



NEINVER





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*“NEINVER has reaffirmed its ability to sustain growth in the coming years by entering two new markets”*

# Message from the Chairman

(G4-1)

As I do every year, I am writing to introduce NEINVER's Sustainability Report, which reviews the most important events at the company in 2016.

Once again this year, NEINVER's positive results show the company's excellence and specialisation in the retail property sector. In 2016, key indicators such as foot traffic, sales, and net receipts vouched for the continually growing volume of activity and rising turnover in the properties we manage.

In turn, the **opening of the new Viladecans The Style Outlets centre** in October 2016 and the signing of an agreement **to manage the Megapark Barakaldo retail park** were also landmarks in the company's growth strategy.

In this regard, NEINVER has also reaffirmed its ability to sustain growth in the coming years by **entering two new markets** and by strengthening our position in Poland through an **agreement to manage Metropolitan Outlet**, in the north of the country.

Moreover, in 2016, NEINVER began overseeing the **winding up of IRUS Fund**, which ends its ten years of operation having far outperformed its initial targets. The closing, scheduled for 2017, involved establishing a process to distribute the IRUS assets in a way that maximises return while ensuring continuity of the properties' operation. After that process, **NEINVER retains management of 60% of the portfolio and keeps its status as Europe's second-largest operator of outlet centres.**

In NEINVER's **industrial and logistics business**, in which the company has more than 45 years' experience, 2016 was also a very positive year. The company bolstered this business line by **acquiring a portfolio of 23 logistics properties totalling 151,500 m<sup>2</sup>** through its joint venture with Colony NorthStar.

During the year, **NEINVER also continued evolving its management model towards sustainability and digital transformation.**

The company's efforts in these areas have earned **several recognitions** from various parts of the business world, including **“Best O2O Strategy”** at the 2016 MAPIC Awards, **“Best E-commerce Project”** at the Futurizz Digital Awardzz, and the **“BREEAM/GRESB Award for Corporate Investment in Responsible Real Estate”** at the BREEAM Awards 2017.

These achievements would not have been possible without the unconditional support and encouragement of NEINVER's entire team of professionals, as well as its investors, store operators, customers, suppliers, neighbours and institutions. Therefore, I extend my sincere thanks and urge you to stay with us on this exciting journey, to which we are devoting all our effort.

Madrid, July 2017  
José María Losantos y del Campo  
Chairman





“2016 brought solid results in all the company’s markets, as well as major strategic alliances that strengthen NEINVER’s position in the European market”

# Message from the CEO

(G4-1)

Once again this year, it is a pleasure to look back at the **highlights** of NEINVER’s past twelve months.

The year 2016 brought **solid results** in all the company’s markets, as well as major strategic alliances that strengthen NEINVER’s position in the European market, **keeping us on course with diversification** as a key growth factor, alongside **sustainability and digital transformation**.

The year ended with **very positive figures at all the outlet centres**. **Total sales** at the NEINVER-managed outlets in Europe reached €1.183 billion, up 10% from 2015, and **foot traffic increased by 8%** to 50 million visits.

Growth in these metrics, which continues a trend seen in recent years, reinforces NEINVER’s leadership as an operator in the European market and bolsters the success of the outlet format and of our management model, based on a personal relationship with brands and consumers.

Throughout 2016, as part of its growth strategy, the company continued to build up its position in Europe by signing **new strategic alliances** and strengthening the existing ones. In this area, NEINVER announced its entry into the Czech market through its joint venture **with The Prague Outlet** to open Prague The Style Outlets; strengthened its leadership in the outlet sector in Poland, through an agreement with **Carrefour Polska** to manage Metropolitan Outlet, in the north of the country; expanded its presence in Germany through its partnership with ITG (Immobilien Treuhand GmbH) to manage Halle Leipzig The Style Outlets; and reached an agreement with **Lar España Real Estate SOCIMI** to manage Megapark Barakaldo in northern Spain, solidifying NEINVER’s position as a benchmark partner in the sector. Finally, in November 2016, the company bolstered its strategic alliance with **TH Real Estate, on behalf of TIAA-CREF**, signed in 2014, by acquiring six outlet centres (three in Spain, two in Italy and one in Poland) from IRUS Fund, and the Nassica shopping and leisure centre, which join the properties the joint venture already had in its portfolio.

In the logistics sector, the company broadened the portfolio it jointly holds with **Colony NorthStar** by acquiring 151,500 m<sup>2</sup> from Zaphir Logistics Properties.

Besides those partnerships, the year was also defined by other projects such as the **opening of Viladecans The Style Outlets** (near Barcelona), which in its first two months of operation exceeded initial forecasts by welcoming more than 800,000 visitors; the start of **design work on Amsterdam The Style Outlets** (in the Netherlands); and the beginning of **construction of phase 2 of Halle Leipzig The Style Outlets** (in Germany).

As I said at the outset, sustainability, corporate social responsibility (CSR) and digital transformation also took centre stage during 2016.

**NEINVER’s commitment to sustainability and CSR** is unquestionable. Proof includes the efforts the company has devoted to **renewing the BREEAM In-Use certifications** for the entire portfolio of outlet centres it has managed for at least two years in Europe, improving its scores in 92% of them. Another example is the intense work **to implement projects and measures to further reduce the most relevant types of consumption** and, by extension, shrink our environmental footprint (a 10% reduction in energy consumption and a 28% reduction in greenhouse gas emissions).

We are living at the height of a digital revolution, and the digital experience is now a vital part of any shopping process. NEINVER realised this early on and saw the need to evolve and integrate new technologies into traditional channels, adapting ourselves to new buying habits. In 2016, the **development and implementation of NEINVER’s digital ecosystem**—through the geolocation project, the POS terminal software and the e-commerce platform, among others—made NEINVER a pioneer in the digital transformation of the outlet sector.

Lastly, I wish to express my personal appreciation of all NEINVER employees for their great professionalism and strong commitment to the company’s objectives, making it possible to achieve our goals year after year. I also wish to thank our investors, partners and strategic allies for their confidence in NEINVER, and assure them that we will continue to do the utmost to meet our commitments.

Madrid, July 2017  
Daniel Losantos Egea  
CEO



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—  
NEINVER  
PROFILE





# NEINVER at a glance (G4-DMA)

*"NEINVER, founded in 1969, is dedicated to the development, acquisition, leasing and management of a wide range of property products, including business parks, industrial parks and retail properties."*

*NEINVER has solidified its position in the European retail property market, basing its growth strategy on specialisation in the outlet sector.*

*It operates in seven European countries: Germany, Spain, France, Italy, the Netherlands (where it is developing its first outlet centre in that country), Poland and the Czech Republic"*

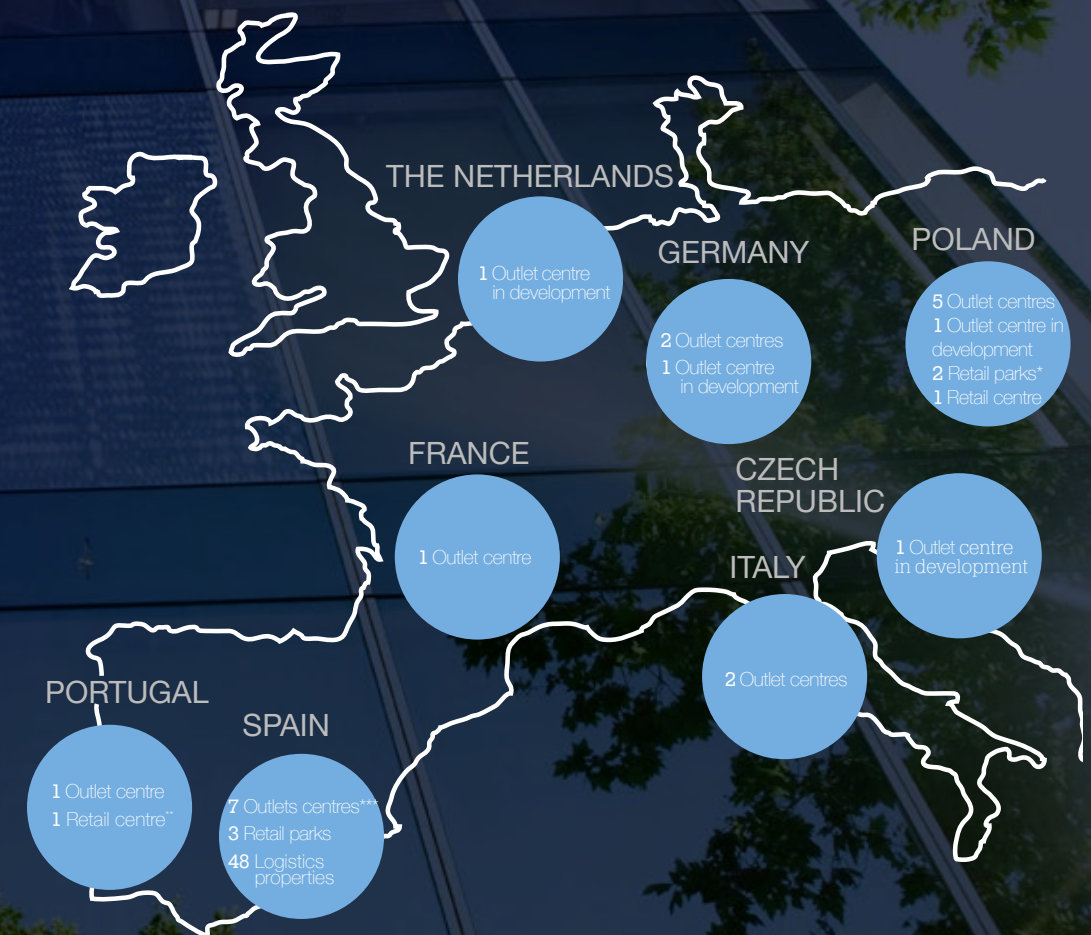
"NEINVER manages 612,200 m<sup>2</sup> of retail space (including 358,200 m<sup>2</sup> of outlet space) spread over 7 European countries, around 1,600 stores and more than 800 of the top domestic and international brands"

"78.3 million people visited NEINVER centres in 2016, 7% more than in 2015"

"In 2016, combined sales for all the outlet centres rose by 10% compared to 2015, reaching €1.183 billion"

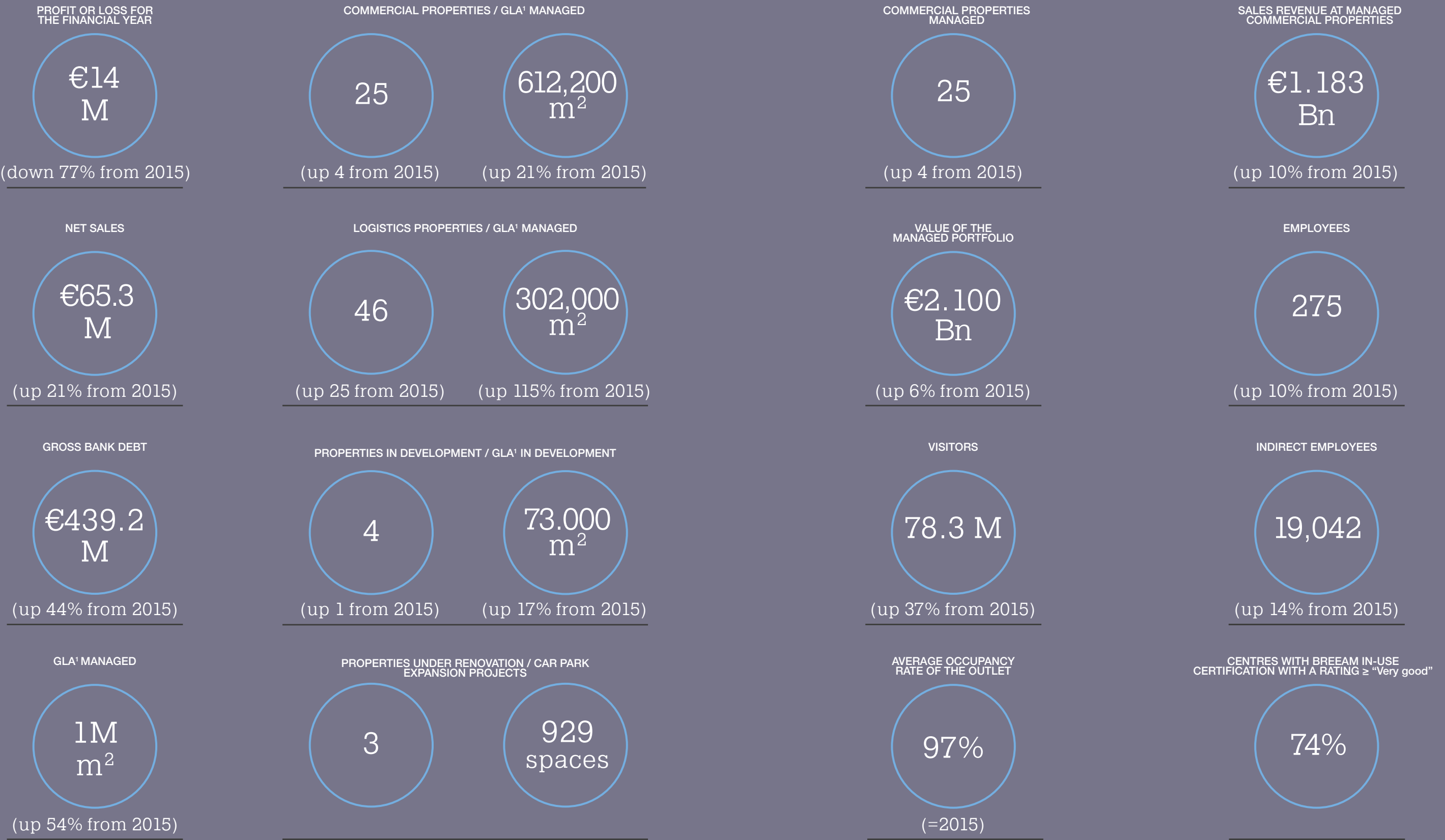
"NEINVER develops long-term projects in accordance with sustainable construction standards. The Group was the first company in its sector to obtain BREEAM In-Use international certification for its entire portfolio of outlet centres in Europe"

NEINVER's international presence in 2016.



\* Includes Futura Park, an asset that NEINVER sold in 2015 but still manages  
\*\* NEINVER does not handle the property management of P. Bricor or the petrol station  
\*\*\* Includes Sevilla The Style Outlets, since it was owned by NEINVER until the end of 2016.

The Group's key figures for 2016 (G4-9)



Note: These figures reflect NEINVER's situation in December 2016.

1. The GLA MANAGED figures include Sevilla The Style Outlets (15,896 m<sup>2</sup>), since it was owned by IRUS until late 2016. However, they do not include Fashion Outlet Montabaur, which NEINVER began managing in August 2017.



# 2016 highlights (G4-9)

*“The year 2016 was a time of growth, marked by the addition of new centres to NEINVER’s portfolio, expansion into a new market, the establishment of new strategic alliances, and the bolstering of existing alliances”*



Growth in all markets

At outlet centres managed by NEINVER, sales in 2016 grew by 10%, reaching €1.183 billion, while foot traffic increased by 8% to 50.2 million visits. In 2016, NEINVER achieved strong earnings in every market where it does business, made progress in attracting new labels, and helped prestigious brands expand through its portfolio, including Karl Lagerfeld, Scotch & Soda, The Kooples, Guess and Starbucks.



Opening of Viladecans The Style Outlets

In October, NEINVER and TH Real Estate opened Viladecans The Style Outlets after an investment of more than €80 million. The centre, which has 19,800 m² of GLA and is the only outlet centre in the Barcelona metropolitan area, welcomed more than 800,000 visits in its first two months, far outperforming the company’s expectations, and created about 1,000 jobs through direct and indirect employment.



Agreement with ITG to manage Halle Leipzig The Style Outlets

In April 2016, the company reached an agreement with ITG (Immobilien Treuhand GmbH) for NEINVER to manage Fashion Outlet Halle Leipzig, which then joined The Style Outlets platform. It is the first outlet centre in east-central Germany. With 11,700 m² of space, the centre began construction of a 7,000 m² expansion.



Agreement with Lar España to manage Megapark Barakaldo

Since early 2016, NEINVER has managed an outlet centre and retail park that occupy 64,000 m² of Megapark’s 128,000 m² total. This retail park is owned by Lar España Real Estate Socimi and features stores such as Decathlon, El Corte Inglés, MediaMarkt and Mercadona.



# 2016 highlights



## Agreement with Carrefour Polska for NEINVER to manage the Metropolitan Outlet in Poland

In 2016, NEINVER bolstered its leadership in the Polish outlet sector after reaching an agreement with Carrefour Polska to manage the Metropolitan Outlet in Bydgoszcz, in the north of the country. The outlet centre, scheduled to open to the public in spring 2018, will be the first and only retail centre of its kind in the region and will add 17,000 m<sup>2</sup> of gross leasable area (GLA) to NEINVER's portfolio.



## Expansion into the Czech Republic

In 2016, NEINVER announced its entry into the Czech market through a joint venture with The Prague Outlet to launch Prague The Style Outlets, the country's first premium outlet centre. The company is thus continuing its growth in Europe by entering a new market and is strengthening the international expansion of The Style Outlets platform.



## Winding down IRUS European Retail Property Fund after 10 years of successful management

In late 2016, NEINVER began the divestment process of IRUS European Retail Property Fund after 10 years of successful activity, which far exceeded its initial performance targets. Over those 10 years, the fund achieved a cumulative internal rate of return (IRR) above 9%, while the value of the assets increased by about 30% since their addition to the portfolio. The fund's assets were disposed of in two blocks: VIA Outlets acquired one block, comprising the centres in Seville, Vila do Conde, Zweibrücken and Wrocław. NEINVER acquired the other, comprising The Style Outlets centres in Las Rozas, San Sebastián de los Reyes and Getafe in Spain; Vicolungo and Castel Guelfo in Italy; and FACTORY Poznań in Poland, under its joint venture with TIAA, through TH Real Estate.



## At the BREEAM Awards 2017, recognition of NEINVER's commitment to sustainability certificates

In 2016, NEINVER renewed BREEAM In-Use certification for all the outlet centres it has operated in Europe for more than two years, improving their scores in 92% of the cases. It also earned certification for the first time for the FACTORY Annapol and Futura Park Wrocław centres in Poland. The company was honoured at the BREEAM Awards 2017 with the BREEAM/GRESB award for Corporate Investment in Responsible Real Estate, recognising its commitment to certifying the buildings in its management portfolio during 2016.



## Strengthening the strategic alliance with TIAA

NEINVER and TIAA, through TH Real Estate, expanded their joint venture by acquiring 6 centres from IRUS European Retail Property Fund. The two companies thus continue to strengthen the strategic alliance they formed in 2015 to create a leading platform of outlet centres in Europe. In late 2016, the joint venture also acquired the Nassica retail and leisure centre, south of Madrid, which previously belonged to the partnership between NEINVER and KKR. The centre's sales and foot traffic have experienced solid growth in the two years since NEINVER took over its management in 2014.



## NEINVER's omnichannel strategy wins a MAPIC Award

NEINVER continues to develop its management model, becoming the first outlet operator to offer a seamless transition between the shopping experience in its physical centres and digital space in response to new types of interaction between brands and shoppers.

In 2016, the company's omnichannel strategy won the "Best O2O Strategy" award at the MAPIC Awards, held each year as part of the MAPIC trade show, the international retail market's most important event of the year, held in Cannes.



