its business structure is divided into diverse areas and departments that require suppliers suited to their needs, often possessing widely different traits.

RESPONSIBLE MANAGEMENT OF SUPPLIERS

(G4-DMA) (G4-EN32) (G4-LA14)

NEINVER's commitment to sustainability informs its selection, contracting and monitoring of suppliers.

The company uses a supplier screening system that sets a series of requirements or standards of behaviour that include, among others, having ISO 9001, ISO 140001, ISO 50001 and OHSAS 18001 certifications, efficient energy use, service forecasting models, as well as appropriate labour practices regarding occupational health and safety, and staff training. These requirements vary depending on the type of service required, and they make a firm more appealing when it comes time to select a provider.

Additionally, all the company's contracts with suppliers include best-practices clauses on labour standards, occupational safety and health, and the environment. NEINVER follows up with its suppliers to ensure that these requirements continue to be met throughout the contract period. Among other aspects, it continually evaluates legal compliance, the contract conditions, the quality of the product or service, respect for deadlines and energy efficiency.

Besides involving them in its commitment and requiring them to behave responsibly, NEINVER works with suppliers to help them improve operations and adopt responsible management practices, especially around environmental issues. It has therefore developed specific environmental management manuals that it makes available to all suppliers.[19]

[19] *For more information about the environmental component of supply chain management, see the section "Reducing the company's environmental footprint" (page 118).*

HELPING SUPPLIERS GROW (G4-EC9)

The company's purchases of goods and services contribute to the growth of its suppliers, by strengthening economic activity and through indirect job creation.

NEINVER prioritises local sourcing to help generate wealth in the regions where it does business. Thus most purchasing for the centres (more than 90% in all cases) is through suppliers in the same country as the centre. These purchases mainly deal with the company's facilities-related needs (maintenance, repairs, cleaning, gardening, security, supplies), marketing, legal and tax assistance, accounting services, travel agencies, estate agents, insurance brokers and office rentals.

Only corporate-level procurement is concentrated in Spain. Also, though to a lesser degree, other accounting and corporate services are concentrated in other countries, such as Luxembourg and the Netherlands.

When acquiring certain services, the company also works with special employment centres for people with disabilities. In 2014, NEINVER Spain hired two of these organisations to find people to handle office cleaning as well as printing services.

Percentage of the centres' purchases that were made locally (in the same country)

The industry

"NEINVER places great importance on participating in industry associations, standards organisations, professional associations and other groups that, in various spheres, promote and pursue improvement and excellence in the industry"

The company's involvement in these organisations allows it great visibility among store operators, drawing the interest of brands and investors, and bolstering the generation of business networking.

NEINVER's membership in associations (G4-16)

RETAIL AND OUTLET SECTOR
Associação Comercial do Porto (Oporto Commerce Association)
Asociación Española de Centros Comerciales (AECC, Spanish Association of Shopping Centres)
Associação Portuguesa de Centros Comerciais (Portuguese Association of Shopping Centres)
Conseil national des Centres Commerciaux (French National Council of Shopping Centres)
International Council of Shopping Centers (ICSC)
Consiglio Nazionale dei Centri Commerciali (Italian National Council of Shopping Centres)
German Council of Shopping Centers
Polish Chamber of Shopping Centres
Urban Land Institute (ULI)
INVESTMENT
Global Real Estate Institute (GRI)
European Association for Investors in Non-listed Real Estate Vehicles (INREV)
Private Equity Real Estate (PERE)
FACILITIES MANAGEMENT
European Facility Management Network (EuroFM)
International Facility Management Association (IFMA)
Sociedad Española de Facility Management (SEFM, Spanish Facilities Management Society)
OTHER
Asociación de Usuarios de SAP de España (AUSAPE, Spanish Association of SAP Users)
Family Office Managers Meetings (FOMM)
Royal Institution of Chartered Surveyors (RICS)

NEINVER also takes part in numerous trade shows and conferences, at which it helps to spread best business practices and contributes to advancing the industry.

NEINVER's presence at industry events in 2014

ReDI
Retail Destination Initiative (ReDI), a retail property investment trade show (Poland)
SHOPPING CENTRE FORUM
(Poland)
IFMA
Training for facilities managers (Barcelona)
MAPIC
International Retail Property Market (Cannes)
FACTORY OUTLET KONGRESS
German Factory Outlet Convention (Baden-Baden)
THE CONFERENCE "MODA Y MEDIOS
Los soportes comunicativos de la Moda" ("Fashion and the Media: the Fashion Media"). (Universidad Internacional Menéndez Pelayo. A Coruña)
GLEISS-LUTZ
(Frankfurt)
EUROPEAN OUTLET EVENT
(Paris)

In 2014, the company's senior management attended various relevant industry events, including the InRetail Congress in Lisbon, Barcelona Meeting Point, the 14th Spanish Conference of Retail Centres and Parks in Malaga, International SAP Conference on Real Estate Management in Berlin, and the 2014 ICSC European Outlet Conference in London.

REDUCING THE COMPANY'S ENVIRONMENTAL FOOTPRINT

4

"NEINVER is firmly committed to minimising its environmental footprint. It therefore works every day on new initiatives that help further reduce its operations' impact, and seeks to engage stakeholders such as suppliers, contractors and store operators in this goal"

"The company's solid environmental performance has been certified under the most stringent of standards, such as ISO 14001, ISO 50001 and BREEAM"

Sustainability throughout the property's life cycle

NEINVER understands that responsible environmental management must encompass each property's entire life cycle, from design and development activities to those associated with asset management and fund management.

In this context, NEINVER does not limit its environmental management to the company's own activities but extends this commitment to other stakeholders, particularly to the contractors entrusted with developing its properties and to the centres' suppliers, store operators and visitors.

NEINVER's approach to environmental management

ASSET DESIGN AND DEVELOPMENT
(G4-DMA)

Designing and developing shopping centres under strict sustainability standards is essential to minimising environmental impact during construction and reducing their environmental footprint throughout their useful life.

With that belief, since 2011, NEINVER has certified its new centres and the renovations of existing ones under the BREEAM New Construction standard, ensuring that these assets are developed to high standards of energy efficiency and environmental quality.

BREEAM New Construction Types of sustainability requirements

Management: minimising impact of construction.

Users' health and well-being: lighting (natural and artificial), comfortable temperature and sound level, etc.

Energy: designs that minimise energy consumption and reduce emissions.

Transport: improving mobility, with alternatives to private cars (public transport, bicycles, etc.).

Water: reducing usage and promoting reuse.

Materials: using responsibly sourced alternatives with low environmental impact.

Waste: waste management during construction and throughout the building's useful life.

Land use and ecology: maintaining and improving the site's ecological value.

Pollution: reducing pollution caused by the building (gases, light and sound, water flow, etc.).

Innovation: new types of improvements not covered in the other sections.

To ensure it earns this certification for each new construction and renovation, the company specifically hires BREEAM consultants during the property's concept, design and construction phases, and makes sure the architectural design contracts require the building to achieve a certain minimum certification.

Additionally, NEINVER includes sustainability requirements when choosing the contractors to carry out these activities. The preselection process takes into account the firms' sustainability performance, and once contractors are chosen, the contracts include "green clauses" defining environmental and social requirements, which the contractors must sign and honour while developing the property. Some of these refer specifically to the building's primary construction materials, requiring the use of raw materials from suppliers with certified management systems for their manufacture.[20]

The Viladecans The Style Outlets and Amsterdam The Style Outlets centres are currently being designed to obtain this certification.

[20] NEINVER obliges contractors to prove and document that at least 80% of the materials will come from providers and manufacturers with an ISO 14001–certified Environmental Management System.

ASSET MANAGEMENT (G4-EC2) (G4-DMA)

Good environmental performance in asset management is a key factor in cost containment and increasing the assets' value. This is why NEINVER's Business Improvement and Facilities Management areas conduct numerous efforts to improve energy efficiency, minimise water and raw-material consumption and optimise waste management.

To achieve these goals, NEINVER has an **ISO 14001–certified environmental management system.** This has been integrated with the company's existing quality-management system (ISO 9001 certified) and Occupational Health and Safety system (OHSAS 18001 certified).

Within the resulting integrated system, NEINVER has approved an Integrated Quality, Environmental and Occupational Health Policy. Based on that, the company is developing a roadmap with environmental-management and energy-efficiency activities, and is conducting periodic monitoring and evaluation to foster continual improvement.

Moreover, given the importance of energy-related issues, NEINVER set up and certified an **ISO 50001–compliant energy management system** in 2014, becoming the first company in the retail property sector to achieve this certification for all its centres in Europe (up to September 2014 – before acquire Nassica and Vista Alegre-).

The company also recently finished earning **BREEAM In-Use certification for all its centres that have operated for more than two years**. They were certified both in terms of the buildings' construction and facilities (Part 1) and their building-management policies and procedures (Part 2). In both parts evaluated by BREEAM, NEINVER's centres received the following assessments:

BREEAM In-Use certification of NEINVER's centres

	CENTRES	PART 1	PART 2
SPAIN	Las Rozas The Style Outlets	Good	Very Good
	Getafe The Style Outlets	Good	Very Good
	Sevilla The Style Outlets	Good	Very Good
	San Sebastián de los Reyes The Style Outlets	Good	Excellent
	Coruña The Style Outlets	Very Good	Excellent
POLAND	FACTORY Ursus	Very Good	Good
	FACTORY Wroclaw	Very Good	Good
	FACTORY Poznan	Good	Very Good
	Galeria Malta	Very Good	Very Good
	FACTORY Annopol	Very Good	Very Good
	FACTORY Krakow	Very Good	Good
PORTUGAL	Vila do Conde The Style Outlets	Very Good	Good
ITALY	Vicolungo The Style Outlets	Good	Good
	Castel Guelfo The Style Outlets	Good	Very Good
GERMANY	Zweibrücken The Style Outlets	Very Good	Good
FRANCE	Roppenheim The Style Outlets	Excellent	Excellent

BREEAM In-Use certification

This is a sustainability assessment and certification programme for existing, in-use, non-residential buildings that are at least two years old. It evaluates the property's actual behaviour through information on environmental performance, bills, and other records of the building's resource consumption.

This management has let the company improve its environmental performance continually in areas such as energy consumption, greenhouse gas emission reduction, water consumption and waste management. The next section, "5.2 NEINVER's environmental performance in 2014," gives detailed information about these and about the main steps the company has taken to manage them.

FUND MANAGEMENT (G4-EC2)

In its role as a fund manager, too, NEINVER fosters the implementation of environmental best practices at its centres. Their environmental performance is, appropriately, a factor their investors care about more and more.

The company currently manages IRUS Fund, whose portfolio includes eleven outlet centres, among other assets. NEINVER promotes the participation of all of them in the GRESB initiative (see highlight box), under which they report annually on their progress in the environment and corporate social responsibility. In the specific field of energy savings, the centres owned by the fund reduced their ***like-for-like***[21] energy consumption by 8.4% compared to 2013.

As the fund's manager, NEINVER also supports the centres' store operators as they work towards obtaining environmental, quality, and health and safety certifications.

