

The logo features a large '75' where the '7' is dark teal and the '5' is orange. Below the '5' is the text '1941-2016' and 'GARRIGUES' in a dark teal sans-serif font.

75
1941-2016
GARRIGUES

The logo features a large '10' where the '1' is white and the '0' is dark teal. A small dark teal triangle points to the right from the middle of the '0'.

10

GARRIGUES 2015 **INTEGRATED REPORT**

Shared Value

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GARRIGUES TODAY

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This Report, for the Garrigues 2015 fiscal year (January 1, 2015 through December 31, 2015), has been prepared in accordance with the International IR Framework published by the International Integrated Reporting Council (IIRC) in December 2013. It has been verified by an independent entity in accordance with the G4 guidelines of the Global Reporting Initiative (GRI) of May 2013.

WELCOME TO GARRIGUES





Fernando Vives
Executive Chairman

I am pleased to present our Integrated Report (formerly called the Corporate Social Responsibility Report) for the tenth consecutive year. The 2015 Report provides comprehensive and detailed information on Garrigues and its contribution to the economy, society and the environment, the areas in which it pursues its tax and legal advisory services. All of this information demonstrates Garrigues' renewed commitment to the principles of good governance and corporate social responsibility in its daily work.

Garrigues is committed to creating and generating shared value: value for clients, value for its partners and professionals, and value for society. This commitment is based on unshakeable ethical principles.

We generate value for clients by offering them legal solutions that enable them to meet their business objectives worldwide. We are characterized by our proximity to clients, and our ability to anticipate and swiftly respond to their needs. 2015 saw the opening of our office in Beijing, a strategic city in terms of local investment abroad and, in particular, coordinating transactions between Asia and the Americas.

2015 has also seen the consolidation of our Latin American practice, with the incorporation of 9 partners and 60 professionals, which has served to further bolster Garrigues' identity as a global firm. During the year we joined forces with Colombian law firm DLP and

continued negotiations with Chilean firm Avendaño Merino, culminating in the incorporation of the latter in the first quarter of 2016.

At Garrigues, we make it our priority to identify, develop and retain the best professionals in their respective areas. In our business, talent is fundamental. The transparency and clear definition of our career plans, permanent contact with universities, internship programs, continuous learning, our international training programs and our commitment to striking the best work/life balance for our lawyers are our main competitive advantages and areas in which we have made progress in 2015.

Lastly, we generate value for the society we live in through the Garrigues Chairs in Law, the Garrigues Foundation, the Garrigues Collection and the quality training programs offered by Centro de Estudios Garrigues. Through our pro bono and community outreach activities, Garrigues makes a contribution to society as a whole and to the most vulnerable groups in particular, through collaborations with NGOs. In the course of the year we have increased both the number of beneficiaries and the number of lawyers taking part in these initiatives.

Our planned growth involves furthering our international expansion, with our sights firmly set on Latin America, where we aim to become the firm

of choice in the countries in which we are present: Colombia, Chile, Peru, Mexico and Brazil. This growth must be supported by an innovative approach and uniform quality standards in our role as legal advisers to businesses.

Garrigues firmly believes that in order to remain true to its tradition of excellence, it needs to incorporate the most advanced technologies. This means remaining alert—as we have been in recent years—to ensure we identify and implement technological solutions that can create the most value for our clients and contribute to the professional development of our people.

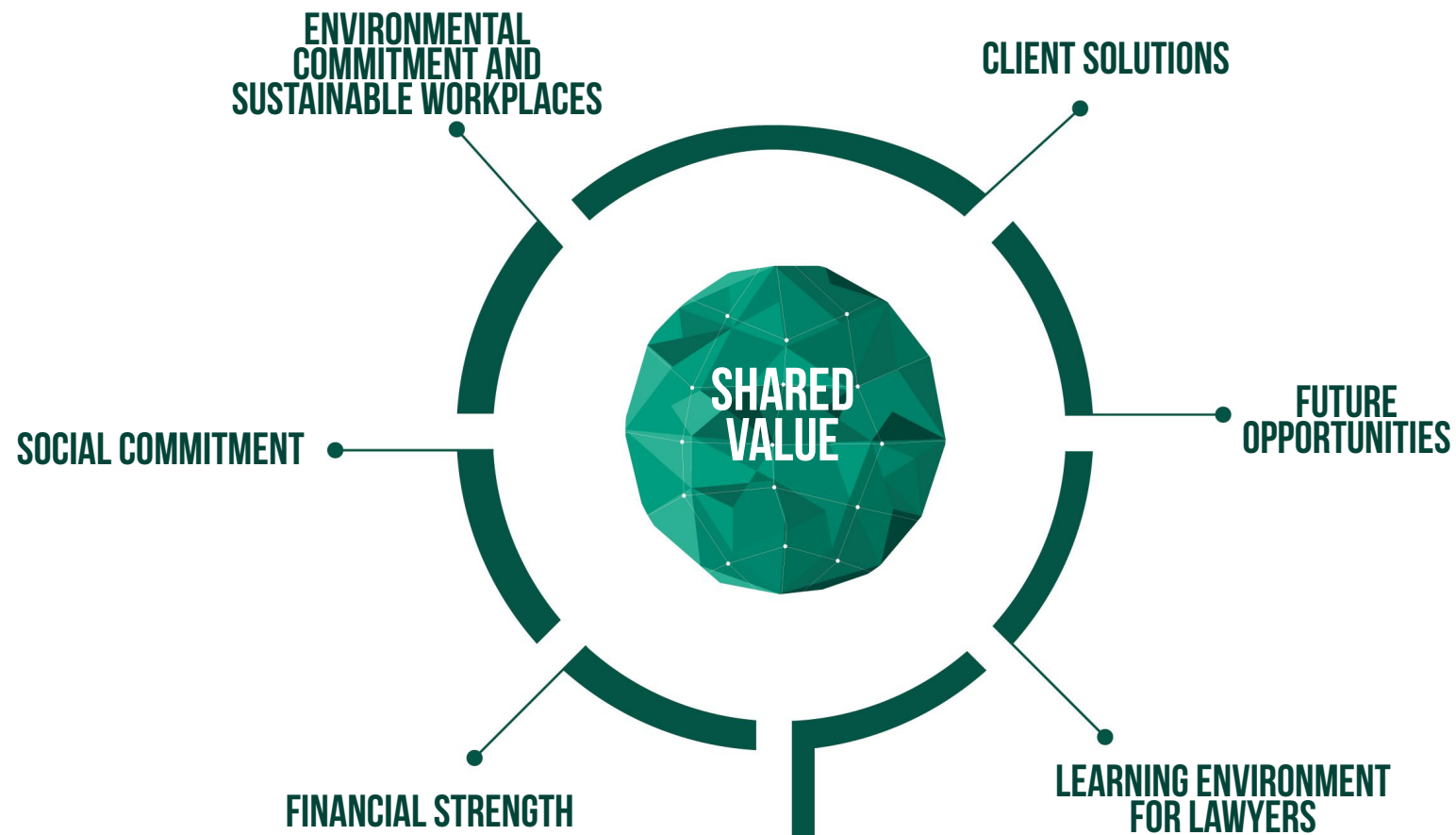
We know that legal excellence is key to remaining at the forefront of the legal services industry, mapping out the future of the industry and contributing to the rule of law. Integrating the law into society in today's changing world is only possible through perseverance and excellence, and by making investments that will benefit future generations.

I am sure that together in 2016 we will be able to match or even exceed last year's remarkable accomplishments.

Fernando Vives

An abstract graphic on the left side of the page, composed of several overlapping triangles in various shades of teal and dark green. The triangles are arranged in a way that creates a sense of depth and movement, with some pointing towards the center and others pointing outwards.

**GARRIGUES
TODAY**



75
1941-2016
GARRIGUES

 **GARRIGUES TODAY**

2. TEN-YEAR OVERVIEW

A RESPONSIBLE AND COMMITTED FIRM

GARRIGUES, founded 75 years ago, is one of the largest international law firms and among the top 100 law firms worldwide. With own offices in 13 countries on four continents, our expert team advises clients on the most significant and complex transactions on the market.

We first published our CSR Report ten years ago, in a pioneering attempt to provide detailed information on our commitment to all of our stakeholders.

SUSTAINED GROWTH SINCE 2006

HEADCOUNT



NUMBER OF COUNTRIES WITH OWN OFFICES



REVENUES



GARRIGUES 75TH ANNIVERSARY

SPAIN (1941)

US (1973)

BELGIUM (1984)

PORTUGAL (LISBON, 2005; OPORTO, 2006)

MOROCCO (2005)

CHINA (SHANGHAI, 2005; BEIJING, 2015)

POLAND (2007)

UK (2007)

BRAZIL (2011)

COLOMBIA (2013)

PERU (2014)

MEXICO (2014)

CHILE (2016)



 **GARRIGUES TODAY**

2. TEN-YEAR OVERVIEW

MAJOR QUALITATIVE CHANGES OVER THE LAST DECADE

INTERNATIONAL EXPANSION

- Our office network is present in 13 countries: Spain, Portugal, Colombia, Peru, Mexico, Chile, Brazil, China, Poland, Morocco, Brussels, the UK and the US.
- In 2013, we embarked on a strategy to transform Garrigues into the leading law firm in Latin America by opening a network of own offices.
- The Beijing office opened in 2015.
- The Santiago de Chile office will be opened in 2016.

TECHNOLOGY AT THE SERVICE OF TALENT

- The process for transformation of the human resources, infrastructure, logistics and finance departments of the firm began in late 2005, converting Garrigues into a technologically advanced law firm. Since then, innovation and continuous improvement in technology have been a constant at Garrigues. This has entailed, to date, the total overhaul of all knowledge management systems in 2015, the implementation of electronic invoicing for clients and suppliers, and the development of internal applications, for example, apps for mobile devices that enable professionals to check for potential conflicts of interest in real time, anytime, anywhere, with a view to expediting their work.
- The *Fórmate*-e virtual teaching platform has been launched, based on web 2.0, social learning, and informal cooperative learning.

- We have also created the first Virtual Knowledge Classroom that can be adapted to the training needs of our professionals. Based on a wiki concept, it enables users to follow a training schedule tailored to their experience under the constant supervision of a tutor.
- The knowledge area has reinvented itself in recent years as a collaborative, knowledge-sharing space, thanks to the internal use of tools that enable all of the lawyers to contribute and collaborate, irrespective of their professional category.

INSTITUTIONALIZATION

- In 2011, the Partners' Meeting approved changes to the partner structure, with all partners who have pursued their professional career at Garrigues becoming equity partners.
- In 2014, Garrigues formalized the institutionalization of the firm with the appointment of Fernando Vives as executive chairman, replacing Antonio Garrigues
- In 2014, Garrigues decided to change its fiscal year to coincide with the calendar year from January 1, 2015 onwards.

3. SHARED VALUE

- CLIENT SOLUTIONS
- FUTURE OPPORTUNITIES
- LEARNING ENVIRONMENT FOR LAWYERS
- FINANCIAL STRENGTH
- SOCIAL COMMITMENT
- ENVIRONMENTAL COMMITMENT AND SUSTAINABLE WORKPLACES

CLIENT SOLUTIONS

- We generate value for clients by providing business solutions that comply with the law and with best practices and avoiding unnecessary risks that could have a legal, economic or reputational impact.
- Our hallmarks have always been our proximity to our clients and our ongoing commitment to understanding their needs and provide them with value, offering services of the highest quality, both in terms of technical advice and of the standard of conduct required of our professionals, fully respecting the principles and ethical values of the legal profession.
- We are a global, integrated law firm. We accompany our clients and advise them on local and interregional transactions.
- The work of our professionals has been recognized by the most important legal directories and publications, which rank Garrigues as one of the most prestigious and

innovative law firms, and our lawyers as committed to customer service and pioneers in their respective areas of expertise.

- We offer innovative service. The 2015 FT Innovative Lawyers Report has once again placed Garrigues among the top ten most innovative European law firms. Moreover, the firm was named Continental Europe's Most Innovative Law Firm for the fourth time in five years.
- We strive for greater efficiency in the provision of professional services. The firm has launched a series of digital transformation initiatives designed to enhance our customer relations model, innovate in order to gain a competitive edge and streamline business processes using new instruments and technologies.
- We continue to promote the principles of the United Nations Global Compact.
- We use a variety of channels for communication and dialog with stakeholders, such as events, information sessions, the website and its blogs, corporate social networks and the publication of alerts and commentaries on the latest legal developments.

IN 2016

- We will implement a new client experience and satisfaction system.
- We will continue to develop and strengthen our offices in Latin America with respected professionals.
- In addition to the opening of the Santiago de Chile office in early 2016, we will be on the lookout for new opportunities in other countries in the region.
- The human resources, infrastructure, finance, technology and knowledge management areas will continue to implement innovative digital transformation initiatives in order to streamline the business and enhance the client relationship model.



3. SHARED VALUE

FUTURE OPPORTUNITIES

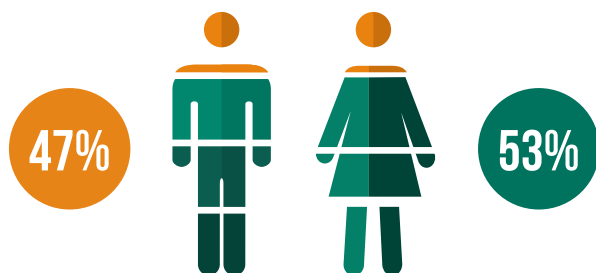
NUMBER OF JUNIORS WHO JOINED THE FIRM IN 2015

114

TOTAL HEADCOUNT IN 2015

1,976

Distribution by gender



- Our Equality Plan has been in place since 2008. One of the first plans officially presented in the legal services industry in Spain, it consolidates the diversity and work/life balance policies introduced by the firm in recent years.

IN 2016

- We will continue to hire professionals and maintain our commitment to diversity and equal opportunities.

LEARNING ENVIRONMENT FOR LAWYERS

- We offer our professionals all means and opportunities to enable them to enjoy a full and fulfilling professional career at the firm.
- We are firmly committed to ongoing, specialized training, tailored to the global workplace of our professionals.
- We offer internships to university students from different countries, with a special focus on Latin America.
- Our recognition as an international firm has made it expedient to develop new global training and development programs.
- We have implemented an e-learning platform designed to supplement on-site sessions but with the advantages of the online format. This tool encourages collaborative learning and enables all of our people to make a contribution to the development of the firm's knowledge bank, promoting the development of a learning culture, and thereby enhancing our competitive position.

IN 2016

- We will move forward with our commitment to diversity by implementing a program aimed at female employees.
- We will launch new global training programs.

3. SHARED VALUE

FINANCIAL STRENGTH

The firm is in a strong financial position. The following aspects are particularly notable:

- Partner contributions to the financing of the firm have risen substantially.

Partner contributions as a percentage of the balance sheet (millions of euros)

	2006	2015	Variation
Assets and loans	26	127	388%
Total balance	122	247	102%
Partner contributions as a percentage of the balance sheet	21%	51%	

- The variation in working capital over the period was as follows:

Variation in working capital (millions of euros)

	2006	2015	Variation
Current assets	91	201	121%
Current liabilities	84	128	52%
Working capital	7	73	943%

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

IN 2016

- In 2016, we expect to post continued revenue growth and to further enhance productivity in line with the market situation and traditional positioning of the firm.

3. SHARED VALUE

SOCIAL COMMITMENT

- Fundación Garrigues contributes to social welfare and to the development and promotion of science, education and culture.
- Centro de Estudios Garrigues offers quality training in areas related to the firm's professional activity.
- With *Colección Garrigues*, we seek to actively participate in the legal debate, to help to rethink the institutions and concepts of traditional law and to contribute to the definition of new legal ideas.
- The Garrigues Chairs in Law foster research and the dissemination of the legal knowledge.
- The Young Lawyers Awards encourage excellence in the study and practice of business law.
- We contribute to the training of young lawyers and their incorporation into the profession through:
 - Educational cooperation agreements (128 agreements in force in 2015).
 - The participation by our professionals as teaching staff on degrees and postgraduate degrees (over 250 professionals currently teach courses).
- We take part in expert groups, advisory boards and associations relating to the law.
- We collaborate with associations, professional organizations and similar bodies in the jurisdictions in which we operate.
- Under our pro bono program, we provide legal services to 49 not-for-profit entities.
- We take part in charity campaigns.

IN 2016

- We will increase the number of activities and beneficiaries.
- We will increase the number of lawyers taking part.

ENVIRONMENTAL COMMITMENT AND SUSTAINABLE WORKPLACES

- Garrigues has always remained strongly committed to the environment. In recent years, our efforts have focused on the establishment of sustainable workplaces, the use of more efficient equipment, reductions in energy and water consumption, the use of environmentally-friendly materials, and recycling wherever possible, as well as on constantly briefing our personnel and raising awareness of these issues.
- In this connection, the buildings currently housing our offices in London, Madrid and Mexico carry the LEED (Leadership in Energy and Environmental Design) certification, an international verification standard developed by the US Green Building Council to promote the development of buildings on the basis of sustainable and high efficiency criteria. The Bogotá office has also been recognized as a sustainable building and our office in Mexico has obtained the "Socially Responsible Firm" (*Empresa Socialmente Responsable, ESR*) mark.