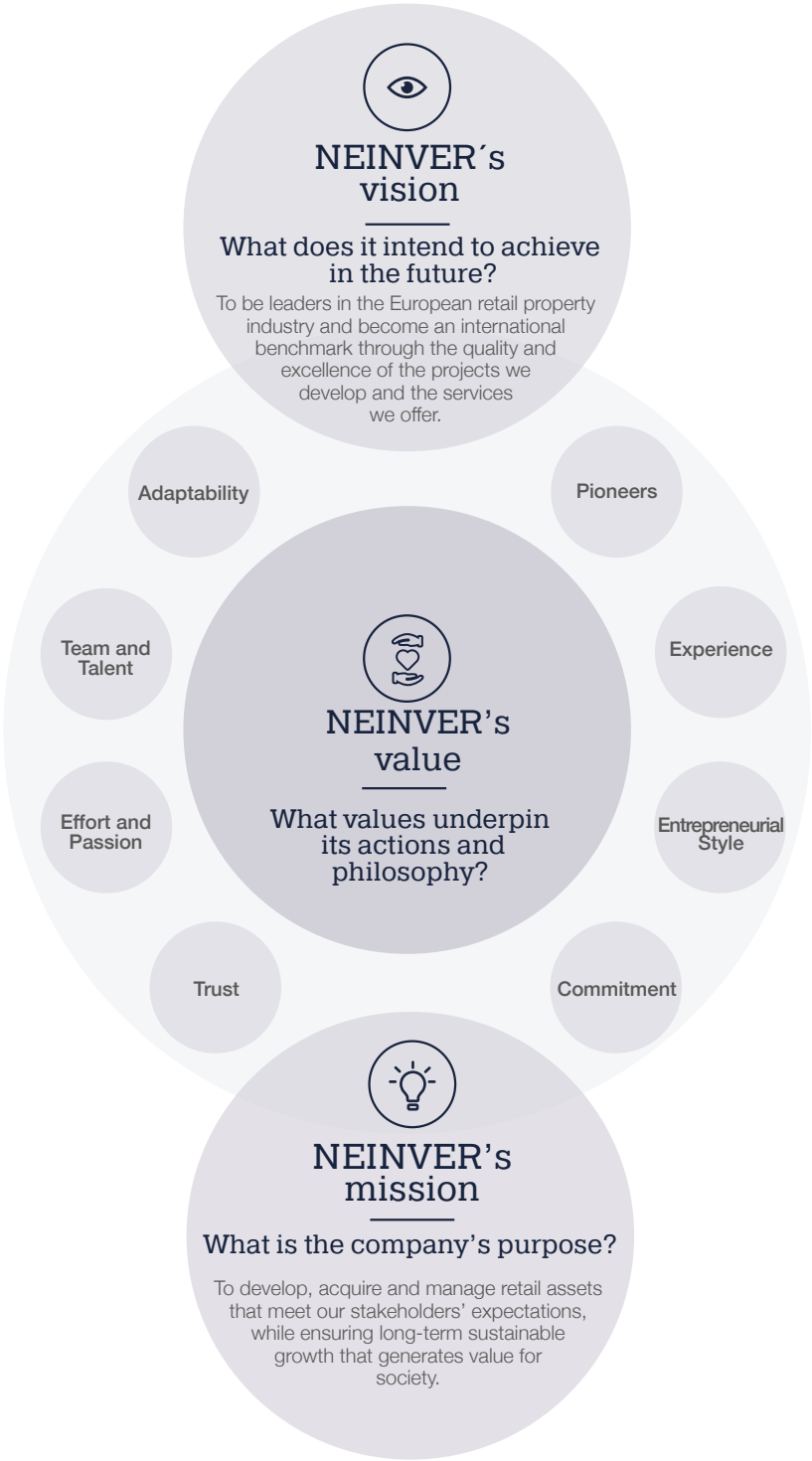
# This is how NEINVER creates value

*“NEINVER’s mission, vision and values aim to help strengthen its position as a benchmark company in the retail property, industrial and logistic sectors. They seek to bolster its leadership as one of the foremost companies specialised in property development, investment, fund management and property management, and to solidify its appeal as a strategic partner thanks to its experience, talent and passion”*

## MISSION, VISION AND VALUES

NEINVER is committed to doing business responsibly and sustainably, and demands the same commitment from its partners and collaborators. Besides complying with the laws

and regulations of the countries where it operates, it also acts in accordance with generally accepted best practices.





# BUSINESS MODEL (G4-4)

NEINVER is a leading property development, investment, fund management and property management company. Since its founding in 1969, its business has revolved around developing, acquiring, leasing and managing a wide range of property products, including commercial properties, business parks and logistics assets. Values of sustainability and social responsibility are always present throughout the entire property cycle.

International investors value NEINVER's experience in the sector and the company's specialised management model. That is why they trust NEINVER as a strategic partner for managing, developing or acquiring new centres in Europe.

To that end, NEINVER has bolstered its position as a key partner in the European outlet market by signing strategic agreements for the first time to manage third-party assets. Thus in early 2016, the

company was awarded a contract to manage part of Megapark Barakaldo, which includes the largest outlet centre in the Basque Country (Fashion Outlet Barakaldo) and a retail park.

In April, the company also reached an agreement with the German firm ITG (Immobilien Treuhand GmbH) to take over management of Fashion Outlet Halle Leipzig, the only outlet centre in east-central Germany, subsequently incorporated into The Style Outlets platform.

Moreover, NEINVER, with more than 45 years' experience in the logistics and industrial sector, has continued reinforcing its position in this field through strategic alliances with benchmark partners, such as the joint venture with Colony NorthStar, which solidifies NEINVER as one of the leading managers and coinvestors in the industrial and logistics market.

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

### Management

**Asset management**  
Managing assets that it also owns (or co-owns) reinforces its long-term commitment to the assets' sustainability, value and quality, and helps create a unique relationship with investors and clients.

**Fund management**  
For 10 years, NEINVER has managed IRUS European Property Fund. IRUS has generated attractive returns and stable dividends by acquiring assets developed by NEINVER and obtaining new assets, thanks to comprehensive, specialised management.

### Design

NEINVER is committed to designing and developing innovative properties, adaptable to the needs of each client and market, and complying with the highest standards of sustainability.

### Development

The company has experience developing a wide range of property assets such as logistics facilities, business parks, offices, and especially leisure and retail parks and outlet centres, in which it has specialised for the past 20 years.

### Leasing

More than 800 brands put their trust in NEINVER. The centres' average occupancy rate is now 97%.

### Finance

Leadership  
Experience  
Commitment  
Innovation  
Flexibility

# SPECIALISATION IN THE RETAIL PROPERTY

In the retail property sector, NEINVER's growth strategy over the last 20 years has been based on specialisation in outlet properties mainly under The Style Outlets and FACTORY brands. The company manages 25 retail centres, of which 17

are outlet centres, for a total of 596,000 m<sup>2</sup> of GLA. In recent years the Group has positioned itself as one of the European leaders in this sector, with more than 1,600 stores operated by more than 800 top brands.



## The Style Outlets

- **Best-in-class outlet platform** offering clear advantages to shoppers and brands.
  - For **shoppers**: a broader mix of stores and brands.
  - For **brands**: an international platform of more than 10 outlet centres that lets them enter new markets and ensure efficient, centralised management.
- **The Style Outlets centres** are unique, distinguished by their:
  - **Concept**: products from the best brands at reduced prices.
  - **Design**: buildings constructed and managed in accordance with sustainability criteria.
  - **Shopping experience**: a range of additional services to make the visit more pleasant.

## FACTORY

- A **first-generation outlet concept**, synonymous with smart shopping, offering name-brand products at deep discounts all year. NEINVER's specialisation began with this brand.
- Leadership in the **Polish** market.
- **Well-established** centres with high levels of loyalty, foot traffic and sales.

NEINVER's specialisation in developing and managing outlet properties is possible thanks to its efforts to know and manage the variables affecting the consumers' shopping experience, the operators' satisfaction and the investors' profits.

This is why, ever since its founding in 1969, the company has taken care to build close, mutually beneficial relationships with the brands and offer the end customer an attractive mix of stores as well as a convenient, pleasant shopping experience,

with exclusive services. It does all this in a context of integration with the local community and under strict sustainability standards throughout the property cycle.

This philosophy has been vital to the ongoing growth in foot traffic in its centres and, by extension, their sales revenue, allowing brands and investors to improve their results, and increasing the value of the company's assets year after year.

\* As of 31 December 2016



# International operations

(G4-6) (G4-8)

## FRANCE

- Arrival of 9 new store operators: IKKS, Home & Cook, Kid'store, The Kooples, Finsbury, Basler, 1.2.3, Mexx and El Ganso.
- Expansion of the car park at Roppenheim The Style Outlets (206 more spaces).
- Customer satisfaction rate of 89%.
- Implementation of building management system.

### Visitors

1.8 M  
up 17.3%  
from 2015

### GLA<sup>1</sup>

27,200  
m<sup>2</sup>  
= 2015

### Sales

€98.9 M  
up 18.3%  
from 2015

### Jobs<sup>2</sup>

834  
up 48.1%  
from 2015

## SPAIN

- Opening of Viladecans The Style Outlets.
- NEINVER takes over management of Megapark Barakaldo, with 63,900 m<sup>2</sup> of GLA.
- Renewal of BREEAM In-Use certificates of all The Style Outlets centres.

### Visitors

15.9 M  
up 10.4%  
from 2015

### GLA<sup>1</sup>

259,350  
m<sup>2</sup>  
up 47%  
from 2015

### Sales

€506 M  
up 53.9%  
from 2015

### Jobs<sup>2</sup>

6,472  
up 41.8%  
from 2015

## PORTUGAL

- Optimising energy consumption, with measures such as upgrading to more efficient air conditioning equipment.

### Visitors

4.5 M  
up 6.2%  
from 2015

### GLA<sup>1</sup>

44,000  
m<sup>2</sup>  
= 2015

### Sales

€120 M  
up 11.4%  
from 2015

### Jobs<sup>2</sup>

1,711  
= 2015

## PROPERTIES IN DEVELOPMENT

### NETHERLANDS

Opening in: 2019

GLA<sup>1</sup>

19,000  
m<sup>2</sup>

### GERMANY

Opening in: 2019

GLA<sup>1</sup>

17,000  
m<sup>2</sup>

### CZECH REP

Opening in: 2018

GLA<sup>1</sup>

20,000  
m<sup>2</sup>

### POLAND

Opening in: 2018

GLA<sup>1</sup>

17,000  
m<sup>2</sup>



<sup>1</sup> The GLA (Gross Leasable Area) number for each country includes properties in development.

<sup>2</sup> Direct jobs (NEINVER employees in the country) and indirect jobs (employees of the stores at the centres and of the main contractors working in the centres).

\* Centres managed by NEINVER during 2016 and beginning of 2017

## POLAND

- Agreement with Carrefour Poland for NEINVER to manage Metropolitan Outlet.
- First BREEAM In-Use certification for FACTORY Anapol and Futura Park Wrocław, both with a rating of "Very Good".
- Arrival of new store operators: Aldo, Duka, English Home, Gate, Carry, Trafika.

### Visitors

26.5 M  
up 4%  
from 2015

### GLA<sup>1</sup>

199,500  
m<sup>2</sup>  
up 11% from 2015

### Sales

€414.6 M  
up 8.4%  
from 2015

### Jobs<sup>2</sup>

7,401  
up 1%  
from 2015

## GERMANY

- Expansion of the car park at Zweibrücken The Style Outlets (500 more spaces)
- Start of construction for phase 2 of Halle Leipzig The Style Outlets, in accordance with sustainability criteria.

### Visitors

3.9 M  
up 2%  
from 2015

### GLA<sup>1</sup>

57,500  
m<sup>2</sup>  
up 25% from 2015

### Sales

€178 M  
up 6.3%  
from 2015

### Jobs<sup>2</sup>

1,100  
= 2015

## ITALY

- Signing of new leases in Viclungo and Castel Guelfo The Style Outlets, 11 in both centres.
- Optimisation of energy management after implementing a building management system.
- Installation of LED lighting at Viclungo The Style Outlets.

### Visitors

6.6 M  
up 3.4%  
from 2015

### GLA<sup>1</sup>

58,700  
m<sup>2</sup>  
= 2015

### Sales

€235.3 M  
up 2.6%  
from 2015

### Jobs<sup>2</sup>

1,524  
up 1.6%  
from 2015



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OUR  
PERFORMANCE  
IN 2016







*“The company continued in 2016 consolidating its business model and increasing its volume of assets”*

## Strengthening the business model

(G4-DMA)

Emerging from a period when the economic and financial crisis battered the property sector, NEINVER continued to carry out its 2014 plan, aiming to increase its financial stability, expand its business and remain a benchmark throughout Europe in the asset management sector.

One main element of the plan was to set up joint ventures with TIAA and Colony NorthStar to create investment platforms in the Outlet and Logistics markets. The number of properties in both platforms increased substantially in 2016.

Strategic Alliance	Assets		Market value		GLA	Revenue
	2016	2015	2016	2015	2016	2016
NEINVER - TIAA	11 properties operated*	3 properties	€1.18 billion	€324.8 million	>300,000 m <sup>2</sup>	€74 million
NEINVER - Colony Northstar	36 logistics facilities	-	€151 million	242,000 m <sup>2</sup>	-	€10 million

\* Includes the latest asset added in February 2017

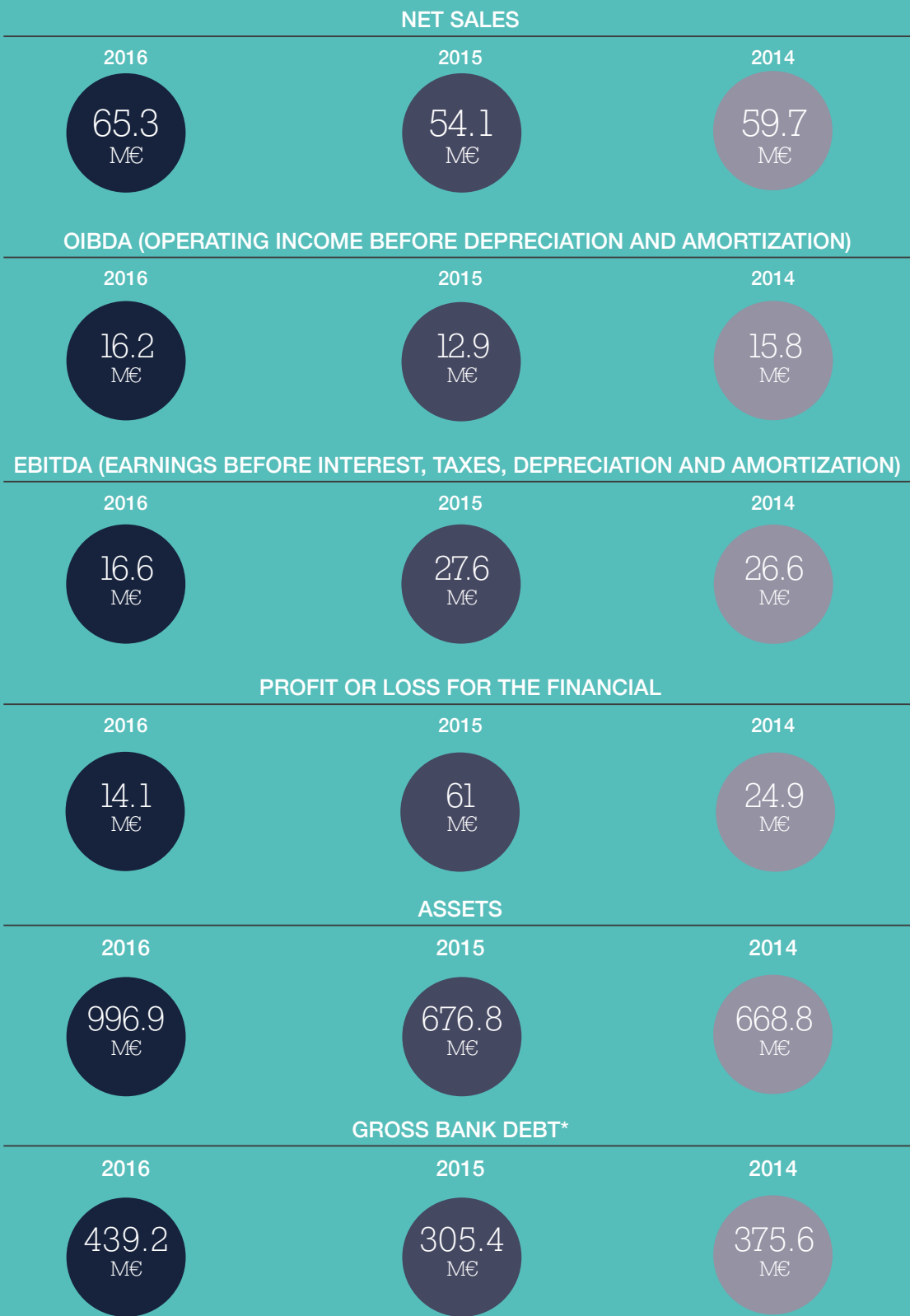
For 2017, there are plans to expand both vehicles by adding properties and by optimising the existing properties' value and revenue.

The immediate impact on NEINVER is to solidify its business as a manager of assets and

investment platforms. Combined with earnings from its property business and with new policies to boost efficiency and cut financial costs, that impact helped give NEINVER a consolidated profit of €14.1 million for the year.



# NEINVER's main financial figures – 2014–2016 (in millions of euros)



\* Bank debt, excluding the debt of proportionally consolidated joint ventures without recourse to NEINVER.

Moving forward, NEINVER will continue to work to reach its main financial goals:

1. Boosting its recurring income from all sources and leveraging the dual diversification of those sources: functionally (rental income versus management service fees) and geographically (income from operations in the various European countries where it does business), primarily through the strategic alliances it signed in 2014.
2. Efficiency in its operational profit and loss account by increasing revenues and controlling operating expenses.
3. Reducing financial costs.
4. Reducing bank debt, continuing to disinvest from non-strategic assets.
5. Increasing the value of its financial holdings, which are a value reserve for the company.

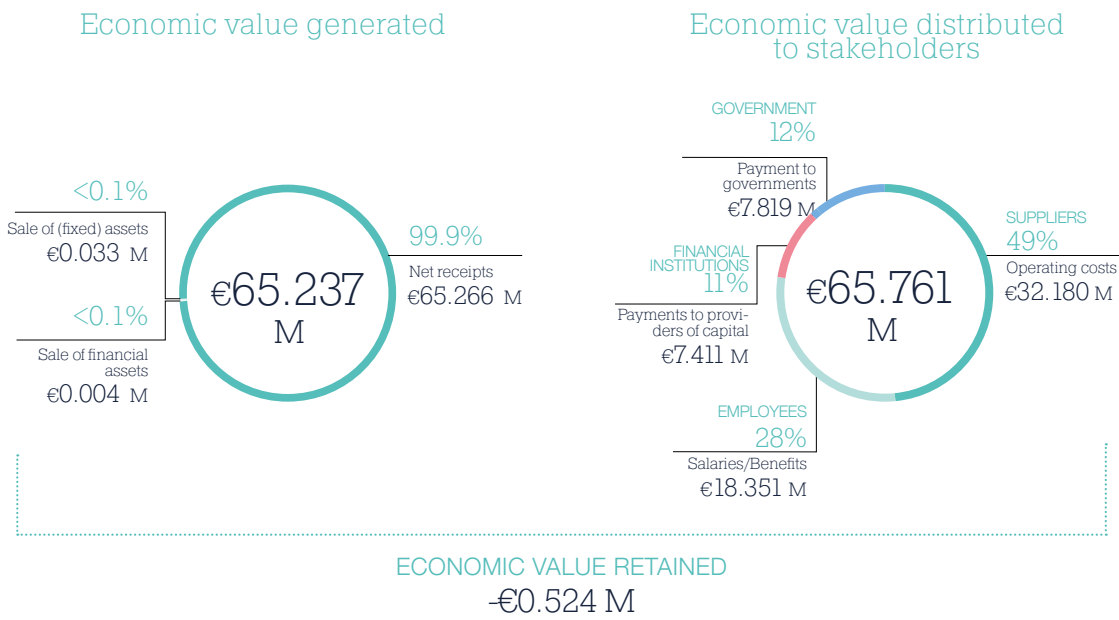
## DISTRIBUTION OF VALUE TO STAKEHOLDERS IN 2016

(G4-EC1)

In 2016, NEINVER generated €65.24 million of economic value through revenue and the sale of assets. About 77% of this generated value

was distributed to some of the company's main stakeholders such as workers, shareholders and suppliers.

## Economic value generated, distributed and retained by NEINVER in 2016\* (in millions of euros)



\* Because this property company develops buildings with the intention of retaining ownership and using them as a source of future rental income, this item does not include payments for developing and constructing those assets, which are included in the calculation of economic value retained once they are sold.

In 2016, the decrease in revenue from the sale of fixed assets affected the economic value retained, making it lower than in previous years.





Sebastian  
Sommer

**Business  
Development  
Director**

*“Business Development area is one of our highest priorities, in order to develop, acquire and manage retail assets that meet our stakeholders’ expectations, while ensuring long-term sustainable growth for our core business”*

# Operating results (G4-8)

## PROPERTY DEVELOPMENT

In 2016, NEINVER finished building phase 1 of the Viladecans The Style Outlets property, which opened to the public in October 2016. The same year, the company continued working on the preconstruction phases of new outlet centres in Prague (Czech Republic) and Amsterdam (in the Netherlands).

NEINVER, together with other partners, also collaborated on building phase 2 of Halle Leipzig The Style Outlets (Germany), whose management was entrusted to the company in 2016, as were the leasing, management and construction oversight of Prague The Style Outlets, scheduled to open in 2018.

As for the centres in the company's portfolio, in 2016, NEINVER expanded the car parks of Roppenheim The Style Outlets (France), Coruña The Style Outlets (Spain) and Zweibrücken The Style Outlets (Germany). The expanded parking led to much better traffic management and convenience for users of the car parks.

While developing its upcoming properties, NEINVER continues to assess new opportunities to develop assets. In 2016, it evaluated potential new projects and the possible expansion of existing properties.