GRESB (Global Real Estate Sustainability Benchmark)

GRESB is a worldwide benchmark for sustainability performance in the property industry.

Each year it evaluates the progress of real estate companies and the sector as a whole, through questionnaires completed voluntarily by property owners or managers who wish to know and improve the impact and quality of their assets' environmental management.

For more information, visit www.gresb.com

Environmental management throughout the properties' life cycle

1 –

DESIGN AND DEVELOPMENT

- Criteria for an asset's energy efficiency and environmental excellence during construction and throughout its useful life
- BREEAM certification
- Requirements extended to architectural and engineering

2 –

ASSET MANAGEMENT

- Continual improvement: environmental management and energy efficiency
- Certifications: ISO 14001, ISO 50001, BREEAM In-Use

3 –

FUND MANAGEMENT

- Participation in GRESB, reporting the environmental performance of all of IRUS Fund's centres
- Pursuing certification of the fund's centres

[21] *Like for Like*: : A comparison method that excludes the effects of expansions, acquisitions or other variations that "artificially" affect the parameter in question. In NEINVER's case, the base year for this analysis is 2011.

COOPERATION WITH OTHER STAKEHOLDERS (G4-DMA)

Cooperation with other stakeholders for environmental improvement is another priority of the company's management approach.

NEINVER works closely with its suppliers, contractors and store operators, having set various requirements for them to comply with the company's sustainability standards. It has established awareness-raising and collaboration tools to involve them in improving the centres' environmental performance.

	SUPPLIERS	CONTRACTORS	STORE OPERATORS
Environmental requirements	• Know NEINVER's policy on the environment, energy efficiency, quality, and health and safety. • Answer a pre-evaluation questionnaire that assesses environmental certifications. • Sign "green clauses" in contracts, including best practices for the environment, energy efficiency, and health and safety. • Work in compliance with the contractual Service Level Agreements, which set criteria for behaviour and define penalties (Only for suppliers with major environmental impact: cleaners, gardeners, security and maintenance). • Receive and review a twice-yearly reminder about green policies and clauses and about the monitoring of certain kinds of environmental impact.	• Obey environmental laws and follow best practices. • Correctly manage health and safety of staff and at facilities. • Act responsibly, minimising energy consumption and the use of non-renewable raw materials. • Manage waste appropriately, ensuring its proper storage, transport and treatment, especially for hazardous waste	• Comply with the leases' environmental management and efficiency clauses (storage of toxic or hazardous substances, the need to recycle, etc.). • Comply with the requirements in the retail units' Technical Guides, which establish obligations to meet when they design, build and manage their stores, including occupational, environmental and energy-efficiency guidelines. In 2014 this guide was standardised for all the company's centres in Spain.
Awareness-raising and collaboration tools	• Guides to environmental and energy-efficiency best practices for suppliers and store operators • Twice-yearly Store Manager Meetings in which centre management meets with all store managers to present the centre's key figures and remind them of environmental issues such as the importance of recycling, where recycling bins are located, etc.		

COMMITMENT TO CONTINUAL IMPROVEMENT - 2014 AND 2015 TARGETS

NEINVER is committed to continual improvement of its environmental management, and sets new targets each year. It conducts annual tracking of its compliance and of the impact of the actions it takes to pursue the targets.

NEINVER's 2014 environmental targets. Level of compliance

	AREA	TARGET	PROGRESS
Energy plan target	Energy efficiency	Improve the system for monitoring, reporting and collating energy information at all NEINVER centres.	**Achieved** – Honeywell project: Use of systems such as PLANON and BMS[22] and installation of tools such as energy managers that facilitate tracking of more energy lines in the centres, to help tailor the improvement practices to the needs of the least efficient points.
Energy plan target	Green energy	Foster the use of green energy at 5 centres in two different countries	**Achieved**- Solution implemented at all centres in Spain (except Vista Alegre) and in Zweibrücken, Germany.
Energy plan target	Energy efficiency	A 2% reduction in the centres' total electricity use compared to 2013.	**In progress** – Through the Energy Action Plans at each centre. The centres in Southern Europe (Spain, Portugal, France and Italy) achieved a 5.8% reduction compared to 2013.
Energy plan target	Energy efficiency	Replace desktop and laptop hardware with tablet devices.	**Achieved** – Among other benefits, the new tablets consume 5 W as opposed to the 240–450 W used by desktops and laptops, and since they are easy to carry and to read, they encourage employees to print less.
Environmental targets	Consumables (paper)	Reduce use of toner cartridges and paper by 1% at NEINVER corporate headquarters compared to 2013.	**In progress**
Environmental targets	Preventing pollution	Implement the "Spillage Response Procedures" to control and monitor any spills of gas oil or petrol in car parks or other areas of the centre.	**In progress**
Environmental targets	Water	Reduce annual visitor-related water consumption by 2% compared to 2013.	**In progress** – Awareness posters were installed in toilets at the centres and offices. Additionally, "Environmental and Energy Best Practices" were distributed via the extranet.
Environmental targets	Certification	Earn BREEAM In-Use certification for Roppenheim The Style Outlets, thus completing certification of all centres in the portfolio that have been operating for	**Completed** – Certified with a rating of "Excellent"
Environmental targets	Reporting	Perform GRI-compliant reporting	**Completed** – This CSR report was developed in compliance with the GRI G4 guide

[22] BMS: Building Management System, which can monitor and improve management of a building's main systems, such as HVAC and lighting.

In 2015, besides continuing to work on the pending targets, NEINVER will remain committed to continual improvement, taking on new challenges to further reduce the impact and cost of its operations:

NEINVER's 2015 environmental targets

	AREA	TARGET
Environmental targets	**Environmental reporting**	Update Facilities Management metrics for better reporting of variables, including installation of new software packages.
Environmental targets	**Store operators' environmental management**	Extend the standardisation of the technical guides to store operators in other countries.
Environmental targets	**Certifications**	Earn renewal of ISO and BREEAM certifications at all centres or extend the existing ones in the case of new construction.
Energy plan target	**Energy efficiency**	Carry out the Energy Action Plan at the centres.
Energy plan target	**Green energy**	Supply green energy to most of the portfolio, including the centres that already have it: FACTORY Krakow and Annopol in Poland, and Roppenheim The Style Outlets in France.
Energy plan target	**Energy efficiency**	Start working with tenants to help them improve energy management and operational management.

NEINVER's environmental performance in 2014

"As a property owner and manager, NEINVER is responsible for the impact of the energy and water consumption, waste production, and emissions of its centres and offices. To measure the success of its management and define new actions every year, the company assesses the results of the implemented projects and issues an annual report of its key environmental indicators, reporting against the Global Reporting Initiative (GRI) G4 Guidelines"

ENERGY CONSUMPTION (G4-DMA) (G4-EN6) (G4-EN7)

Energy consumption is one of NEINVER's top environmental priorities. In recent years, this top-down commitment from Senior Management has been embodied in numerous improvements at the centres and corporate offices.

In 2014 the company reached a milestone in energy consumption management at its centres when it implemented an **energy-efficiency management system and had it certified under the ISO 50001 standard.**[23] NEINVER has taken multiple steps to achieve this, starting with reviews to identify energy inefficiencies and, later, defining specific improvement plans for each centre (Energy Plans). These plans define site-specific actions, which vary depending on the baseline situation. The most common of these include installation of automated lighting-management systems, replacement of fluorescent lights with LED, optimisation of heating systems and upgrading inefficient equipment.

Lastly, the involvement of other departments from within the company, such as IT (Information Technology), has made possible other projects that have also improved NEINVER's energy consumption. In 2014 the company encouraged the replacement of laptop and desktop computers with tablet devices. Besides providing benefits in terms of mobility and connectivity, this helped reduce workstation energy consumption and the printing of documents.

[23] Centres managed through September 2014. The centres acquired by the joint venture with KKR are not yet certified.

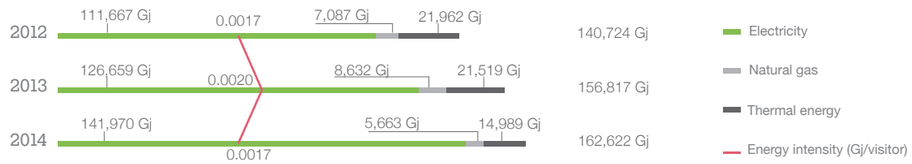
Changes in consumption (G4-EN3) (G4-EN5) (G4-CRE1)

Energy consumption at the company's centres and offices rose in 2014, in absolute terms, to 162,622 Gj.[24] Though this was 3.7% more than the total consumption for the previous year, **in comparative terms the company achieved a major reduction:**

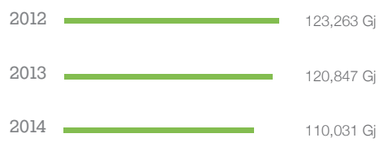
- Like-for-like consumption (looking only at centres that had opened by 2011) **was down by 8.9% over the previous year**, reaching a total of 110,031 Gj, as opposed to 120,847 Gj recorded in 2013.
- **Energy intensity per visitor dropped by 12.7%** compared to the previous year.
- ***Consumption was down at 85% of the centres*** (with reductions of more than 20% in some cases, compared to 2013).

These indicators reflect the company's improved performance, to which the measures indicated above contributed decisively. NEINVER has also set new targets in this area for 2015, with which it aims to continue improving its energy efficiency.

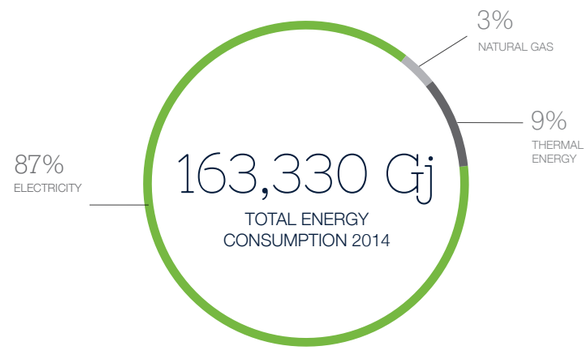
NEINVER's total energy consumption (Gj) and energy intensity (Gj/visitor). Broken down by energy source.



Total like-for-like energy consumption (Gj) at NEINVER centres and corporate offices.



NEINVER electrical consumption sources in 2014



[24] This increase mainly reflects the expansion of NEINVER's business, both in the size and number of centres managed throughout the year (Annopol and Galeria Katowicka in Poland opened in 2013, and therefore operated only a few months that year) and in the number of visitors.

GREENHOUSE GAS EMISSIONS

(G4-DMA) (G4-EN15) (G4-EN16) (G4-EN19)

In recent years, NEINVER has developed a carbon footprint reduction policy. Under that policy, besides the investments and measures adopted to boost the centres' energy efficiency, the company has launched a programme to acquire green energy for some centres. In late 2014, seven of the centres (Zweibrücken in Germany and all centres in Spain except Vista Alegre) were using this type of electricity.