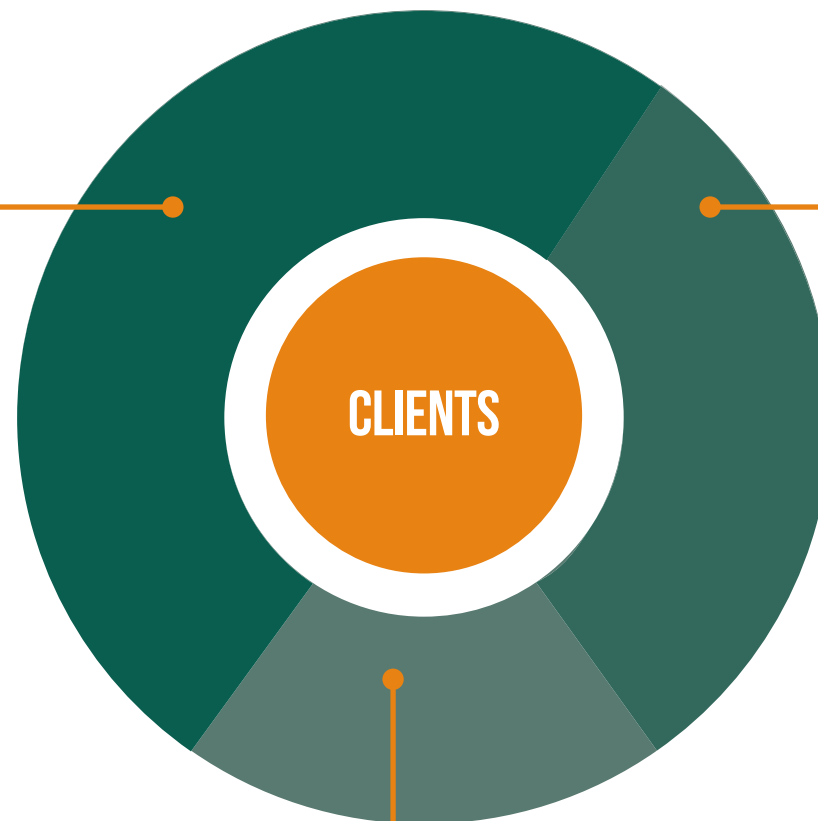
IN 2016

- We will continue to implement our philosophy of sustainable, efficient, environmentally-friendly offices.

3. SHARED VALUE

PRACTICE AREAS

Corporate Law and Commercial Contracts
Administrative Law
Banking and Finance
Accounting Law
Capital Markets
E.U. & Antitrust
Tax
Real Estate
Labor and Employment Law
Criminal Law
Planning and Zoning
Mergers & Acquisitions
Human Capital Services
Litigation and Arbitration
Environmental
Intellectual Property
Restructuring and Insolvency



INDUSTRIES

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

DESKS

Asia-Pacific
French
German
Indian
Italian
US

3. SHARED VALUE

GARRIGUES OFFICES



BEIJING



BOGOTA



BRUSSELS



CASABLANCA



LIMA



LISBON



LONDON



MADRID - HQ



MEXICO CITY



NEW YORK



OPORTO



SANTIAGO DE CHILE



SÃO PAULO



SHANGHAI



WARSAW

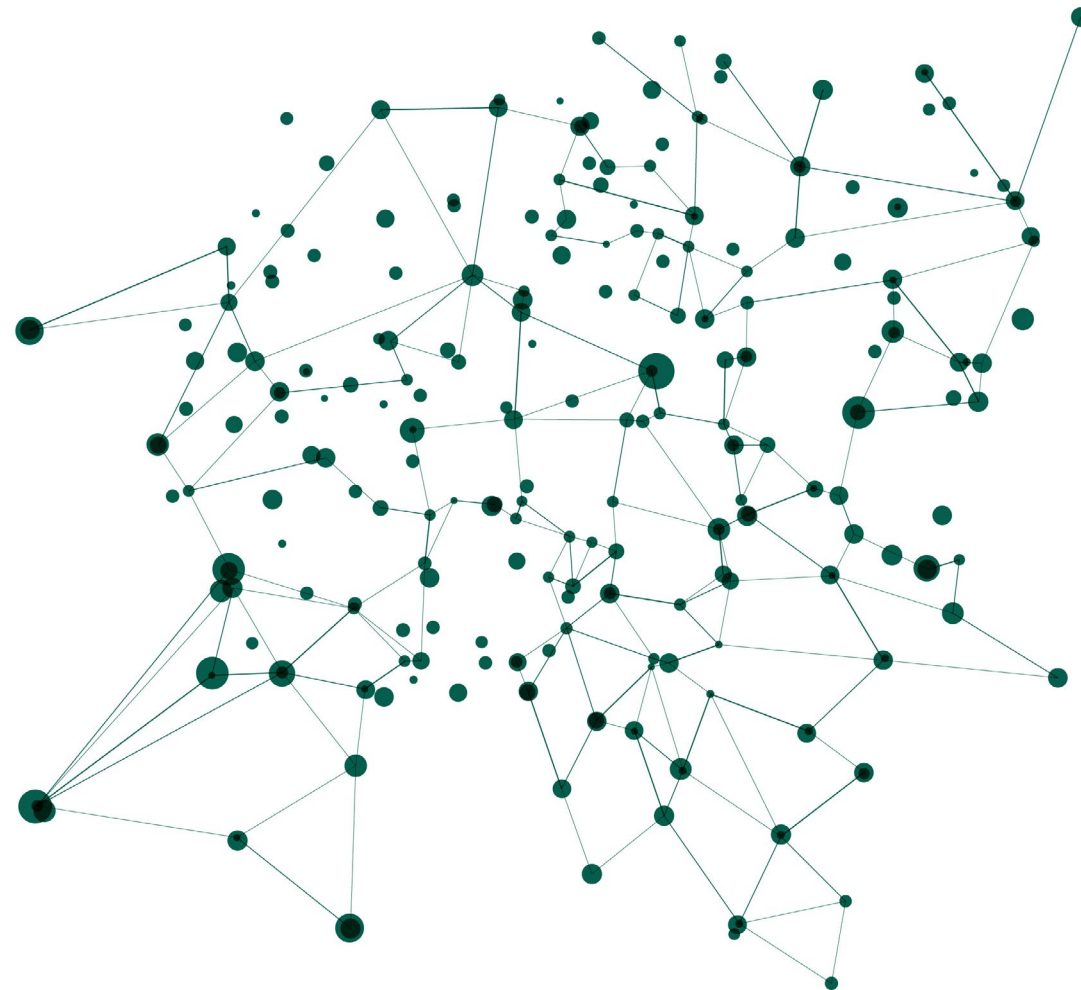
3. SHARED VALUE

PERFORMANCE OF KEY AGGREGATES

2015 is the first year in which the fiscal year coincides with the calendar year (up to now, the Garrigues' fiscal year ran from September 1 through to August 31 of the following year). Accordingly, the information presented in this Integrated Report is not strictly comparable to the information contained in the 2014 Integrated Report (which covered the period from September 1, 2013 through August 31, 2014).

In order to present the performance of the key aggregates, the aggregate data for the 2014 calendar year are shown, together with the data from 2015.

Aggregates	2014	2015
Revenues (millions of euros)	335	339
Total headcount:	1,992	1,976
Distribution by gender	942 men (47%) and 1,050 women (53%)	936 men (47%) and 1,040 women (53%)
Number of professionals	1,454	1,396
Number of partners	289	285



4. THE VALUE OF AN INTERNATIONAL FIRM

The practice of business law is increasingly complex, influenced by different and complicated regulatory frameworks. Clients therefore require advice from international, multidisciplinary firms, made up of lawyers who can provide triple value, anywhere in the world: technical expertise, a strategic international legal approach and a practical outlook. At Garrigues, we have always striven to stay one step ahead of client needs and this is why, from the very outset, we have been pioneers in the internationalization of our services.

We have based our international expansion model on the rollout of a network of own offices, with teams that share the same business culture and which advise on the main areas of business law under a single brand. We firmly believe that this is the best way to offer an excellent, integrated service. We currently have offices in 13 countries: Spain, Portugal, Colombia, Peru, Mexico, Chile, Brazil, China, Poland, Morocco, Brussels, the UK and the US.

Garrigues' expansion in the last decade has been particularly significant, with new offices opened in 10 key countries for our clients. In 2015, we expanded our international network with the opening of the Beijing office, our second office in China, as well as continuing our expansion into Latin America.

Aggregates	2014	2015
International revenues (millions of euros)	31	35
Headcount in Portugal	106	107
Headcount in Latin America	58	89
Headcount in other countries	66	66

PROGRESS IN 2015 AND FUTURE CHALLENGES

PROGRESS IN 2015

- **Economic results.** Garrigues' international revenues (35 million euros) have risen by more than 4 million euros, up 13% on last year.
- **Team.** The headcount at our international offices has also increased considerably. Garrigues' international network now boasts a team of 262 people (up from 230 last year), of whom 28 are partners.
- **Beijing.** We are the only major Spanish law firm with two offices in China. In September 2015, we opened for business in Beijing, a strategic city in terms of local investment abroad and, in particular, coordinating transactions between Asia and the Americas. The Beijing office joins the Shanghai office, opened in 2005. The two offices form the core of Garrigues' legal services in Asia, with a combined team of fifteen local lawyers specializing in international business law.
- **Cross-border deals.** Our increased activity in London and New York and the consolidation of our Latin American network has enabled us to take part in major deals across various jurisdictions, requiring the combined efforts of several offices.

FUTURE CHALLENGES

- To continue growing the firm, with our sights set on Latin America, the strategic cornerstone of our international expansion.
- To strive to ensure our clients experience the same degree of proximity and dedication from

our lawyers, wherever they may be based. We endeavor to ensure uniformity in the quality of our work and to export our service ethic and our observance of ethical and professional standards.



4. THE VALUE OF AN INTERNATIONAL FIRM

CONSOLIDATION IN LATIN AMERICA

2015 has seen the consolidation of our Latin American practice and has served to further bolster Garrigues' identity as a global firm. Here are some of the most notable achievements in the last year:

- **9 partners and 60 professionals.** Our offices in Bogotá, Lima, Mexico City and São Paulo boast a team of close to one hundred professionals, almost double the headcount from last year. The integration of a Colombian firm in October 2015 is among the reasons for this growth. We have also continued to take on both seasoned, eminent practitioners and young professionals in order to reinforce our practice areas.
- **Internal promotions.** As well as recruiting on the market, we have internally promoted a number of our Latin American lawyers: three professionals were made equity partners at the last Partners' Meeting.
- **Brazil.** The firm opened a tax consultancy practice called Garrigues Consultores Tributarios in July 2015. The São Paulo team combines in-depth knowledge of Brazilian law and the Brazilian tax system with expertise in projects for business implementation and development.
- **Mexico.** The Mexico office has seen significant growth, with the incorporation of two partners in the corporate/commercial and tax practices and the strengthening of the public law practice.
- **Clients.** Over the year, the number of clients from Latin America rose 64.8%.
- **Recognition.** Clients have chosen us to advise them on transactions that have achieved industry recognition. In September 2015, *Latin Finance* named Garrigues "Best Infrastructure Law Firm" as a result of the advice provided in the region on major finance projects supporting significant economic and social reform.

- **Chile.** Continuing with the expansion process, our next steps will be directed at opening new offices in other countries in the region. In the first quarter of 2016 we will be inaugurating a new office in Chile, following the integration of a Chilean firm. The office will have a team of more than 20 lawyers, 5 of whom will become partners of Garrigues. This latest development will be featured in detail in next year's Integrated Report.



5. THE VALUE OF REPUTATION

AWARDS AND ACCOLADES

Garrigues continued to be a benchmark in the legal services industry in Spain (*Expansión*, July 7, 2015) and has garnered recognition from the leading international publications. To date, no other law firm has received the following awards in the same year:



LEGAL BUSINESS (LEGAL 500)

International Firm of the Year (March 24, 2015)

This is the first time that Garrigues has received this prestigious and long-standing accolade, which rewards key aspects such as the strategy, management and client service of the best law firms operating in Continental Europe, Latin America, Asia, Australia, the Middle East and Africa.



INTERNATIONAL FINANCIAL LAW REVIEW (EUROPEAN AWARDS 2015)

Law Firm of the Year in Spain, Loan of the Year and Life Achievement Award (April 16, 2015)

Garrigues took the European awards for Law Firm of the Year in Spain and Loan of the Year in the best transaction category. This is the ninth time in the fourteen-year history of the awards that the IFLR has recognized the work of Garrigues (seven times as Law Firm of the Year in Spain and twice in the category of best transaction). In addition, our Honorary Chairman, Antonio Garrigues, received the Life Achievement Award for his outstanding professional career.



CHAMBERS EUROPE AWARDS FOR EXCELLENCE 2015

Spain Law Firm of the Year (April 24, 2015)

These prestigious awards are based on personal interviews with clients and take into account factors such as economic results, international strategy and participation in major deals. This is the fourth award Garrigues has received from Chambers. The three previous awards were for Iberian Law Firm of the Year (2007), Spanish Law Firm of the Year (2009) and the Client Service Award (2013).



Tax Firm of the Year since the awards were created in 2005 and the third time it has taken Transfer Pricing Firm of the Year.



INTERNATIONAL TAX REVIEW (EUROPEAN TAX AWARDS 2015)

National Tax Firm of the Year: Spain and Transfer Pricing Firm of the Year: Spain (May 21, 2015)

This is the eighth time Garrigues has been named



LATIN FINANCE

Best Infrastructure Law Firm: Andes (September 30, 2015)

Garrigues received this prestigious Latin American award in recognition of its contribution and financial advice on major projects executed in the region over the last year.



FINANCIAL TIMES (INNOVATIVE LAWYERS AWARDS 2015)

Most Innovative European Law Firm (October 1, 2015)

For the fourth time in the last five years, Garrigues has taken the Financial Times award for Most Innovative Firm in Continental Europe. Garrigues was also ranked 9th in the FT top ten European law firm innovators (including the UK).



BRITISH LEGAL AWARDS 2015 (LEGAL WEEK)

Legal Week: European Law Firm of the Year (November 25, 2015)

The panel valued the firm's innovation, strategic vision and commitment to talent. It also recognized Garrigues' international expansion in Latin America and its participation in major cross-border deals.

5. THE VALUE OF REPUTATION

In addition to these prestigious awards from specialist legal publications, Garrigues also received recognition for its work in other areas, such as human resources, corporate reputation and knowledge management.



UNIVERSUM AWARDS 2015

Top 100 Ideal Employer - Spain (April 15, 2015)

For the second year running, Garrigues has been named the best law firm to work for. According to the study by Universum and PeopleMatters (specialist people management consultants), Garrigues is the most attractive employer among law students.



FORBES 2015

Most Innovative Law Firm in Spain (May 21, 2015)

The Spanish edition of *Forbes* magazine named Garrigues the Most Innovative Law Firm in Spain. The firm also took the top spot in the ranking of the firms with the highest revenues.



MERCO EMPRESAS 2015

(June 7, 2015)

Garrigues was ranked 65th in the Corporate Reputation Business Monitor (MERCO) index. Once again, Garrigues was the only law firm included in the index of the top 100 companies with the best reputation across all industries.



MERCO TALENTO 2015

(November 6, 2015)

Merco Talento (formerly Merco Personas) measures the three key values that determine a company's ability to attract talent: job quality, employer's brand (i.e. admired brand) and internal reputation. Garrigues placed 32nd in the general ranking and was once again the only law firm present in the industry ranking.



MAKE AWARD (MOST ADMIRED KNOWLEDGE ENTERPRISE)

(September 30, 2015).

Garrigues has been recognized as one of the most admired knowledge enterprises (MAKE) in Europe by British company Teleos and The Know Network. The study was compiled by leading knowledge experts and executives of Fortune Global 500 companies. Garrigues is the only law firm on the list and is one of only two Spanish companies recognized.

RANKING BY AREA OF EXPERTISE

In the last year, Garrigues' practice areas were ranked as Band or Tier 1 by the main international directories in their respective chapters on Spain:

CHAMBERS GLOBAL 2015

Band 1 Corporate/M&A; Dispute resolution; Restructuring/Insolvency, Tax.

Band 2 Restructuring/Restructuring; Capital Markets; Banking & Finance; Energy & Natural Resources; Intellectual Property.

IFLR1000 2016

Tier 1 Restructuring & Insolvency; Project Finance; Capital Markets: Structured Finance And Securitization; Banking; M&A.

Tier 2 Capital Markets: Debt; Capital Markets: Equity.

LEGAL 500 2015

Tier 1 Administrative and Public Law; Banking and Finance; Capital Markets; Corporate and M&A, Dispute Resolution; EU and Competition; Employment;

Environment; Insurance; Projects and Energy; Real Estate and Construction; Restructuring and Insolvency; Tax.