## Ongoing projects in 2016

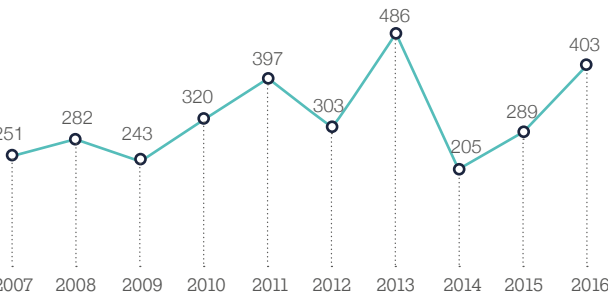
Country	Property	Description	GLA/GBA m²	Store locations
Refurbishments and enlargements				
Czech Republic	Prague The Style Outlets	Beginning of the refurbishment works in 2016	20,000 m² of GLA (10,000 m² in phase 2)	110 (Phase 1)
Germany	Zweibrücken The Style Outlets	Expansion of the car park.	500 spaces	N/A
Spain	Coruña The Style Outlets	Expansion of the car park.	223 spaces	N/A
France	Roppenheim The Style Outlets	Expansion of the car park.	206 spaces	N/A
Approved projects whose construction will begin in 2017–18				
The Netherlands	Amsterdam The Style Outlets	Construction will start in 2018, and the opening is scheduled to in 2019.	19,000 m² of GLA	115
Poland	Metropolitan Outlet	Opening scheduled for 2018.	17,000 m² GLA	60
Germany	Halle Leipzig Phase 2	Expansion of an existing outlet centre.	7,000 m² of GLA	40

# LEASING

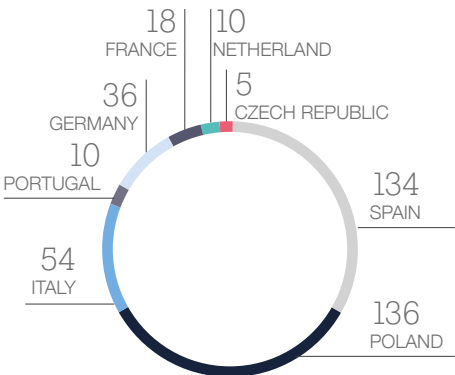
In 2016, NEINVER's sales team signed 403 leases, 39% more than the previous year. Spain, thanks to the opening of Viladecans The Style Outlets, was the country that saw the

most growth in this area, going from 70 leases to 134. Poland, the country with the most leases in 2016, also had positive growth, from 92 leases to 136.

Changes in number of leases 2007-2016



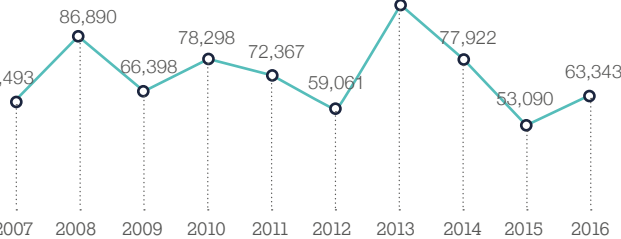
Number of leases signed, by country



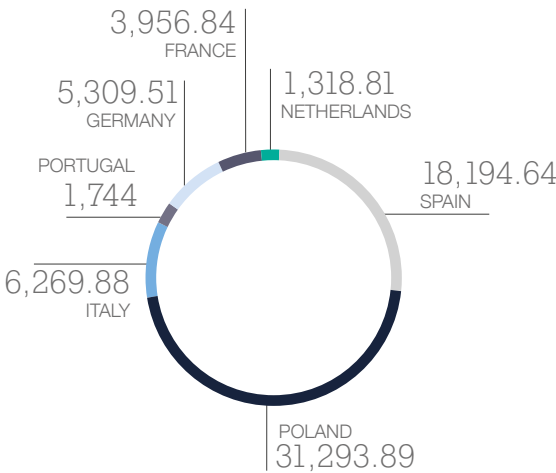
The 403 signed leases represented a total of 58,821 m² of leased area, 11% more than in 2015. Poland was positioned as the country with the most growth, doubling the square

metres of leased space from 15,328 m² to 31,294 m², followed by Spain, with 4,459 m² more than in 2015.

Changes in leased area (m²) 2007-2016



Leased area, by country (m²) 2016



As shown in the following chart, NEINVER remains committed to having top domestic and international brands in its centres. This, along with a wide range

of additional services, lets the company offer a complete shopping experience rooted in quality and impeccable customer service.

GLA of largest outlet operators\*



\* This shows only the 10 store operators with the most gross leasable area (GLA).



# Top fashion and dining brands at Viladecans The Style Outlets

## New domestic brands



## New international brands



# Improving assets' value through management

The centres that NEINVER manages ended 2016 with very positive results, and their excellent foot traffic and sales prove the quality of their management and bolster the success of NEINVER's outlet format.

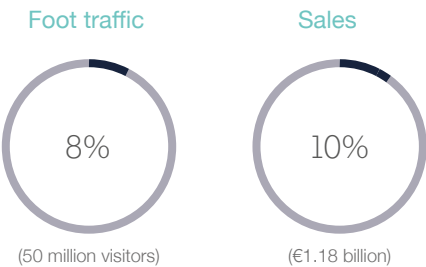
In 2016, the combined sales figure for outlet centres that NEINVER manages in Europe rose by 10% compared to 2015, reaching €1.183 billion. The centres' foot traffic rose by 8%, reaching 50 million visitors.

All countries saw improved foot traffic and sales. The most significant growth occurred in France, where sales rose by 18% and foot traffic by 16% to more than 1.7 million visitors. Poland and Spain are the countries with the greatest growth. In 2016, Spain's figures benefitted from the opening of Viladecans The Style Outlets, which welcomed a record number of visitors in its first two months of operation, and from the contract to manage Fashion Outlet Barakaldo.

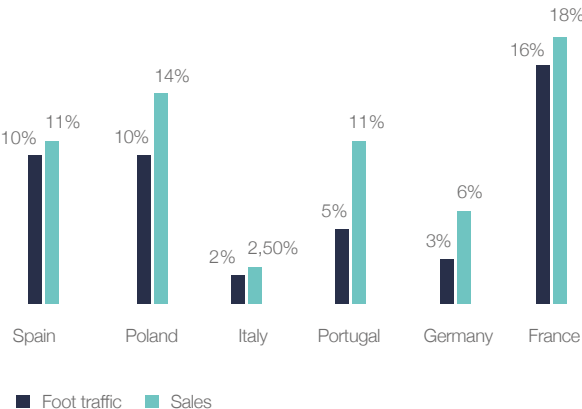


*"The positive results for 2016 prove the quality of our management and bolster the success of NEINVER's outlet format"*

Changes in the NEINVER portfolio's KPIs (2016 vs 2015)



Changes in the NEINVER portfolio's KPIs (2016 vs 2015)



# MANAGING LOGISTICS PROPERTIES

In 2016, NEINVER's industrial and logistics business also expanded when the joint venture with Colony NorthStar acquired a portfolio of 23 logistics and cross-docking facilities, totalling about 151,500 m², from Zaphir Logistics Properties.

Since its founding, NEINVER has developed more than 2 million m² of industrial and logistics property, tailored to each client's needs. Across 48 properties, the company currently manages some 319,000 m² of industrial space and has another 200,000 m² for new development in the Vicálvaro and El Cañaveral districts of Madrid.

## Principal figures in 2016





Juan Carlos Ortega

**Industrial & Logistic Director**

*"The latest operations of the company reflect NEINVER's attitude for the reactivation of the logistic sector, deeply rooted in the company from its beginnings, which has currently one of the higher potential on the real estate market"*

## FUND MANAGEMENT AND JOINT VENTURES

### IRUS Fund

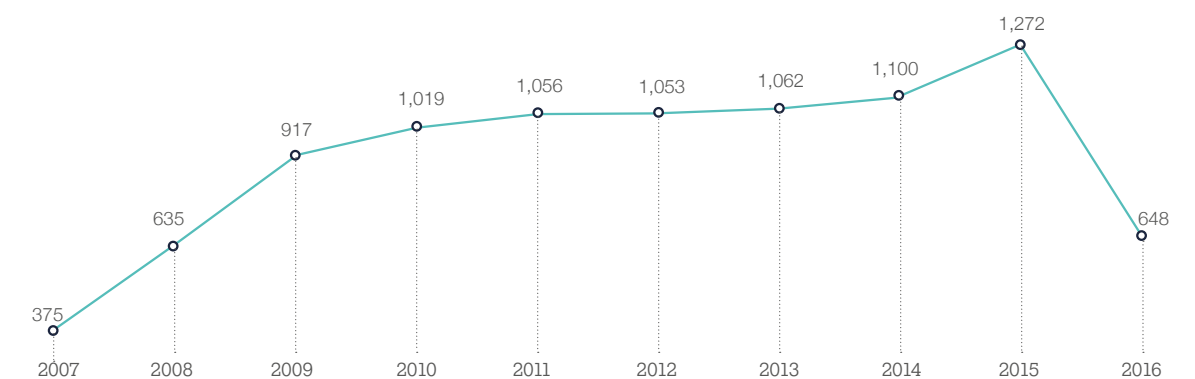
IRUS European Fund is an industry-specific fund focused on outlet centres and retail parks, with an initial life of 10 years (2007–17). The fund was subscribed in February 2007 by top-class European institutional investors, who committed €480 million of their own funds to the vehicle, including NEINVER's 25% equity stake.

Once IRUS Fund's closing date of February 2017 was set, NEINVER worked in 2016 to redistribute the assets between the fund's two main investors—APG and NEINVER—to maximise return and ensure continuous operation of all the properties that the fund comprises. The life of IRUS Fund was extended by one more year

in January 2017, to February 2018, to ensure proper liquidation of its remaining assets.

In 2016, IRUS Fund continued to show very positive performance. From its origins in 2007 until 31 December 2016, the Fund distributed a total of €137.8 million in dividends, equal to 28.7% of the capital committed by the investors, a very clear indication and sign of the fund's successful management. Year after year, it bolstered the value of its asset portfolio, despite the property crisis in Europe and widespread steep declines in property values. At the close of the year, IRUS Fund's assets were worth €647.76 million.

Increase in the value of portfolio assets 2007–2017

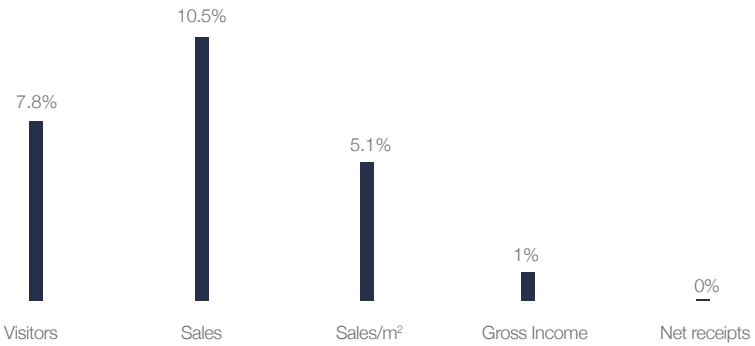


At the same time, IRUS Fund assets ended 2016 with steady growth in their performance data. In like-for-like terms, all real estate indicators were significantly higher than the previous year. The occupancy rate performed especially well,

reaching 99.3% by 31 December 2016, with an accompanying 7.8% rise in foot traffic. Gross sales also grew, by 10.5%, as did sales density (sales/m<sup>2</sup>), by 5.1%.



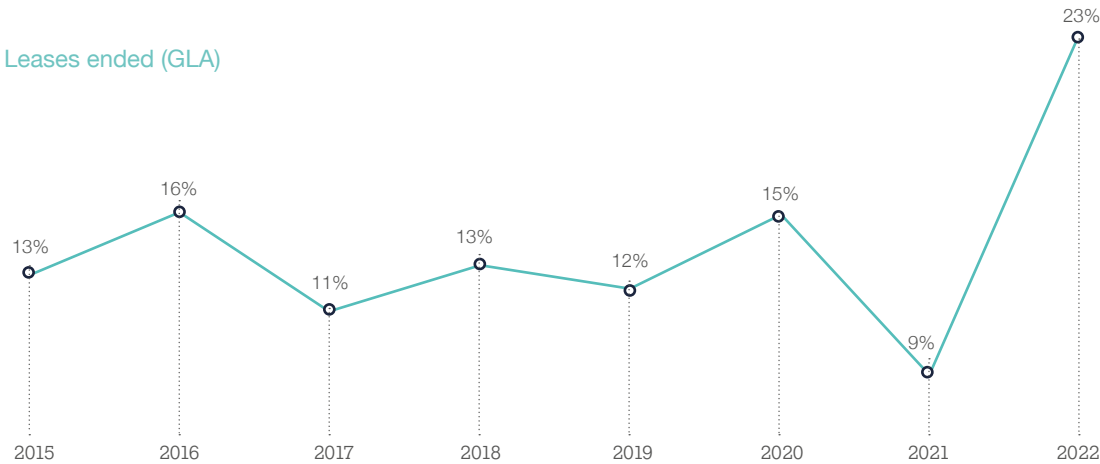
Changes in the IRUS portfolio's KPIs 2016 vs 2015



Lease rotation is another indicator that helps assess solvency and stability, as are the diversity of brands, occupancy rate, geographic diversification, and a varied profile regarding the age of the centres.

The standards for lease length differ by country, ranging from five to ten years, so the lease expiration calendar is well staggered and designed to minimise annual lease turnover in the coming years and ensure stable rental income year after year.

Leases ended (GLA)



Percentage of total GLA

NEINVER has also continued to prove its clear commitment to sustainability, keeping IRUS Fund a benchmark for sustainable management. Evidence of this includes the successful renewal of BREEAM In-Use certification for all the IRUS centres and the international acknowledgement of the fund's excellent performance, its management ability and the originality of its offerings, earning it recognition as "Fund of the Year" at the 2016 Europe Property Awards held by Property Investor Europe magazine.

With the winding up of the Fund's operations, NEINVER retains 60% of the portfolio and keeps its position as Europe's second-largest operator of outlet centres. Additionally, in its commitment to create a leading European outlet platform and bolster strategic alliances, the joint venture between NEINVER and TIAA (through TH Real Estate) agreed in November 2016 to acquire the following assets:

three The Style Outlets centres in Greater Madrid (Getafe, Las Rozas, San Sebastián de los Reyes), two in Italy (Vicolungo and Castel Guelfo) and one in Poland (FACTORY Poznań). The purchases were completed in late 2016 and early 2017.

Those properties joined the five centres that the joint venture already owned: Roppenheim The Style Outlets in France, Viladecans The Style Outlets near Barcelona, FACTORY Warsaw Annopol and FACTORY Kraków in Poland, and, recently, the Nassica retail and leisure centre near Madrid.

On the same date, VIA Outlets (a group comprising APG, Hammerson, Meyer Bergman and Value Retail) agreed to acquire four assets from IRUS Fund: the outlet centres in Seville, Vila do Conde, Wrocław and Zweibrücken.

\* The "Environmental Indicators" appendix specifies the IRUS Fund-owned centres with BREEAM In-Use certification



María de la Peña Sainz.  
Legal Director

"In 2016, the Legal department took an active role in NEINVER's major transactions: the sale of the IRUS Fund portfolio and the subsequent acquisition by NEINVER and TH Real Estate, and the acquisition of an industrial portfolio of more than 20 logistics facilities"

## SALE OF ASSETS (G4-13)

During 2016 NEINVER accorded the selling of the following assests:

Asset	Description of the transaction
Nassica Retail & Leisure park	In November 2016, NEINVER and TH Real Estate announced the purchase of Nassica, which until then was jointly owned by NEINVER and KKR.
IRUS – Lot 1: <ul style="list-style-type: none"><li>•Getafe The Style Outlets</li><li>•FACTORY Poznań</li><li>•Las Rozas The Style Outlets</li><li>•San Sebastián de los Reyes The Style Outlets</li><li>•Vicolungo The Style Outlets</li><li>•Castel Guelfo The Style Outlets</li></ul>	IRUS agreed to sell all the assets in Lot 1 to Neptune Property Ventures for more than €700 million through a private purchase contract. In December 2016, Neptune acquired the holding companies behind Getafe The Style Outlets, FACTORY Poznań, Las Rozas The Style Outlets, San Sebastián de los Reyes The Style Outlets, Vicolungo The Style Outlets and Castel Guelfo The Style Outlets.
IRUS – Lot 2: <ul style="list-style-type: none"><li>•FACTORY Wrocław</li><li>•Sevilla The Style Outlets</li><li>•Vila do Conde The Style Outlets</li><li>•Zweibrücken The Style Outlets</li><li>•Bricor</li></ul>	IRUS agreed to sell all the assets in Lot 2 to VIA Outlets for €577 million through a private purchase contract. In December 2016, VIA Outlets acquired the holding companies behind FACTORY Wrocław and Sevilla The Style Outlets. The remaining assets were transferred in early 2017.



3

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THE PATH TO  
ONGOING  
SUSTAINABLE  
GROWTH







*“Internationalisation, digital transformation, and sustainability are the main challenges facing the outlet sector in the new business environment”*

# Industry overview

## The market environment

The outlet sector is a key trend in the future of retail. Forecasts suggest that in the coming years it will continue to grow in terms of visits and sales. Embracing technology, personalising service and offering a solid mix of products, leisure and entertainment now play an unquestionable, vital role in sustaining that growth. Sustainability has also become a pillar of the sector through which various actors can generate value for their clientele.

In the industrial and logistics field, we expect a wider range of competitors and a change in the nature of the properties, partly brought on by the proliferation of e-commerce. Logistics facilities will become taller and nearer to cities. In addition, sustainability is starting to gain strength in the development of logistics and industrial properties in Europe.

### THE OUTLET SECTOR IS A KEY



A single shopping experience

Companies in the sector focus on enhancing the shopping experience, where there is significant potential to create value through active management, including a wide variety of store operators, and improving the buildings to create an environment with new incentives that go beyond a broad range of products.



Digital transformation

The rise of digital shopping makes it urgent for shopping centres and outlet centres to evolve and innovate to integrate new technologies into traditional channels. In recent years, the sales revenue of Europe's e-commerce sector has maintained a steady 15% annual growth, and is expected to reach €609 billion in 2017.

The challenge for merchants and distributors lies in integrating new technologies into traditional channels to allow increased earnings, reduced costs, and enhanced services to customers. In other words, it is vital to have an operating model that fully integrates organisation, processes, systems and metrics, as well as the omnichannel strategy's ultimate impact on earnings.



Sustainability

According to the study World Green Building Trends 2016: Developing Markets Accelerate Global Green Growth, sustainable construction's growth figures will double over the next two years, an issue that is gaining relevance among sources of private capital.

As a result, in 2018, most construction companies expect to boost the percentage of certified buildings from the current 18% to 37%. NEINVER was a pioneer in this field, adopting BREEAM standards in every phase of managing its properties.



# Challenges for the company

In this market environment, NEINVER remains a leader in the European retail property sector and bolsters its position internationally with a solid value proposition based on excellence in each of its operations, profound knowledge of every phase of the property cycle and of the customer, and its ability to adjust its retail concept to new markets and global trends.

## MAIN CHALLENGES FOR THE COMPANY

CHALLENGES FOR NEINVER	NEINVER'S RESPONSE
<div>  <p>Geographic expansion</p> </div>	<p>The high cost of debt, with limited room for expansion in certain markets, remains a barrier. Therefore, internationalisation is a vital characteristic demanded by investors.</p> <p>NEINVER's long-term strategy is based on international expansion together with specialisation in the outlet business. In 2016, the company enlarged its international presence by entering the Czech market with the country's first premium outlet centre.</p>
<div>  <p>Omnichannel strategy</p> </div>	<p>Companies must be able to adapt their business model to focus on the customer experience. An omnichannel approach gives the customer a single seamless experience with the brand in every platform and point of contact, whether physical or digital.</p> <p>NEINVER has implemented a digital transformation process that is considered a benchmark in the industry. The company's digital ecosystem, which in 2016 won several recognitions, lets NEINVER constantly learn more about customers, offering shoppers a relevant value proposition based on their preferences and behaviours.</p>
<div>  <p>Sustainability and CSR</p> </div>	<p>Stakeholders, from investors to the end consumer and society in general, look to sustainability and CSR and expect an ever greater commitment from companies regarding this challenge. This commitment is credible only when a business integrates these concepts into its growth strategy.</p> <p>CSR is one of NEINVER's top priorities, with the aim of strengthening the company's strategy at every phase of the life cycle of its business.</p> <p>By pursuing this, NEINVER has successfully positioned itself as a European benchmark for sustainable management, and was the first outlet operator to obtain BREEAM In-Use certification for its whole European portfolio. In 2016, the company renewed the BREEAM In-Use certifications for the entire portfolio of outlet centres it has managed for at least two years in Europe, improving its scores in 92% of the cases.</p>



# Leadership strategy

*“NEINVER’s commitment to managing every phase of its projects’ property cycle -including direct, comprehensive management of assets in a way that suits market trends and a changing environment- is one of the company’s distinctive features. This lets it ensure the long-term sustainability and increased value of its properties”*

For 20 years, NEINVER’s growth strategy has been based on specialisation, with a focus on the outlet sector. In 2014, the company’s Management Committee began the process of defining a new strategy to keep expanding the business and adapting the company to new market conditions.