Changes in emissions (G4-EN18) (G4-CRE3)

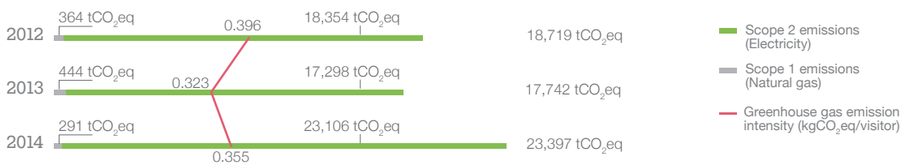
In 2014, total greenhouse gas emissions rose by 31.9%. As with energy, the main reason was the expansion of the company's business.

Also, the fact that FACTORY Wroclaw (Poland) stopped using green energy in 2014 affected emissions. Poland's heavy use of coal-generated power makes electricity consumption very CO2 intensive in that country.

In comparable, like-for-like terms, the increase in emissions was minor (13.9%) if we exclude the new centres from the calculation.

Moving forward, NEINVER has adopted new targets to further minimise greenhouse gas emissions. These include further broadening the use of green energy in its centres, to include FACTORY Krakow and Annopol in Poland and Roppenheim The Style Outlets in France.

NEINVER's Greenhouse Gas Emissions (tCO_2eq) and emission intensity (tCO_2eq/visitor). Broken down by the scopes described in the GHG Protocol[25]



NEINVER like-for-like Greenhouse Gas Emissions (tCO_2eq)[26]

[25] The GHG Protocol is the most widely recognised international methodology for estimating greenhouse gas emissions. The emissions calculated on both charts only reflect those from the company's electricity use (Scope 2 emissions) and natural gas (Scope 1 emissions). It was not possible to quantify emissions from use of district heating systems (imputable to Scope 2). NEINVER will include them in upcoming editions of the report.

Other efforts to reduce emissions

Besides emissions from the centres' and offices' energy consumption (the only ones considered in the company's inventory to date), NEINVER is developing various plans to reduce other sources of emissions linked directly or indirectly to its operations. Customers' and employees' transport to the centres is one of the main ones.

In this regard, in addition to the efforts so far to reduce business travel (see highlight box), the company is providing its customers and employees alternatives to travelling in private cars.

Therefore, in centres not readily accessible by public transport, NEINVER offers shuttle bus service from various points in the nearest towns. The centres also increasingly have parking for bicycles.

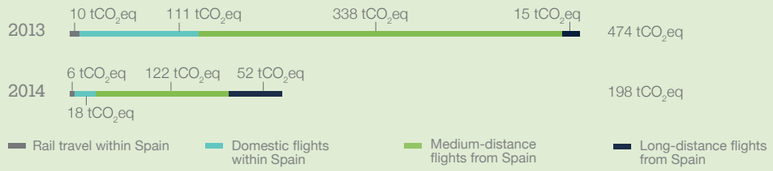
SUCCESS STORY: (G4-EN17) Implementation of a videoconference system in Spain

In December 2012, NEINVER activated a videoconference system to reduce the need for travel to attend business meetings.

This initiative had two goals: 1) seek greater energy efficiency and cost savings, reducing both expenses and CO_2 emissions; and 2) improve employees' quality of life by favouring work-life balance while optimising their productivity.

More than two years after implementation, the systems have yielded very positive results, which translate into 60% lower emissions from employee travel within Spain in 2014 compared to the previous year.

Greenhouse gas emissions from employee travel



NEINVER joins the WWF's Earth Hour initiative

NEINVER took part in the WWF's Earth Hour initiative in March 2014.

This global campaign, which attracts more than a billion people each year and mobilises 7,000 cities around the world, is meant to raise awareness of environmentalism and the fight against climate change, inviting participants to turn off the lights on monuments, streets, businesses and homes.

Besides participating in the campaign, NEINVER's centres invited visitors and store operators to join in by dimming lights in the common areas and the stores, and encouraging them to ride free public transport to the centres.

WATER (G4-DMA)

Along with energy and emissions, water is another key environmental factor in the company's operations. NEINVER pursues sustainable use of this resource, and therefore constantly monitors use and adopts various precautions in its centres.

This includes installing aerators and motion detectors on taps, dual-flush toilets, leak detectors and automated circuit breakers connected to motion sensors at the entries to toilet areas. More recently, the company has standardised the timing of the taps. There have also been awareness campaigns aimed at the employees, through posters and signs in the toilets and kitchens of the centres' administrative offices, reminding people about corporate conservation efforts.

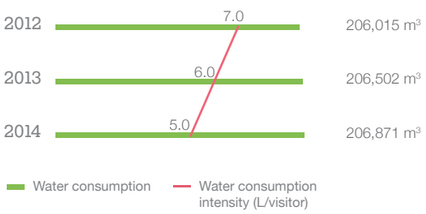
NEINVER has also promoted awareness among other stakeholders that have a connection to the company's operations, such as suppliers (especially those in charge of cleaning and gardening) and store operators, through best practices manuals for each group, explaining responsible water use and other environmental recommendations.

Changes in water consumption (G4-EN8) (G4-CRE2)

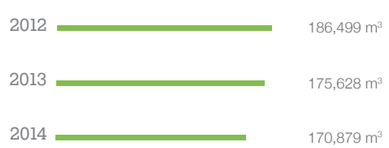
In comparable terms, *like-for-like* water consumption **decreased by 2.7% compared to the year before.**

This was possible thanks to the efficacy of the steps the company took in recent years, containing consumption despite a major rise in the number of visitors to the company's centres (absolute consumption increased in 2014 by just 0.01% even though NEINVER's centres welcomed 2.5 million more visitors than the previous year).

NEINVER's total water consumption (m^3) and consumption intensity (L/visitor)



NEINVER's like-for-like water consumption (m^3)



WASTE MANAGEMENT AND LEAK PREVENTION (G4-DMA)

In centres and offices alike, NEINVER is engaging in responsible waste management, applying the most restrictive legal framework of all the countries in which it does business.

To implement this, it has set up the necessary facilities at all its centres so that operators, visitors, suppliers and company employees can properly separate the waste they generate. All centres are equipped with a hazardous waste management area. The aim is for waste to be separated effectively for later treatment and recycling.

For its training and awareness programme, NEINVER has developed specific technical guides for the handling of waste in the centres and offices, and has run training sessions about waste separation at several of its locations. These materials and activities train store operators about how to segregate the various types of waste, where to find bins, who is responsible, and what documentation should be kept.

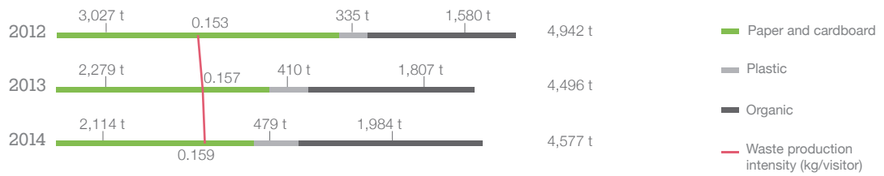
Prevention and response to spills is another field in which NEINVER has made progress in the past year. The company has begun a campaign of spill drills, which will be expanded to all the centres. It also developed a master procedure to follow in such emergencies, which is being customised to the specifics of each centre.

Changes in waste production (G4-EN23)

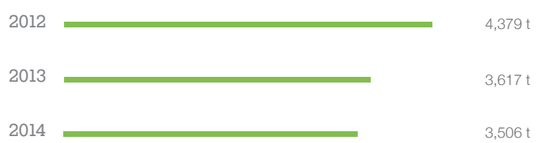
As with water, in comparable terms, ***like-for-like*** waste production **deceased by 3.1% compared to the year before.**

In absolute figures, the slight increase since 2013, which coincided with increased foot traffic, also translated into a significant drop in generation intensity (15% less).

NEINVER's waste production (t) and waste production intensity (t/visitor). Broken down by category.



NEINVER's *like-for-like* waste production (t)



SUCCESS STORY: Vila do Conde

Vila do Conde is an environmental success story. The centre's approach to water and waste management, based on continual improvement, has brought about constant reductions in both parameters year after year.

Vila do Conde has the broadest, most detailed, most comprehensive waste treatment and tracking system of any NEINVER centre and surpasses many others in the sector.

Besides separating waste into more than ten categories to maximise recycling, Vila do Conde is especially proactive about training store operators to ensure proper management, and in its awareness campaigns and communication and its reminders sent to all operators. In 2014, it gave a specific course on this topic to all tenants.

The waste separation area is very complete and easy to use, and is always kept clean and tidy.

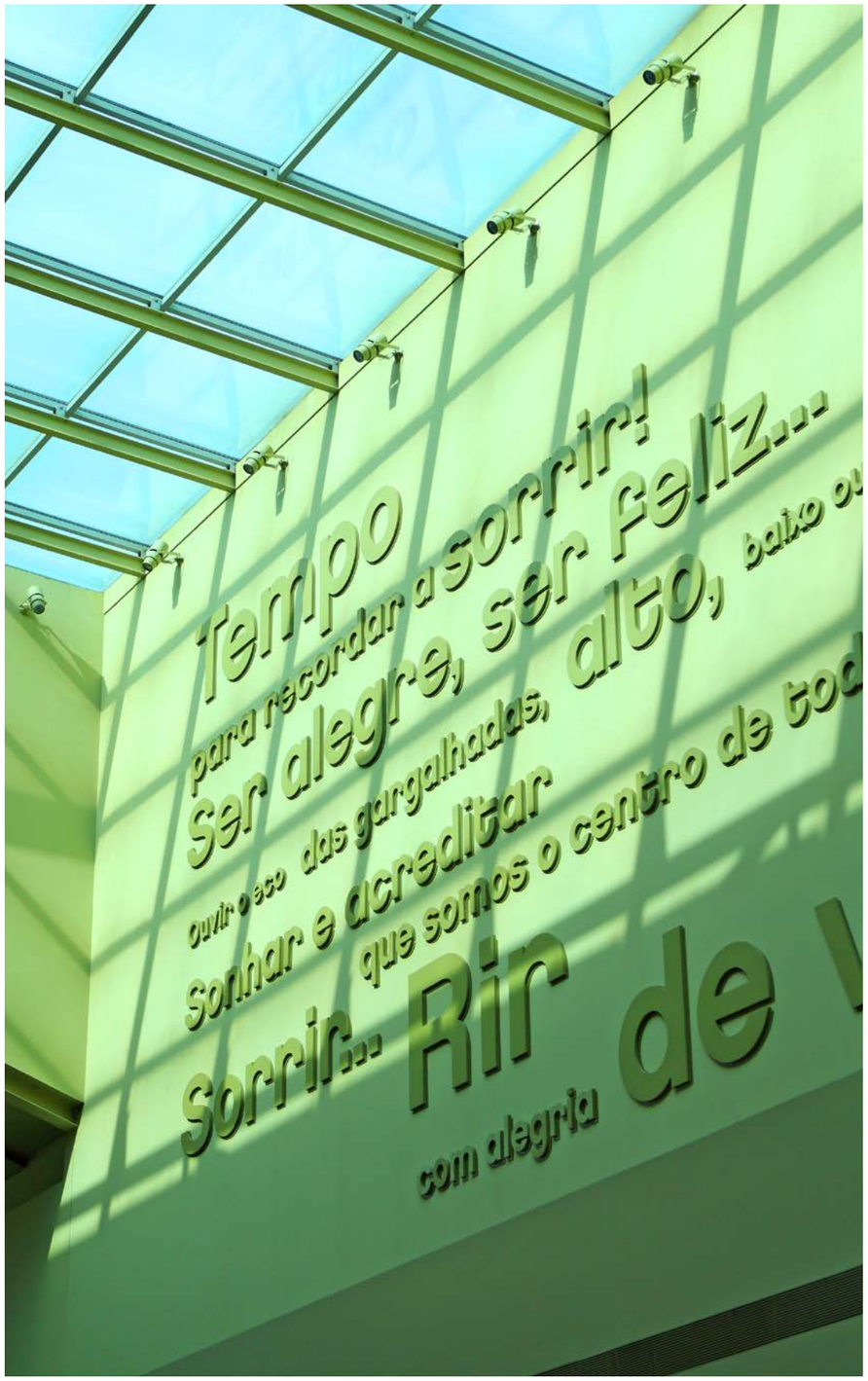
This is possible thanks to outstanding management and the commitment of all the centre's employees and operators. In the future, NEINVER aims to extend these best practices to all its centres.