Tier 2 Health Care and Life Sciences; Intellectual Property: Trade Marks and Copyright; TMT.

CHAMBERS EUROPE 2015

Band 1 Competition/European Law; Corporate/M&A; Dispute Resolution; Employment; Energy & Natural Resources; Environment; Insurance; Planning; Private Equity; Project Finance; Public Law; Real Estate; Restructuring/Insolvency; Sports; Tax; TMT: Information Technology.

Band 2 Banking & Finance; Capital Markets; Dispute Resolution: Corporate Crime; Intellectual Property; Restructuring/Restructuring; Shipping; TMT: Telecommunications.

As regards specialist directories, Garrigues' tax practice was ranked Tier 1 by World Tax 2016 (International Tax Review) and the Tax Directors Handbook 2015 (Legalease).

6. CLIENTS FROM ALL REGIONS AND INDUSTRIES

The trust and satisfaction of our clients lies at the heart of our success, as a result of our client-centered approach. We seek to build stable, longstanding relationships with our clients, based on trust, solid advice and mutual understanding, by acting loyally and with transparency.

With this in mind, we view every engagement as a challenge. We fully commit to each engagement and matter entrusted to us. Ongoing, comprehensive, bespoke tax and legal advice and providing professional services of the very highest quality are our chosen route towards attaining success.

We undertake to deliver on every project and engagement entrusted to us and our professionals are aware of the importance of listening to clients, of gaining an in-depth insight into their businesses and activities and of understanding their needs and goals, all with the aim of being able to provide tailor-made solutions to cater to their needs.

Using in-house resources or in conjunction with other entities, Garrigues offers many informative, refresher and training activities, aimed in the main at clients (although often also at third parties), such as organizing seminars to provide updates on new legislation, working breakfasts, taking part in conferences and seminars, etc.

CLIENT EXPERIENCE AND SATISFACTION

As part of our process of continuous improvement, a new client experience and satisfaction program was drawn up in 2015, taking a more in-depth look at feedback obtained to date in previous questionnaires and enabling us to gain greater insight into what clients think of our work and our client service, from both a qualitative and quantitative standpoint.

The new client experience and satisfaction program has been designed to ensure, as far as possible, that results are comparable with those obtained in previous years. The surveys carried out to date (around one hundred) have shown that clients continue to rate

Garrigues' service highly, with the majority of feedback so far scoring us "very good" (8/10) or higher.

Among the aspects most highly rated by our clients (scoring more than 9.90 out of 10) are our professional ethics, the talent and reputation of our professionals and the trust clients place in the firm, all of which constitute a solid endorsement of our work.

When asked to rate their level of satisfaction with Garrigues on a scale of 1 to 10, the average score given by our clients was 8.99, a slight increase on other years, indicating that we maintain a consistently high quality standard.

The program also helps us identify specific areas of our professional dealings where there is room for improvement, with a view to ensuring we live up to our client's expectations. A number of areas for improvement have been identified, notably in relation to the volume and content of our client publications.

CLIENTS' GEOGRAPHIC AND INDUSTRY PROFILE

The location of our office network has a clear bearing on the origin of our clients. We currently have an extensive office network outside the Iberian Peninsula and are trusted by a large number of international clients. In 2015, 14% of Garrigues' clients were based outside Spain and Portugal.

6. CLIENTS FROM ALL REGIONS AND INDUSTRIES

The following chart shows the geographic distribution of our clients based outside the Iberian Peninsula:

Geographic origin

Africa	5.4%
Asia	5.8%
Central and South America	25.9%
Europe	51.1%
North America	11.4%
Oceania	0.4%
Total	100%

The diverse origin of our clients is first of all down to the vocation and experience of our professionals, accustomed as they are to working on international projects and, secondly, to our extensive office network. Garrigues is also a founding member of Taxand, a global network made up of more than 2,000 tax advisers hailing from over 50 firms from five continents, providing tax advisory services to multinational clients (further information at www.taxand.com).

The following chart shows the industries our clients come from:

Industry

Services	25.7%	Tourism	2.6%
Construction & infrastructure	11%	TMT	2.7%
Individuals	18.2%	Public authorities	1.4%
Industrial manufacturing	10.2%	Transport	2.1%
Consumption & distribution	8.1%	Life sciences and healthcare	1.7%
Energy	5.7%	Others	4.0%
Financial services	6.6%	Total	100%

TYPES OF CLIENTS

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

As many as 88.6% of IBEX-35 listed companies as of December 31, 2015 have been clients of Garrigues in the course of the year, and 61.9% of the companies listed on the Madrid Stock Exchange Continuous Market on the same date. In addition, 17.6% of the companies making up the MAB Alternative Stock Exchange at December 31, 2015 have been clients of Garrigues during the year. In Portugal, 17.6% of the PSI-20 companies on the Lisbon Stock Exchange as of December 31, 2015 were clients of the firm in 2015.

These figures testify to the high standard of the services we offer to the leading and most demanding companies in the countries in which we operate.



7. COMPLIANCE AND INTEGRITY

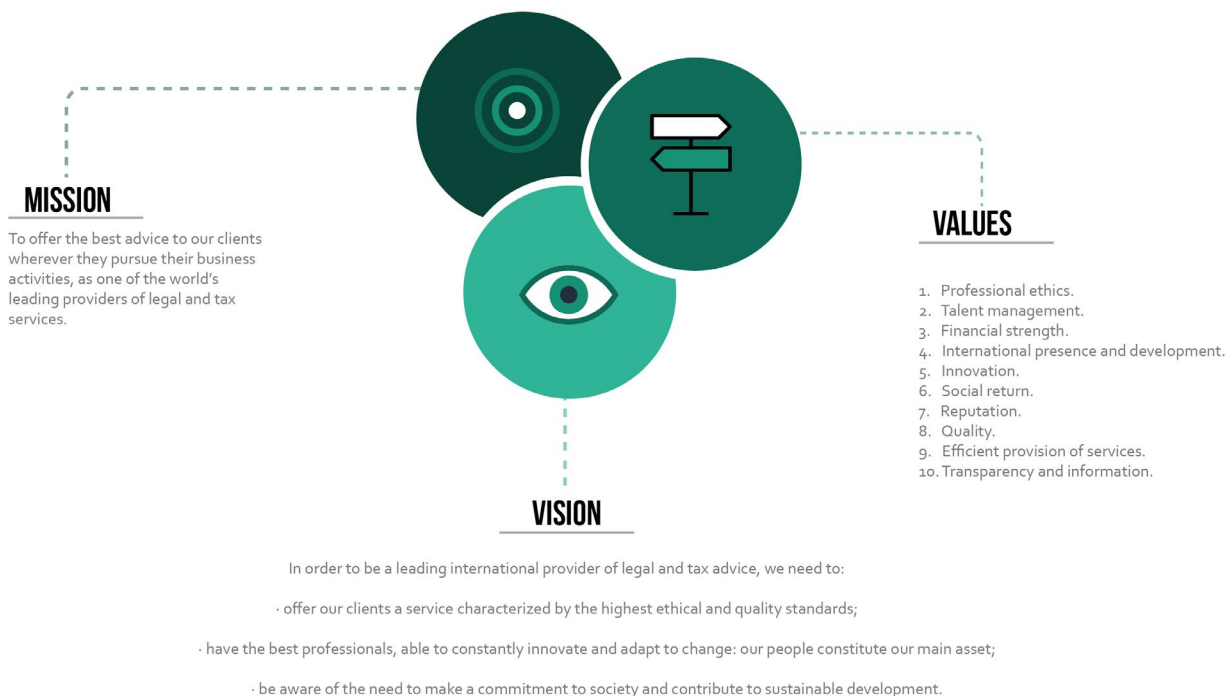
Garrigues has a clear, well-established identity both internally among those who make up the firm and in its dealings with clients, competitors and society at large.

The values and principles that underpin the identity of the firm are embodied by our commitment to client service, to quality, to the firm and its professionals, and to ethical conduct, as well as to observance of fundamental ethical principles (integrity, loyalty, independence, ongoing training, dignity, respect and professional secrecy).

These values and principles, and the guidelines on and rules of conduct applying to the members of Garrigues, are contained in Garrigues' internal regulations, the set of mandatory

internal policies, procedures, programs, regulations, codes and standards approved by the competent bodies of the firm by which all members of Garrigues must abide.

The Garrigues Code of Ethics constitutes the cornerstone of the internal regulations and contains the ethical model of behavior that must inspire and govern the conduct of the firm's members at all times. It aims to foster ethical and responsible behavior by all, and strengthen Garrigues' commitment to the principles of business ethics and transparency in all of its dealings.



7. COMPLIANCE AND INTEGRITY

With a view to reinforcing awareness of and compliance with the Code of Ethics by all members of the firm, our people are asked each year to reaffirm their commitment to familiarize themselves and comply with the provisions of the Code. All new hires are take a specific course on the Code of Ethics via the e-learning platform and are asked to confirm their commitment to comply with the Code.

Moreover, in order to strengthen proper and effective compliance with the Code of Ethics and the internal regulations by all of the firm's members, a private and strictly confidential internal communication channel is in place, called the Ethics Channel, through which all of the firm's members can report, subject to the limits established by the legislation in force in each country, conduct by any member of the firm that may be irregular or contrary to the law, ethical standards, the rules of conduct or the Code of Ethics, or any other provisions of Garrigues' internal regulations.

This year the firm continued to review and update its internal regulations, with a view to bringing them into line with the new legislative framework and continuing to promote the ethical commitment and responsible conduct of all firm personnel.

Some of the measures adopted notably included the review and update of the Anti-Money Laundering and Counter-Terrorist Financing Manual, which contains the policies and procedures established by the firm in the areas of due diligence, reporting, recordkeeping, internal control, assessment and management of risks, admission of clients, internal control bodies and compliance with reporting and notification requirements in order to comply with the anti-money laundering and counter-terrorist financing legislation in force.

In the area of corporate compliance, a new IT tool has been launched that is tailored to the specific characteristics of Garrigues and facilitates the management of information and documentation collected in compliance with due diligence measures as well as the work of Garrigues' Information Processing and Analysis Unit, in observance of anti-money laundering and counter-terrorist financing legislation.

In light of the new legislative framework applicable, the firm's Corporate Compliance Program has also been revised and updated. The aim of the Program is to identify and monitor potential compliance risks regarding applicable legislation and ethical standards and, where applicable and possible, to adopt measures to mitigate and reduce global exposure to such risks.

Specifically, during the year the Garrigues' risk map was updated and the documents containing the special compliance measures for each practice area were reviewed and completed, in line with the particular characteristics of the different areas and the new legislation in force. The existing bodies responsible for supervision and control of the Corporate Compliance Program (senior partner, Professional Practice Committee, ad hoc team and internal auditor) have been reinforced with the recent creation of the position of compliance officer.

Several information and training initiatives have been implemented to raise awareness of the new features introduced as a result of the review and update of Garrigues' internal regulations.

The firm's substantial client portfolio, the diversity of its practice areas and the large number of offices and countries from which it operates make it particularly important for us to ensure that any potential conflicts of interest that may arise (and do in fact arise with increasing frequency) in the firm's professional practice are properly identified, prevented, managed and resolved.

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

Over the next year, Garrigues will continue to work on improving the internal processes necessary for the proper management of the Corporate Compliance Program and completing the review and update of the remaining components of the internal regulations, paying special attention to the implementation of new initiatives designed to provide comprehensive information and training and raise awareness of the process among all personnel.

8. STRUCTURE, AND GOVERNING AND MANAGING BODIES

A professional limited liability company, Garrigues is owned by all of the firm's practicing partners. The management, administration and representation of the Company falls to executive chairman, Fernando Vives, following the resolution adopted by the Partners' Meeting.

In the course of his activities, the executive chairman has the support of the senior partner, the Executive Board and the Professional Practice Committee, in addition to other advisory committees, each with their own respective supervision, control and advisory functions.

MORE INFORMATION 





OUR ASSETS

9. HUMAN CAPITAL

2015 ACHIEVEMENTS

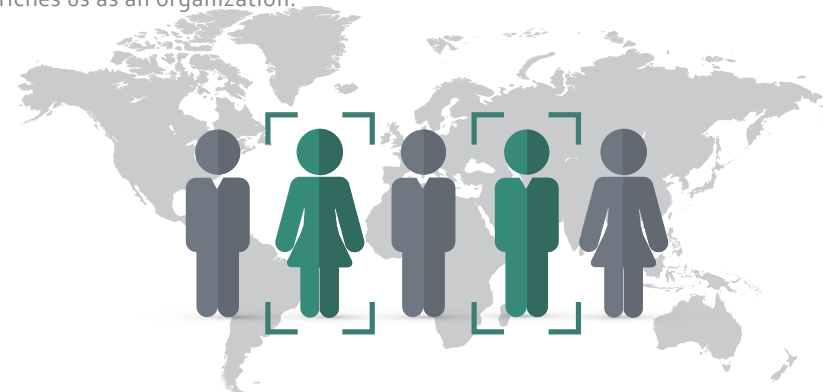
- Redefinition of the competency-based appraisal system.
- Redefinition of the partner appraisal system.
- Design and creation of a new international training program.
- Design and creation of a new training program, tailored to the global market, for young professionals at the firm.
- Adaptation to the new rules for access to the legal profession in Spain, both in the intake of students to master's degree access programs and in the hiring of lawyers.
- Signature of new cooperation agreements with Latin American universities.
- Consolidation of our teams in Asia and Latin America.
- Development of occupational risk prevention training.
- Adaptation of processes to the new fiscal year.

CHAMPIONING TALENT

Talent is defined as that human quality that enables us to advance and be outstanding. That's why talent management is a priority for Garrigues.

HUMAN CAPITAL

Garrigues is today a global firm with offices in 13 countries and present across 4 continents, providing a diversity of professional and cultural backgrounds that enriches us as an organization.



12 COUNTRIES 4 CONTINENTS 2,000 PEOPLE 25 DIFFERENT NATIONALITIES

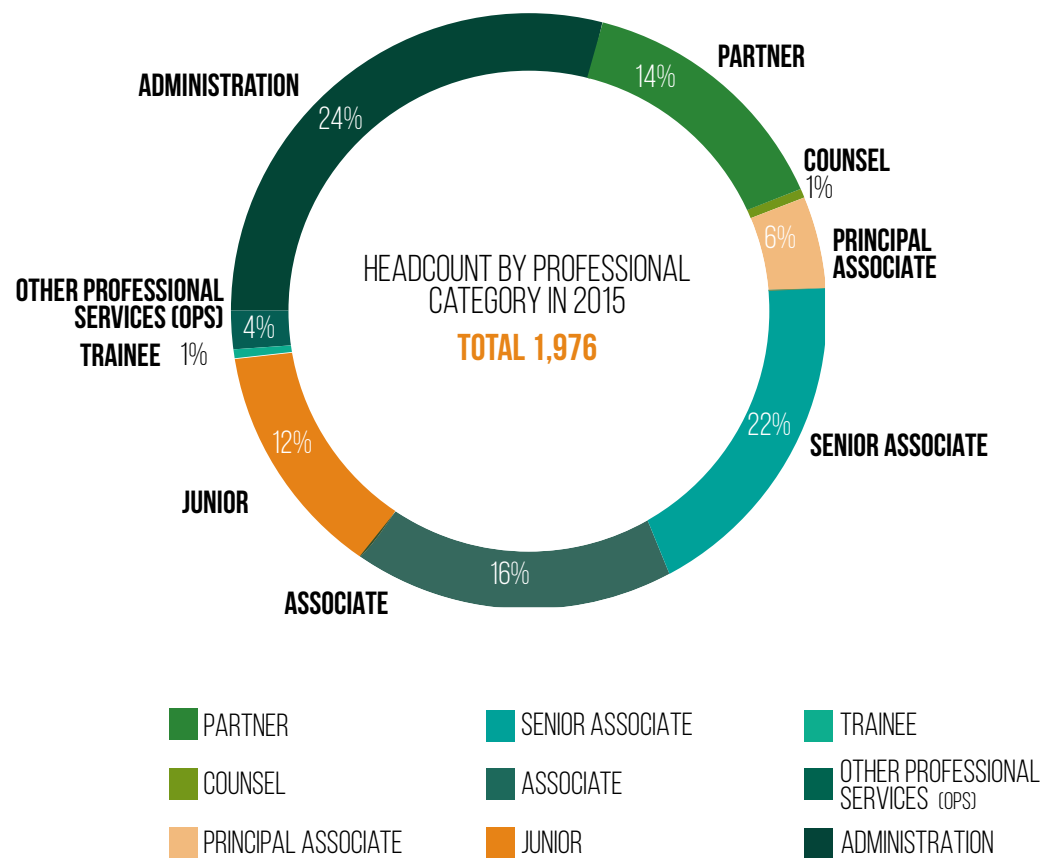
With respect to its entire workforce, Garrigues observes the applicable legislation and collective labor agreements in all of the regions in which it operates.