The company’s strategy thus rests on seven key priorities: diversification, development and management of retail and outlet centres, reactivating the company’s logistics and industrial business, optimisation, digital transformation, strategic alliances, and corporate responsibility.

In 2016, NEINVER continued to strengthen its commitment to **diversification** as a key to growth by seeking international business opportunities for all its lines of business.

The company also reached important milestones in **developing and managing retail and outlet centres**. These include the joint acquisition, with TIAA, of six outlet centres in Europe, located in Spain, Italy and Poland, that previously belonged to IRUS European Retail Property fund; the opening of a new outlet centre in Spain in partnership with TH Real Estate: Viladecans The

Style Outlets; and the signing of new strategic agreements to manage third parties’ centres such as Megapark Barakaldo and Halle Leipzig The Style Outlets, bolstering NEINVER’s position as a key partner in the European outlet sector.

Reactivating the company’s **industrial and logistics** business is another priority that underpins NEINVER’s leadership strategy. In 2016, the company, through its strategic alliance with Colony Northstar, expanded its portfolio of logistics properties in Spain by acquiring 151,000 m² spread over 23 logistics and cross-docking facilities. This acquisition and the logistics development at El Cañaveral in Madrid show NEINVER’s commitment to reviving the logistics sector, which is a major part of our company’s roots and is currently one of the most promising segments of the property market.

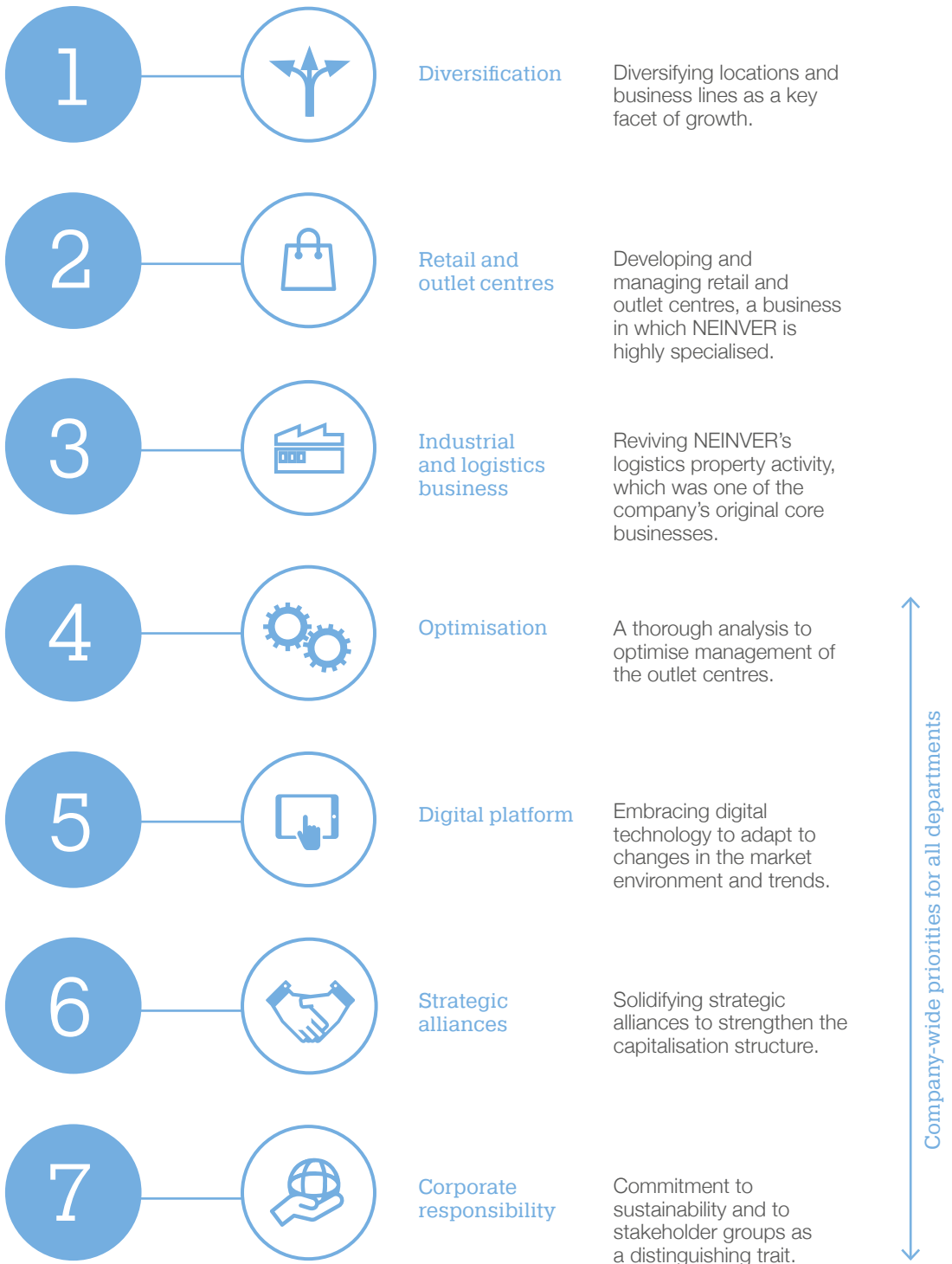
Lastly, the NEINVER leadership strategy is rounded out by four other company-wide priorities affecting all departments. These priorities are **optimising** management of the outlet centres; **digital transformation** by developing the omnichannel strategy; **corporate responsibility**, which pursues business development while respecting principles of sustainable development

and social responsibility; and bolstering **strategic alliances** that let NEINVER strengthen its capitalisation structure and expansion strategy.

These seven strategic priorities have made it possible, once again this year, to create value for our customers, for store operators, for investors

and for communities, helping to build long-term relationships based on trust and mutual benefit. At the same time, the company has continued building its leadership in the industry as the second-largest operator of outlet centres in Europe, measured in square metres managed, and the market leader in Spain and Poland.

## NEINVER’s leadership strategy





# Omnichannel Strategy

*“NEINVER’s commitment to an omnichannel model redefines the relationship between brands and consumers.*

*The company’s digital ecosystem gives it a unified, comprehensive view of the omnichannel buying process: before, during and after”*

As brands integrate digital technology into their relationship with customers, new forms of consumption are transforming the retail sector profoundly.

NEINVER has worked to adapt its activity to the digitalization challenges and now is considered a model of omnichannel in the Retail Sector. The company is notable not only for its online sales capacity but for having digitalized its business, and integrate big data tools to find out what its customers are doing in the different online and offline channels.

NEINVER is aware that consumers have passed to relate to brands through their preferred channels, being the digital experience an integrated part of the shopping process for most of consumers. This means the customer’s “journey” occurs before, during and after the purchase, so it is essential to have a digital relationship model that can identify each customer and the person’s shopping habits throughout the decision-making process, regardless of the channel through which the purchase ultimately occurs.

As in recent years, e-commerce is expected to account for a growing percentage of overall sales

in the coming years. In this context, NEINVER has become the first operator of outlets and shopping centres to offer an omni-channel experience in the B2B2C (business to business to consumer) space. This responds to customers’ omnichannel shopping habits and integrates physical and digital transaction channels, offering each consumer personalised, microsegmented communication, which contributes added value to the brands’ business strategy.

This is made possible by the customer/brand relationship model that NEINVER has designed, based on full integration of the customer’s experience in its physical and digital centres. The digital ecosystem thus aligns and integrates all its components around its omnichannel platform to manage the customer relationship using omniCRM (omni-Customer Relationship Management).

Affinity (brand awareness and acceptance), the visit (offline or online) and the purchase are the keys to monetising the NEINVER relationship model by studying customers’ behaviours and interests through the company’s web pages, mobile apps, e-commerce portals and social media, as well as people counters and Wi-Fi and Bluetooth systems at the physical points of sale. This information is

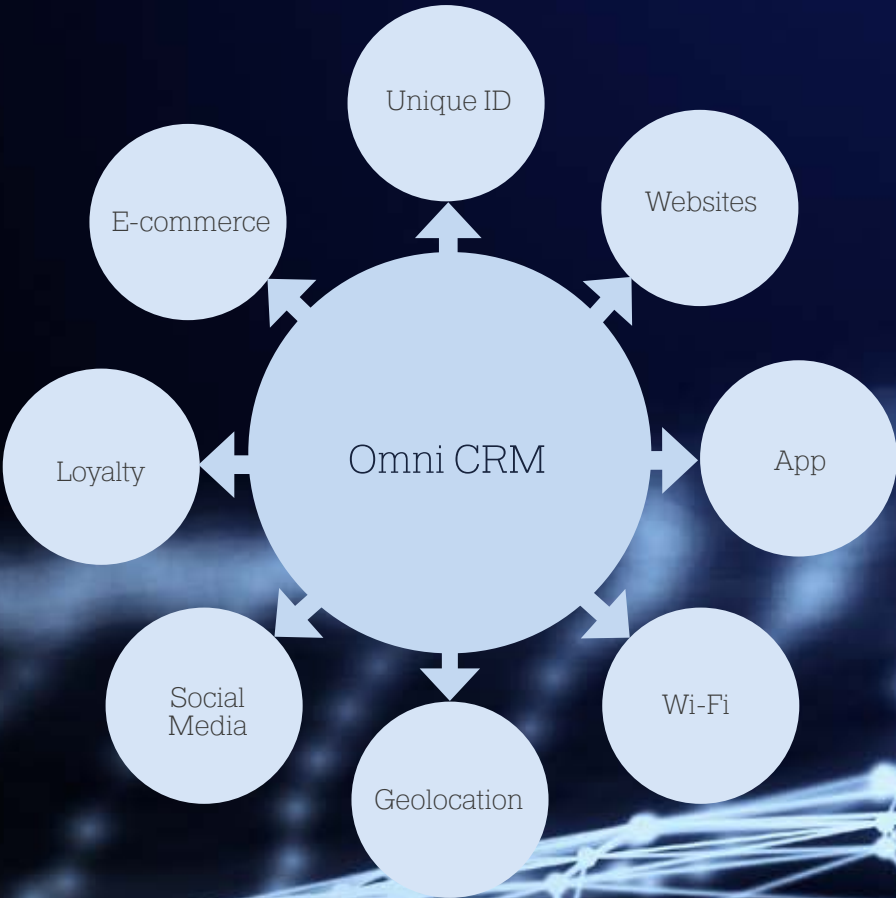
stored in NEINVER’s proprietary CRM system, whose features include the ability to take specific actions tailored to the shopper’s interests, send messages and alerts during visits, and analyse the shopper’s visit in real time.

In 2016, as part of its omnichannel strategy, NEINVER worked on numerous digital projects, including an e-commerce platform offering the first permanent online outlet centre, which it will continue to develop in 2017; the customer

geolocation project, which enhances customer data and makes it possible to personalise and adapt messages and promotions to the shopper’s interests; and implementation of the POS terminal software, which links management of the retail facilities to information systems.

In setting up the NEINVER digital ecosystem, various projects were developed for The Style Outlets portfolio, to build a robust, integrated ecosystem.

The NEINVER digital ecosystem



*“In implementing the omnichannel model, San Sebastián de los Reyes The Style Outlets and Viladecans The Style Outlets are the furthest along and serve as NEINVER’s reference points. The centres have mobile device geolocation systems that operate through Wi-Fi and Bluetooth”*

*"In 2016, we launched The Style Outlets' e-commerce platform, which was a major challenge for NEINVER. This project was part of NEINVER's digital transformation strategy and involved moving our business to a B2B2C model. Another significant challenge was implementing part of that digital strategy across the entire portfolio that NEINVER manages. The result is that today, NEINVER can offer new value-added services to our customers"*



Sergio Jiménez  
Delgado

**Digital Business  
& IT Director**

## NEINVER initiatives to develop its digital ecosystem in 2016.

After the Digital Ecosystem's successful 2015 rollout in The Style Outlets, NEINVER expanded the digital strategy to its FACTORY centres in 2016, and to its brands Alegra and Nassica, and also Megapark Barakaldo. All the centres have the Basic Digital Package: CRM, Wi-Fi, app and websites.



### GEOLOCATION

NEINVER worked on developing an advanced geolocation system that provides broader data about its customers' shopping behaviour and interests. This information lets the company further personalise and contextualise conversations with the customer. To that end, NEINVER uses three geolocation options (mobile apps, Wi-Fi, and Gennion sensors), all integrated with the company's Omni-CRM system.



### POINT-OF-SALE TERMINAL SOFTWARE

NEINVER implemented POS terminal software that links the management of the retail properties with the company's information systems, making it possible to report and monitor sales information in real time.



### E-COMMERCE PLATFORM

As part of its omnichannel strategy, NEINVER rolled out an e-commerce platform offering the first permanent online outlet centre. In 2017, NEINVER will continue to develop the e-commerce platform, with new approaches that improve the products and services available to customers. For instance, integration with the stores' stock tracking systems.



### DEFINING THE NEW CORPORATE DASHBOARD

NEINVER has worked on designing its new dashboard and integrating corporate reporting on new key performance indicators from digital tools, which offer NEINVER a global view of what is happening and make it easier to make decisions in order to enhance the customer experience.



### DEVELOPMENT AND LAUNCH OF THE EMA PROJECT

NEINVER continued to work on digitising the shopping centres' leasing process, allowing effective, automated management of digital leases. The first phase of the EMA project consisted of digitising the lease files; once the digital lease is generated, the second phase (in development) consists of capturing the information and generating automated invoices.



# A year of recognition in the digital environment



NEINVER, “Best O2O Strategy” at the 2016 MAPIC Awards

At the 2016 MAPIC Awards, NEINVER won in the category “Best O2O Strategy”.

This award, an international benchmark in the retail property market, recognises NEINVER’s ability to adapt to new forms of consumption and respond to an omnichannel shopping model by implementing an innovative digital ecosystem.



NEINVER’s omnichannel platform spotlighted at the Digital Awardzz

In 2016, TheStyleOutlets.es, NEINVER’s e-commerce platform, was honoured at the second edition of the Futurizz Digital Awardzz as “Best E-commerce Project”. This prize recognises NEINVER’s digital ecosystem, which offers a single seamless brand experience, before, during and after the buying process.



*“The NEINVER group’s corporate governance structure is built around the operations of two boards and a committee that make decisions independently”*

# Corporate governance (G4-7) (G4-38) (G4-49)

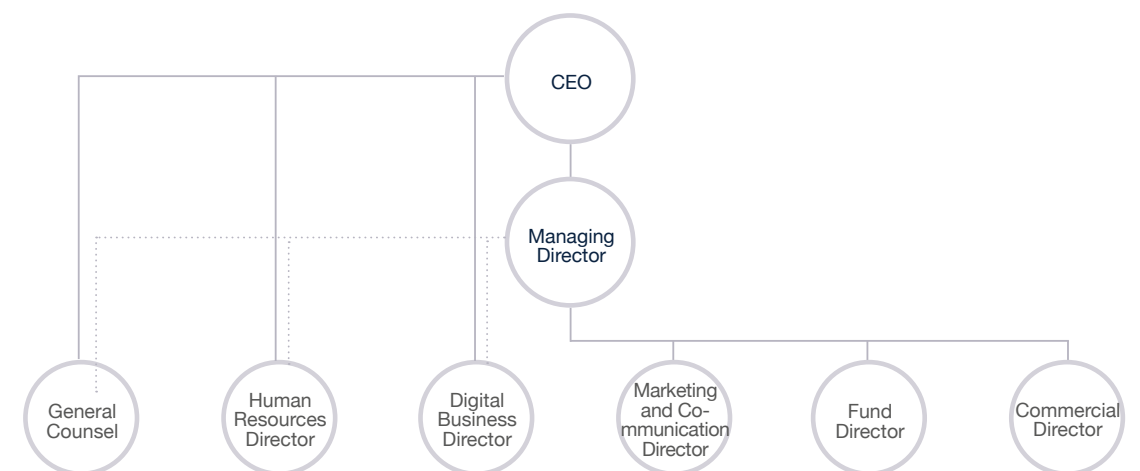
## GOVERNANCE MODEL

At NEINVER, we are committed to building a responsible management model, faithful to the company’s sustainable growth.

Since 2013, when a redesign of its organisational structure began, the company’s identity has grown

stronger and there has been increased coordination between its different areas. Nonetheless, the business’s current needs require an optimal organisational structure, which it has been working on since October 2015 when Daniel Losantos was named CEO.

## NEINVER organisation chart





CORPORATE GOVERNANCE (G4-7) (G4-38) (G4-42) (G4-49)

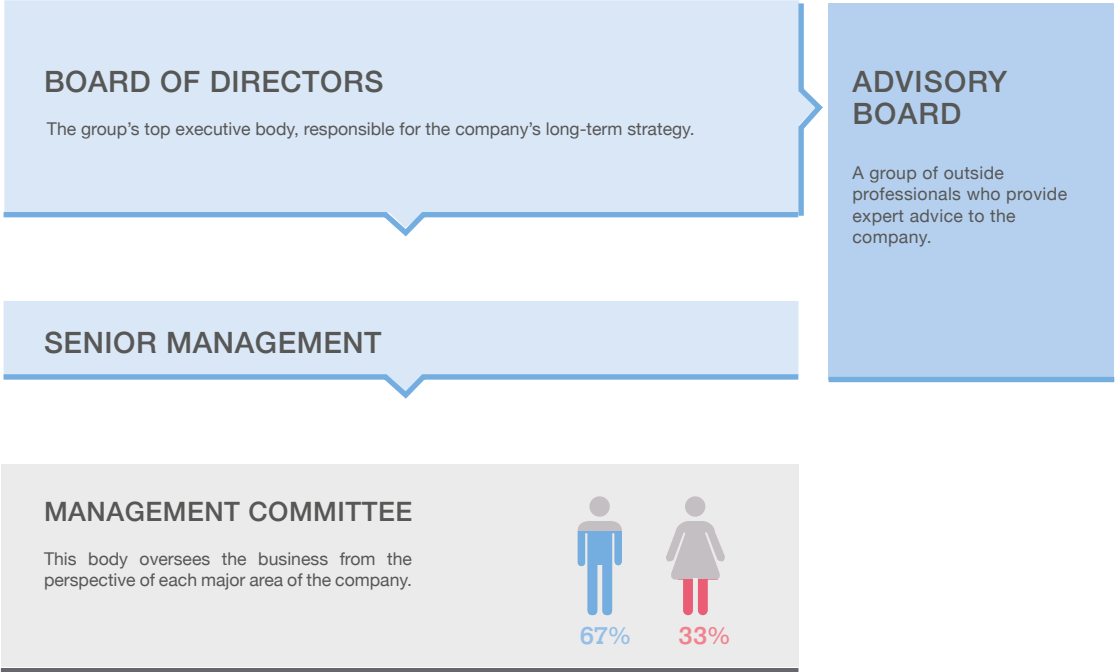
The top corporate body is the General Shareholders' Meeting, represented by the Losantos family, who hold 100% of the share capital. This body is not involved in the company's day-to-day management, though senior management must report to it periodically.

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

The Management Committee is established as an executive body. Its structure is designed to bolster the company's various strategic priorities.

Lastly, NEINVER's Corporate Governance structure also includes an Advisory Board of outside professionals who provide expert advice to the company.

NEINVER corporate governance structure (G4-LA12)



Risk management (G4-2) (G4-46) (G4-DMA)

*“NEINVER periodically identifies and assesses factors that could be a source of risks and opportunities for the business”*

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

To control these risks, NEINVER is developing a Risk Map that categorises them. This map is updated periodically under the ultimate responsibility of the Management Committee. As part of this update,

the company is working to adapt to European data-protection regulations and adapting the risk map to the new requirements stipulated by the 2015 version of ISO standard 9001.

The company has other tools designed to avoid impact from such episodes, such as a crisis manual to guide its action in dealing with any emergencies that arise in its properties, as well as internal rules to ensure ethical behaviour and insurance policies that allow the transfer of certain risks.

Additionally, to assess and manage all strategic risks that can affect the company's financial performance, NEINVER has established the following policies:

- Confidentiality policy.
- Acceptable use policy for computer hardware and other electronic equipment.
- Data protection policy.
- Criminal Compliance System policies and procedures to avoid any kind of fraudulent or illegal conduct (see “Commitment to integrity” section).