Environmental training

Meeting environmental management targets requires having aware, qualified professionals with strong knowledge of this field.

NEINVER therefore sponsors in-house and external training sessions each year, covering topics such as energy efficiency, waste management, and certification systems.

Besides the awareness sessions mentioned above, upon the centres' receiving ISO 50001 certification (and as a reminder of the company's other certifications), in 2014 there were several training courses on this subject, including the "Quality, Environment, Health and Safety, and Energy Management Systems ISO 50001" course taught to the professionals of the Facilities Management teams in several countries, and the "ISO 50001 Implementation Technician" course taught to Business Improvement.



Close-up: Changes in environmental management, broken down by country

(G4-EN3) (G4-EN5) (G4-CRE1) (G4-EN8) (G4-CRE2) (G4-EN15) (G4-EN16) (G4-EN18) (G4-CRE3) (G4-EN23)

EXCLUDING THE EFFECTS OF THE OPENING OF NEW CENTRES, LIKE-FOR-LIKE ENERGY CONSUMPTION IN THE COUNTRY WAS DOWN BY 10%

IN COMPARABLE TERMS, LIKE-FOR-LIKE WATER CONSUMPTION DECREASED BY 7%

LIKE-FOR-LIKE WASTE PRODUCTION WAS DOWN BY 34.7%

POLAND

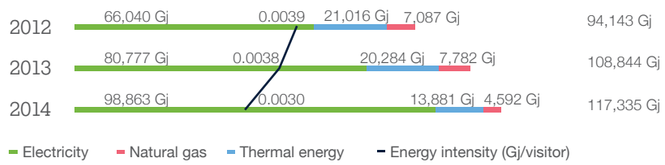
ENERGY

In comparable, *like-for-like* terms, energy consumption at the centres in Poland decreased by 11% in 2014.

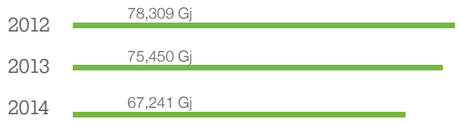
In absolute terms, however, consumption rose by 7.8% to 117,335 Gj. The main reason for this increase was that this was the first full year when the company managed eight centres, up from six in 2013.[26]

Of these six centres, all reduced their consumption except Galeria Malta. Optimising the configuration of the BMS at all of these centres, replacement of the old outdoor lighting systems with LED at FACTORY Poznan and FACTORY Wroclaw, and the partial upgrade of indoor lighting to LED at Galeria Malta drove this reduction in consumption, which was also helped along by better weather.

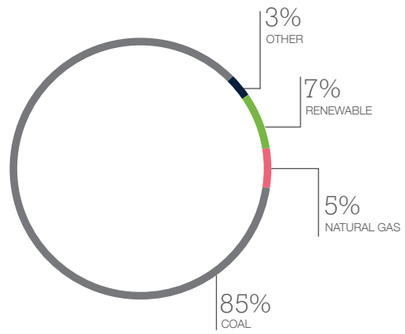
Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in Poland (Gj/visitor).



Like-for-like energy consumption at NEINVER's centres and corporate offices in Poland (Gj)



Origin of the electricity used by NEINVER in Poland in 2014. Broken down by source



More than 84% of the company's electrical consumption was in the form of electricity obtained from the grid.

Poland's heavy use of fossil fuels to generate power meant that only 7% of the electricity managed by NEINVER in the country came from renewable sources.

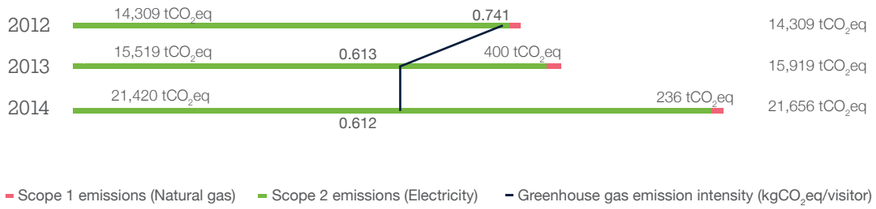
[26] NEINVER began managing Annopol in April 2013 and Galeria Katowicka in October of that year.

EMISSIONS (GHG)

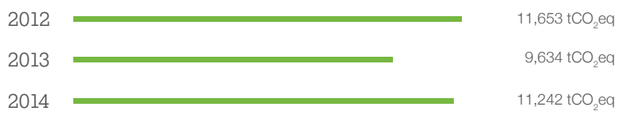
Like-for-like greenhouse gas emissions in Poland rose by 18.2% in 2014 (37% in absolute terms). The cut-off of the green energy supply to FACTORY Wroclaw (in 2013) and the rise in energy consumption linked to operating new centres are the two main reasons the variables increased.

For 2015 the company has set the goal of reinstating green energy in two of its centres in this country.

Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in Poland ($kgCO_2eq$/visitor)[27]



Like-for-like greenhouse gas emissions at NEINVER's centres and corporate offices in Poland (tCO_2eq)



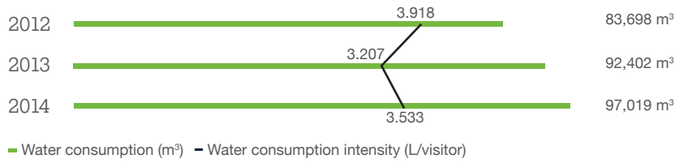
[27] The calculations exclude emissions from the use of district heating.

WATER

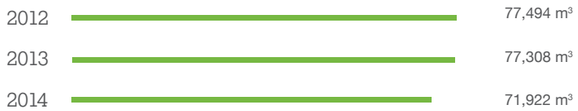
Water consumption at the company's centres in Poland progressed very favourably in 2014, decreasing by 7% in comparable, like-for-like terms.

In absolute terms, however, as occurred with other types of consumption, the addition of new centres to the portfolio brought a 9% increase over 2013, to 97,019 m^3.

Water consumption (m^3) and consumption intensity at NEINVER's centres and corporate offices in Poland (L/visitor)



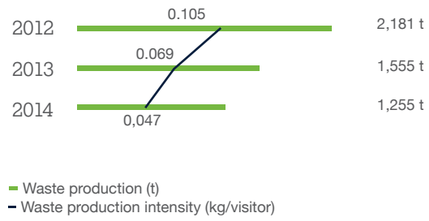
Like-for-like water consumption at NEINVER's centres and corporate offices in Poland (m^3)



WASTE

Like-for-like waste production dropped considerably (by 34.72%) at centres in Poland compared to the previous year. A reduction, though a smaller one, was also seen in the absolute waste generation, which in 2014 was 1,255 t.

Waste production (t) and waste production intensity at NEINVER's centres in Poland (kg/visitor)



Like-for-like waste production at NEINVER's centres in Poland (t)

ENERGY CONSUMPTION IN SPAIN DECREASED BY 8%

ENERGY SAVINGS AND THE PURCHASE OF GREEN ELECTRICITY BROUGHT ABOUT A 22% REDUCTION IN GHG EMISSIONS

WASTE PRODUCTION INTENSITY DECREASED IN SPAIN BY 7.7%

Measured in terms of kg/visitor

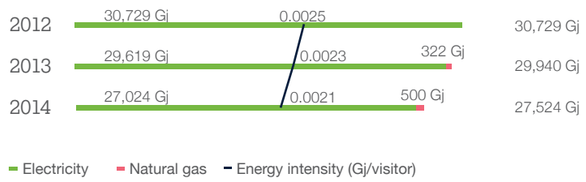
SPAIN

ENERGY

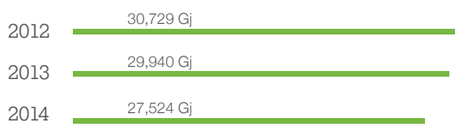
Total energy consumption at NEINVER's centres and corporate offices in Spain decreased by 8% in 2014, to 27,524 Gj. Thus, once again, the company continued its trend of reducing its energy use in that country.

All centres in Spain reduced their energy needs during the year except Las Rozas. Replacement of the lighting at Getafe with LEDs and the measures implemented in Alcobendas regarding lighting and raising awareness are among the main causes for the favourable progress of this parameter. The results at the latter centre are especially noteworthy, with a consumption decrease of more than 20%.

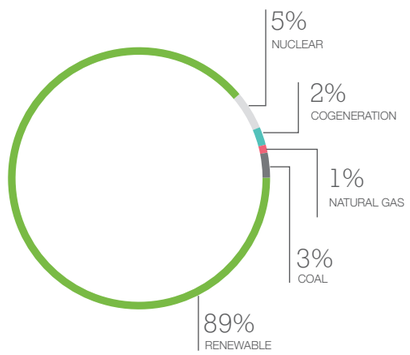
Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in Spain (Gj/visitor).



Like-for-like energy consumption at NEINVER's centres and corporate offices in Spain (Gj)



Origin of the electricity used by NEINVER in Spain in 2014. Broken down by source



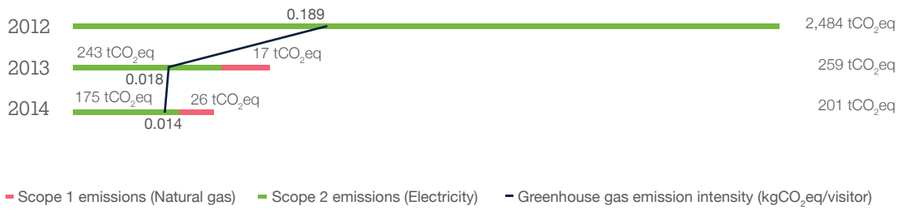
Of the energy sources used by the properties in Spain, electricity accounted for practically all consumption (98%). In 2014 much of this electricity (all centres but Coruña) was acquired as green energy from various suppliers. This means a large percentage (87%) of NEINVER's total electricity consumption in this country came from renewable sources.