Our professionals have the opportunity to work in international destinations, both at Garrigues' own offices and at reputable and prestigious foreign law firms with which we have a close professional relationship.

 **OUR ASSETS**

9. HUMAN CAPITAL

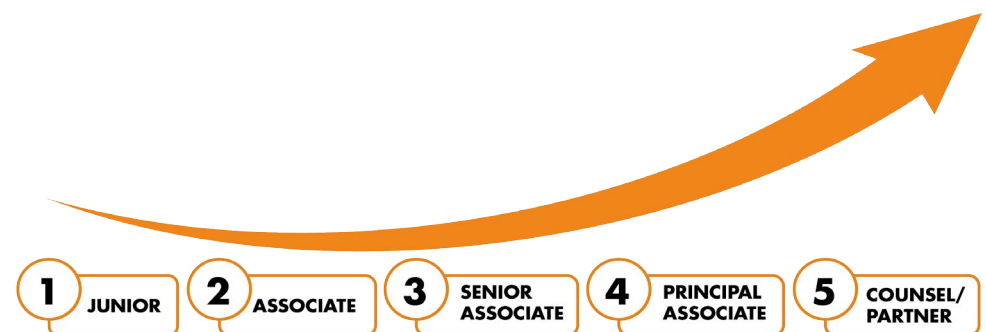
The structure of our personnel and their distribution by professional and functional category are as follows:



PROFESSIONAL DEVELOPMENT

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

At global level, Garrigues has a career plan structured around clearly defined professional categories. The different professional categories indicated below reflect each professional's expertise and make them recognizable in the market in general, and among professionals in the legal and tax services industry in particular.



9. HUMAN CAPITAL

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

This year, as part of our drive to continuously improve the appraisal process, self-appraisals have been introduced to give appraisees a chance to reflect on their performance beforehand. Additionally, in order to ensure greater objectivity and rigor in the analysis of information and appraisals carried out by managers of their appraisees, "external" appraisal teams have been created, made up of seasoned professionals whose mission is to analyze the procedures followed by practice areas other than their own, evaluating the process and making any observations and comments on the results of each department.

6 PROMOTIONS TO
EQUITY PARTNER

72 PROMOTIONS TO
SENIOR ASSOCIATE

A COMMITMENT TO DIVERSITY AND EQUAL OPPORTUNITIES

We strongly believe that diversity, pluralism and respect between all members of the firm are fundamental values that make Garrigues stronger.

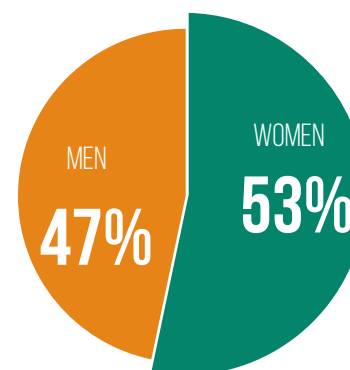
Success at internal level can only be achieved by building up a personnel base that is diverse in the broadest sense, including diversity of gender, age, race, ethnicity, nationality, culture, marital status and physical capacity, among others. To respond to the challenges facing the firm, we need to have a broad range of talent, ideas and perspectives at our disposal.

Our professionals come from a wide range of nationalities, bringing a variety of perspectives which enrich our culture, enhance our work and make us stronger and wiser as a firm.

We are committed to creating a working environment that respects and embraces these differences.

Garrigues' equality plan, introduced back in 2008, is one example of our continuing and unerring commitment to our most valuable asset. The plan establishes mechanisms to prevent any discrimination of any kind (on grounds of gender, race, religion, background, etc.) in processes for recruitment, hiring, professional classification, training, promotion, professional career development, compensation and working conditions.

NEW HIRES IN 2015 - TOTAL HEADCOUNT 246



DISABILITY INITIATIVES

Garrigues is involved in various disability initiatives. It provides training through volunteers, takes part in charity runs, projects and programs to raise awareness, and complies with legislation on integration of people with disabilities into the labor market.

TALENT: THE FOUNDATION OF OUR EXCELLENCE

At Garrigues, attracting talent is key and this is why we work closely with universities year after year. Garrigues boasts professionals from 47 of the most prestigious universities in the world.

9. HUMAN CAPITAL

COLLABORATION WITH
UNIVERSITIES

90

PRESENTATIONS GIVEN AND
EMPLOYMENT FORUMS
ATTENDED IN 2015

128

EDUCATIONAL
COOPERATION
AGREEMENTS

250

MORE THAN 250
PROFESSIONALS CURRENTLY
TEACH ON GRADUATE AND
POSTGRADUATE COURSES

UNIVERSITY
CHAIRS IN LAW



UNIVERSITIES ONCE AGAIN CHOSE GARRIGUES AS THE BEST LAW FIRM TO WORK FOR IN 2015

This is the second year running that Garrigues has been voted the top law firm to work for. The study published in April 2015 by Universum and PeopleMatters (specialist people management consultants) ranked Garrigues as the most attractive employer among law students.

According to the study, students look for training and professional development, a good working atmosphere, and recognizable and innovative brands, among other factors.

This recognition, together with accolades from Merco Talento and *Actualidad Económica* is due, among other considerations, to our unerring commitment to young graduates, to whom we offer the chance to pursue an attractive professional career, taking part in a broad program of tax and legal training and continuing education and the opportunity to grow as professionals in a dynamic environment characterized by a meticulous approach, quality, ethical integrity and an excellent working atmosphere.

Our internship programs offer students the opportunity to take a first-hand look at the legal profession and how we work at Garrigues.

Following the opening in 2013 and 2014 of our offices in Bogotá, Lima and Mexico, in 2015 Garrigues established new collaborative ties with universities in Latin America, in addition to those already in force:

COLOMBIA

- Universidad de los Andes
- Universidad del Rosario
- Universidad Javeriana
- Universidad Externado de Colombia

MEXICO

- Universidad Panamericana
- Universidad Iberoamericana
- Escuela Libre de Derecho
- Instituto Autónomo de México (ITAM)
- Instituto Tecnológico de Monterrey

PERU

- Universidad de Lima
- Pontificia Universidad Católica del Perú

We have also signed new collaboration agreements with universities in Portugal:

PORTUGAL

LISBON

- Universidade de Lisboa
- Universidade Nova de Lisboa

OPORTO

- Universidade Católica do Porto

INTERSHIPS DURING THE ACADEMIC YEAR AND OVER THE SUMMER

Garrigues offers internships during the academic year and in the summer months.

CURRICULAR ACTIVITIES

Garrigues collaborates with universities by accepting students for their curricular activities (a compulsory subject on certain syllabuses).

INTERSHIPS GRANTING ACCESS TO THE LEGAL PROFESSION

Garrigues offers the mandatory internships for access to the legal profession to students of Spanish universities.

 **OUR ASSETS**

9. HUMAN CAPITAL

TRAINING

At Garrigues, we develop our professionals' capabilities and help them to acquire the necessary know-how to ensure they continue to be recognized for their excellence and commitment to client service, their capacity to anticipate client needs and to adapt to new challenges, their ability to innovate, and as pioneers in their areas of expertise. In short, we provide them with the means to successfully tackle the challenges they face in an ever-changing environment.

The increasing globalization of the legal profession requires Garrigues to have professionals ready to advise on a range of issues and scenarios with a global focus.

This year we have therefore actively worked to design two new exclusive training and development programs tailored to the global market, to cater to the needs of our business and of our professionals.

TRAINING PROGRAMS



INTERNATIONAL TRAINING PROGRAM

This program provides our professionals with a unique development opportunity, enabling them to gain experience at law firms in other countries and extend their academic training at an international level. The program offers a secondment at one of the foreign law firms with which Garrigues works on a regular basis or a temporary transfer to one of our international offices. If students prefer to study abroad, the firm offers the possibility of studying for a Master of Laws (LL.M.) at a prestigious foreign university or at Centro de Estudios Garrigues in collaboration with a top US university.

INTRODUCTION TO INTERNATIONAL BUSINESS LAW PRACTICE

This program is aimed at young professionals from all offices. The inaugural course will begin in January 2016 and is designed to provide them with comprehensive training on the provision of international legal advisory services. It also aims to foster networking among professionals from different practice areas, offices and countries, facilitating the sharing and pooling of knowledge and affording a global perspective of professional practice.

The bilingual course in Spanish and English will be taught at the firm's head office in Madrid and will combine the transfer of technical know-how with the conduct of real case studies encompassing various legal disciplines, with the aim of ensuring that our professionals are able to design and implement global solutions in any jurisdiction.

The program also teaches the management skills required by lawyers to practice in a global context.

9. HUMAN CAPITAL

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

96% of our people took part in our training programs in 2015.

WOMEN	MEN
1,010	884

We have made a significant commitment to online training using platforms that promote collaborative learning, supplementing on-site training. A prime example is the *Fórmate*-e-learning platform, with which we achieved the following in 2015:

- More than 44,300 visits to the different courses.
- More than 12,500 training hours given using this format, up 59.5% on last year.
- We currently have an online catalog of 35 courses.
- 1,709 people were trained using the e-learning platform.
- We have developed several courses on the firm's IT tools and resources to improve proficiency and optimization.

Main indicators of our training plan (number of people trained):

Number of people trained in 2015

Technical training: Technical courses and meetings held at different departments/offices	1,300
Ethics and good professional practice	1,217
Management skills	454
Languages	723
Technology	835
Knowledge management	576
Outside training	274

COMPENSATION SYSTEM

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

- **Fixed compensation:** in the form of salary bands linked to the various internal organization levels and to professional category.
- **Variable compensation:** generally speaking, calculated on the basis of Garrigues' overall results. Garrigues has also sought to bring the variable compensation of its professionals more into line with profitable management objectives.

9. HUMAN CAPITAL

Our compensation schemes are regularly reviewed for each level of experience, taking into consideration the different national markets and practices in which we provide professional services.

Both the fixed and variable components of compensation are reviewed annually.

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

Garrigues also gives employees the option to sign up to flexible compensation programs that allow them to optimize their net income using certain products: luncheon vouchers, kindergarten vouchers, training programs and transport vouchers.

OTHER EMPLOYEE BENEFITS

Our people can take advantage of exclusive offers and special discounts on a broad array of products and services, thanks to agreements with leading brands and service providers. These exclusive and preferential promotions are found on the *e-Bazar* platform on the firm's intranet. The HR Department regularly updates these deals with suggestions and contacts provided by all firm personnel, as well as from the firm's suppliers, enabling us to offer employees and their families a wide range of services with special terms. We also have a virtual notice board on the internet, on which individuals can advertise items for sale or rent.

WORKPLACE MEDICINE AND OCCUPATIONAL RISK PREVENTION

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

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

The Service aims to ensure the optimum wellbeing of Garrigues personnel through the integral management of their health. It also promotes a culture of prevention, both among Garrigues employees and at subcontractors. With this in mind, the different components of the Service coordinate and collaborate with other departments related to occupational risk prevention at the firm and at suppliers.

Firm personnel received occupational risk prevention training in 2015 via the online training platform. Further occupational risk prevention training was provided for certain positions which, due to their characteristics, require more specific and detailed training and information.

9. HUMAN CAPITAL

The Workplace Medicine and Occupational Risk Prevention service advises all our professionals on issues in this area, playing an important role in campaigns to raise awareness of primary and secondary prevention of the most important illnesses. It has also broken new ground in the practice of predictive medicine through personalized genetic techniques in relation to tumors and pharmacogenetics and does an important job in providing health monitoring and on-site medical services.

Consultations and advice for employees and partners travelling outside the European Union were brought into line with best practices in 2015.

No occupational diseases were recorded at the firm in 2015. However, there was a rise in the occupational accident rate, particularly accidents on the way to and from work. Consequently, the Mobility Plan will be reviewed in 2016 to encourage the use of public transport and raise awareness of road safety. A study will also be carried out into how sleep disturbance affects the accident rate.

FUTURE GOALS

- To improve the computerization of selection processes.
- To redefine the appraisal process in the administration and support areas.
- To review the variable component of the compensation system.
- To make progress in our commitment to diversity by implementing a development program aimed at female employees.
- To launch two new global training programs.
- To increase awareness among our people of the contents of the *e-Bazar* and virtual notice board published on the Intranet.
- To carry out a study into how sleep disturbance affects the accident rate.



 **OUR ASSETS**

10. INTELLECTUAL CAPITAL

At Garrigues, innovation is key to maintaining standards. Garrigues' main focus in terms of innovation is client service: a service that goes above and beyond tax and legal advisory services and which is defined as the ability to keep one step ahead of clients' needs and adapt to the new challenges they face.

This approach to innovation is present not only in the pursuit of our professional practice (knowledge creation) but also in the provision of instruments that facilitate research and development (knowledge sharing), such as knowledge management and new information technology.



2015 ACHIEVEMENTS

- Implementation of Garrigues Collaborate, a platform for internal and client collaboration, and for training the professionals involved.
- Establishment of a stricter system for technical and legal verification of content by the documentation service.
- Construction and rollout of the Virtual Knowledge Classroom, a new collaborative training environment.
- Pilot program for the introduction of gamification elements as part of Virtual Classroom training.
- Implementation of a new corporate search engine to replace the former system.
- Increase in the number of e-journals and e-books available via the Virtual Library to all firm professionals through agreements reached with two leading Spanish publishing platforms.
- Rollout of the IP telephony system at the Madrid office.
- Development of the CORE (Enterprise Risk Control) IT tool.
- Development of new functionalities of DMS+, the in-house development platform that automates processes and helps our professionals find documents more quickly.
- Launch of a new Exchange 2013 corporate mail platform.
- Adaptation of our systems to the digitization of government: LexNET.

10. INTELLECTUAL CAPITAL

INNOVATION AT GARRIGUES

Excellence in the provision of client service, understood as the creation of legal solutions that anticipate our clients' needs, thus responding to the new challenges they face, is the ultimate objective of our investment in research, development and innovation.

As a pioneering initiative and with this aim in mind, Garrigues has created an Innovation Department. Its mission is to anticipate future market needs and identify management and service provision practices, both internal and external, that can be established, implemented or developed with a view to providing the most effective solutions for our clients.

The following examples, noted by the *Financial Times*, show how this mission helps create pioneering legal products that go beyond individual client satisfaction to create a precedent in the industry, in areas such as:

- **Client service:**

Garrigues has helped companies to establish their compliance culture through a tailored program containing innovative detection and monitoring components.

- **Corporate social responsibility**

Garrigues has set up a program to help clients to gauge the risks of their supply chains from a social, environmental and human rights standpoint.

By investing in innovation and development, Garrigues intends not only to offer its clients added value, but also to encourage the development of legal practice in Spain and abroad in an increasingly interconnected and global market.

In its annual ranking of the most innovative law firms in Europe, the *Financial Times* has once again named Garrigues among its top ten. The firm also took the award for Most innovative European law firm (outside the UK) for the fourth time, as well as being a finalist in four other categories:

“

MOST INNOVATIVE EUROPEAN LAW FIRM

MOST INNOVATIVE LAW FIRM IN DISPUTE RESOLUTION

GAME CHANGING LAW FIRM OF THE PAST 10 YEARS

INNOVATION IN SOCIAL RESPONSIBILITY

”

INNOVATIVE LAWYERS 2015: FINANCIAL TIMES

«Garrigues leads the way on the Iberian peninsula and in Latin America in terms of working differently. It has benefited from the days of its tie-up with Arthur Andersen and is not afraid to experiment with multi-disciplinary teams, technologies and a professional approach to running its partnership. One of the first Iberian firms to publish a social responsibility report in 2006, it continues as an all-equity partnership that regularly occupies the top non-UK European law firm slot in the FT reports».

10. INTELLECTUAL CAPITAL

KNOWLEDGE MANAGEMENT

Knowledge management helps to improve the efficiency, quality and security of our professionals' work. The Documentation and Knowledge Management Department is currently comprised of a network of 6 documentation centers which provide a coordinated service to all of the firm's offices, both in Spain and abroad. This decentralized structure enables it to work more efficiently, by being close to the local needs of clients and lawyers.

The Department works independently but in close conjunction with other internal departments, such as the Technology and Intangibles Departments, with which it develops joint projects, and the Human Resources Department, with which it coordinates training initiatives.

DEPARTMENT REMIT

- The Documentation and Knowledge Management Department creates, maintains and supervises the firm's knowledge management system, working closely with the other support departments and lawyers, taking a global overview since it is not dependent on any of them.
- While it is unusual in the industry, Garrigues has always entrusted the management of its intranet and client collaboration tools to the Documentation and Knowledge Management Department. These responsibilities enable the team to ascertain the level of awareness among lawyers and clients of knowledge management tools and procedures.
- Now more than ever its role is to promote, create and drive collaboration within the firm, through the different platforms and tools it places at the disposal of our professionals.