# Commitment to integrity

(G4-DMA) (G4-56) (G4-57) (G4-58) (G4-SO4)

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

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

The company has a Code of Ethics that defines corporate ethical principles and guides employees' conduct in situations related to business practices and the industry (transparency, legal compliance, data protection, conflicts of interest, etc.) and related to how they treat and interact with each other.

NEINVER also enforces a strict policy against corruption and other bad business practices, such as those affecting free competition. In this context, the company is governed by the regulations in force in each country. Through specific clauses in its contracts, it is committed to guaranteeing that its business relations never include anti-competitive elements such as radius clauses.

In 2016, the company's precautions against corruption and fraud were strengthened by its Criminal Compliance System, a protocol to prevent criminal prosecution risk that reflects current criminal law. This programme refers to

the organisation's Code of Ethics, establishes new policies and processes for action and reporting, assigns responsibility for carrying them out, addresses compliance and oversight, and establishes a disciplinary system.

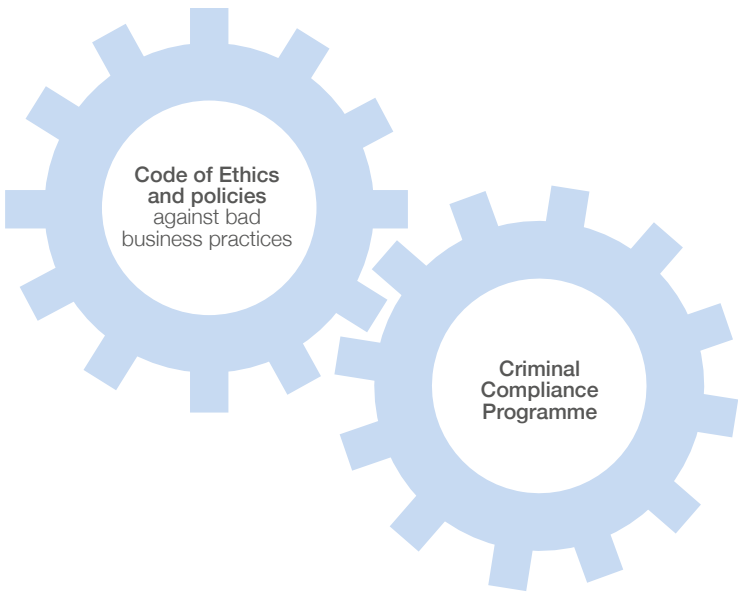
Once the system was approved, a confidential email address was set up to report infractions and for questions and suggestions. Issues raised through this channel throughout the year were resolved confidentially.

All the company's employees must know and respect the Code of Conduct and all rules and protocols in the Criminal Compliance System.

In 2016, the various protocols and procedures were enhanced to make them more understandable and cover all types of scenarios. An annual memorandum was also prepared for the Committee designated in this Compliance System, documenting all activities performed, including amendments to procedures and the complaints filed through the email address.

Lastly, in late 2016, the company began developing a new Conflict of Interest policy, which it will publish in 2017.

## Ethics and preventing bad business practices



## COMMITMENT TO OUTSIDE INITIATIVES (G4-15)

NEINVER has signed several external codes of conduct that bolster the organisation's commitment to ethical behaviour.

### External codes of conduct



**United Nations Global Compact**

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



**Royal Institution of Chartered Surveyors**

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

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



# INTEGRITY IN THE RELATIONSHIP WITH PARTNERS, SUPPLIERS AND STORE OPERATORS

NEINVER's commitment to integrity extends to other organisations with which it has commercial or financial relationships.

Integrity in the relationship with partners and store operators. Actions taken.

STORE OPERATORS	 <p>Improve awareness and oversight of store operators' legal and financial practices.</p> <p><b>Standardising leases:</b></p> <ul style="list-style-type: none"> <li>• <b>Boilerplate text common</b> to all centres and countries; and</li> <li>• Section adapted to <b>local conditions and characteristics</b>.</li> <li>• <b>Clauses on sustainability</b> (energy efficiency, waste management, safety and health, etc.).</li> <li>• <b>Design of the EMA project tool</b>, for standardising leases.</li> </ul> <p>This measure helps avoid discretion in the leases' content and thus prevents the inclusion of clauses or agreements that would be illegal or at odds with the company's principles and values.</p>
PARTNERS	 <p>Respond to partners' demands and ensure that they operate in accordance with NEINVER's principles and values.</p> <ul style="list-style-type: none"> <li>• The leases include <b>specific anti-corruption and anti-bribery clauses</b> that establish ethical commitments. Non-compliance invalidates the contract.</li> <li>• <b>Compliance with FATCA</b> (the Foreign Account Tax Compliance Act, a U.S. law), as required by some partners, which includes rules on accounts and investments outside the United States.</li> <li>• <b>Completion of compliance questionnaires</b> sent by our partners.</li> </ul>
SUPPLIERS	 <p>Improve awareness and oversight of the legality of suppliers' practices.</p> <ul style="list-style-type: none"> <li>• <b>Implementation of a KYC (Know Your Client) questionnaire</b> to all providers associated with the property development business. Among other things, it asks whether the supplier has internal precautions against money laundering and the financing of terrorism.</li> </ul>

# TRACKING AND MONITORING COMPLIANCE WITH COMMITMENTS

To monitor compliance with all the procedures described, NEINVER conducts audits and has measurement systems that periodically review the processes for approving contracts with clients and suppliers, and for debt collection, budget-tracking reports, and procedures for the acquisition and sale of assets and for asset-management contracts.

Throughout 2016, NEINVER supervised the implementation of the system to adapt some of its established procedures to the company's changing needs (new structure, new business activities, new partners, etc.).

# Corporate Social Responsibility management

*“NEINVER considers corporate responsibility a core element of its business and therefore, in recent years, it has deployed a strategy to manage the aspects of it that matter most to the company”*

Since 2007, Corporate Social Responsibility (CSR) has been one of NEINVER's top priorities, with the aim of strengthening the company's strategy at every phase of its business's life cycle. NEINVER is working to improve its properties' functionality, flexibility, efficiency and durability while acting on its commitment to behaviour that respects the market, society and the other stakeholders with which it interacts.

NEINVER has a roadmap for 2016–20 that defines steps for the various divisions of the company to take in the main CSR areas: the environment,

corporate governance, labour practices and operational practices. To guarantee the company's appropriate performance in this area, NEINVER established a management system ensuring that implementation of the planned measures is evaluated at the highest level of the organisation.

NEINVER's CSR management system will soon be enhanced with the formation of the Corporate Responsibility Committee, one of the initiatives NEINVER started work on in 2016, which is expected to be established in late 2017.

Corporate social responsibility committee

The mission of the Corporate Social Responsibility Committee will be to promote a sustainable, transparent corporate culture in every area of the company and strengthen NEINVER's commitment to the environment and its stakeholders. With authority regarding information, advice and proposals within its sphere of action, the Committee's main functions will be to share, align and periodically update the CSR strategy to follow; to propose and promote goals and initiatives in each of the CSR strategic priorities; identify new priorities, monitor policies and projects, evaluating compliance with the defined goals, ensuring appropriate performance; and report periodically to Senior Management.



NEINVER CSR Roadmap for 2016–2020

1

ENVIRONMENT

- Develop a Certifications and Green Energy Policy.
- Update the Sustainable Design Guide and develop a Sustainable Operations Guide.
- Train employees and contractors who have environmental responsibilities.
- Get store operators more involved in meeting goals and in environmental reporting.
- Develop Waste Management Plans.
- Improve calculation of the carbon footprint.
- Bolster monitoring of waste water.
- Analyse the implementation of the ISO 55000 standard.
- Get store operators to sign on to NEINVER's green energy contracts.
- Establish long-term public environmental goals.
- Improve the internal reporting system for environmental indicators.

2

CORPORATE GOVERNANCE AND CSR MANAGEMENT

- Develop a company-wide CSR Policy.
- Roll out the Criminal Compliance Programme.
- Create a Management System and a Risk Committee.
- Expand the corporate Risk Map to include the supply chain's sustainability and behaviour.
- Promote innovation.
- Conduct CSR training.

3

LABOUR PRACTICES

- Prevent stress and promote a healthy lifestyle.
- Earn certification of the Occupational Health and Safety System for all of the company's centres.

4

OPERATIONAL PRACTICES

- Review the framework for collaboration with store operators on sustainability.
- Develop a Responsible Procurement Policy.
- Review the supplier prescreening questionnaires to better understand how they manage sustainability issues (Environment, Health and Safety, Human Rights, etc.)

Implantado  En proceso  No iniciado

At NEINVER, social responsibility also involves acting and communicating with transparency and improving stakeholder relations. This is why the company maintains ongoing dialogue with its various stakeholders, identifying their expectations from the company and setting up multiple channels that respond to their needs for information.

In addition, to bolster transparency, the company conducted a range of activities in 2016 to improve its communication tools and tailor communication content specifically to stakeholders' needs:

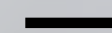
- A materiality study to identify the sustainability issues most relevant to the company.

- Preparation of its first GRI G4-compliant sustainability report.
- Development of an executive summary of the sustainability report to distribute at the company's meetings, to engage its stakeholders in NEINVER's commitment in this area.
- Updating the sustainability section of the website, which summarises the report's content along with the information published in previous editions.
- Obtaining the Materiality Disclosures Service from the Global Reporting Initiative (GRI), which confirms that indicators G4-17 to G4-27 are correctly located in the GRI content index and in the text of the report.

Transparency and stakeholder relations (G4-24) (G4-26) (G4-27)

Stakeholders	Aspects of the company that interest them	Communication channels
Investors and strategic partners	<ul style="list-style-type: none"><li>Economic, operational and sustainability performance.</li><li>Marketing and communication plans.</li><li>Compliance.</li><li>Information transparency.</li><li>Risk management, opportunities and reputation.</li><li>Optimising expenses and investments and increasing the value of assets.</li><li>Sustainability certification of the centres and of their management systems.</li><li>Compliance.</li><li>Information transparency.</li></ul>	<ul style="list-style-type: none"><li>Annual reports.</li><li>Periodic reports on the centres' performance. For example, to TH Real Estate or other investors.</li><li>Specific reports about the centres and their sustainability performance.</li><li>Periodic meetings with the company's senior management and with the centres' management.</li><li>Occasional phone calls.</li><li>Websites and media.</li></ul>
Employees	<ul style="list-style-type: none"><li>Business strategy, new projects, organisational changes.</li><li>Training and development opportunities.</li><li>Work environment and job satisfaction.</li><li>Comfortable working conditions that promote productivity.</li><li>Improving work-life balance, flexible working arrangements.</li></ul>	<ul style="list-style-type: none"><li>In-house releases and visual communication in offices.</li><li>Periodic satisfaction surveys.</li><li>Personal interviews and informational meetings between management and teams.</li><li>Intranet.</li></ul>
Store operators	<ul style="list-style-type: none"><li>Centres' earnings and management performance.</li><li>The company's management model.</li><li>Compliance and confidentiality.</li><li>Information transparency.</li><li>Actions to drive sales.</li><li>In-store efficiency initiatives.</li></ul>	<ul style="list-style-type: none"><li>Reports on changes and progress among operators.</li><li>Satisfaction surveys.</li><li>Marketing activities.</li><li>Periodic centre-level and corporate-level contact.</li><li>Periodic phone calls.</li><li>Store operators' intranet and bulletin boards.</li><li>System for complaints and requests.</li></ul>
Shoppers	<ul style="list-style-type: none"><li>New services, promotions and activities at the centres.</li><li>Brands that operate in the centres.</li><li>Maintaining conditions to ensure a satisfactory shopping experience.</li></ul>	<ul style="list-style-type: none"><li>Emailed information about new services, promotions and activities at the centres.</li><li>Shopper surveys.</li><li>Customer service systems as well as mechanisms for submitting suggestions (on site and online).</li><li>Community outreach.</li><li>Digital poster displays.</li><li>Social media and mobile apps.</li><li>Information in the media.</li></ul>
Community	<ul style="list-style-type: none"><li>Jobs creation and wealth generation in the surrounding area.</li><li>Development of infrastructure and services available to the entire community.</li><li>Collaboration agreements with institutions.</li><li>Support for social projects.</li><li>Compliance.</li><li>Information transparency.</li><li>Meetings with each region's key socioeconomic players.</li><li>Participation in cultural events and activities.</li><li>Social media, communication media and information points in the centres.</li></ul>	<ul style="list-style-type: none"><li>Meetings with each region's key socioeconomic players.</li><li>Participation in cultural events and activities.</li><li>Social media, communication media and information points in the centres.</li><li>Promotional events.</li></ul>
Institutions	<ul style="list-style-type: none"><li>Jobs creation and wealth generation in the surrounding area.</li><li>Compliance, transparency and confidentiality.</li><li>Fostering employment in population segments that face special difficulties.</li><li>Training and first employment experiences for young people.</li><li>Sustainable development and management of centres.</li><li>Signing agreements on the preservation of public spaces.</li><li>Activities to help attract tourism.</li></ul>	<ul style="list-style-type: none"><li>Constant ties to local and regional authorities.</li><li>Joint action plans.</li><li>Cooperation with local employment agencies.</li><li>Regulatory inspections.</li><li>Participation in events and meetings.</li></ul>
Media	<ul style="list-style-type: none"><li>Information about the company's activity and about the sector.</li><li>Innovative projects or other actions in the centres (sustainability, renovations, expansions, etc.).</li></ul>	<ul style="list-style-type: none"><li>Meetings and interviews with management.</li><li>Press conferences and presentations.</li><li>Reports in the press and other media.</li><li>Ongoing one-to-one contact.</li><li>Ongoing phone contact.</li></ul>
The industry	<ul style="list-style-type: none"><li>General information about the company.</li><li>Fostering best business practices.</li><li>Sharing of experiences, business networking.</li><li>Visibility to brands and investors.</li></ul>	<ul style="list-style-type: none"><li>Participation in national and international conferences, events and trade shows.</li><li>Presence on steering committees of industry organisations.</li></ul>
Suppliers	<ul style="list-style-type: none"><li>Ensuring safety and comfort for the performance of their jobs.</li><li>Developing best practices.</li></ul>	<ul style="list-style-type: none"><li>Online platform to prevent occupational risks among suppliers (COORDINAWARE).</li><li>Frequent email and phone contact with the responsible areas of the company. For example, the Administrative Department or the Legal Department.</li></ul>
Financial institutions	<ul style="list-style-type: none"><li>Compliance, transparency and confidentiality.</li><li>Company's current status.</li><li>Performance of the properties they finance.</li><li>Strategy and forecasting.</li></ul>	<ul style="list-style-type: none"><li>Periodic reports and annual financial statements.</li><li>In-person meetings.</li></ul>





## CREATING VALUE FOR OUR STAKEHOLDERS





*“The Human Resources department also worked to add new skill sets to the company to meet the needs of new projects”*

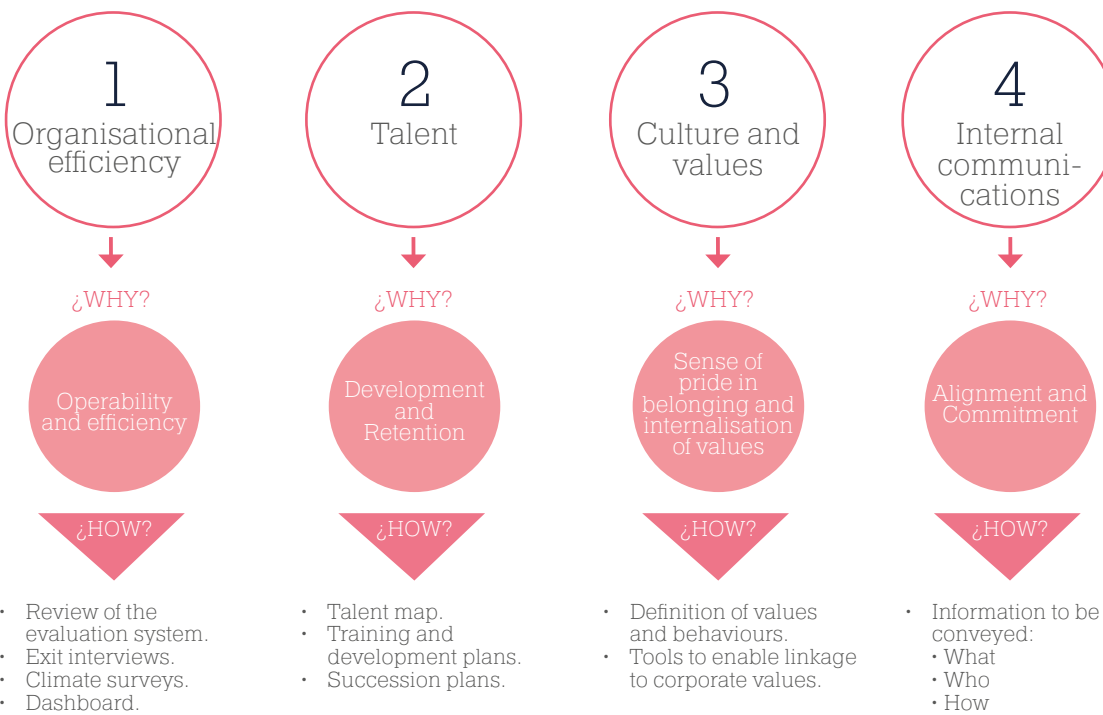
# Employees

## MANAGEMENT MODEL (G4-DMA)

In personnel management in 2016, NEINVER continued to pursue initiatives related to its 2014–16 Strategic Human Resource Plan, including its efforts in the areas of **talent** and **organisational structure**, nurturing its corporate **culture and values**

and developing **internal communications**, as described in sections above. The Human Resources department also worked to **add new skill sets** to the company to meet the needs of new projects.

### Key priorities of the 2014–16 Strategic Human Resource Plan







Luis Meseguer  
Human Resources Director

*“NEINVER’s management of its personnel focuses on offering them an attractive career path, strengthening their commitment to the company and attracting the talent it needs to achieve its strategic goals”*

## NEINVER STAFF IN 2016

Once again in 2016, NEINVER increased its in-house staff slightly to 275 employees, spread across six European countries: Spain, Poland, Italy, Germany, Portugal and France. To add these skill sets, NEINVER has a rigorous screening process that ensures finding professionals who can add value and can grow in our company.

Of NEINVER’s 275 in-house staff in 2016, 90% worked full time and 94% had an open-ended contract. These figures show NEINVER’s commitment to strengthening society by creating stable, high-quality jobs.

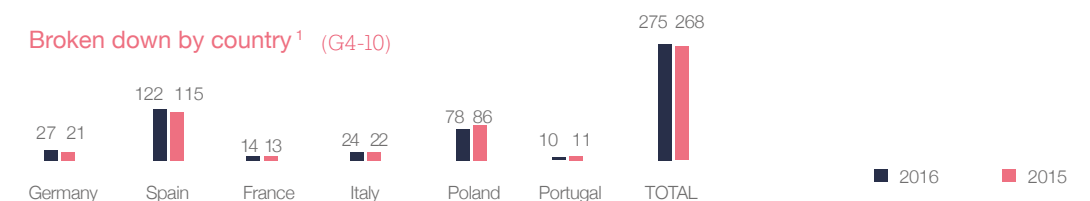
### NEINVER’s main employment indicators (2016)

#### Staff turnover (G4-LA1)

Age	Male						Female					
	Hires		Departures		Ratio		Hires		Departures		Ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<30	6	1	3	3	1.45	0.75	20	20	8	9	5.09	5.41
30-50	8	7	17	11	4.55	3.36	32	17	28	19	10.91	5.72
>50	1	-	3	1	0.73	0.19	2	1	2	1	0.73	0.37
<b>TOTAL</b>	<b>15</b>	<b>8</b>	<b>23</b>	<b>15</b>	<b>6.73</b>	<b>4.29</b>	<b>54</b>	<b>38</b>	<b>38</b>	<b>29</b>	<b>16.73</b>	<b>12.50</b>

The increased staff turnover in 2016 was due to departures in Poland as the country’s job market and economy revived.

#### Broken down by country<sup>1</sup> (G4-I0)



The most notable staffing increases were in Spain: after taking over management of Megapark Barakaldo and opening Viladecans The Style Outlets, the company had 7 more employees than the previous year (an increase from 115 to 122). We should mention, though, that these two centres’ effect on the total headcount in Spain was offset by the sale of Sevilla The Style Outlets. Germany, where the company

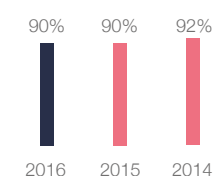
added 6 employees, was the country with the second-largest rise in headcount, after NEINVER opened a new centre in Brehna: Halle Leipzig The Style Outlets.

In contrast, the sale of the FACTORY Wrocław centre in Poland meant a drop from 86 employees in 2015 to 78 in 2016, impacting NEINVER’s company-wide headcount.