EMISSIONS (GHG)

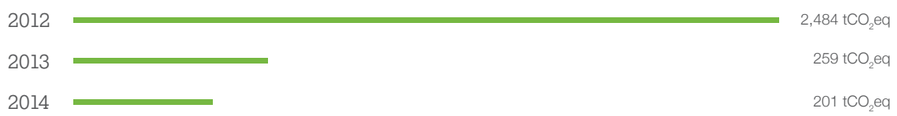
The GHG emissions calculated by NEINVER mostly reflect the company's electrical consumption (87%). Only a small part, 13%, was imputable to direct consumption of fossil fuels such as natural gas.

In 2014 these emissions decreased significantly (by 22%), maintaining the downward trend of recent years.[28] The reduced electrical consumption and the increased reliance on low-emission sources in the Spanish electrical mix were the main causes of this reduction.

Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in Spain ($kgCO_2eq$/visitor)[29]



Like-for-like greenhouse gas emissions at NEINVER's centres and corporate offices in Spain (tCO_2eq)



[28] The large drop in emissions in 2013 happened because most centres in this country began using green electricity. For more information, see "NEINVER's Environmental Performance in 2014" (pag 128)

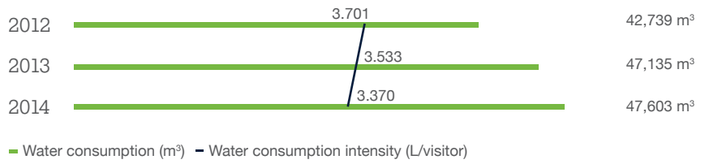
[29] Emissions charts in this section specify only emissions from electricity use and those from natural gas consumption. Emissions from use of district heating could not be quantified. The company will include them in future editions of its sustainability report.

WATER

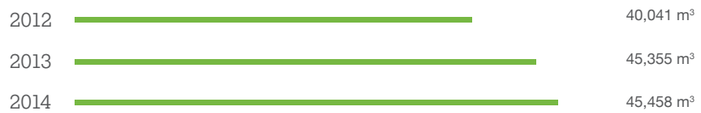
Like-for-like water consumption at the centres in Spain rose slightly (by 0.2%) in 2014.

In absolute terms, this increase was somewhat higher (1%) to 47,603 m^3 because the efficiency measures implemented at some centres (such as replacing the watering system in Getafe) were offset by increased consumption at centres such as Alegra, Las Rozas and Seville.

Water consumption (m^3) and consumption intensity at NEINVER's centres and corporate offices in Spain (L/visitor)



Like-for-like water consumption at NEINVER's centres and corporate offices in Spain (m^3)

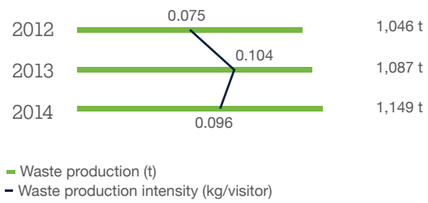


WASTE

In 2014, waste production in Spain continued the upward trend seen in recent years, reaching 1,149 t. That is an 18% increase (25.5% like for like) compared to the previous year. Generation intensity, however, decreased because the rise in waste production occurred in the context of major growth in foot traffic at the centres in Spain.

These centres have separate collection streams for at least two categories (paper and cardboard on the one hand, and plastic and organic material on the other) which allow subsequent recycling of these types of waste. In that context, increased production and collection at the centres does not necessarily mean worse performance by the company, as long as the waste is managed correctly. NEINVER sends it all to a licensed waste management company for recycling.

Waste production (t) and waste production intensity at NEINVER's centres in Spain (kg/visitor)



Like-for-like waste production at NEINVER's centres in Spain (t)

THE EFFICIENCY INITIATIVES IMPLEMENTED AT CASTEL GUELFO AND VICOLUNGO YIELDED A 1.7% DECREASE IN ENERGY CONSUMPTION

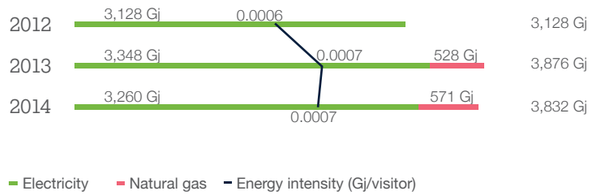
SIMILAR TO THE PROGRESS OF ENERGY CONSUMPTION, GHG EMISSIONS WERE REDUCED BY 2%

ITALY

ENERGY

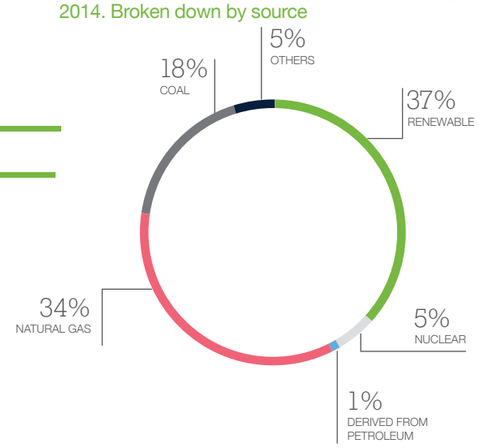
Energy consumption in Italy decreased in 2014 by 1.7%, to 3,832 Gj. Among the various energy sources, natural gas and electricity moved in opposite directions. While natural gas use rose, electricity use decreased. This was largely due to the replacement of halogen lamps with LED lighting at the Vicolungo and Castel Guelfo centres.

Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in Italy (Gj/visitor).



Like-for-like energy consumption at NEINVER's centres and corporate offices in Italy (Gj)

Origin of the electricity used by NEINVER in Italy in 2014. Broken down by source



Electricity accounted for most of the energy consumption in Italy (85%), with the rest coming from natural gas (the Castel Guelfo centre and the offices in Vicolungo). All of this electricity came from the grid, and 37% came from renewable energy sources.

EMISSIONS (GHG)

Similar to the progress of energy consumption, NEINVER's total greenhouse gas emissions in Italy decreased by 2% in 2014 to 393 tCO_2eq.

Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in Italy ($kgCO_2eq$/visitor)

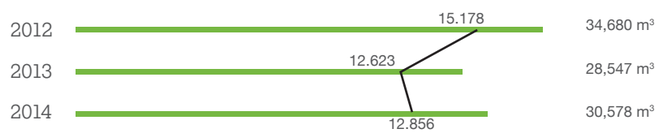
Scope 1 emissions (Natural gas) Scope 2 emissions (Electricity) Greenhouse gas emission intensity ($kgCO_2eq$/visitor)

Like-for-like greenhouse gas emissions at NEINVER's centres and corporate offices in Italy (tCO_2eq)

WATER

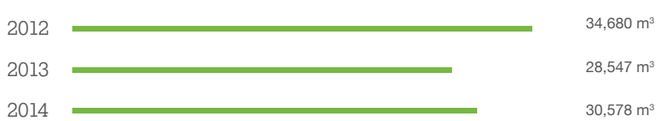
Water consumption at NEINVER's centres in Italy rose by 7% in 2014, to 30,578 m^3. The increased consumption reflects usage at the Castel Guelfo centre.

Water consumption (m^3) and consumption intensity at NEINVER's centres and corporate offices in Italy (L/visitor)



Water consumption (m^3) Water consumption intensity (L/visitor)

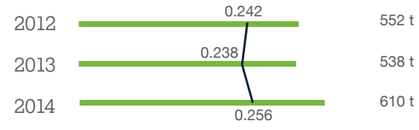
Like-for-like water consumption at NEINVER's centres and corporate offices in Italy (m^3)



WASTE

Despite less paper, cardboard and plastic waste in 2014, the increase in the other waste categories caused the overall generation in Italy to rise. It totalled 610 t, up 7% from 2013.

Waste production (t) and waste production intensity at NEINVER's centres in Italy (kg/visitor)



Like-for-like waste production at NEINVER's centres in Italy (t)

Waste production (t)
Waste production intensity (kg/visitor)

ENERGY CONSUMPTION DECREASED BY 0.6%. THE MEASURES PUT IN PLACE WILL PRODUCE GREATER FUTURE REDUCTIONS

IN LINE WITH THE ENERGY CONSUMPTION, GHG EMISSIONS EXPERIENCED A MILD REDUCTION

Measured in terms of kg CO_2eq/visitor

WATER CONSUMPTION DECREASED BY 9%, MAINTAINING THE DOWNWARD TREND OF RECENT YEARS

PORTUGAL

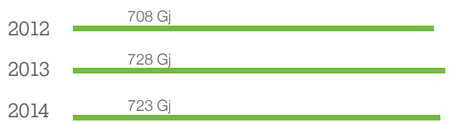
ENERGY

NEINVER's energy use in Portugal during 2014 totalled 8,589 Gj, which is 0.6% less than the previous year. The measures implemented at the Vila do Conde centre, such as improved monitoring of the HVAC and lighting systems, which lets them be managed more efficiently, will make greater reductions possible in the future.

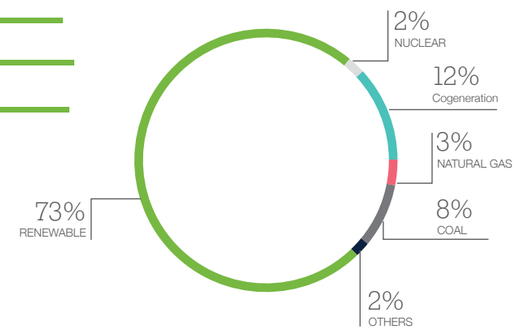
Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in Portugal (Gj/visitor).

This electricity, acquired from the grid, was largely renewable (73%), which translates into lower greenhouse gas emissions than in other countries, as indicated below.

Like-for-like energy consumption at NEINVER's centres and corporate offices in Portugal (Gj)



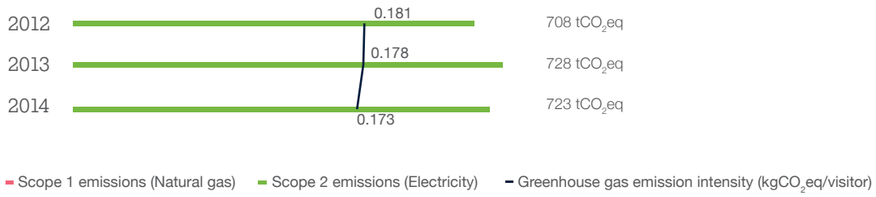
Origin of the electricity used by NEINVER in Portugal in 2014. Broken down by source



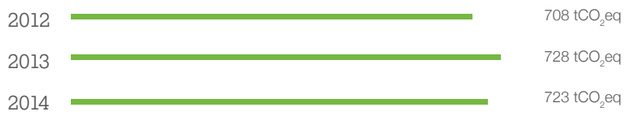
EMISSIONS (GHG)

Electrical consumption at Vila do Conde, NEINVER's only centre in Portugal, yielded 723 tCO_2eq of emissions in 2014, very similar to the level in the previous years.

Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in Portugal ($kgCO_2eq$/visitor)



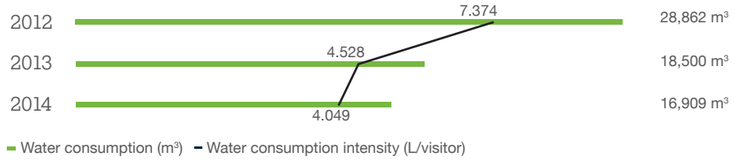
Like-for-like greenhouse gas emissions at NEINVER's centres and corporate offices in Portugal (tCO_2eq)



WATER

Once again, water consumption in Portugal decreased by 9% in 2014, to 16,909 m³. The efficiency measures put in place at the Vila do Conde centre, including installation of motion sensors on the taps, contributed to this reduction.

Water consumption (m³) and consumption intensity at NEINVER's centres and corporate offices in Portugal (L/visitor)

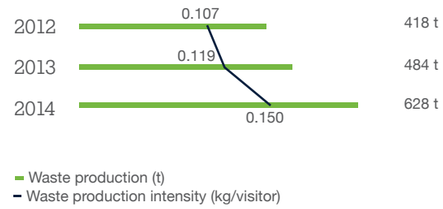


Like-for-like water consumption at NEINVER's centres and corporate offices in Portugal (m³)

WASTE

Waste production continued to rise in this country, to 628 t, a 30% increase over the previous year. The increase affected all categories of waste.

Waste production (t) and waste production intensity at NEINVER's centres in Portugal (kg/visitor)



Like-for-like waste production at NEINVER's centres in Portugal (t)

ENERGY CONSUMPTION DECREASED BY 3.1%. THE COMPANY HAS APPROVED NEW MEASURES TO IMPROVE EFFICIENCY IN THE FUTURE

GERMANY RECORDED NO GHG EMISSIONS IN 2014. ALL ELECTRICITY CONSUMPTION WAS FROM RENEWABLE SOURCES

DESPITE A MAJOR INCREASE IN VISITS (UP BY 366,000), WATER CONSUMPTION REMAINED PRACTICALLY FLAT

ALTHOUGH WASTE PRODUCTION WAS UP, ITS PRODUCTION INTENSITY DECREASED.

Measured in term of kg/visitor

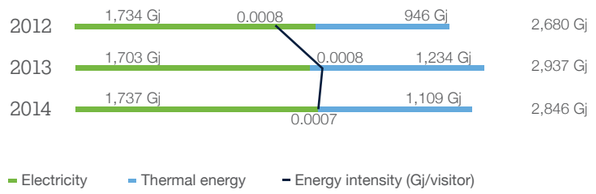
GERMANY

ENERGY

Energy consumption in Germany decreased in 2014 by 3.1%, to 2,846 Gj. This mostly reflects a decreased need for heating in 2014. Electrical consumption, however, rose slightly.

To reverse this trend, the company has approved several measures, including installation of an LED lighting system in Zweibrücken's car park and digital meters to improve monitoring and management of electrical consumption in the centre.

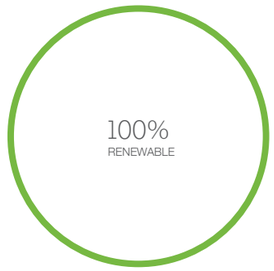
Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in Germany (Gj/visitor).



This year, for the first time, all consumption of this energy source came from green energy generated in hydroelectric power plants. This had a positive effect on the centre's greenhouse gas emissions, as indicated in the next section.

Like-for-like energy consumption at NEINVER's centres and corporate offices in Germany (Gj)

Origin of the electricity used by NEINVER in Germany in 2014. Broken down by source

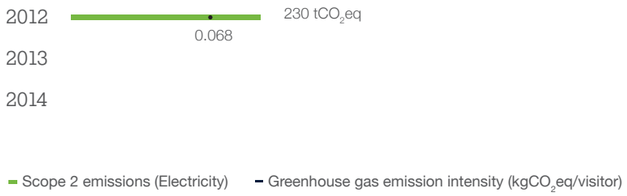


EMISSIONS (GHG)

The greenhouse gas inventory for Germany showed no emissions in 2014 for two reasons:

- The company's only centre in that country obtained all its electricity from a renewable source, with no contribution to CO_2 emissions.
- The inventory could not quantify the emissions from the use of district heating. The company will include them in its calculations in future editions of this report.

Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in Germany ($kgCO_2eq$/visitor)



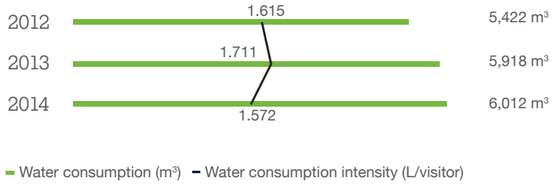
Like-for-like greenhouse gas emissions at NEINVER's centres and corporate offices in Germany (tCO_2eq)

WATER

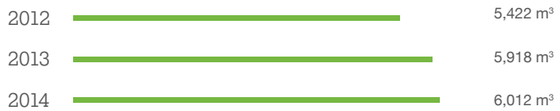
Despite a strong rise in foot traffic, the company was able to keep water consumption practically flat. In 2014, it rose only 1.6%, despite 366,000 more visits at the Zweibrücken centre.

Installation of water meters to monitor and manage this resource, among other steps, explains this positive outcome.

Water consumption (m^3) and consumption intensity at NEINVER's centres and corporate offices in Germany (L/visitor)



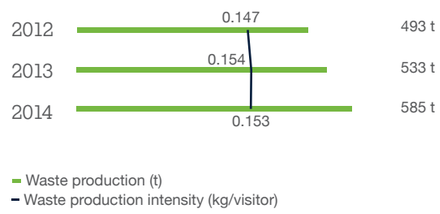
Like-for-like water consumption at NEINVER's centres and corporate offices in Germany (m^3)



WASTE

As with water consumption, the increase in waste production in 2013 (10%) reflects the strong increase in foot traffic in this country. In fact, measured in terms of intensity (kg generated per visitor), waste production actually decreased slightly.

Waste production (t) and waste production intensity at NEINVER's centres in Germany (kg/visitor)



Like-for-like waste production at NEINVER's centres in Germany (t)

ENERGY INTENSITY DECREASED CONSIDERABLY (BY 18%). THE COMPANY WAS ABLE TO REDUCE ITS CONSUMPTION DESPITE A STRONG INCREASE IN THE NUMBER OF VISITS (220,000)

Measured in terms of Gj/visitor

GHG EMISSIONS WERE DOWN BY 3%.

THE IMPLEMENTATION OF EFFICIENCY INITIATIVES LED TO A 37% REDUCTION IN WATER CONSUMPTION

WASTE PRODUCTION INTENSITY DECREASED SLIGHTLY IN 2014. THE GENERATION OF WASTE ROSE MORE SLOWLY THAN THE INCREASE IN FOOT TRAFFIC

Measured in terms of kg/visitor

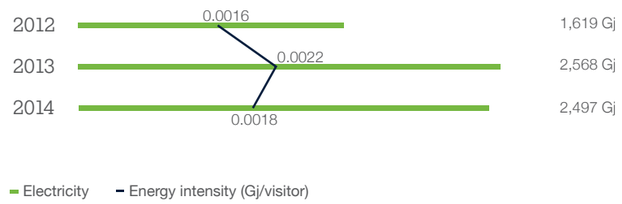
FRANCE

ENERGY

In 2014, NEINVER achieved a major decrease in energy consumption intensity in France (18%). Implementation of measures such as LED lighting systems at the Roppenheim centre and in its car park, as well as HVAC and lighting monitoring systems, explain this positive change.

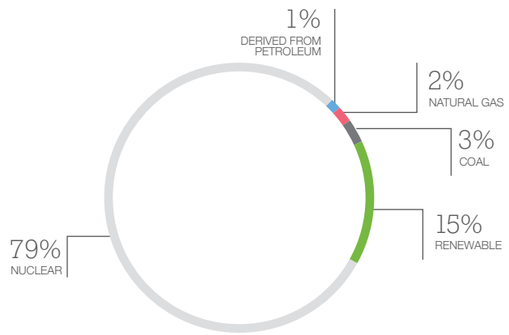
In absolute terms, energy use totalled 2,497 Gj, 3% less than the previous year.

Energy consumption (Gj) and energy intensity at NEINVER's centres and corporate offices in France (Gj/visitor)[30]



All energy consumed in France was electricity obtained from the grid. Most electricity in this country comes from nuclear power plants (79%), which means low greenhouse gas emissions.

Origin of the electricity used by NEINVER in France in 2014. Broken down by source

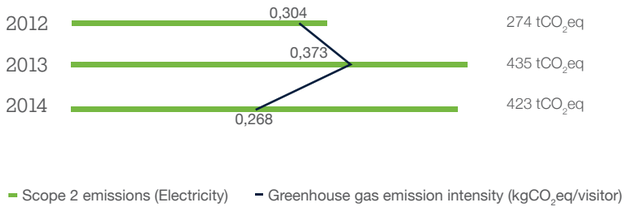


[30] No like-for-like data is included for France since the company's only centre there opened after 2011, the year used as the baseline for this calculation.

EMISSIONS (GHG)

In parallel with the reduction of energy consumption, Roppenheim The Style Outlets in France, reduced its emissions in 2014 by 3%, to 423 tCO_2eq.

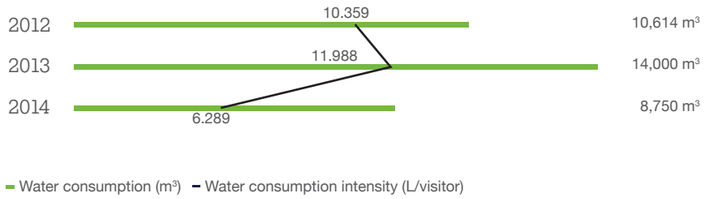
Greenhouse gas emissions (tCO_2eq) and emission intensity at NEINVER's centres and corporate offices in France ($kgCO_2eq$/visitor)



WATER

NEINVER reduced water consumption considerably in this country (37%) in 2014. Implementing efficiency measures such as motion sensors on the taps explains this drop, which is expected to continue in future years.

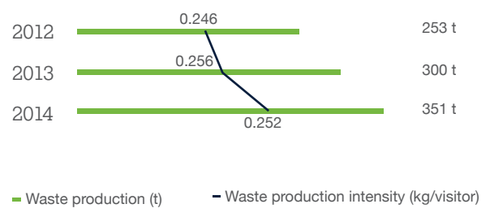
Water consumption (m^3) and consumption intensity at NEINVER's centres and corporate offices in France (L/visitor)



WASTE

The major increase in foot traffic in France (220,000 more visitors than in 2013) caused an increase in waste production, which reached 351 t in 2014. In terms of intensity, however, waste production went down slightly, to 0.252 kg/visitor.

Waste production (t) and waste production intensity at NEINVER's centres and corporate offices in France (kg/visitor)



ABOUT THIS REPORT

5

SCOPE OF INFORMATION AND THE STANDARDS USED IN PREPARING THIS REPORT

The scope of this sustainability report includes information from the years 2012–14 for all of the company's operations and services.

It was developed according to the Core option of the GRI G4 guidelines for the preparation of sustainability reports. It also includes additional content for the GRI industry-specific supplement for the Construction and Real Estate sector.