GARRIGUES COLLABORATE

With the aim of expanding our knowledge-sharing and collaboration capabilities, the Department has been using the Garrigues Collaborate tool since February 2015 as a platform for collaboration within the firm, in order to harness and disseminate know-how and to promote learning through the forums, wikis and blogs it supports. The Collaborate spaces facilitate contact among professionals from different categories,

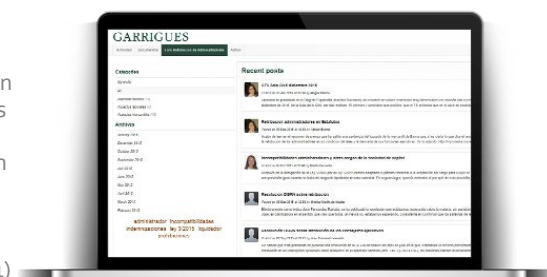
countries and departments. They also allow for decentralized access to a wide range of knowledge sources, the possibility of comparing different approaches and encourage technical debate among lawyers. Its innovation lies precisely in this collective dynamic of knowledge creation and transfer.

Garrigues Collaborate can be accessed from any computer or mobile device, whether corporate or personal, with the strictest security and confidentiality safeguards in place at all times. This ease of access makes it much easier for the lawyers to add new content or comments, meaning that their collaboration is no longer limited to specific corporate environments and devices.

This innovation not only enhances internal knowledge exchange processes but also facilitates the exchange of knowledge with clients and third parties. In fact, Collaborate is overtaking the extranet, in operation since 2006, since it offers many advantages. In addition to important functionalities regarding the security of the sites, the handling of documentation or the generation of statistical reports, it also offers the possibility of including wikis, blogs, forums and schedules, and sharing them with clients. The fact that all (internal and external) modules are integrated in a single platform means that learning how each of them works is a quick and easy process.

The originality of this project lies in Garrigues' internal use of the tool, which has enabled us to create multipurpose, accessible spaces from a single platform, ranging from simple Q&A forums to collaborative spaces incorporating forum, wiki and blog modules.

Garrigues Collaborate has been very well received by the firm's professionals. At December 31, 27 internal spaces had been created (22 in operation and 5 still to be activated) and 110 external spaces, of which 77 remain active (at December 31) and 33 were closed during the year.



10. INTELLECTUAL CAPITAL

THE VIRTUAL KNOWLEDGE CLASSROOM

Garrigues Collaborate has also allowed us to move forward with online training, with the creation of the first Virtual Knowledge Classroom, which can be adapted to the different training requirements of the lawyers. A pilot program was run in June for trainee lawyers, with good results. The site has now been adapted to provide the mandatory training for new hires.

Based on a wiki concept, the Virtual Classroom enables lawyers to follow a training schedule tailored to their experience and provides them with access to a great variety of training materials, from information manuals to videos and modules from the firm's e-Learning platform. In addition to the wiki, the Virtual Classroom has a forum open to all users and a glossary.

The training schedule is tutored on a day-to-day basis by one of the Documentation Centers. Lawyers can take part by asking questions, or commenting on or answering questions posted by colleagues and can decide when is the best time to receive training (although they must keep to the training schedule and time frame set by the tutor). Tutors also provide encouragement, by assigning points and creating games and exercises. Lawyers can compete for points and a position in the ranking. At the end of each module, they must pass a self-evaluation test. In a first for the firm, the Virtual Classroom incorporates gamification elements, that is, games and challenges, that promote active and more effective learning.

Since the pilot commenced on June 24, rollout of the Virtual Classroom has been very quick. Of the 581 individuals who received online knowledge management training in 2015, 250 received training through the Virtual Classroom. The rest (331) received online training exclusively through the firm's e-learning platform.

MAKE AWARD

In 2015, Garrigues was recognized as one of the most admired knowledge enterprises (MAKE) in Europe in the study prepared each year by British company Teleos in collaboration with The Know Network. This makes us one of the top 15 companies in Europe in terms of knowledge management and the only law firm.

The award recognizes the ability of European companies to innovate and improve the quality of their products and services through knowledge management, thereby creating value for their stakeholders and shareholders.



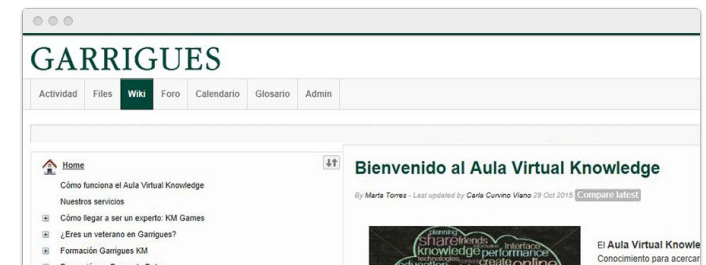
The 2015 MAKE study singled out Garrigues for its ability to build an environment that encourages knowledge-sharing and collaboration, and enables the firm to showcase to its clients the solid and effective knowledge management system relied on by our professionals to provide them with the best service. It also endorses Garrigues' commitment to knowledge management and innovation.

MPF AWARDS 2016 – BEST PROVISION OF KNOW-HOW

In March 2016, Garrigues took the award for Best Provision of Know-How at the Managing Partners Forum Awards 2016. These awards recognize the innovative capacity of European firms when it comes to sharing their experiences and improving the quality of the services offered to clients.

The MPF, a professional organization based in London and made up of senior executives from the most prestigious law and consultancy firms, assists professional firms to grow and develop innovative services by applying new management models that increase their reliability and prepare them to face the challenges of the future.

The panel of experts valued Garrigues' application of the Collaborate tool, which enables all professionals to share the progress achieved in each practice area and collectively enhance the solutions offered to clients. Collaborate facilitates the creation of small, specialized groups where professionals can share their expertise and help each other to improve, thereby driving excellence in client service.



10. INTELLECTUAL CAPITAL

INFORMATION TECHNOLOGY

During the year, Garrigues remained strongly committed to using technology as a means to set ourselves apart and create added value for our clients and professionals.

The Technology Department is comprised of professionals who provide services to users from all offices. The Department works independently but in close conjunction with other internal departments, such as the Knowledge Management, Human Resources and Intangibles Departments, with which it develops joint projects. The Technology Department provides technical support for all IT-related tools and initiatives.

DEPARTMENT REMIT

- To manage the firm's technology initiatives.
- To serve as a link between the firm and other external IT providers.
- To supervise the technology budget.
- To research and develop new technologies that may be of use to firm professionals.
- To cross-manage all of the firm's hardware and software.
- To implement new tools in the least aggressive way possible, facilitating the integration of technology into natural professional processes.
- To ensure the correct functioning of all systems.

IP TELEPHONY

As planned, we have implemented IP telephony at the Madrid and Beijing offices.

CORE ENTERPRISE RISK CONTROL PLATFORM

A platform has been developed to manage risk and legislative compliance, which facilitates and reduces the work required both when designing a management system and in the later stages of its lifecycle.

DMS+: A NEW TOOL FOR OUR PROFESSIONALS

The DMS+ tool incorporates a set of functionalities associated with accessing the most relevant information for our lawyers, with a view to providing them with key information and documents. Access is provided through direct links from Office tools, integrating suggestions related to the type of transaction or practice area involved. The suggested information is obtained from automated processes that exploit existing big data on the firm's different management platforms and is also extracted from the most significant case law and legal theory published on commercial platforms to which Garrigues subscribes. The most significant products developed in this area are as follows:

- Integrated add-in in MSOffice, which suggests relevant information and experts on the area the lawyer is working in. The tool is displayed as a dynamic integrated panel in Word and PowerPoint that enables professionals to interact with the suggested information and the document they are working on.
- Experts Database with automated data from the different management platforms, thereby ensuring the information is up to date and allowing for direct collaboration, in real time, with the expert, through integration with chat, video, email and share desktop tools.
- Automated informative emails to encourage the contribution of relevant information and the achievement of the necessary targets to gain "expert" status.

10. INTELLECTUAL CAPITAL

- Automated statistical reports relating to important information associated with each type of transaction and each area of expertise.
- Unification of all information searches through a single search point for our entire document archive, and using a new search portal, based on the use of a powerful automated filter system that enables information to be sorted by the metadata obtained from exploiting existing big data.

PC so that we can communicate with Garrigues users via audio, video, desktop-sharing and presence control. WebEx is a tool that will enable us to communicate with clients and suppliers via audio, video and desktop sharing.

EXCHANGE 2013

In 2015 we upgraded to a new version of Microsoft Exchange (Exchange 2013) which offers greater inbox capacity and improved management and administration.

LEXNET

We adapted our systems in 2015 to provide our professionals with everything they need to correctly use the communication platform of the Spanish Justice Administration.

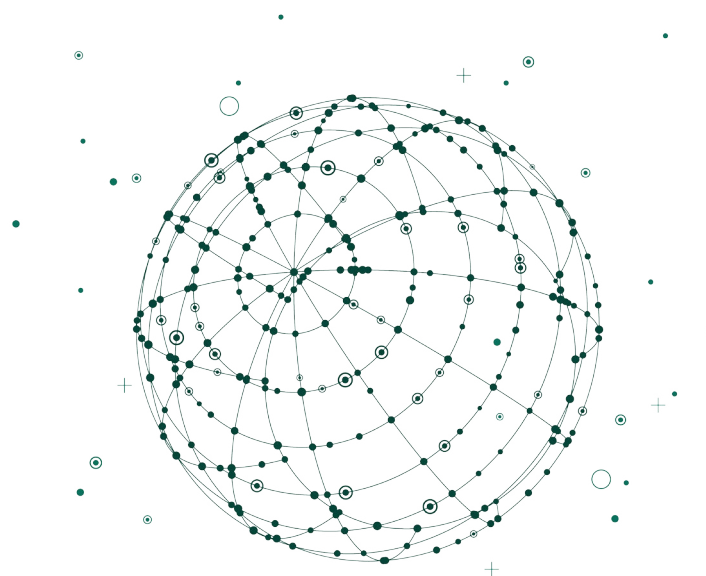
DIGITAL TRANSFORMATION

The firm has launched a project encompassing a series of digital transformation initiatives designed to:

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

UNIFIED COMMUNICATIONS

Continuing with the rollout of IP telephony, in 2016 we will be implementing IP telephony at our offices in London, Shanghai, Bogotá, Mexico, Valencia, Bilbao, Murcia, Alicante, Vigo, La Coruña, San Sebastian, Oviedo, Seville and Barcelona. We also plan to expand this project by installing Jabber and WebEx as part of a unified communications strategy. Jabber is a tool that will enable us to use our telephone extension directly through our



10. INTELLECTUAL CAPITAL

FUTURE GOALS

- To catalog the audiovisual archive of courses for the Virtual Library.
- To establish a semiautomatic procedure to glean “key” documents for the knowledge management system.
- To implement an automatic anonymization procedure for firm documents.
- To launch a document assembly pilot.
- To design and launch a new corporate intranet, with collaborative elements and new personalized alerts.
- To create a shared internal management space for Garrigues’ offices in Latin America.
- To implement new gamification tools in training programs.
- To design and implement a specific dissemination strategy for online resources (books, journals, etc.).
- To put in place various W10 and Office 2016 desktop empowerment and digital transformation initiatives.
- To continue to work on unifying our communications at the different levels of our infrastructures and systems: IP telephony, Jabber, WebEx.
- To reinforce the IT system security master plan.
- To carry out a security audit of end user systems, data disclosures and hardware.



11. SOCIAL AND RELATIONSHIP CAPITAL

Garrigues is committed to serving the general interests of society through applied legal research, internship programs and awards, community outreach initiatives, providing pro bono tax and legal advice to charitable, welfare, cultural and educational organizations that do not have the resources to access high quality legal services, and the quality training programs offered by Centro de Estudios Garrigues in areas related to the firm's professional activity. Garrigues also puts stock in its relationships with stakeholders.

2015 ACHIEVEMENTS

- Provision of pro bono tax and legal services to 49 institutions.
- Over one hundred Garrigues lawyers participated in the pro bono program in its various forms.
- Dissemination of corporate outreach projects and initiatives by Garrigues personnel in the "Social Corner/Rincón Social" section of the intranet.
- Further consolidation of the Master's Degree for Access to the Legal Profession, with the intake rising from 37 students (2013/2014 academic year) to 120 students (2015/2016 academic year).
- Teaching of new editions of established international programs and two new international programs (International Business Law in collaboration with Universidad San Ignacio de Loyola de Perú, and Professional Legal Practice, aimed at experienced Chinese lawyers belonging to the All China Lawyers Association).
- Launch of a pilot scheme to phase out delivery of documents on paper in favor of documents in digital format on the Executive Master's Degree in Human Resources.
- Implementation, in the 2015/2016 academic year, of two new programs aimed at professionals: the Executive Program in Sports Management and the Specialization Program in Advanced Compensation Management.
- Collaboration with the Official State Gazette (BOE) on the issue of the new electronic codes.



11. SOCIAL AND RELATIONSHIP CAPITAL

PRO BONO PROGRAM

Garrigues has always demonstrated a firm commitment to social responsibility and, within this area, the provision of pro bono services takes on a particular importance. The firm has a pro bono program in place which covers the main characteristics of the pro bono legal and tax advisory services provided by the firm free of charge to not-for-profit entities for charitable, welfare, cultural and educational purposes and activities.

The pro bono program was set up in 2012 in order to formalize the pro bono activity that the firm had been performing for years and to provide all professionals who wish to participate with the tools to carry out this initiative. According to the results of the latest in-house CSR survey, almost all firm personnel consider it appropriate to offer pro bono services.

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

Over the year, we have provided pro bono legal advice to 49 not-for-profit entities (a 48% increase on the number of beneficiaries in 2014) on subjects as diverse as: the formation of companies, bylaw amendments, contracts, recurring advice on commercial, tax and labor matters, advice on subsidies from public entities, advice on real estate matters, and integral advice to companies supporting enterprise. In a first this year, we have also advised local and international not-for-profit entities on the defense of human rights. More than one hundred Garrigues lawyers have participated in the pro bono program.

In collaboration with Clínicas Jurídicas, this year we continued to assist Universidad Pontificia Comillas by supervising and mentoring students who combine their specific training with social commitment and provide legal assistance to not-for-profit entities that request their help. A similar collaboration initiative has also been set up with Instituto de Empresa.

FUNDACIÓN GARRIGUES: CORPORATE OUTREACH

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

Corporate outreach initiatives at the firm take the form of awards and scholarships, volunteering, charity campaigns, events and programs, as detailed below.

THE YOUNG LAWYERS AWARDS

In order to foster excellence in knowledge and the practice of business law, Fundación Garrigues, together with publishing house Thomson Reuters Aranzadi and Centro de Estudios Garrigues, held the 15th edition of the awards, which was presided over by the Minister of Justice.

SCHOLARSHIPS PROGRAM

As in previous years, scholarships were awarded, targeted at higher education and, specifically, the field of law, for young students approaching the end of their studies at various universities in the different cities where Garrigues has an office.

11. SOCIAL AND RELATIONSHIP CAPITAL

NOTABLE CHARITY CAMPAIGNS AND INITIATIVES

- **Rock & Law Barcelona.** Fifth edition in Spain of this charity concert staged by bands made up of lawyers from various firms. JC & The Dealbreakers from Garrigues Barcelona took part in the concert, which raises funds for outreach programs; this year's proceeds went to the Cuidam project at Hospital Sant Joan de Déu.
- **Rock & Law Lisboa.** Seventh edition in Portugal. The Walkers from the Lisbon office took part, with the proceeds going to AMCV (Associação de Mulheres contra a Violência). The funds raised will be used to renovate the AMCV Center against Domestic Violence and two of the association's shelters.
- **Operación Kilo Garrigues.** Fourth food drive for the Spanish Federation of Food Banks (FESBAL). This year we collected more than 3,100 kilos of food. The firm doubles the number of kilos donated.
- **Annual charity book drive.** Highly successful annual book drive for the online charity bookstore run by the NGO AIDA (Ayuda, Intercambio y Desarrollo). Almost 600 books were collected during the April 2015 campaign, twice the amount collected last year.
- **Participation in charity runs.** Our people participated in several charity runs.

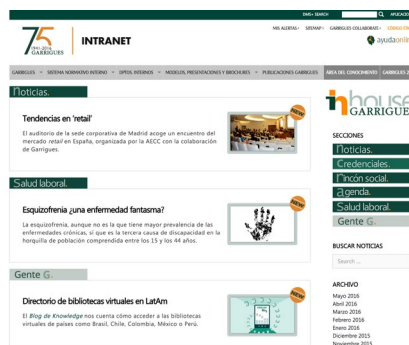
«RINCÓN SOCIAL/SOCIAL CORNER»

We also continued with our Rincón Social/Social Corner, a communication channel featuring social outreach initiatives on the firm's intranet. This altruistic, firmly established space relates the experiences of colleagues involved with charity organizations, activities and campaigns, suggests initiatives our people can take part in and describes the projects the firm collaborates on.

«SCIENCE AND LAW SYMPOSIUMS»

During 2015, Fundación Garrigues and Fundación para la Investigación sobre el Derecho y la Empresa (FIDE) organized several symposiums analyzing the role of law and jurists in today's society, particularly with regard to scientific and technological developments.