### Other indicators (breakdown by contract type, employees covered by collective bargaining agreements, and number of voluntary departures)

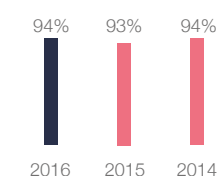
#### Full-time employees.

(G4-I0)



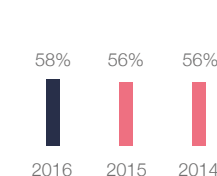
#### Employees with open-ended contracts.

(G4-I0)

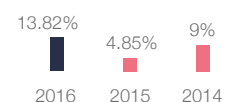


#### Employees covered by collective bargaining agreements.

(G4-I1)



#### Voluntary departures.





## COMMITMENT TO YOUNGER WORKERS AND LOCAL JOB CREATION

Besides the jobs created directly by the company, NEINVER is committed to developing employability in the communities around its centres and among recent university graduates.



### Fostering the local workforce

In 2016, for the second year in a row, NEINVER participated in the jobs programme “Prepárate para tu futuro” (Prepare for Your Future) as part of the agreement it signed with the City of Viladecans, just outside Barcelona. As part of this initiative, NEINVER gave participants specialised training in areas such as window displays, the outlet business, sales, special promotions, and customer service, besides offering them additional tools such as foreign-language learning support and learning other job-search information such as CV writing and how employers select employees. The sessions that dealt most directly with business and human resources were taught by professionals from the company. Besides the 2015 and 2016 fairs, others are planned for 2017 to help achieve a solid match between applicants’ abilities and the jobs generated by the centre, to best suit the needs of our company, the store operators, and the end customers.



### Commitment to young talent

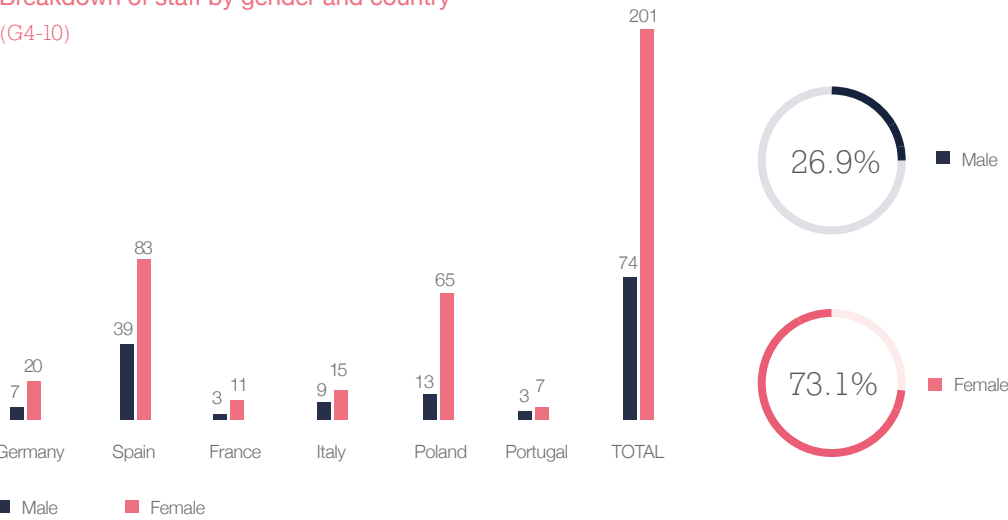
NEINVER has an internship grant programme for students and recent graduates in which the company cooperates with various educational institutions. This programme includes ongoing support and monitoring of participants by an adviser, so they can enrich their training with the experience of professionals from the company. From 2012 to 2016, the company offered 77 internship grants: 69 in Spain, 5 in Italy, 1 in Germany and 2 in France.



## EQUAL OPPORTUNITY (G4-DMA)

NEINVER is explicitly committed to equal opportunity and a corporate culture of non-discrimination on the basis of gender, nationality, areas or profiles, and promotes initiatives to reduce gender imbalances in the company. Consistent with this, a strong female presence is one of the company's hallmarks, and women make up 73% of the staff.

Breakdown of staff by gender and country (G4-10)



Breakdown of staff by employee category, gender, and age ranges (G4-LA12)

Employment Category	Age	Male	Female	Total
GOVERNANCE TEAM	30-50	1	-	1
	>50	1	-	1
Gobernance Total		2	-	2
SENIOR MANAGEMENT	30-50	7	5	12
	>50	3	-	3
Senior Management total		10	5	15
MIDDLE MANAGEMENT	30-50	13	22	35
	>50	2	3	5
Middle Management total		15	25	40
TECHNICIANS	<30	0	2	2
	30-50	18	29	47
	>50	3	2	5
Technicians total		21	33	54
ADMINISTRATIVE STAFF	<30	5	39	44
	30-50	19	94	113
	>50	2	5	7
Administrative Staff total		26	138	164
TOTAL		74	201	275

## PROFESSIONAL DEVELOPMENT (G4-DMA)

NEINVER continually invests in training its professionals, aware of how this improves their job satisfaction and professional growth. In 2016, the company provided each employee with an average of 77.90 hours of training, 21 hours more than the previous year. The increased hours of training primarily reflect more hours of Safety and Health training and, for all staff in Poland, an integration course.

The company's investment in training during 2016 was €148,835, down from 180,977 the year before. This 18% decrease occurred because the previous year the company had made a special investment in professional training programmes at institutions of higher education.

Staff training was distributed equitably by gender, with a focus on people in non-senior-management positions. A geographical breakdown once again highlights the emphasis on training in Poland and France.

As in previous years, NEINVER's training programme has stayed focused on language

education, which is so important in fostering communication among employees and with the company's main stakeholders. Therefore, in 2016, NEINVER broadened the programme to include training in more languages: besides English, there were Spanish, French, Italian and German courses. It has also run specialised programmes on topics such as property management training, international taxation and financing, integrated management system audits, the environment and energy audits, urban planning, legal specialisation and update classes, and other skills and courses that complement the technical training needed for specific job positions. The company has also arranged advanced vocational courses to help develop workers with growth potential.

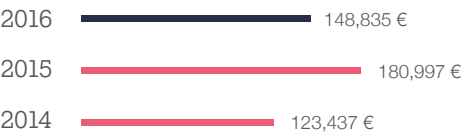
Adding new centres to NEINVER's portfolio, as occurred when the company won the contract to manage Megapark in Barakaldo, required training an entire management team to leverage the company's special methodology and experience in the sector, and knowledge about the new centre's catchment area.

TRAINING INVESTMENT AND AVERAGE HOURS OF TRAINING AT (G4-LA9)

Average hours of training per employee (h)

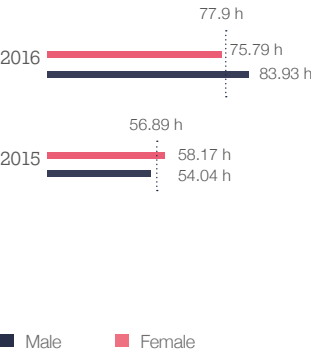


€ invested in training

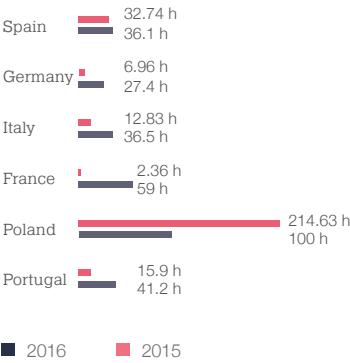


AVERAGE HOURS OF TRAINING PER NEINVER EMPLOYEE (G4-LA9)

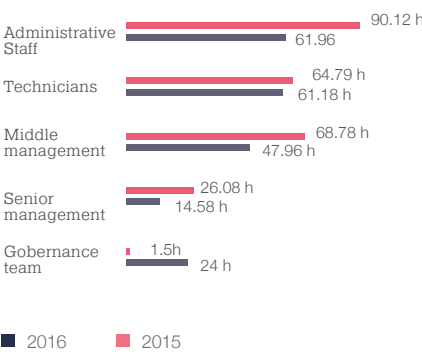
By gender



By country



By employee category



COMPENSATION POLICY FOR FAIR REMUNERATION (G4-52)

NEINVER uses international standards to set employee remuneration, aiming for compensation terms in line with those of its main competitors.

In 2016, the company therefore updated its market salary information, based on the existing system of salary bands, to guarantee fairness and to use objective criteria for pay rises.

NEINVER is also deploying an upper-management compensation policy to promote loyalty and foster the medium- and long-term commitment of senior managers through various programmes. As is becoming common practice, in 2016, all senior managers in the company were included in at least one of these programmes. In compliance with its Equality and Non-Discrimination Policy, NEINVER makes

no distinctions when setting employees' compensation. Any differences seen in 2016 in average remuneration by category and gender only reflect factors such as employee category, performance, and level of responsibility.

Ratio of men's to women's average salaries by employee category, 2015-16

	2015	2016
Governance team	0,89	-
Senior management	1,11	1,01
Middle management	1,23	1,12
Technicians	0,96	1,03
Administrative staff	1,28	1,34

Note: in 2016 there were no women on the Governance team.



Benefits packages and flexible compensation plan (G4-LA2)

NEINVER complements its professionals' salary compensation with other benefits, such as health insurance, available to all employees and their immediate families, life insurance<sup>1</sup>, and accident insurance, underwritten for all staff in all countries, though employees are not required to buy it.

In Spain, NEINVER has also implemented a special flexible-compensation plan for employees,

which 26% of them made use of in 2016, up 4% from 2015. The plan lets employees take part of their compensation in the form of, for example, restaurant meal vouchers, childcare vouchers, a transport card, or training subsidies, which workers can select based on their individual needs while reducing their tax bill. In Portugal, similar measures let employees take advantage of tax deductions for school and childcare centre expenses.

PERFORMANCE ASSESSMENT (G4-LA11)

Each year, the company assesses the performance of all its employees. This process uses the same criteria in every country and directly influences the training plan defined for each person, and the variable portion of their compensation.



<sup>1</sup> Except in Germany, where public health coverage is so comprehensive that no private health benefits are needed.  
<sup>2</sup> These benefits are available to full-time employees.

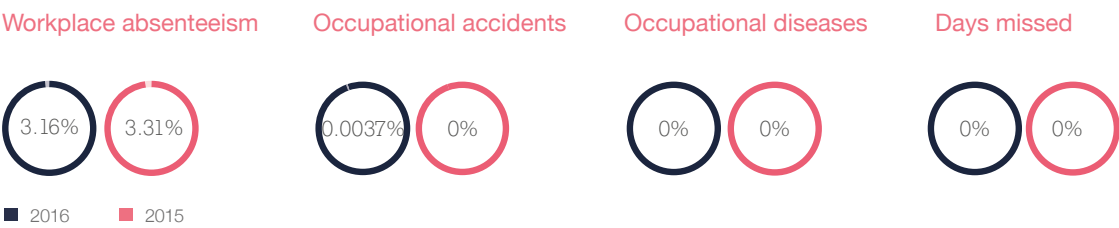


# COMMITMENT TO WORKPLACE SAFETY AND HEALTH (G4-DMA)

Safety and health in the workplace are a central part of NEINVER's business activity. In 2016, the company continued to achieve excellent safety and

health figures in line with recent years' numbers, reflecting its commitment to ensuring a safe, healthy workplace.

## HEALTH AND SAFETY INDICATORS (G4-LA6)



In managing this, NEINVER requires a training programme at each property about risk control and preventive management. In turn, it conducts an annual risk assessment for each job position; gives new employees a best-practices manual they are required to read, addressing workplace

accident-prevention issues and ergonomic aspects of their job; and has an Improvements Communication Model as a channel to convey all sorts of consultations and improvements regarding occupational risk prevention.



### CELEBRATION OF SAFETY AND HEALTH WEEK

**"DON'T MISS THIS CHANCE — TAKE CARE OF YOURSELF"**

Company employees were front and centre when NEINVER celebrated safety and health week. Themed "Don't Miss This Chance — Take Care Of Yourself", it featured workshops, sporting events, informational material and sessions, medical examinations, and contests and other initiatives such as selling more healthful products in the vending machines and a visit from the Red Cross bloodmobile. It was all about promoting good habits in sport, posture and caring for others.

# INTERNAL COMMUNICATIONS

Internal communications is a key tool for aligning employees' actions, creating a sense of connection among the staff, and defining a consistent corporate culture. Each year, NEINVER plans a variety of activities in this area with which it also hopes to reinforce values such as transparency, credibility and its professionals' commitment and teamwork. These internal communications activities respond to one of the first demands identified in the 2014 employee satisfaction survey.

The corporate intranet was developed as NEINVER's main internal communications tool. Throughout 2016, NEINVER promoted its use by fostering employees' participation in forums where

they can share information about experiences and company-wide initiatives, as well as questions and sporting events. It also promoted flows of country-level information in each country.

The company set a goal of bolstering communication from senior management regarding the company's earnings. To that end, in early 2016 it held a session led by the CEO and the Managing Director, which went out as a videoconference from corporate headquarters to employees in all of NEINVER's other locations. All materials from the session, as well as an on-demand video of it, are available on the intranet for employees who could not attend or who want detailed access to the information.

## COMPLAINT AND SUGGESTION MAILBOX

As part of the Criminal Compliance Programme (see the "Risk Management" section for more information), an email box was set up so employees can send questions, complaints and suggestions to the Criminal Compliance Officer. This confidential process lets staff members report any practice or act that violates NEINVER policies or procedures, or that could be considered an infraction of workers' rights or could create a problematic work environment, and situations of workplace harassment or bullying and any other circumstance that could violate the company's best practices.

# Investors and Partners

*“NEINVER’s growth strategy relies on financial backers that trust NEINVER because of its specialization, experience, integrity, transparency and sustainability, among other attributes”*

In 2007, NEINVER launched a growth plan based on strategic alliances with major financial partners in Europe to jointly develop and manage commercial multi-use properties that have a large economic and social impact. This strategy has given NEINVER greater financial autonomy to carry out its international growth plan and strengthen its leadership in the European market.

From the company’s founding, NEINVER has cultivated a set of traits prized by international developers and investors, to make the company

a benchmark strategic partner for developing or acquiring new properties in the retail and outlet sectors and the logistics sector. Those traits are: specialisation, experience, integrity, transparency and sustainability.

Its latest alliances with financial partners prove its status as a benchmark strategic partner. These collaborations have allowed the company to bolster its leadership in the European retail property market, and they drive its activity in the logistics and industrial sector.

## NEINVER’s investors and partners in 2016



In late 2016, NEINVER bolstered its strategic alliance with TIAA (a financial services company) by acquiring six new outlet centres in Europe, located in Spain, Italy and Poland. These assets were bought from IRUS European Retail Property Fund, which NEINVER manages. As mentioned in Chapter 2 of this report, IRUS Fund is reaching the end of its ten

years of activity, having far outperformed its initial targets. Therefore, in 2016, the fund divided up its assets between its two main investors: APG and NEINVER.

The joint venture between NEINVER and TIAA (the latter through TH Real Estate) already had the



*“Adding new assets to the portfolio through strategic alliances with major investors and partners reinforces NEINVER’s commitment to creating a leading outlet platform in Europe”*

following assets in its portfolio: Roppenheim The Style Outlets in France; FACTORY Warsaw Annopol as well as FACTORY and Futura Park Kraków, all in Poland; the Nassica retail and leisure centre in Getafe and Viladecans The Style Outlets, both in Spain. These transactions reveal the confidence that financial partners place in NEINVER.

Another milestone for NEINVER’s alliances in 2016 was the acquisition of a new portfolio of logistics properties by the joint venture between NEINVER and Colony NorthStar. Specifically, it added 23 logistics and cross-docking facilities in various parts of Spain, totalling around 151,500 m².

## NEINVER, a strategic partner in the retail and logistics sectors

01

**SPECIALISATION IN THE RETAIL AND OUTLET SECTOR**  
Highly experienced in developing, leasing and managing centres.

02

**EXPERIENCE IN THE LOGISTICS SECTOR**  
Development and management of logistics properties for more than 45 years.

03

**INTEGRITY AND TRANSPARENCY**  
Behaving with integrity and requiring the same of partners and agents, while ensuring robust risk management and transparent communication with stakeholders.

04

**SUSTAINABILITY**  
Certifying properties according to the most stringent standards, and constant efforts to improve the centres’ environmental and economic performance.



# Store operators

*“NEINVER works as a strategic partner of international brands and store operators, fostering close, lasting relationships and offering them numerous services that help optimise their management and establish sales strategies focused on improving their bottom line.”*

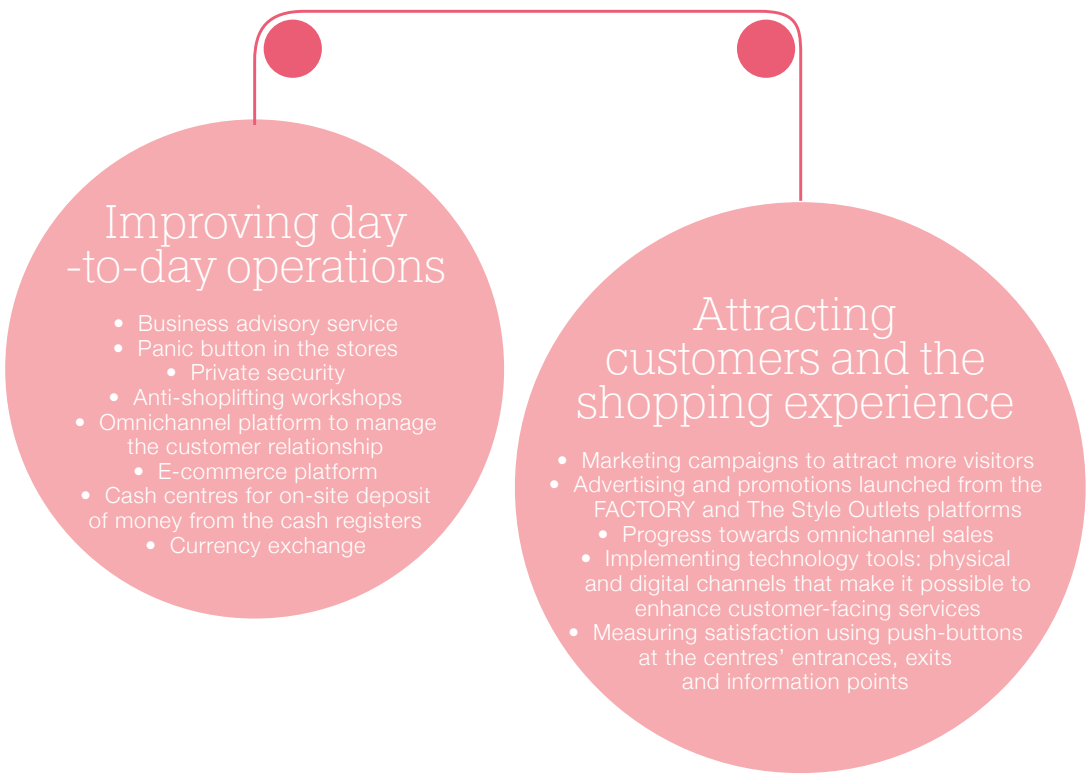
*The company works with 1,200 of the top national and international brands. Seventy per cent renew their leases”*

## SERVICES PROVIDED TO THE OPERATORS

In the Retail Department, we work very closely with the tenants, providing all kinds of centre-specific and company-wide information that is helpful to their operations. Our Business Intelligence tools let us share all the most relevant KPIs with them on a weekly and monthly basis: Flow, Sales, Capture, Conversion, Average Ticket, Unit per Ticket, etc., and other new indicators generated through our investment in new technologies. For example, indoor geolocation lets us measure unique visitors and address a whole new world of possibilities regarding our customers’ behaviour. We combine these different types of information with analysis of the reports from our Mystery Shopping programme

and a follow-up of fundamental indicators (such as pricing policy and checklists for each store’s image) incorporated into our Corporate Calendar.

We share all this information with the tenants locally at periodic meetings (in group sessions and individually) and at the corporate level in frequent meetings where, through presentations on the status of the Company, we share useful information highly valued by our clients. To that end, we work continually with all the departments, especially Marketing, to present the material as accurately as possible and with the highest possible quality.



## INITIATIVES CARRIED OUT BY THE VISUAL MERCHANDISING TEAM IN 2016

### Training

- Training sessions about sales techniques. For example, window dressing, promotions and digital poster displays.
- “Open House” days: meetings between store operators and the company’s Visual Marketing team to address specific business questions and offer custom solutions.

### Communication

- Preparation of custom reports for each store operator, analysing the state of their business and offering proposals to improve performance.