PRINCIPLES FOLLOWED IN PREPARING THIS REPORT (G4-18)

The report's structure and content are based on the principles that the GRI established for writing sustainability reports, as indicated below:

- **Stakeholder engagement.** Stakeholders have a considerable influence on the company's strategic decisions and are affected by its performance. This report was prepared keeping in mind the various stakeholders' interests and expectations regarding NEINVER's operations. Besides identifying these expectations through the company managers who interact with them, the company analysed the results of several consultation processes that NEINVER conducted, as explained in the section about the materiality study.

- **Sustainability Context.** In preparing this report and in the overall context of sustainability, the company studied the interaction between NEINVER's operations and services and the social, economic and environmental context in which it does business. The implications of the company's operations and the impacts on its surroundings have been considered when designing the report's contents.

- **Materiality.** Before writing the report, the company conducted a materiality study to define the aspects of sustainability that are most relevant to NEINVER. The methodology of this analysis is explained later in the chapter.

- **Completeness.** After identifying the material aspects, the company proceeded to include enough information about them to let stakeholders assess NEINVER's economic, environmental and social performance over the past few years.

The development of the report also reflects the principles established by the GRI to ensure the quality of the information:

- **Balance.** Under this principle, sustainability reports must reflect both positive and negative aspects of a company's performance. This yielded an objective, complete view of NEINVER's overall performance.

- **Comparability.** The company compiled information periodically and included it in the report contents so stakeholders can analyse changes in its performance over the past three years and compare it with that of other organisations.

- **Accuracy.** The information provided is detailed enough to meet the expectations expressed by the stakeholders.

- **Timeliness.** As in recent years, NEINVER will continue to update the contents of its Sustainability Report annually to provide periodic information to its stakeholders so they can evaluate the company's performance over time.

- **Clarity.** The company wishes to present its performance information in a way that is accessible to all its stakeholder groups. It has tried to make this report as clear as possible and make it understandable enough to any reader.

- **Reliability.** This report includes a detailed explanation of how it was prepared. By doing this, NEINVER ensures that the report's contents can be subjected to outside review to judge the quality and materiality of the information.

METHODOLOGY AND THE MATERIALITY ANALYSIS (G4-18) (G4-26)

In compliance with the Global Reporting Initiative's G4 guidelines, this document brings together information for indicators reflecting those aspects of sustainability that have been considered material to the company. NEINVER undertook a specific analysis to determine which topics are most important, either because they affect stakeholders' decisions or because they are critical to the long-term success of the corporate strategy.

Specifically, the actions taken for this materiality analysis consisted of:

- **Meetings** with managers and senior managers of the key areas of the company.

- **Benchmarking** of other companies that specialise in the retail and outlet segment of the property industry and of sustainability topics valued by investors.

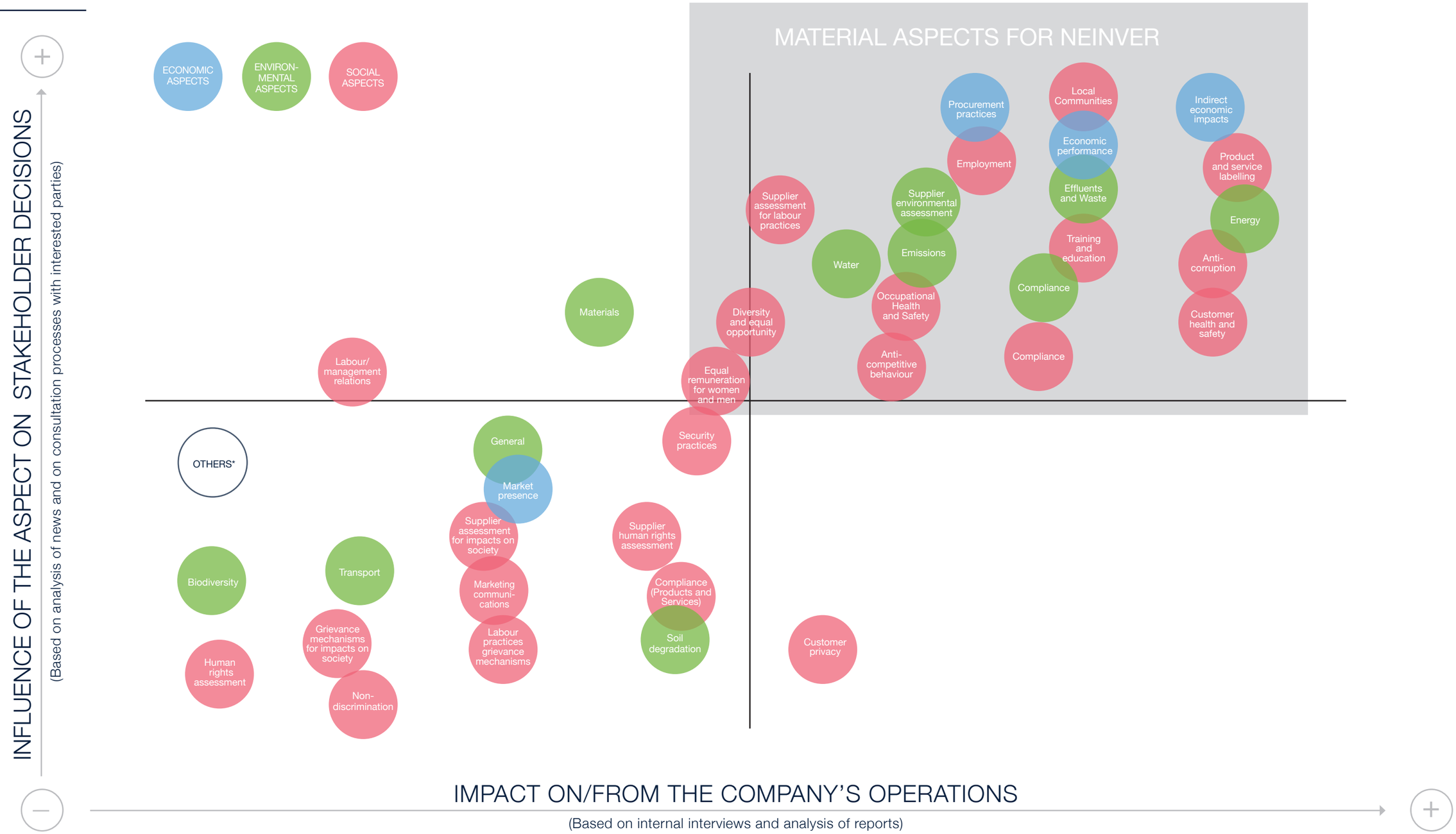
- **Analysis of press clippings compiled** by the company over the past year, containing news about its operations and the industry, in the geographic areas where it does business.

- **Results of NEINVER's stakeholder consultations.** Analysis of customer and employee satisfaction surveys. Store operator satisfaction surveys were not available, so this stakeholder group's expectations were assessed using other sources such as interviews with senior managers and analysis of other reports in the industry.

- **Analysis of NEINVER's recent reputation studies** (image as perceived by shoppers, suppliers, government agencies, store operators, banks and investors) **and brand study.**

The outcome of these actions made it possible to develop the following materiality matrix for the company:

MATERIALITY MATRIX FOR NEINVER (G4-19)



*To keep the chart easy to read, the matrix does not include non-material aspects (products and services, environmental grievance mechanisms, human rights investment, freedom of association, child labour, forced labour, indigenous rights, human rights grievance mechanisms, public policy)

The aspects in the upper right quadrant have the greatest materiality to NEINVER. The table below specifies which were ultimately considered in preparing the report.
(G4-20) (G4-21)

Category	Material aspect	Aspect boundaries [31]	
		Organisation	Outside the organisation
EC	Economic performance	X	X
EC	Indirect economic impacts		X
EC	Procurement practices	X	X
EN	Energy	X	
EN	Water	X	
EN	Emissions	X	
EN	Effluents and waste	X	
EN	Compliance	X	
EN	Supplier environmental assessment	X	X
SO	Employment	X	X
SO	Occupational Health and Safety	X	
SO	Training and education	X	
SO	Diversity and equal opportunity	X	
SO	Equal remuneration for women and men	X	
SO	Supplier assessment for labour practices	X	X
SO	Local communities		X
SO	Anti-corruption	X	
SO	Anti-competitive behaviour	X	X
SO	Compliance	X	
SO	Customer health and safety	X	X
SO	Product and service labelling	X	

[31] NEINVER's operations affect sustainability in positive and negative ways. The boundaries of each aspect refer to where these impacts occur (within the organisation and/or outside it), and their nature is described over the course of the report.

Once the material aspects and their boundaries were identified, the information for the report was compiled as follows:

- Sending cards to corporate managers asking for data relevant to the GRI indicators. Each card included a detailed explanation of the categories of information being requested, and suggesting the best way to calculate them (where necessary).
- Answering questions and drafting contents for each chapter of the report.

With the data received, and the contextual information obtained through the materiality study activities, NEINVER prepared the final version of this report. The GRI Content Index in the next section tells readers where in the report to find information for each indicator requested by the standard.

In cases where it was not possible to cover all the guide's requirements when reporting a particular indicator, the table indicates this. The company has also made a commitment to improve its information systems, to make the requested data available in future editions of the report.

MORE INFORMATION (G4-31)

For further clarification about any information in this document or about the company's sustainability performance, contact NEINVER at sustainability@neinver.com

GRI G4 CONTENT INDEX (G4-32)

This sustainability report has received the GRI Materiality Disclosures Service mark, which verifies that at the time of publication of the Report, the location of the General Standard Disclosures G4-17 to G4-27 were correctly located in both the Content Index and in the text of the final Report.

GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
STRATEGY AND ANALYSIS			
G4-1	4, 6		Strategy statement from most senior decision-maker
G4-2	57-59		Description of key impacts, risks and opportunities
ORGANISATIONAL PROFILE			
G4-3	18		Name of the organisation
G4-4	20-22		Primary brands, products and/or services
G4-5	NEINVER headquarters is located at C/Francisca Delgado, 11. 5ª Planta. Alcobendas, Spain.		Location of organisation's headquarters
G4-6	12		Number of countries where the organisation operates, and names of countries where it has significant operations
G4-7	66		Nature of ownership and legal form
G4-8	46-53		Markets served
G4-9	11		Scale of the organisation (number of employees, number of operations, net sales, etc.)
G4-10	80, 82	Subcontracted workers who provide services at the company's centres.	Breakdown of workforce by type of employment, type of contract, and region
G4-11	80		Percentage of employees covered by collective bargaining agreements
G4-12	112, 113		Description of the supply chain
G4-13	47, 53		Significant changes regarding the organisation's structure, ownership or its supply chain (acquisitions, share capital structure, selection and termination of suppliers)
G4-14	23		Explanation of how the precautionary principle is addressed by the organisation
G4-15	69		Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses
G4-16	115		Principal memberships in associations and/or national/international advocacy organisations in which it: › Holds a position on the governance body › Participates in projects or committees › Provides substantive funding beyond routine membership dues › Views membership as strategic
MATERIAL ASPECTS AND COVERAGE			
G4-17	Financial data taken from the Group's annual consolidated financial statement. Its scope includes NEINVER, S.A. and all its subsidiary companies.		List of all entities included in the organisation's consolidated financial statements, and indication of which of them are not covered by this report
G4-18	166-167		Process for defining the report content and the Aspect Boundaries. Explanation of how the organisation has implemented the Reporting Principles for Defining Report Content
G4-19	168		List of the material aspects
G4-20	170		Identification of the material aspects in each company included in the organisation's consolidated financial statements. Aspect boundaries
G4-21	170 (Note under table).		Material aspects identified outside the organisation as well as companies affected, geographical location where the aspect is material and the aspect boundary outside the organisation
G4-22	Not applicable because there was no restatement of information from previous reports.		The effect of any restatements of information provided in previous reports
G4-23	There has been no significative changes in this years' report		Significant changes in the scope and aspect boundaries
STAKEHOLDER ENGAGEMENT			
G4-24	73, 101.		List of stakeholder groups engaged by the organisation
G4-25	NEINVER defines its list of stakeholders as including all organisations/groups that are critical to the company's operations or are influenced by its operations.		Basis for identification and selection of stakeholders with whom to engage
G4-26	72, 73, 167		Stakeholder engagement (frequency)
G4-27	73		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting
REPORT PROFILE			
G4-28	2012–14		Reporting period
G4-29	The most recent edition of the report was published last year.		Date of most recent previous report
G4-30	Annual.		Reporting cycle (such as annual, biennial)
G4-31	171		Contact point
G4-32	172		Indication of the "in accordance" option, plus a GRI Content Index indicating the location of the report's standard disclosures, and a reference to the external assurance
G4-33	No external assurance was obtained for the sustainability report. All indicators included in it come from the company's own annually audited management systems.		Policy and current practice with regard to seeking external assurance for the report. Information on the relationship between the organisation and the assurance providers, and the most senior decision-maker in the company who is involved in selecting the assurance provider
GOBIERNO			
G4-34	66		The governance structure of the organisation responsible for decision-making on economic, environmental and social impacts
G4-35	66		Description of the process for delegating authority for economic, environmental and social topics

GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
G4-36	66. The Management Committee involves all the company's top managers in issues related to economic, environmental and social topics. This Committee reports to the Executive Committee.		Existence of an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body
G4-37	All members of the Management Committee stay in ongoing contact with the key stakeholder groups in their area of activity. Topics important enough to affect the company's performance are shared by the Management Committee and, when necessary, are escalated to other committees in the corporate governance structure.		Process through which stakeholders can convey recommendations or feedback to the highest governance body
G4-38	66		Composition of the highest governance body and its committees by: executive or non-executive, gender, tenure on the governance body, independence, membership of under-represented social groups, competences relating to economic, environmental and social impacts, stakeholder representation
G4-39	José María Losantos is the company's Chairman of the Board and CEO.		Whether the chair of the highest governance body is also an executive officer
G4-40	66		Criteria used for nominating and selecting highest governance body members, including: diversity, independence, experience, involvement of stakeholders (including shareholders)
G4-41	NEINVER ensures that the committees advising its top governance body are made up of people who are independent in their recommendations and decisions.		Process for managing potential conflicts of interest
G4-42	66		Governance body responsible for the approval and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts
G4-43	The company continually assesses the best ways to improve knowledge among its governance bodies, and in all cases promotes the most advisable initiatives.		Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics
G4-44	66. There is no independent performance evaluation of NEINVER's highest governance body.		Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics (indicating whether such evaluation is independent or not, its frequency, whether it is a self-assessment, and actions taken in response to the evaluation)
G4-45	The Management Committee and other advisory bodies promptly inform the highest governance body about the most important management issues in the company, and that highest body gives its opinion and makes decisions about the most relevant issues.		The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities, and that governance body's role in the implementation of due diligence processes. Stakeholders' influence on the decisions.
G4-46	59. The Management Committee informs the highest governance body about the main identified risks and about the steps to take to manage them.		The highest governance body's role in reviewing the effectiveness of the organisation's risk management processes
G4-47	At all its meetings, the highest governance body analyses any new impacts, risks and opportunities of high relevance to the company.		Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities
G4-48	Management Committee.		Highest committee or position that formally reviews and approves the organisation's Sustainability Report and ensures that all material aspects are covered
G4-49	66		Process for communicating critical concerns to the Board of Directors
G4-50	The report's contents were designed to reflect the most relevant aspects of the company's management. These include any concerns that may have been raised with the Board.		Nature and total number of critical concerns that were communicated to the Board of Directors and the mechanisms used to resolve them

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
G4-51	86		Remuneration policies for the highest governance body and senior executives (fixed pay and variable pay, bonuses or incentive payments, termination payments, clawbacks, retirement benefits). How these relate to the economic, environmental and social objectives.
G4-52	85		Process for determining remuneration (indicating whether outside consultants are involved and whether they are independent)
G4-53	Stakeholders' opinions are not solicited for this section.		Stakeholders' involvement in defining remuneration policies
G4-54	This indicator is not reported.		Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all other employees
G4-55	This indicator is not reported.		Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase for all other employees
ETHICS AND INTEGRITY			
G4-56	68, 69		Description of the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics
G4-57	68		Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity (such as helplines or advice lines)
G4-58	68		Mechanisms for reporting unethical behaviour and matters related to organisational integrity

SPECIFIC STANDARD DISCLOSURES

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
ECONOMIC PERFORMANCE			
ECONOMIC PERFORMANCE			
G4-DMA	43		Management approach
G4-EC1	45		Direct economic value generated and distributed (EV-G&D) including revenues, operating costs, employee wages and benefits, donations and other community investments, profits undistributed and paid to providers of capital and to governments
G4-EC2	123, 124. Responsible energy consumption to control greenhouse gas emissions is a key component of managing the company's centres.		Financial implications and other risks and opportunities for the organisation's activities due to climate change
G4-EC3	There is no benefit plan in the organisation.		Coverage of the organisation's defined benefit plan obligations
G4-EC4	NEINVER receives no public aid.		Financial assistance received from government
INDIRECT ECONOMIC IMPACTS			
G4-DMA	101		Management approach
G4-EC7	104. Pages 106–11 describe the company's main activities in this sphere in each country where it has operations.		Development and impact of infrastructure investments and services supported
G4-EC8	102, 104		Significant indirect economic impacts, including the extent of impacts
PROCUREMENT PRACTICES			
G4-DMA	113		Management approach
G4-EC9	114		Proportion of spending on local suppliers at significant locations of operation
ENVIRONMENTAL PERFORMANCE			
ENERGY			
G4-DMA	122, 130		Management approach
G4-EN3	131. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138). NEINVER does not produce renewable energy in its facilities.		Total energy consumption (fuel, renewable and non-renewable sources, and electricity acquired, generated and sold) and methodologies/assumptions used
G4-EN5	131. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Energy intensity
G4-EN6	130	Investments in energy efficiency.	Reduction of energy consumption (broken down by type) as a result of conservation and efficiency initiatives, and methodologies/assumptions used
G4-EN7	130		Reductions in energy requirements as a result of initiatives to provide energy-efficient products and services
G4-CRE1	131. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Building energy intensity

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
WATER			
G4-DMA	122, 134		Management approach
G4-EN8	134. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Total water withdrawal by source
G4-EN9	No water sources were significantly affected by the company's withdrawal of water.		Water sources significantly affected by withdrawal of water
G4-CRE2	134. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Building water intensity
EMISSIONS			
G4-DMA	132		Management approach
G4-EN15	132. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Direct greenhouse gas (GHG) emissions (scope 1)
G4-EN16	132. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Indirect greenhouse gas (GHG) emissions (scope 2)
G4-EN17	133. NEINVER does not include scope 3 emissions in its inventory except those from travel by its employees based in Spain.		Indirect greenhouse gas (GHG) emissions (scope 3)
G4-EN18	132. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Greenhouse gas (GHG) emissions intensity ratio
G4-EN19	132		Reduction of greenhouse gas (GHG) emissions
G4-CRE3	132. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138).		Buildings' greenhouse gas emissions intensity
EFFLUENTS AND WASTE			
G4-DMA	122, 135		Management approach
G4-EN23	135. A country-by-country breakdown of the indicator is included in section 5.4. (Page 138). All waste is handled through a licensed waste-management company, which routes it for the most appropriate processing.		Total weight of waste by type and disposal method
COMPLIANCE			
G4-DMA	123		Management approach
G4-EN29	NEINVER received no such sanctions in 2014.		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	113, 125		Management approach
G4-EN32	113. The company evaluates all its suppliers.		Percentage of new suppliers that were screened using environmental criteria
SOCIAL PERFORMANCE – LABOUR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	79, 101		Management approach
G4-LA1	80		Total number and rates of new employee hires and employee turnover by age group, gender and region
G4-LA2	86		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
G4-LA3	82, 86		Return to work and retention rates after parental leave, by gender
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	87		Management approach
G4-LA6	87	A breakdown of the indicators by geography and gender, as they are not relevant factors in the context of the company's operations.	Rates of absenteeism, occupational diseases, lost days and total number of work-related fatalities, by region and by gender
G4-CRE6	23		Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system
TRAINING AND EDUCATION			
G4-DMA	83		Management approach
G4-LA9	83		Average hours of training per year per employee by gender, and by employee category
G4-LA11	85		Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	82		Management approach
G4-LA12	82		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity
EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	85		Supplier assessment for labour practices
G4-LA13	85-86		Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES			
G4-DMA	113		Management approach
G4-LA14	113. All suppliers are screened according to various labour-related criteria.		Percentage of new suppliers that were screened using labour practices criteria

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
SOCIAL PERFORMANCE – SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	101		Management approach
G4-SO1	101. NEINVER conducts this type of evaluation for all properties.		Percentage of centres with implemented local community engagement, impact assessments and development programmes
G4-SO2	101		Operations with significant actual and potential negative impacts on local communities
G4-CRE7	The company's projects have not displaced any populations.		Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.
ANTI-CORRUPTION			
G4-DMA	68-69		Management approach
G4-SO5	There were no known cases of corruption during the reporting period.		Confirmed incidents of corruption and actions taken
ANTI-COMPETITIVE BEHAVIOUR			
G4-DMA	69		Management approach
G4-SO7	No legal actions were brought against the company.		Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes
COMPLIANCE			
G4-DMA	The company works with various law firms to continually identify and comply with new legal requirements. It also carries out this activity within the framework of its ISO-certified management systems.		Management approach
G4-SO8	The company has not received any significant sanction in the last year.		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations
SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY. The company works with various law firms to continually identify and comply with new legal requirements. It also carries out this activity within the framework of its ISO-certified management systems.			
G4-DMA	99		Management approach
G4-PR1	99		Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
G4-PR2	There were no cases of non-compliance in this regard.		Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes
PRODUCT AND SERVICE LABELLING			
G4-DMA	23		Management approach
G4-PR4	There were no cases of non-compliance in this regard.		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes
G4-PR5	97		Results of surveys measuring customer satisfaction
G4-CRE8	23		Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.