The matters addressed during the year or scheduled for 2016 include: assisted reproduction, drug trials involving children, nanotechnology, the application of new materials such as graphene, advances in neuroscience and the study of the brain, genomics, demographic challenges and the application of new technologies.



11. SOCIAL AND RELATIONSHIP CAPITAL

GARRIGUES AND EDUCATION: CENTRO DE ESTUDIOS GARRIGUES

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

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

The range of training programs on offer includes:

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

The following long-term programs were taught in the 2014/2015 academic year (which began in October 2014):

Centro de Estudios Garrigues students on long-term programs, 2014/2015

Program	First intake	Total students
Master's degree programs		
Master's Degree in Taxation	1994/1995	203
Master's Degree in Business Law	1996/1997	
Master's Degree in Human Resources	1997/1998	
Master's Degree in Labor Law Counseling	1999/2000	
Master's Degree in Banking and Finance	2000/2001	
Master's Degree in Legal Practice (Access to the Legal Profession)	2013/2014	
Executive Programs		
Executive Master's Degree in Human Resources (and specialization modules)	2004/2005	186
Executive Program in Labor Relations	2004/2005	
Executive Master's Degree in Tax Counseling	2007/2008	
Executive Master's Degree in International Taxation	2009/2010	
Executive Master's Degree in Business Law	2013/2014	
Master's Degree in Business Law (for Garrigues professionals)	2007/2009	
Total students 2014/2015		389

11. SOCIAL AND RELATIONSHIP CAPITAL

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

Variations in total student numbers

	2012/2013	2013/2014	2014/2015
Total students	522	411	389

The slight reduction in student numbers in the 2014/2015 academic year was solely with respect to the Executive programs (aimed at practicing professionals) and is due to the reduction in the length of the Executive Master's Degree in Business Law, aimed at Garrigues professionals, with student numbers for the year dropping from 116 to 80.

At October 2015, a total of 217 students were enrolled in the 2015/2016 Master's Degree programs, an increase of 6.9% on last year (203 students). The definitive data for the Executive programs is not yet available, as the registration period runs through April 2016.

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

Percentage of students employed on completion of academic component of the Master's Degree program (*)

Program	2012/2013 Academic year (At October 2013)	Placement 2012/2013 Academic year (At October 2014)	2012/2013 Academic year (At October 2015)
Master's Degree in Taxation	81.0%	88.9%	97.2%
Master's Degree in Business Law	89.5%	82.5%	88.6%
Master's Degree in Human Resources	94.1%	85.3%	94.6%
Master's Degree in Labor Law Counseling	95.8%	95.7%	92.9%
Master's Degree in Banking and Finance	90.0%	90.9%	62.5%
Master's Degree in International Law	N/A	90.9%	93.8%
Average placement percentage	89.2%	89.0%	90.1%

(*) Includes students in employment and students on professional work experience placements

Position of our programs in the ranking of Master's Degree programs drawn up by *El Mundo*, June 2015

Program 2014/2015	Place in <i>El Mundo</i> ranking (by specialty)
Master's Degree in Taxation	1st
Master's Degree in Business Law	1st
Master's Degree in Labor Law Counseling	1st
Master's Degree in Banking and Finance	1st
Master's Degree in Human Resources	1st

11. SOCIAL AND RELATIONSHIP CAPITAL

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

In this regard, the Center has notably entered into agreements with ONCE and Fundación Universia to secure grants for disabled students, under which a total of 5 students received a grant in the 2014/2015 academic year covering 75% of the fees of their respective programs.

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

Since October 2009, CEG has been authorized to deliver training programs as a center attached to Universidad Antonio de Nebrija, and is thus entitled to offer official master's degree programs that are fully recognized within the European Higher Education Area. In addition, since 2012 CEG has had the necessary administrative clearance to be able to deliver the Master's Degree in Legal Practice for access to the legal profession, which was taught for the first time in the 2013/2014 academic year, with the following four specialties: tax law, corporate/commercial law, labor and employment law and international business law.

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

In the 2014/2015 academic year, CEG continued with its volunteer program, launched last year, offering students the possibility of participating in several activities on a Saturday. Four NGOs collaborated with this program (Banco de Alimentos, Desarrollo y Asistencia, Pueblos Unidos and Accem Madrid).

Moreover, in conjunction with Fundación Garrigues and the publishing house Thompson Reuters Aranzadi, CEG once again organized and publicized the annual Young Lawyers Awards. In 2015 the award ceremony was held at CEG's headquarters and attended by the Spanish Justice Minister.

For more information: www.centrogarrigues.com



11. SOCIAL AND RELATIONSHIP CAPITAL

THE GARRIGUES CHAIRS

GARRIGUES CHAIR IN LAW AND BUSINESS, UNIVERSIDAD DE ZARAGOZA

As part of the institutional collaboration between the Faculty of Law and the Faculty of Economics and Business Studies, Garrigues and Universidad de Zaragoza created the Garrigues Chair in Law and Business in 2011. This is the first Chair in Spain to consider legal and business concepts to be inextricably linked, with the fundamental aim of encouraging research and development of the law and its connection to the business community, by generating knowledge in the legal and economic areas most closely linked to business activity.

The Chair is a benchmark in the study and analysis of the legal treatment of business-related matters in today's constantly changing environment. The different areas addressed at the scientific workshops and single-subject seminars organized by the Chair mirror the most significant business law reforms.

As an institutional chair at Universidad de Zaragoza, the Garrigues Chair in Law and Business has designed, organized and carried out teaching activities as part of the university's graduate and postgraduate programs. Particularly notable in this area are the initiatives designed to foster academic excellence through the organization of seminars aimed at the top students, both on the law degree and on the joint degree in law and business administration.

GARRIGUES CHAIR ON THE MODERNIZATION OF COMPANY LAW, UNIVERSIDAD PONTIFICIA COMILLAS, ICADE

Garrigues and the Faculty of Law of Universidad Pontificia Comillas created the Garrigues Chair on the Modernization of Company Law in 2011 with the aim of promoting research into company law and examining the best ways to update Spanish corporate legislation in the European and global context of legal and economic operators. The Chair aims to become a renowned center in Spain for public and private debate and for research into this major sector of the legal system.

The Chair fulfills its activities of research and dissemination of corporate law knowledge through a number of different public events (congresses, seminars, single-subject conferences, symposiums and theoretical workshops, among others). The findings of the theoretical debates that take place during these events are reflected in the *Cuadernos de la Cátedra* collection, commentaries destined to be used as a starting point for future legal research and new initiatives with a social outlook and impact. The Chair also aims to transfer its knowledge through different channels, such as publication of the *Cuadernos* on the Universidad Pontificia Comillas website.

11. SOCIAL AND RELATIONSHIP CAPITAL

GARRIGUES PUBLICATIONS: COLECCIÓN GARRIGUES AND ELECTRONIC CODES

Our commitment to impeccable legal practice and the firm's deep-seated interest in legal training and research gave rise to the Garrigues Collection, launched in 1999 with the publication *El gobierno de las sociedades cotizadas* (Governance of Listed Companies).

It contains works of considerable legal interest such as *La sociedad cotizada* (Listed companies), *El derecho español en el siglo XX* (Spanish law in the 20th Century), *La licencia de marca* (Trademark Licenses) or *Comentarios a la Ley Concursal* (Commentary on the Insolvency Law), among others. That "Garrigues spirit", halfway between tradition and reform, remains intact and is faithfully reflected in the Collection. With the Collection we seek to actively participate in legal debate, to help to rethink the institutions and concepts of traditional law and to contribute to the definition of new legal ideas.

Garrigues also collaborates with the Official State Gazette Agency in selecting, ordering and reviewing the provisions of electronic codes. These codes, a compilation of the main provisions in force in the Spanish legal system, are constantly updated and are offered for free download in pdf and ePub format to facilitate their storage and reading on various electronic devices. The *Código de Derecho Farmacéutico* (Pharmaceutical Code) was published in 2014 and the following codes were published in 2015: *Derecho Concursal* (Insolvency Law), *Propiedad Intelectual* (Intellectual Property) and *Derecho Deportivo* (Sports Law).



DISSEMINATION

Garrigues actively disseminates information to clients, contacts and its target public through the publication of newsletters, alerts and commentaries on the latest legal developments.

- **Legislation alerts.** These contain selected information from official bulletins and the main legal sources. The different departments briefly outline the most significant legislative developments, ensuring that the information is delivered to recipients quickly and in electronic format.
- **Commentaries.** Specific publications in which each department carries out an in-depth analysis of recently published legislative and case law developments that, due to their impact on business and society, require a more detailed explanation.

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

- **Newsletters.** Garrigues offices and practices publish newsletters containing the latest legislative developments, commentaries and case law, as well as industry news. Our newsletters are sent to clients and contacts on a regular basis, enabling them to stay abreast of key industry developments.
- **InHouse.** *InHouse* is Garrigues' web 2.0 internal communication channel. Members of the firm can stay informed by consulting the intranet homepage, where current news items are published daily. The information is distributed across various sections encompassing the different areas of activity of the firm: institutional information, business information, events, internal department news, policies and procedures, intranet updates, volunteer initiatives and pro bono work, etc.

Moreover, once a week all employees are sent a round-up of the week's most important articles by email.

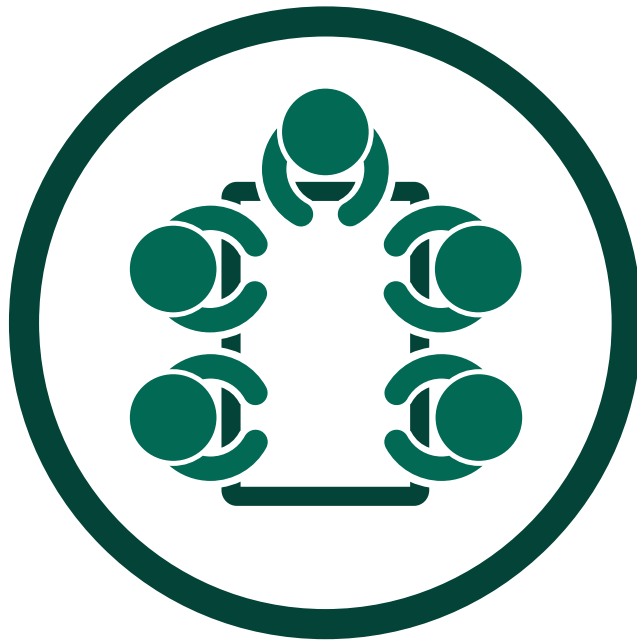
11. SOCIAL AND RELATIONSHIP CAPITAL

EVENTS

The firm organizes and participates in seminars, working breakfasts and training workshops on a wide range of current legal issues in all countries it is present. International Garrigues experts are invited to speak at these events.

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

Garrigues frequently lends its meeting spaces and joins together with various foundations, institutions, businesses and associations to organize key events, also providing logistical resources.



DIALOG WITH STAKEHOLDERS

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

The stakeholders identified by Garrigues are indicated in the Code of Ethics and are its clients, personnel, partners, alliances, entities (other firms, suppliers, the media and other organizations), authorities, regulatory bodies and public authorities, and society.

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

To this end Garrigues periodically reviews the identification of its stakeholders and completes this review with an analysis of relevance and materiality in order to identify key aspects. The pertinent information associated with material aspects is notified to the relevant stakeholders in different ways, usually through the Integrated Report.

11. SOCIAL AND RELATIONSHIP CAPITAL

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

	Clients	Partners	Personnel	Regulatory Bodies and Public Authorities	Alliances	Entities	Society
INTEGRATED REPORT	●	●	●	●	●	●	●
CLIENT EXPERIENCE AND SATISFACTION	●	●	●				
DIRECT COMMENTS / INFORMAL MEETINGS	●	●	●		●	●	
REPORTS BY SPECIFIERS AND SPECIALIZED MEDIA	●			●		●	●
CLIENT AND ETHICAL REQUIREMENTS	● *			●			
PRESS AND MEDIA (INCLUDING SOCIAL NETWORKS)				●			●
MEETINGS, COMMITTEES AND EXTERNAL WORKING GROUPS	●			●	●	●	●
LEGISLATION				●			●
FORMAL MEETINGS AND INTERNAL COMMITTEES		●				● **	● **

* Questionnaires received in client evaluations of suppliers.

** Pro bono.

11. SOCIAL AND RELATIONSHIP CAPITAL

The firm's most relevant stakeholders are addressed directly (surveys, meetings, direct dialog) and indirectly using means also available to other stakeholders (Integrated or CSR Report, reports by specifiers and general or specialist media, standards and certifications, joint participation in external working groups, regulations, etc.). One of the firm's principal stakeholder groups are its employees and Garrigues prepares an internal CSR survey in order to identify employee expectations.

In addition to the channels set out in the above table, other means of communication are used with stakeholders, such as training and information sessions, the website and blogs, and corporate social networks, which are now established institutional communication channels that help to promote Garrigues' identity and corporate culture.



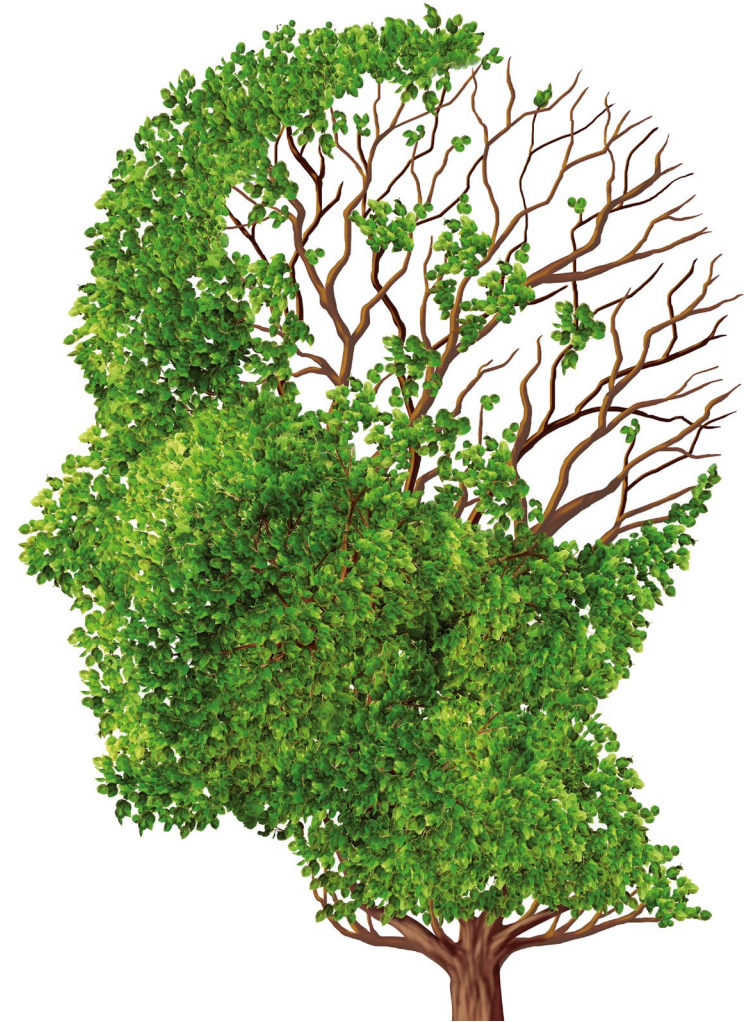
FUTURE GOALS

- To increase the number of entities benefitting from free legal advice (pro bono).
- To increase the number of lawyers participating in the pro bono program.
- To strengthen collaborations relating to the protection of human rights.
- To carry out another internal CSR survey.
- To increase the number of charity campaigns in collaboration with Garrigues personnel.
- To provide information on new corporate outreach projects and initiatives in the "Social Corner" section of the intranet.
- To continue boosting the international profile of Centro de Estudios Garrigues.
- To continue to garner recognition of the master's program for access to the legal profession as a benchmark master's program in the market.
- To continue the process to adapt training to new technologies, carrying out the first online training pilot programs.
- To launch a new Master of Laws in International Transactions, with a blended learning format.
- To extend the workshops already available in the HR and tax areas to management of law and professional firms and to financial matters.
- To publish new works in *Colección Garrigues* (in Spanish).
- To collaborate with the Official State Gazette (BOE) on the issue of the new electronic codes.

12. NATURAL CAPITAL

2015 ACHIEVEMENTS

- Regularization of agreements and addenda held steady.
- Partial inclusion of LED or low-energy lighting at the new office in Lima (October 2014) and in some areas of the offices in Murcia (May 2015), Valencia (August 2015) and Zaragoza (August 2015).
- Replacement of 5 multifunctional printers.
- Establishment of the process for collection of lighting consumables at all Spanish offices by an authorized waste manager.
- Implementation of 1,188.24 m² of new "sustainable offices" (making the most of natural light, recycled materials and recyclables, FSC, LED or energy-saving systems and systems to reduce water consumption). Of these, 665.93 m² were brought into operation in the last quarter of 2014 and the remaining 522.31 m² in 2015.
- Establishment of the new Eco-efficiency portal on the Garrigues intranet, containing tables that show electricity and water consumption data, comparable charts by office, data on paper destruction and recycling and all Sustainable Garrigues publications to date, for consultation, in general, by all firm personnel.
- Preliminary study of bids for the replacement of all conventional halogen lighting at the head office with LED technology.