SHARED COMMITMENT TO INTEGRITY  
AND SUSTAINABILITY (G4-DMA)

NEINVER maintains relationships rooted in integrity and sustainability with over eight hundred thousand operators. The company rejects any type of anti-competitive measures, and especially forbids any contractual clauses establishing bad business practices, such as exclusivity radius clauses. Through the Lease Standardisation Project (EMA Project), NEINVER ensures that all leasing agreements include uniform requirements to follow legal and commercial norms in keeping with NEINVER's ethical standards and principles.

Another strategic priority, sustainability, is also an area in which NEINVER involves store operators so they will comply with the company's sustainability

standards. This is because the operators have such a huge impact on the company's progress in that area.

Cooperation on sustainability begins with signing the lease, in which NEINVER includes environmental clauses. Later, the company provides store operators with construction-related Technical Guides as well as guides on environmental best practices and saving energy, to foster better performance. The company also involves them in initiatives to raise public awareness about the environment, such as participation in "Earth Hour", and continually engages in environmental awareness campaigns.



SATISFACTION SURVEYS (G4-PR5)

For NEINVER, finding out the store operators' needs and opinions is vital to the process of building close relationships that are sustainable over time. It therefore conducts satisfaction surveys twice a year so it can identify areas for improvement and work on them. The survey includes questions about the communication between NEINVER and the operator and about the centre's reporting, environmental management, and sustainability.

Store operators' satisfaction index rose by 4% from 2015 to 2016, continuing a trend seen in previous years. This validates NEINVER's approach to managing operators, based on advice, communication, reporting, and the good condition of the centres. Breaking down the data by country, Spain saw the greatest increase in satisfaction among the operators in NEINVER centres.

<sup>1</sup> A type of clause in which operators commit to not open another outlet store within a radius of up to 150 km.





# The centres' visitors

*“Real-time context marketing lets us move towards our goal of offering a unique shopping experience. Customers can get personalised offers through their preferred channels and precisely when they are interested in receiving them”*

NEINVER aims to make every visit a unique, complete shopping experience. So besides offering customers top brands at year-round discounts of 30% to 70%, NEINVER remains firmly committed to the careful design of its centres, technological innovation, and providing services that improve visitors' satisfaction and make the visit more pleasant.

New geolocation at the physical centres in 2016, tied into NEINVER's digital ecosystem and the centre's omni-CRM, lets NEINVER use real-time context marketing to design a shopping experience much more appealing to the customer.

NEINVER's international campaigns evoke what customers feel during their shopping experience at the centres, including the exciting prospect of finding the best brands at the best price.

## NEINVER's range of visitor services

NEINVER provides numerous value-added services to its centres' visitors. The most widely appreciated include:

- Free parking
- Bicycle rental locations
- Loan of pushchairs and wheelchairs
- Lounges for parents with small children
- Supervised children's recreation areas
- Reading and video nooks for children
- Geolocation of minors
- Wi-Fi network
- Storing visitors' belongings while they shop
- Mobile charging stations
- Wide range of organic dining options
- Outdoor summer "chill-out" areas

NEINVER's international campaigns evoke what customers feel during their shopping experience at the centres, including the exciting prospect of finding the best brands at the best price.

NEW INTERNATIONAL CAMPAIGN FOR THE STYLE OUTLETS, WITH THE TAGLINE “HUNTERS, WELCOME”

In 2016, NEINVER designed the new international campaign for its brand The Style Outlets, a platform of outlet centres in Europe. Under the slogan “Hunters, welcome”, the campaign positions consumers at the heart of the brand's communication, rather than as mere spectators. The shopper becomes a true “fashion hunter” for whom The Style Outlets is the ideal environment.



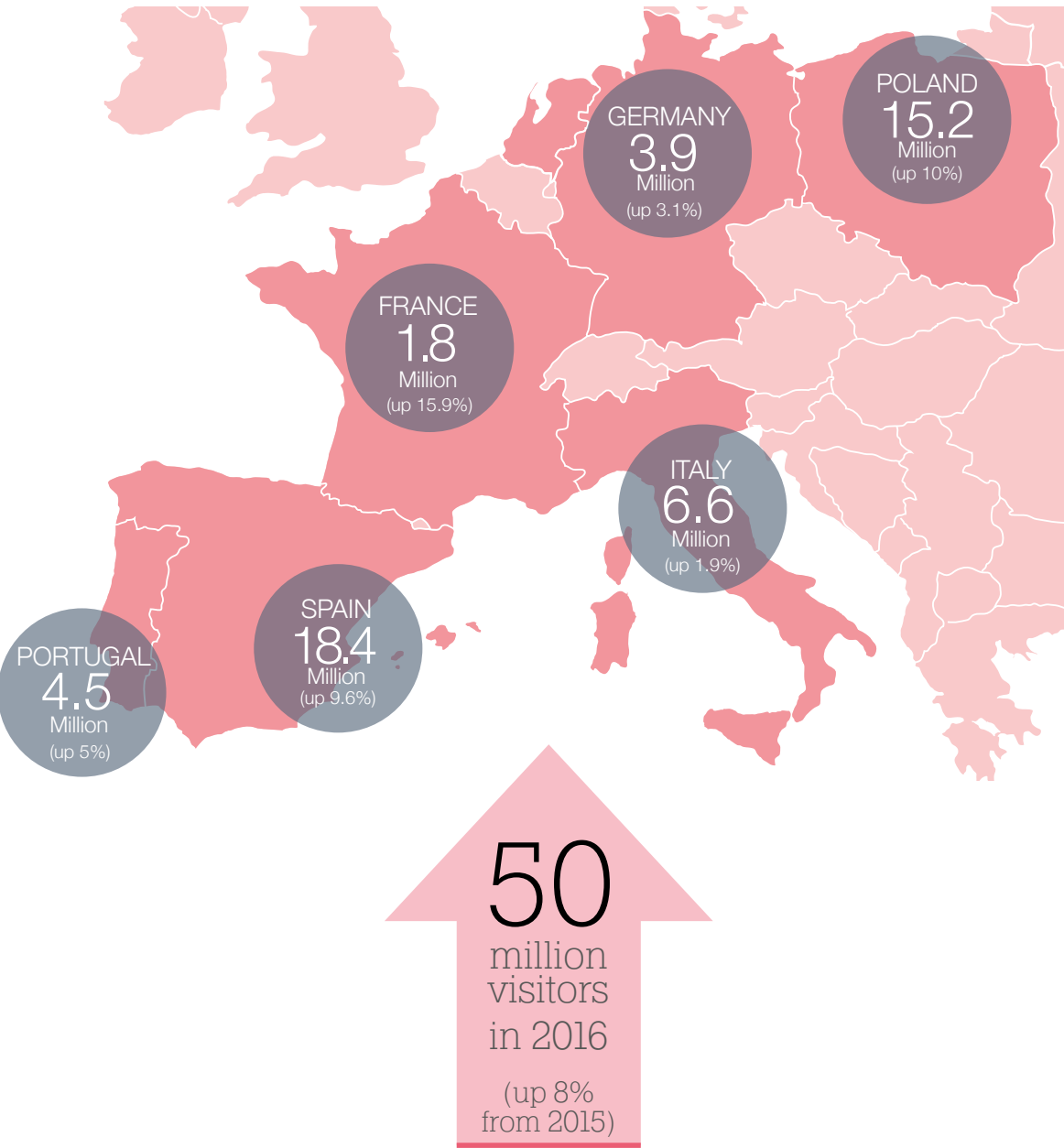
Juan  
Ramón  
Moreno

Marketing and  
Communication  
Director

*“In line with the brand's corporate logo and image, the pieces developed for the new campaign emphasise the use of colour as a distinctive key element. At the same time, models who have multicultural traits reflect the versatility and diversity of our centres and their products”*

NEINVER's attention-getting range of brands and products attracted more visitors to its outlet centres in 2016 than in the previous year. The largest rise occurred in France, where foot traffic increased by 15.9%, followed by Poland (up 10%) and Spain (up 9.6%), which are the two countries with the most foot traffic (15.2 million and 18.4 million visitors, respectively).

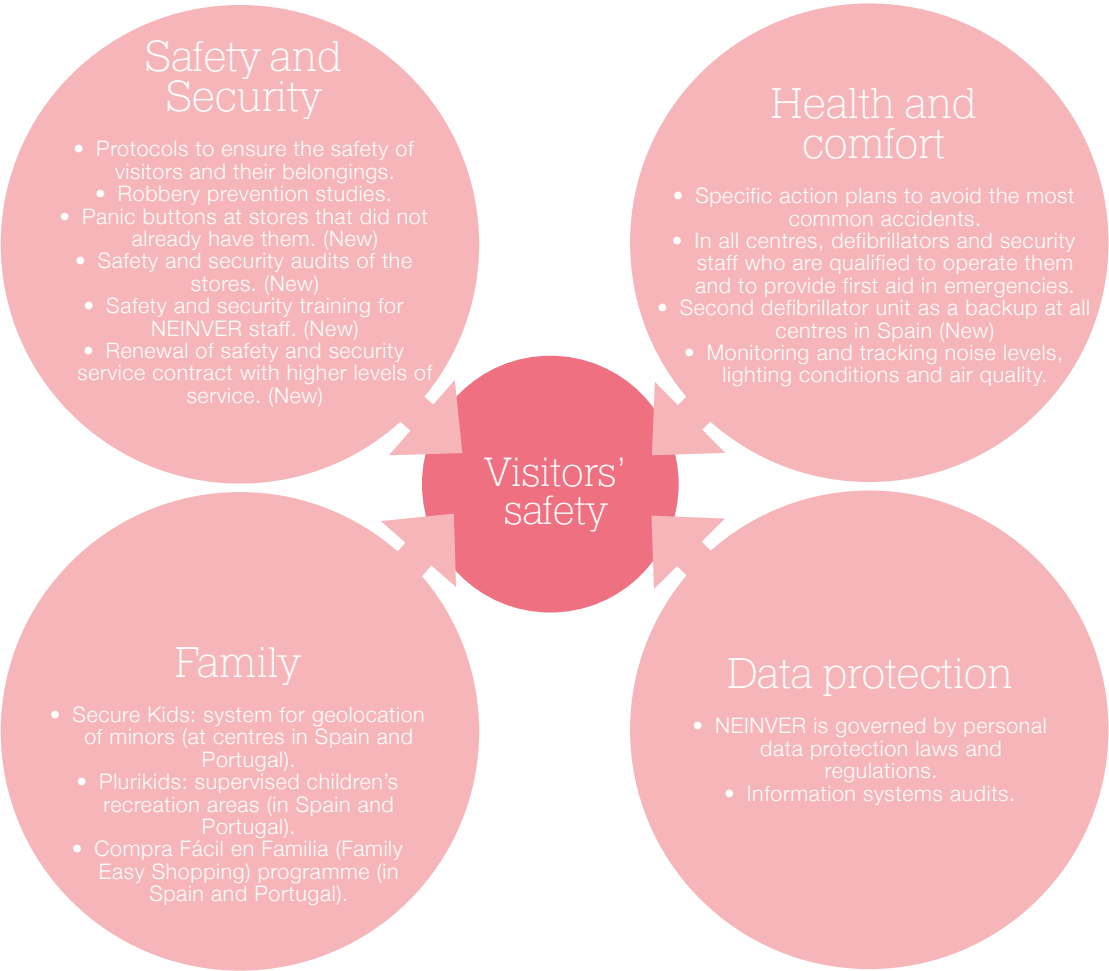
Volume of visitors to NEINVER outlet centres in 2016



ENSURING SAFETY AND SECURITY (G4-DMA) (G4-PR1) (G4-PR8)

Ensuring maximum safety and security of the facilities and their visitors—both physical safety and the security of personal data—remains a priority and a commitment for the company.

Main spheres of action for visitors' safety



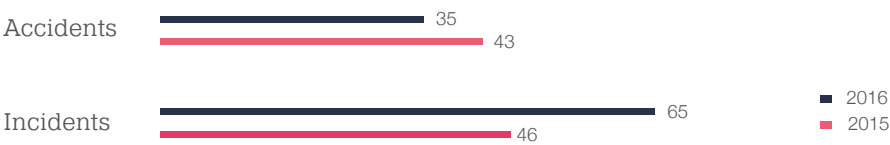
In 2016, NEINVER renewed the safety and security service contract for the centres in Spain, expanding the service and duties to include, for example, surprise safety and security audits of the stores, safety training for NEINVER staff, and the ability to file complaints with the security company.

Efforts to improve visitor safety were reflected in the reduced number of accidents at The Style Outlets centres in Spain, 18.6% lower than in 2015. The main accident category was “Falls”, accounting for 45.7% of accidents, followed by “Impacts with injury”, at 14.3%, and in third place, “Injuries or accidents with hazardous objects”, which were 8.6% of the incidents.

Though the number of accidents decreased, the number of incidents at centres managed by NEINVER increased by 41.3% compared to 2015. This was, however, a good thing, since it means we have successfully encouraged communication with our visitors through the channels we set up for reporting incidents (suggestion box, information point, etc.), and all issues were resolved quickly and satisfactorily. The three main causes of these incidents were: “Damage or hazardous condition in the facility, with risk of accident” in 18.5% of cases, “Falls” in 16.9% of cases, and “Fainting, personal pain and heart attacks” in 13.8% of cases.



Incidents and accidents in The Style Outlets Spanish centres. 2016



NOTE: The chart does not include accidents at Megapark Barakaldo because this centre was not covered by NEINVER's workplace health and safety management system, which is based on the OHSAS 18001 standard.

VISITOR SERVICES (G4-PR5)

To continue expanding and improving the visitor experience, NEINVER offers visitors various channels to handle their suggestions, complaints and requests, such as: incident forms and suggestion forms available to everyone at all centres, as well as a web page for submitting questions, publicly available email contacts for every management department, and information points in the centres to offer customers face-to-face contact and information.

All concerns or complaints that NEINVER receives

are treated as a vital source of information for improving operations, and each is always answered personally. Depending on the nature of the complaint or incident, it is escalated to the appropriate manager for response, to ensure that it does not recur.

The number of suggestions received through FACTORY and The Style Outlets websites and responded to in 2016 was 2,192, very similar to the previous year's figure of 2,212.

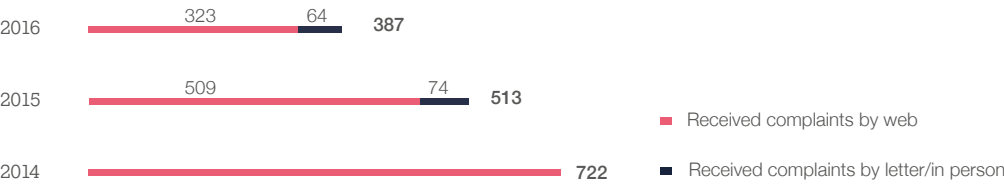
Received suggestions by NEINVER trough the web



The total number of complaints received through the website was 37% lower in 2016 for FACTORY centres and The Style Outlets centres, dropping from 509 to 323 complaints/incidents. There was a notable drop in the number of complaints/incidents at the centres in Poland, thanks to good management and NEINVER's commitment to improving the customer experience both online and in person.

The number of complaints/suggestions that customers submitted in paper format at NEINVER-managed centres in 2016 was 13.5% lower than in the previous year. Spain was the country with the largest percentage of incidents. These decreases reflect implementation of plans for continual improvement at all the centres.

Received complaints by NEINVER



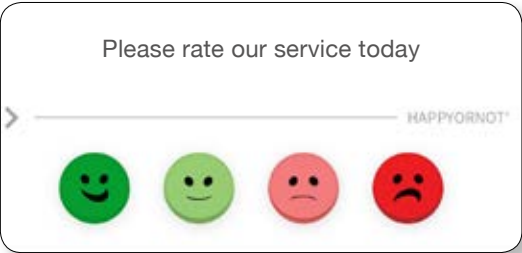
To complement the previously described channels for handling suggestions, complaints and requests, NEINVER uses other tools for ongoing assessment of customer satisfaction and the traits of its visitors.

In 2016, it worked to plan and define a new research system to gain better knowledge about customers, their evaluation of the brand and of the customer experience, and to strengthen social demographic data so NEINVER can optimise the results of marketing activities and facilitate medium-term decision-making in other areas of the company. The new system is already being implemented in all countries.

Because of migration to this new model, comparative results are unavailable for 2016. Despite this, NEINVER's efforts to enhance the shopping experience have had an impact on visitors' overall satisfaction rates in recent years. In 2015, the satisfaction rate reached 90%.

In turn, to supplement all these information sources, in 2017 NEINVER will start measuring satisfaction using push-buttons at the centres' entrances, exits and information points.

“Happy or Not Happy” satisfaction measurement tool



*“NEINVER promotes its centres’ integration into the local community, identifying and considering local expectations and interests when developing each property. Creating jobs, improving infrastructure, attracting shopping tourism, promoting local culture, and working with organisations are some of the main ways NEINVER has a positive impact on its surroundings”*

# Local communities

## NEINVER’S IMPACT ON THE COMMUNITY

(G4-DMA) (G4-24) (G4-EC7) (G4-EC8) (G4-SO1)

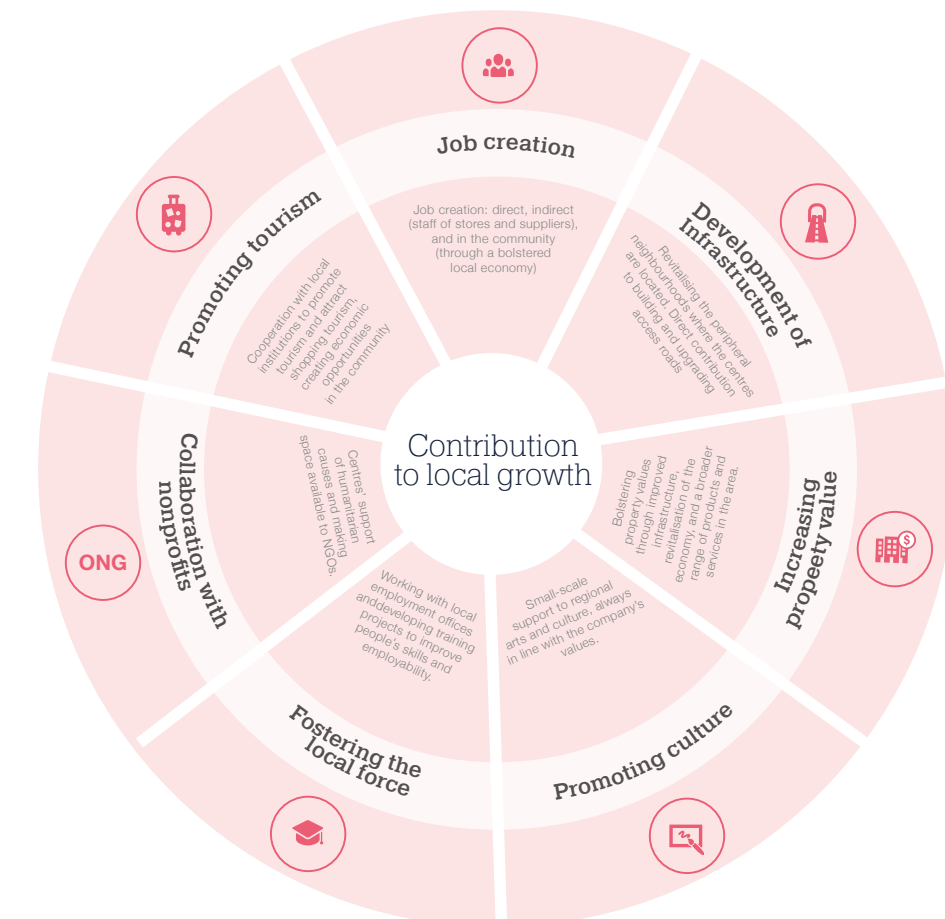
NEINVER fosters and maintains an open, hands-on, ongoing engagement with the local communities where it operates, both during construction and during its management of properties. To that end, the company has mechanisms in place for dialogue with the various players in the local community.

NEINVER intends for all its projects to benefit the community. Far from competing with local businesses, its centres make it possible to expand the region’s retail market, boosting economic growth. Another way NEINVER has

a positive impact is by signing Collaboration Agreements with Local Authorities so they can cosponsor programmes that address issues of mutual concern, such as the city’s economic and social growth.

At the same time, when NEINVER starts any project, it takes the precaution of analysing potential repercussions from its operations. It devotes resources to managing any aspect that could do harm in the area, and evaluates the company’s socioeconomic impact on the community.

### Positive impacts on the surrounding area



<sup>1</sup> In the chapter on "Corporate Social Responsibility Management", the section about "Transparency and Stakeholder Relations" gives details on the mechanisms NEINVER uses to relate to local stakeholders.