12. NATURAL CAPITAL

Our strategy of ongoing improvement in all aspects of Garrigues' business also applies to environmental sustainability. At Garrigues, we pursue an environmentally responsible business model, ensuring compliance with applicable environmental legislation while eliminating and mitigating all of the impacts of our business. The main environmental initiatives implemented by the firm and which form part of Garrigues' Eco-efficiency Program are:

SUSTAINABLE WORKPLACES

RESPONSIBLE CONSUMPTION

WASTE MANAGEMENT

ENERGY EFFICIENCY AND CLIMATE CHANGE

ENVIRONMENTAL AWARENESS

SUSTAINABLE WORKPLACES

When the firm moved to its new headquarters in 2006, it was decided to standardize the infrastructure of all offices, giving precedence to environmental aspects that make our personnel more comfortable.

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

The materials used indoors are as ecological as possible. This is the case of our furniture, where we favor wood from sustainably-managed forests (FSC). A very large percentage of metals, both from furniture and chairs are recycled. All vinyl wallpaper can also be recycled.

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

The vast majority of our lighting complies with energy efficiency standards recommended by the Greenlight Program promoted by the European Commission, and new infrastructure and refurbishments use LED or low-energy lighting as far as possible.

Both in new constructions and refurbishments, we try to ensure restrooms have intelligent taps and dual flush toilets, whether or not they are found within our own office space or in shared areas, helping to save natural resources as far as possible.

We have currently implemented our philosophy of a sustainable, efficient environmentally-friendly office in more than 66% of the total surface area occupied by our facilities worldwide.

The buildings currently housing our offices in London, Madrid and Mexico carry the LEED (Leadership in Energy and Environmental Design) certification, an international verification standard developed by the US Green Building Council to promote the development of buildings on the basis of sustainable and high efficiency criteria. Our Bogotá office is also recognized as a sustainable building.

12. NATURAL CAPITAL

RESPONSIBLE CONSUMPTION

Initiatives were continued during the year aimed at managing the supply chain in a sustainable manner and at minimizing both the consumption of natural resources and the generation of waste.

SUSTAINABLE PROCUREMENT

Garrigues' supply chain is standard in the legal advisory services industry and is made up, as regards infrastructure, mainly of suppliers of office materials, office automation and ICT products and services, office rental, building upkeep and travel agency services. Garrigues' policy does not contain specific requirements in relation to procurement from local suppliers.

In any event, Garrigues is firmly committed to working with suppliers who meet, or are willing to take on board, the social responsibility and environmental commitments assumed by the firm:

- Acceptance of the undertaking not to contravene any of the principles established in the United Nations Global Compact, to which Garrigues signed up in 2002.
- The obligation and undertaking to observe all ethical, environmental and conduct rules generally accepted in their business.
- Submission by bidders of quality and environmental certifications, which are valued in the selection process.

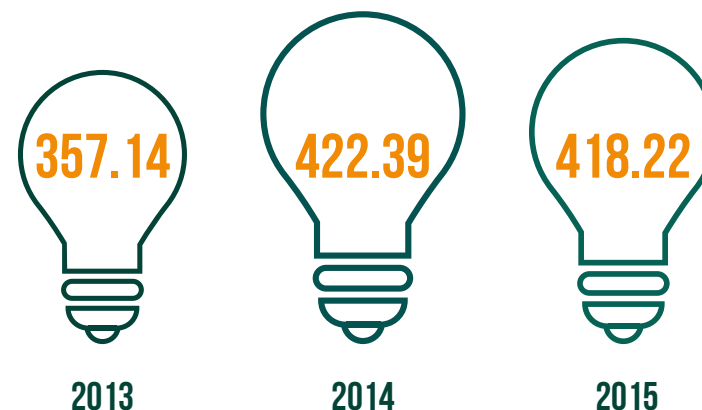
CONSUMPTION OF RESOURCES

Energy

The principal type of energy we consume is electricity and all of our electricity is obtained from outside sources. The boilers for heating and sanitary hot water at some of our offices use fossil fuels. No data are available on the consumption of these fuels since almost all of these boilers are controlled by the owners of the buildings housing our offices.

Thanks to the combination of awareness-raising initiatives and the installation of efficient lighting systems and energy-saving computers and printers, we have been able to reduce the electricity consumption of our offices in the last year.

Electricity consumption (MJ/m²)



Note: Energy consumed to cover 100% in 2013 and 2014 and 97% in 2015 of Garrigues' activity (average coverage in terms of headcount).

12. NATURAL CAPITAL

Water

At Garrigues we pursue initiatives aimed at raising awareness among our people of the importance of using water efficiently and saving water and we believe in the importance of installing (or having the owners of our buildings install) mechanisms which, together with the use of new technologies, help to reduce consumption.

In 2015 the annual average water consumption per person at our offices remained steady with respect to previous years.

Water consumption (m3/person)



Note: Water consumed to cover 95% in 2013, 89% in 2014 and 83% in 2015 of Garrigues' activity (average coverage in terms of headcount).

The General Services, Logistics and Infrastructure Department (SGLEI) continually monitors electricity and water consumption via a platform where each offices inputs, on a monthly basis, the figures contained in its invoices. This system enables us not only to obtain consumption figures on a global and itemized basis, but also to make comparisons among the various offices, observe progress or setbacks, detect anomalies, and establish corrective measures. This year, this platform has been integrated into the SGLEI portal (on the firm's intranet), within the eco-efficiency section. In this section, those in charge of compiling data draw up comparative charts on consumption by office that can be viewed by all Garrigues personnel.

Paper

We use multifunctional printers with state-of-the-art technology that helps reduce paper consumption (default double-sided, locked printing, using equipment with energy saving systems that can also send and receive faxes) and this equipment is also constantly being upgraded.

In addition, practically 100% of the paper consumed at our offices comes from sustainably managed forests, and any used paper is destroyed and recycled by authorized managers.

Thanks to these measures, total paper consumption at Garrigues offices in 2015 was 90.79 kg/person, a reduction on last year. A table containing historic data on paper destruction and recycling by office can be consulted on the firm's intranet.

Annual paper consumption per Garrigues employee (kg/person)



Note: Paper consumed to cover 90% in 2013, 89.5% in 2014 and 87% in 2015 of Garrigues' activity (average coverage in terms of headcount).

12. NATURAL CAPITAL

WASTE MANAGEMENT

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

In addition, some hazardous waste is generated, such as fluorescent light bulbs, toner cartridges, batteries and end-of-life IT equipment that cannot be donated to NGOs. This waste is stored and delivered to authorized waste managers to be transported and treated as required.

The hazardous waste generated at Garrigues offices in the last three years is summarized below:

Hazardous waste generated by Garrigues offices (kg)



Note: Hazardous waste consumed to cover 33% in 2013, 34% in 2014 and in 2015 of Garrigues' activity (average coverage in terms of headcount).

ENERGY EFFICIENCY AND CLIMATE CHANGE

Garrigues wants to keep moving forward to a more sustainable world, developing initiatives aimed at reducing CO₂ emissions. The firm actively participates in initiatives to raise awareness of energy sustainability and the fight against climate change. It also prepares an annual inventory of the GHG emissions produced directly or indirectly by our business.

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

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

Greenhouse gas emissions inventory (Tons CO₂e)

	2013	2014	2015
Electricity	1,797.81	2,337.81	2,229.20

Note: GHG consumed to cover 100% in 2013 and 2014 and 97% in 2015 of Garrigues' activity (average coverage in terms of headcount).

12. NATURAL CAPITAL

ENVIRONMENTAL AWARENESS

We continually develop initiatives aimed at environmental training and awareness-raising, both internally, by providing information on procedures at our offices (posters detailing good practices in specific areas and sending the quarterly Sustainable Garrigues newsletter, in English and Spanish, to all members of the firm), and externally, by organizing training sessions and free informative sessions on the latest developments in this area, aimed at clients and firm collaborators. Newsletters and comparative consumption charts by office are available on the firm's intranet.



FUTURE GOALS

- To maintain the inclusion of environmental clauses in new contracts and addenda and regularize existing contracts.
- To promote the introduction of advanced technologies in order to reduce consumption and emissions.
- To reduce battery consumption.
- To continue replacing multifunctional equipment with more efficient equipment when they come up for renewal.
- To introduce the collection of fluorescent tubes, low-energy light bulbs, conventional halogen bulbs, etc. at all offices in Spain by an authorized waste manager.
- To continue to raise awareness in order to reduce electricity and water consumption and ensure appropriate waste management.
- To make a decision on the study for the replacement of all conventional halogen bulbs at the head office with LED technology.
- To continue to include more information on the Eco-efficiency portal.
- To improve the methodology for estimating CO₂ emissions deriving from transport.

13. FINANCIAL CAPITAL

In 2015 the firm continued the growth achieved in 2014, with an increase in revenue of more than 1%. This helped the firm to maintain its leading position and to strengthen its reputation among law and tax advisory firms.

The firm invoiced client work in 2015 worth 339 million euros. In 2014, the firm invoiced 335 million euros.

As indicated in the section on the principles governing this report, on October 24, 2014, the Partners' Meeting approved the change of the fiscal year, which had previously ended on August 31, to coincide with the calendar year. 2015 is the first full year completed following the change and is not comparable with previous years.

Revenues and the key financial aggregates relating to Garrigues' group of companies in 2015 were as follows:



2015 ACHIEVEMENTS

- Maintenance of revenue growth.

2015 key financial aggregates of the Garrigues group

	2015
Direct economic value generated	340,002
a) Income	340,002
Revenues	338,939
Other operating revenues	418
Financial revenues	645
Economic value distributed	336,335
b) Operating costs	89,415
Depreciation and amortization expense	5,931
Variation in working capital provisions	666
Outside services	82,770
Extraordinary expenses	48
c) Personnel and professional expenses	222,300
d) Payments to capital providers	4,856
e) Payments to public authorities	19,459
Tax on economic activities and other non-income taxes	738
Corporate income tax	2,468
Social security	16,253
f) Donations and other community investments	305
Income for the year	3,667

13. FINANCIAL CAPITAL

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

Garrigues and its partners make other payments to public authorities such as those made in respect of employers’, employees’ and partners’ social security contributions, personal income tax withholdings, and the corporate income tax and VAT on the activities of the firms and their partners. The following table shows the figures for the above-mentioned items in Spain and Portugal, as these are the most significant.

FUTURE GOALS

- To post continued revenue growth and further enhance productivity in line with the market situation and traditional positioning of the firm

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

Spain (thousands of euros)	2015
Personal income tax of partners, professionals and employees	67,901
VAT for the companies and the partners	44,033
Social security contributions of the companies, partners, employees and professionals	20,751
Corporate income tax	828
TOTAL	133,513

Portugal (thousands of euros)	2015
Personal income tax of partners, professionals and employees	2,110
VAT for the companies and the partners	1,446
Social security contributions of the companies, partners, employees and professionals	1,056
Corporate income tax	10
TOTAL	4,622

An abstract graphic on the left side of the page, composed of several overlapping triangles in various shades of orange and yellow. The triangles are arranged in a way that creates a sense of depth and movement, with some pointing towards the center and others pointing outwards.

ABOUT THIS REPORT

14. GUIDING PRINCIPLES

INTERNATIONAL STANDARDS

This Report, for the Garrigues 2015 fiscal year (January 1, 2015 through December 31, 2015), has been prepared in accordance with the following international reporting standards:

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

This Report has taken into account the guidelines and recommendations of the integrated reporting framework published by the IIRC in December 2013, adapting them to the degree of advancement of the issue in question and to the activity and reality of Garrigues. In addition to reporting to the stakeholders on economic, social and environmental performance, this Report identifies and describes its main assets: human capital, intellectual capital, natural capital, social and relationship capital, and financial capital. We have also taken into account the principles of strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness, and consistency and comparability.

G4 guidelines of the Global Reporting Initiative (GRI)

Garrigues has prepared its 2015 Integrated Report in accordance with the GRI G4 guidelines launched in May 2013. The guidelines contain a series of reporting principles, some basic content and an implementation manual to help organizations draft sustainability reports, irrespective of their size, industry or location.

The United Nations Global Compact

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

United Nations Sustainable Development Goals

The United Nations approved the Sustainable Development Goals (SDGs) in September 2015. This series of 17 goals and 169 targets aims to solve the social, economic and environmental problems afflicting the world and covers the next 15 years (2016-2030). Garrigues is studying and defining its contribution to the SDGs and to the rule of law.

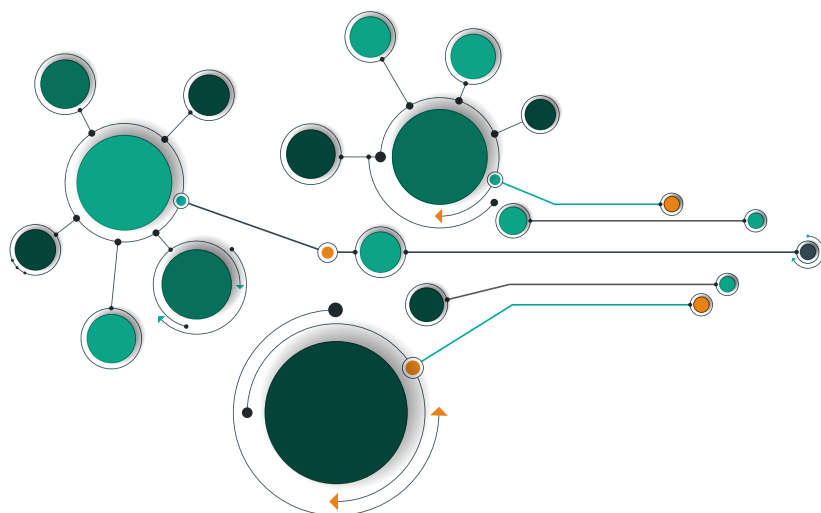


14. GUIDING PRINCIPLES

ANALYSIS OF MATERIALITY

In the context of this Integrated Report, “material aspect” means an aspect that may substantively influence a stakeholder’s opinion in relation to Garrigues and that may also result in a decision that could significantly affect Garrigues’ results and objectives as a business group.

In 2015 it was decided to continue to apply the materiality analysis carried out in 2014, reported on in the 2014 Integrated Report, and which included the following material aspects:



GRI economic aspects

- Economic performance
- Market presence
- Indirect economic impacts (pro bono)

GRI environmental aspects

- Materials
- Energy
- Water
- Emissions (CO₂)
- Effluents and waste
- Compliance
- Environmental expenditure and investment

GRI social aspects

- Labor sub-category:
 - Employment
 - Labor/Management relations
 - Occupational health and safety
 - Training and education
 - Diversity and equal opportunity
 - Equal remuneration for men and women
 - Labor practices grievance mechanisms
- Human rights sub-category:
 - Non-discrimination
- Society sub-category:
 - Anti-corruption
 - Public policy
 - Anti-competitive behavior
 - Compliance
- Product responsibility sub-category:
 - Product/service labeling (client satisfaction surveys)
 - Marketing communications
 - Privacy
 - Compliance

14. GUIDING PRINCIPLES

MANAGEMENT APPROACH

With respect to the set of labor practice aspects indicated above, which we wish to highlight first, their materiality mainly stems from the importance of human capital at professional services firms, especially in the legal field. Accordingly, all GRI aspects resulting in improvements for personnel have been material. At Garrigues we have a specific department and committee to manage these aspects. The information relating to these aspects is set out in detail throughout this Report.

The economic aspects noted have been material in preparing this Report mainly due to the expectations held by the personnel and the partners of the firm in relation to certain issues addressed by GRI (value generated and distributed, entry-level wages and pro bono work). This information is reflected by GRI in the headings included in the above table and is described in the sections of the Report dedicated to pro bono, personnel and economic aspects.

With respect to the aspects included under “human rights,” “society” and “product responsibility,” their inclusion stems from the relevance that ethical and compliance issues have for Garrigues, and for practically all of its stakeholders. The indicators chosen for these aspects are the ones where the GRI describe these kinds of concerns. The chapter on compliance and integrity at Garrigues provides detailed information on the organization and the steps taken by the firm in this respect, with the exception of the “product/service labeling” aspect, the inclusion of which is solely due to the importance that the client survey has for the firm, its personnel and its clients, a matter addressed by GRI under this aspect. It is a key issue for the firm, and its operating and organizational structure seeks to ensure the highest levels of client satisfaction.

Lastly, the environmental aspects identified as material reflect the expectations that exist for the firm in this respect, although in a less intense manner than the previous aspects. The impetus behind these expectations varies depending on the stakeholder, spanning

from legal compliance and cost cutting as a part of adequate environmental management to the sensitivity of partners, clients, society and personnel toward certain issues (e.g., CO₂ emissions, water consumption, recycling, etc.).

In short, at Garrigues we expressly recognize environmental management as an activity for which we are all responsible, coordinated by a specific department that carries out periodic reviews and proposes environment-related goals depending on the results achieved.



14. GUIDING PRINCIPLES

SCOPE, PERIOD AND LIMITS

The information supplied in the Integrated Report in relation to the material aspects includes the Garrigues companies and excludes the impact on the upstream and downstream value chain, unless expressly indicated otherwise in each aspect. The impacts on the value chain are described (where appropriate as a result of the materiality analysis) in the relevant section on each aspect. Unless otherwise indicated, the information supplied relates to Garrigues' current fiscal year: January 1, 2015 through December 31, 2015.

Garrigues resolved to change its fiscal year to coincide with the calendar year from January 1, 2015 onwards. This Report is the first to correspond to the calendar year, meaning it is not possible to include comparable information from previous calendar years. Information from previous years can be found on the Garrigues website (www.garrigues.com).

With a view to reporting on the performance of certain indicators, the aggregate data for the 2013 and 2014 calendar years are presented in the case of the medical service and the section on natural capital. In this last-mentioned case, the average activity covered in terms of headcount is included. The reason why 100% of the activity is not covered in some cases is due to a lack of availability of data.

The entities referred to in this Report are:

- J & A Garrigues, S. L. P.
- Garrigues Portugal, S. L. P.
- Garrigues, LLP (USA) (*)
- Garrigues UK, LLP.
- Garrigues Maroc SARLAU (Morocco) (*)
- Garrigues Human Capital Services, S.L.P. (*)
- Garrigues Polska I Pablo Olabarri Gortázar, Spolka Komandytowa
- Rino Asesores, S. L. P. (*)
- G-advisory Consultoría Técnica, Económica y Estratégica, S. L. P.
- Centro Europeo de Estudios y Formación Empresarial Garrigues, S. L. P. (*)
- Garrigues I P, S. L. P.
- Garrigues I P, L. D. A. (*)
- Garrigues Sports & Entertainment, S. L. P. (*)
- Garrigues Consultoría de Empresa Familiar, S. L. P.
- J&A Garrigues Consultores em Direito Estrangeiro/Direito Espanhol
- Garrigues Colombia SAS (*)
- J&A Garrigues Perú Sociedad Civil de Responsabilidad Limitada
- Garrigues México, S.C.
- Garrigues Consultores Tributarios Ltda.

(*) Sole-shareholder companies.

14. GUIDING PRINCIPLES

FREQUENCY

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

ACCURACY

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

Garrigues also considers other international standards such as the Greenhouse Gas Protocol (GHG Protocol WRI/WBCSD), the UNE-ISO 26000 Standard (2012), the OECD Guidelines for Multinational Enterprises (revised in 2011), the UN Guiding Principles on Business and Human Rights (2011).

In addition, in drafting this Report, we took into account the guidelines set out in Garrigues' Style Manual (Centro de Estudios Garrigues; publisher Thomson Reuters Aranzadi), which tackles the most common linguistic and format-related doubts that arise when drafting legal documents. The *Llibre d'estil jurídic* was also published in Catalan in 2010, with its own specific identity and contents.

Garrigues has in place the means to ensure the quality and accuracy of the information included in this Report. Processes were adapted to the change in fiscal year in 2015.

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

This Report was verified in accordance with the core option of the G4 guidelines of the Global Reporting Initiative (GRI) by the independent entity AENOR on April 7, 2016.

14. GUIDING PRINCIPLES

QUALITY CONTROL

PHASES	Consultation with stakeholders	Preparation of drafts	Review and consolidation	Content and style review	Final approval	Layout and distribution
PERSONS IN CHARGE	Internal agents External agents (CSR experts)	Human Resources General Services, Logistics and Infrastructure Intangibles Knowledge Management Technology Administration and Finance Professional Practice Medical Service Centro de Estudios Garrigues Fundación Garrigues G-advisory	CSR Team	Centro de Estudios Garrigues Fundación Garrigues Professional Practice Human Resources	Executive Chairman Partners' Meeting	Intangibles

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

CSR Report Contents

GRI Section	Description	Section	Page	Notes
1. Strategy and analysis				
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	1	4	
2. Organizational profile				
G4-3	Name of the organization.	2	(7-8)	
G4-4	Primary brands, products and services.	2 and 10	(7-8), (34-40)	
G4-5	Location of organization's headquarters.	c/ Hermosilla, 3 - 28001 Madrid (Spain)		
G4-6	Number of countries where the organization operates.	2 and 4	(7-8), (16-17)	
G4-7	Nature of ownership and legal form.	2, 8 and 14	(7-8), (24-25), (60-66)	
G4-8	Markets served.	2 and 9	(7-8), (26-33)	
G4-9	Scale of the organization.	2, 9 and 13	(7-8), (26-33), (58)	(1)
G4-10	Total workforce by employment type, employment contract, region and gender. Significant variations in employment numbers.	9 and 12	(26-33), (52-57)	(3), (4), (5), (6), (7)
G4-11	Percentage of total employees covered by collective bargaining agreements.	See 2009 CSR Report, section 6, page 59 available at www.garrigues.com > About the Firm > Corporate Social Responsibility > CSR Report > Previous editions		
G4-12	Describe the organization's supply chain.	12	(52-57)	(12)
G4-13	Significant changes regarding the organization's size, structure, ownership, or its supply chain.	1, 2, 4 and 14	(4-7), (16), (60)	
G4-14	Explanation of how the precautionary approach or principle is addressed by the organization.	14	(60-66)	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

CSR Report Contents

GRI Section	Description	Section	Page	Notes
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	11, 12 and 13	(41-58)	
G4-16	Main national and international associations to which the organization belongs or which it supports.	Member of more than 90 associations, professional groups and similar entities, domestically and internationally, in the public and private arenas (bar and economists’ associations in the jurisdictions in which we operate, business associations, universities, etc.)		
3. Identified material aspects and boundaries				
G4-17	Entities included in the organization’s consolidated financial statements or equivalent documents. Report whether any entity is not covered by the report.	14	(60-66)	
G4-18	Explain process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	14	(60-66)	
G4-19	Material aspects identified.	14	(60-66)	
G4-20	Aspect boundary within the organization for each material aspect.	14	(60-66)	
G4-21	Aspect boundary outside the organization for each material aspect.	14	(60-66)	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	14	(60-66)	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	14	(60-66)	
4. Stakeholders engagement				
G4-24	List of stakeholder groups engaged by the organization.	11	(41-51)	
G4-25	Explain the basis for identification and selection of stakeholders.	11	(41-51)	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

CSR Report Contents				
GRI Section	Description	Section	Page	Notes
G4-26	Approaches to stakeholder engagement.	11	(41-51)	
G4-27	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting.	6 and 11	(20-21), (41-51)	
5. Report profile				
G4-28	Reporting period for information provided.	14	(60-66)	
G4-29	Date of most recent previous report.	14	(60-66)	
G4-30	Reporting cycle.	14	(60-66)	
G4-31	Contact point for questions regarding the report or its contents.	"Contact us" section of www.garrigues.com		
G4-32	Table indicating the "in accordance" option chosen (core or comprehensive). Reference to External Assurance Report.	14	(60-66)	
G4-33	Policy and current practice with regard to seeking external assurance for the report. Relationship between organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	14	(60-66)	The report has been verified by an independent third party

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

GRI Section	Description	Section	Page	Notes
6. Governance				
G4-34	Governance structure of the organization. Identify any committees responsible for decision-making on economic, environmental and social impacts.	8	(24-25)	
7. Ethics and integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior.	2, 5 and 7	(7-8), (18-19), (22-23)	
Disclosures on management approach				
G4-DMA	Information on economic management approach related to material aspects.	13 and 14	(58-66)	
Economic (EC)				
Economic performance				
G4-EC1	Direct economic value generated and distributed.	14	(60-66)	
Market presence				
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	9	(26-33)	
Indirect economic impacts				
G4-EC7	Development and impact of infrastructure investments and services supported.	11	(41-51)	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

Environmental (EN)				
GRI Section	Description	Section	Page	Notes
Disclosures on management approach				
G4-DMA	Information on environmental management approach related to material aspects.	12 and 14	(52-57), (60-66)	
Materials				
G4-EN1	Materials used by weight or volume.	12	(52-57)	(2)
G4-EN2	Percentage of materials used that are recycled input materials.	12	(52-57)	(2)
Energy				
G4-EN3	Energy consumption within the organization.	12	(52-57)	
G4-EN6	Reduction of energy consumption.	12	(52-57)	
Water				
G4-EN8	Total water withdrawal by source.	12	(52-57)	
Emissions				
G4-EN15	Direct CO ₂ emissions (Scope 1).	12	(52-57)	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

Environmental (EN)				
GRI Section	Description	Section	Page	Notes
Effluents and Waste				
G4-EN22	Total water discharge by quality and destination.	12	(52-57)	
G4-EN23	Total weight of waste by type and disposal method.	12	(52-57)	
Compliance				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	None		
General				
G4-EN31	Total environmental protection expenditures and investments by type.	FSC stationery: €221,663.53 Glass water bottles (Madrid): €6,598.80 Destruction / paper recycling: €65,181.25 Waste recycling: €558.98		
Social				
Disclosures on management approach				
G4-DMA	Information on social management approach related to material aspects.	9, 11 and 14	(26-33), (41-51), (60-66)	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

SOCIAL: Labor practices and decent work (LA)

GRI Section	Description	Section	Page	Notes
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	9 and 15	(26-33), (67-81)	(5), (6)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	9	(26-33)	
G4-LA3	Return to work and retention rates after parental leave, by gender.	15	(67-81)	(9)
Labor/Management relations				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	See 2009 CSR Report, section 6, page 59 available at www.garrigues.com >About the Firm > Corporate Social Responsibility > CSR Report > Previous editions		
Occupational health and safety				
G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	9 and 15	(26-33), (67-81)	(8)
Training and education				
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	9 and 15	(26-33), (67-81)	10

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

GRI Section	Description	Section	Page	Notes
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	9	(26-33)	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender.	9	(26-33)	
Diversity and equal opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	9 and 15	(26-33), (67-81)	(3), (4)
Equal remuneration for women and men				
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	9	(26-33)	
Labor practices grievance mechanisms				
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	None		
SOCIAL: Human Rights (HR)				
Non-discrimination				
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	None		

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

SOCIAL: Society (SO)

GRI Section	Description	Section	Page	Notes
Anti-corruption				
G4-SO3	Total number and percentage of operation assessed for risks related to corruption and the significant risks identified.		100%	
G4-SO4	Communication and training on anti-corruption policies and procedures.	7	(22-23)	
G4-SO5	Confirmed incidents of corruption and actions taken.		None	
Public policy				
G4-SO6	Total value of political contributions by country and beneficiary.		0	(11)
Comportamiento de competencia desleal				
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		None	
Anti-competitive behavior				
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		0	

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

SOCIAL: Product responsibility (PR)

GRI Section	Description	Section	Page	Notes
Product and service labeling				
G4-PR5	Results of surveys measuring customer satisfaction.	6	(20-21)	
Marketing communications				
G4-PR7	Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.		None	
Customer privacy				
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		None	
Compliance				
G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		0	

Notes:

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

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

The waste generated at Garrigues is mostly domestic and non-hazardous in nature (227 tons in 2015).

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

(3) Variation in personnel numbers by professional category and region (2015 year-end figures):

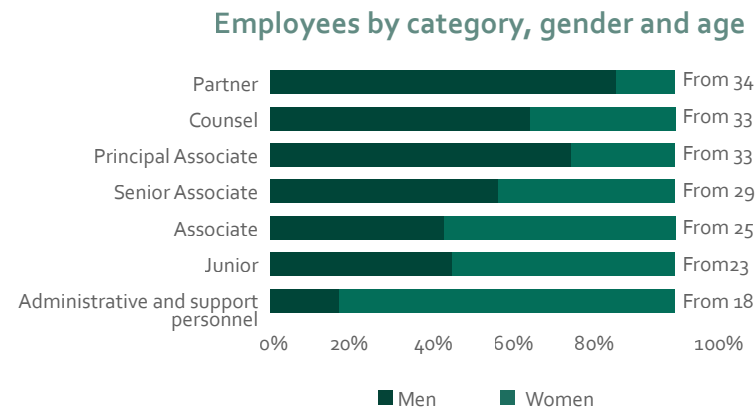
Headcount by professional category	
Partner	285
Counsel	29
Principal Associate	112
Senior Associate	405
Associate	288
Junior	277
Trainee	28
OPS	76
Administrative and support personnel	476
Total	1,976

Note: In 2015 a category was created, trainee, for law graduates that have yet to sit the bar.

Headcount by region 2015

Spain	1,714
Portugal	107
Other offices	155
Total	1,976

(4) Data on headcount by professional category, gender and age at 2015 year-end.



Note: Trainee category from 23 years of age and OPS from 18.

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

New hires by
professional category and gender 2015

Category	Men	Women	Total
Partner	246	39	285
Counsel	21	8	29
Principal Associate	80	32	112
Senior Associate	206	199	405
Associate	136	152	288
Junior	131	146	277
Trainee	19	9	28
OPS	23	53	76
Administrative and support personnel	74	402	476
Total	936	1,040	1,976

New hires by
professional category and gender 2015

Category	Men	Women	Total
Partner	100%	0%	4
Counsel	0%	0%	0
Principal Associate	100%	0%	3
Senior Associate	64%	36%	22
Associate	59%	41%	17
Junior	49%	51%	114
Trainee	67%	33%	27
OPS	39%	61%	18
Administrative and support personnel	10%	90%	41
Total	47%	53%	246

(5) Our philosophy is to sign indefinite-term employment contracts with our professionals. At international offices, Garrigues uses the customary types of contracts according to the local legislation in force.

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

New hires by region

Region	Men	Women	Total
Spain	84	87	171
Portugal	6	12	18
Rest of offices	26	31	57
Total	116	130	246

(6) Total employee turnover, by professional category, gender and region in 2015.

Employee turnover by professional category and gender

Category	Men	Women	Total
Partner	5	1	6
Counsel	0	1	1
Principal Associate	10	2	12
Senior Associate	33	26	59
Associate	39	45	84
Junior	25	24	49
Trainee	3	1	4
OPS	3	8	11
Administrative and support personnel	2	33	35
Total	120	141	261

Note: In 2015 a category was created, trainee, for law graduates that have yet to sit the bar.

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

Employee turnover by region

Region	Men	Women	Total
Spain	103	114	217
Portugal	4	12	16
Rest of offices	13	15	28
Total	120	141	261

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

(8) Absentee rate:

2015 absentee rate by gender

Men	Women	Total
0.23%	1.89%	2.12%

Note: The absentee rate calculated refers only to Spain.

Note that there have been no fatal accidents.

Medical service indicators

	2013	2014	2015
Doctor appointments	5,649	5,307	5,598
Nurse appointments	3,154	3,003	2,660
Health check-ups	710	770	935
Lab tests	1,221	1,102	1,076
Ergonomics-related queries	258	127	222
Health-related queries and reports	228	172	226
Safety-related reports	28	7	23
Training (attendees)	238	672	902

Accidents with sick leave

	2013	2014	2015
Total number of accidents	9	8	12
Accidents on the way to/from work	3	6	11
Workplace accidents	6	2	1
Distribution by gender			
Number of women	7	5	9
Number of men	2	3	3
Number of days' sick leave	79	108	510

Note: Data refer solely to Spain.

15. TABLE OF GRI CONTENTS AND PERFORMANCE INDICATORS

(9) In 2015, 57 employees out of a total of 69 who took maternity leave were still serving at the firm 12 months after coming back to work, which in percentage terms is 83% of all women taking maternity leave. As for the new fathers, 20 employees out of a total of 26 taking paternity leave were still serving 12 months after coming back to work, 77% of the total number taking paternity leave.

Staff returning after maternity/paternity leave

	Women		Men	
	No.	%	No.	%
Left within 12 months of returning from maternity/paternity leave	12	17	6	23
Left before returning from maternity/paternity leave	0	0	0	0
Still serving 12 months after returning from maternity/paternity leave	57	83	20	77
Total	69	100	26	100

(10) Variation in average number of training hours in 2015:

Average number of training hours

Category	Men	Women	Total
Partner	58	62	58
Counsel	54	145	79
Principal Associate	55	67	58
Senior Associate	66	63	65
Associate	101	100	101
Junior	124	133	129
Trainee	94	112	100
OPS	56	36	42
Administrative and support personnel	36	41	40

Note: In 2015 a category was created, trainee, for law graduates that have yet to sit the bar.

(11) The firm's employees are paid over and above the statutory minimum salary set for every place where it operates and for every professional category.

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

(13) In recent years, the main efforts to reduce GHG emissions at our offices have targeted energy consumption (discussed in the "Energy Consumption" section) and business trips (promotion of the use of videoconferencing). Garrigues does not generate significant emissions of non-GHG gases.



16. ASSURANCE REPORT