Carlota  
Gil Mota

**Tourism  
Manager**

*“Shopping is an increasingly important part of the tourism chain. Its influence on destination choice and the travel experience nowadays lets us take advantage of this trend and develop a unique shopping experience for our visitors.*

*NEINVER has therefore positioned itself as a shopping destination to attract international travellers. This is why The Style Outlets offers services that create a unique shopping experience for foreign customers, with VAT refund, free Wi-Fi, free shuttle service between the city centre and the outlet centre, tourist information offices, and so on. NEINVER is also building relations with the key players in the tourism sector, and is developing an international promotional campaign within the tourist industry”*

## NEINVER implements a Tourism Strategy to help promote local tourism

To make the most of shopping tourism, NEINVER set up a specific team to leverage the centres' potential as a tourist destination.

In 2016, NEINVER's Tourism department began rolling out the company's tourism strategy, focused on brand positioning, creating tourist packages and services to meet every demand, and cooperating with companies in the tourist industry. The NEINVER tourism team's activities in 2016 include:

- Implementing tourist services at Viladecans The Style Outlets, including transport between the outlet centre and the city centre of Barcelona, an official regional tourism office in the centre, and onsite VAT refund service.
- Development of a tourism strategy for Viladecans The Style Outlets that, among other benefits, makes it possible to promote the centre within the tourist industry.
- To promote its centres, the company offers support and guidance to the tourist sector, and tailors its offerings to the industry's needs.
- Promoting The Style Outlets centres as shopping destinations at tourism trade shows focused on the target markets.



## At FITUR Shopping, NEINVER presents Viladecans The Style Outlets

One clear example was NEINVER's presence at FITUR Shopping 2016, the space that the FITUR international tourism fair devotes to shopping tourism. There, NEINVER introduced tour operators, tourism brands and industry professionals to its outlet centres in six European markets, operating under The Style Outlets and FACTORY brands, and especially to Viladecans The Style Outlets, where attendees had the opportunity to take a 360° 3-D tour of the centre using augmented-reality glasses.



# VILADECANS THE STYLE OUTLETS, AN EXAMPLE OF INTEGRATION INTO THE COMMUNITY

Below are the main positive impacts of the Viladecans The Style Outlets property.

## Improving professional skills in the community

NEINVER, in cooperation with the local employment office, unveiled a programme called **Prepara't** (Get Ready), designed to **enhance the skills of the city's unemployed** as potential employees of Viladecans The Style Outlets.

As part of that programme, NEINVER employees participated actively in **training sessions on topics such as business skills, languages, writing a CV, and job interviews.**

In 2017, NEINVER **will once again work with** local public authorities and expand its cooperation to include other institutions such as Barcelona Activa, **to help hire the best-prepared people for Viladecans The Style Outlets.**

## Job creation

The opening of **phase 1 of the property** generated **600 jobs directly** in the centre and another **400 in the community.**

Once **phase 2** opens, **we expect to have created 1,300 jobs, including direct and indirect employment as well as jobs in the community.**

Before the centre opened, NEINVER held a **Job Fair** to simplify the hiring process for companies operating in the centre.

## Infrastructure development

NEINVER financed **development of the area** where the centre stands and the viaduct that connects it to the C-32 motorway. The viaduct bridge opened to traffic in August 2014, and by 2016 the **traffic flow in the area had improved noticeably.**

## Promoting tourism

Thanks to a strategic combination of products and services planned for the centre, and thanks to its outstanding location, **Viladecans The Style Outlets is generating great interest among tour operators and event agencies in Central Europe, Brazil and Asia.**

The services include: **Tourist Information Office** with a **VAT refund service** (for tax-free purchases) in the centre, developing **transport between the outlet centre and Barcelona's city centre, and cooperation with the Barcelona and Catalonia Offices of Tourism.**

Besides shopping tourism, NEINVER has also focused on business travel and leisure tourism, with an active presence at trade shows such as Mobile World Congress and the option of holding small gatherings at the centre's facilities.

## Promoting culture

The centre helps **spread the word about the cultural and scenic charms of the city of Viladecans and the county of Baix Llobregat,** in cooperation with local agencies that promote the territory's attractions and the wide range of options it offers.

## Socioeconomic development

NEINVER signed a Collaboration Agreement with the City of Viladecans, with both parties committing to promote projects that could help the area's economic and social development.





# NEINVER's contribution in each country (G4-EC7)

The company's operations generate more than 19,000 direct and indirect jobs in the areas where it has centres. At the same time, the company works with numerous organisations to meet the main social and environmental needs and challenges that arise in the communities where it does business.

PORTUGAL

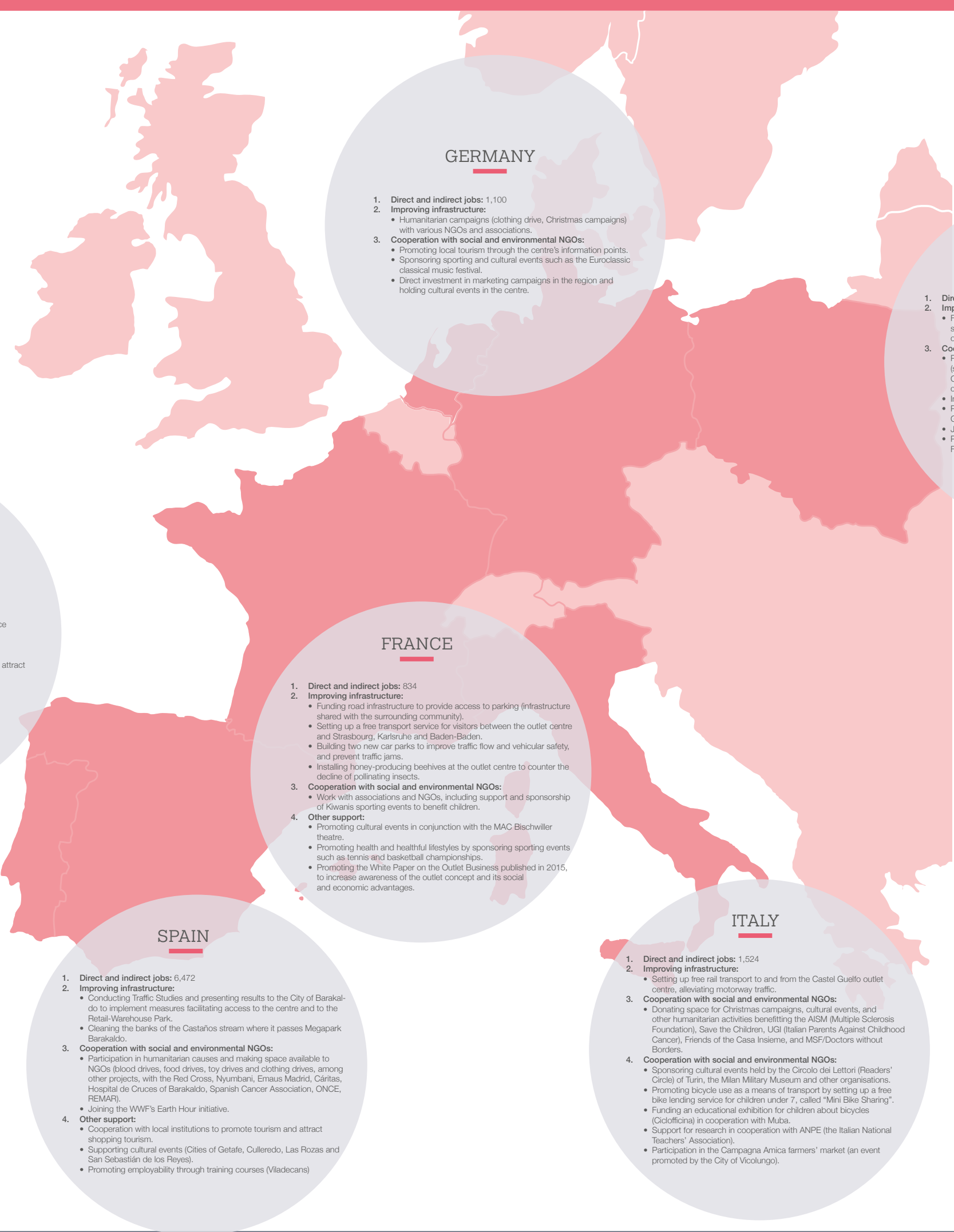
1. Direct and indirect jobs: 1,711

2. Cooperation with social and environmental NGOs:

- Centres' support of humanitarian causes and making space available to NGOs.
- Joining the WWF's Earth Hour initiative.

3. Other support:

- Cooperation with local institutions to promote tourism and attract shopping tourism.
- Promoting cultural events.



GERMANY

1. Direct and indirect jobs: 1,100

2. Improving infrastructure:

- Humanitarian campaigns (clothing drive, Christmas campaigns) with various NGOs and associations.

3. Cooperation with social and environmental NGOs:

- Promoting local tourism through the centre's information points.
- Sponsoring sporting and cultural events such as the Euroclassic classical music festival.
- Direct investment in marketing campaigns in the region and holding cultural events in the centre.

POLAND

1. Direct and indirect jobs: 7,401

2. Improving infrastructure:

- Fostering improvement of logistical infrastructure, with two new free shuttle buses between the FACTORY Kraków and FACTORY Ursus outlet centres and the city centre.

3. Cooperation with social and environmental NGOs:

- Promoting and sponsoring social causes through sporting events (such as the 7th Volleyball Charity Tournament benefitting the Children's Memorial Health Institute, and the 5th intercorporate charity race benefitting the Beyond Horizons Foundation).
- Installation of collection points for the Red Cross clothing drive
- Promoting health and healthy lifestyles (cooperation with the Lubon Group, the Great Orchestra of Christmas Charity Foundation)
- Joining the WWF's Earth Hour initiative.
- Participation in cultural events (concert sponsored by the Regional Fire Department)

FRANCE

1. Direct and indirect jobs: 834

2. Improving infrastructure:

- Funding road infrastructure to provide access to parking (infrastructure shared with the surrounding community).
- Setting up a free transport service for visitors between the outlet centre and Strasbourg, Karlsruhe and Baden-Baden.
- Building two new car parks to improve traffic flow and vehicular safety, and prevent traffic jams.
- Installing honey-producing beehives at the outlet centre to counter the decline of pollinating insects.

3. Cooperation with social and environmental NGOs:

- Work with associations and NGOs, including support and sponsorship of Kiwanis sporting events to benefit children.

4. Other support:

- Promoting cultural events in conjunction with the MAC Bischwiller theatre.
- Promoting health and healthful lifestyles by sponsoring sporting events such as tennis and basketball championships.
- Promoting the White Paper on the Outlet Business published in 2015, to increase awareness of the outlet concept and its social and economic advantages.

SPAIN

1. Direct and indirect jobs: 6,472

2. Improving infrastructure:

- Conducting Traffic Studies and presenting results to the City of Barakaldo to implement measures facilitating access to the centre and to the Retail-Warehouse Park.
- Cleaning the banks of the Castaños stream where it passes Megapark Barakaldo.

3. Cooperation with social and environmental NGOs:

- Participation in humanitarian causes and making space available to NGOs (blood drives, food drives, toy drives and clothing drives, among other projects, with the Red Cross, Nyumbani, Emaus Madrid, Cáritas, Hospital de Cruces of Barakaldo, Spanish Cancer Association, ONCE, REMAR).
- Joining the WWF's Earth Hour initiative.

4. Other support:

- Cooperation with local institutions to promote tourism and attract shopping tourism.
- Supporting cultural events (Cities of Getafe, Culleredo, Las Rozas and San Sebastián de los Reyes).
- Promoting employability through training courses (Vladedecans)

ITALY

1. Direct and indirect jobs: 1,524

2. Improving infrastructure:

- Setting up free rail transport to and from the Castel Guelfo outlet centre, alleviating motorway traffic.

3. Cooperation with social and environmental NGOs:

- Donating space for Christmas campaigns, cultural events, and other humanitarian activities benefitting the AISM (Multiple Sclerosis Foundation), Save the Children, UGI (Italian Parents Against Childhood Cancer), Friends of the Casa Insieme, and MSF/Doctors without Borders.

4. Cooperation with social and environmental NGOs:

- Sponsoring cultural events held by the Circolo dei Lettori (Readers' Circle) of Turin, the Milan Military Museum and other organisations.
- Promoting bicycle use as a means of transport by setting up a free bike lending service for children under 7, called "Mini Bike Sharing".
- Funding an educational exhibition for children about bicycles (Ciclofficina) in cooperation with Muba.
- Support for research in cooperation with ANPE (the Italian National Teachers' Association).
- Participation in the Campagna Amica farmers' market (an event promoted by the City of Viculungo).

# Suppliers

“NEINVER expects its suppliers to share its commitment to quality, the environment and responsible behaviour”

## RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN (G4-12) (G4-DMA)

NEINVER guarantees ethical and environmental standards in every link of its supply chain, aware that its reputation can be affected not only by its own actions but also by those of its suppliers, who are very diverse and varied given the company’s business structure (with a nonlinear supply chain).

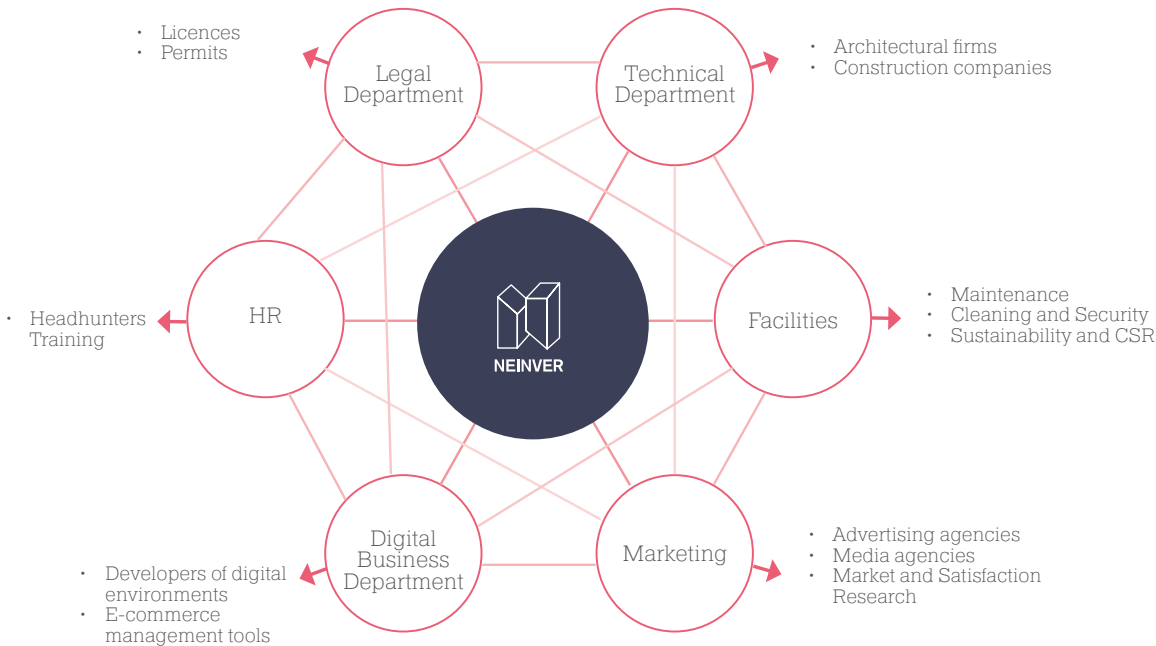
This is why the company requires its suppliers to mirror NEINVER’s commitment to quality services. It does this through a relationship model starting with an exhaustive screening and selection process that takes into account how products and services impact the business and whether they meet NEINVER’s standards of quality, productivity and competitiveness.

After that initial screening and selection, the process continues in the contract phase through best-practices clauses, which set standards for labour, safety, health and the environment. NEINVER checks daily operations through the monitoring and evaluation of performance.

NEINVER also helps enhance its suppliers’ skills through information and training on environmental issues and workplace safety, specifically by disseminating environmental and energy best practices, offering ongoing customised advice, and constructive comments about the screening procedures and about measuring the level of service provided.



## NEINVER’s supply chain. Types of suppliers and main indicators



## Prescreening of suppliers

In 2016, NEINVER developed a new process for screening suppliers using the computer tool SAP. This system, to be implemented in 2017, lets the company maintain historical data and make comparisons that help it decide whether to choose a supplier or continue a relationship with a supplier.

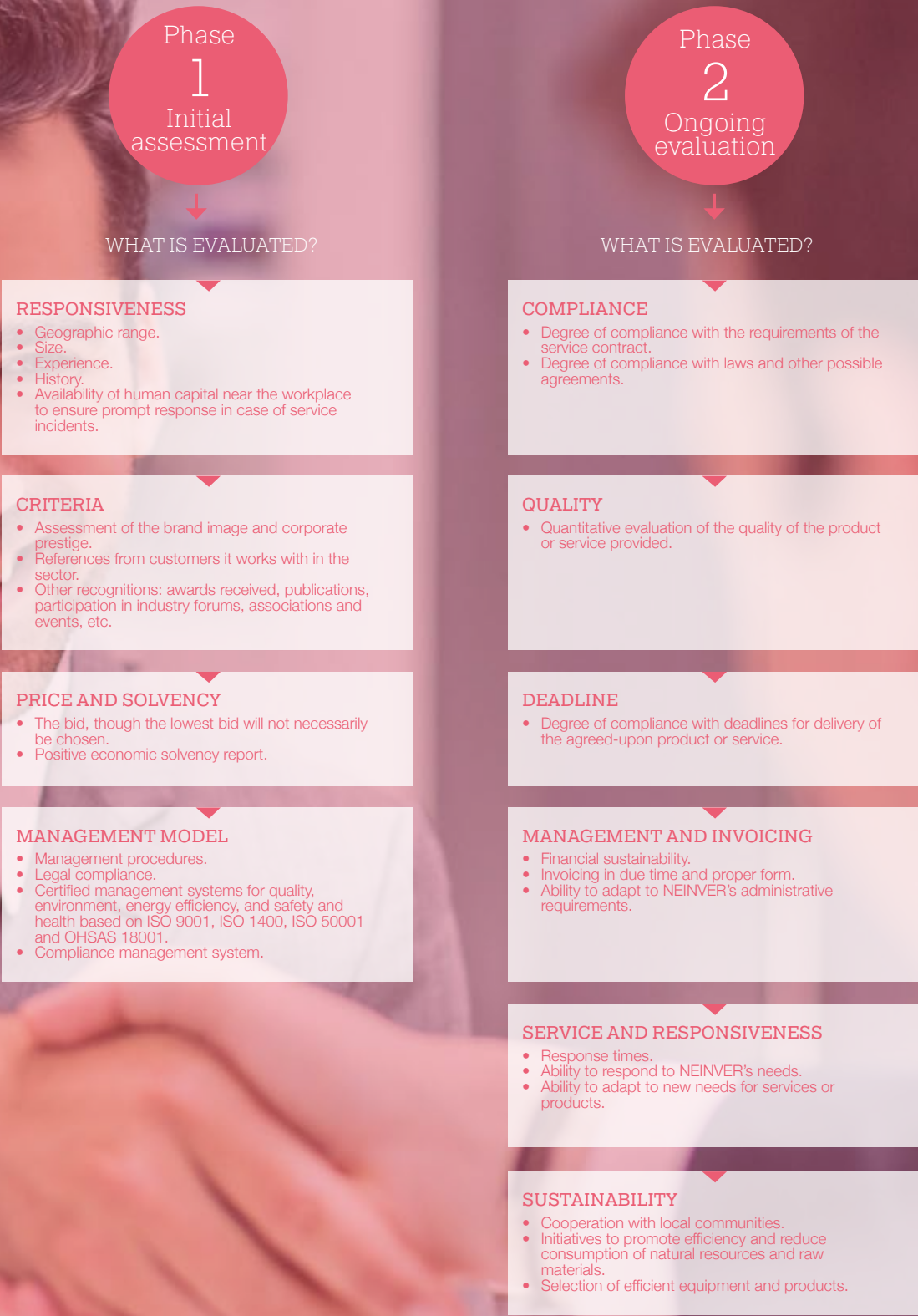
The precertification system before signing formal contracts sets standards of behaviour that include, among other criteria, having strategic certifications (such as ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001), efficient energy use, service forecasting models, and appropriate labour practices. The evaluation of these requirements varies depending on the type of service needed, and can make a vendor more appealing when it comes time to select a supplier.

Once the supplier has passed the initial screening and enters into a contractual relationship with the company, NEINVER begins a new process to assess the vendor’s performance and its relationship with NEINVER. In this phase, criteria include whether they met contractual commitments and embraced sustainable practices. The latter consist of local community outreach initiatives, best efficiency practices, reduced consumption of natural resources and raw materials, and having efficient equipment and products.

To improve suppliers’ awareness of and commitment to legal compliance, NEINVER has an additional oversight system called Know Your Client, prepared specifically for the development-related suppliers, in which they commit to preventing money laundering and the financing of terrorism, among other priorities.



Supplier assessment system



By taking all these steps, NEINVER is pulling together a portfolio of high-quality suppliers who help minimise external risks to the company, while optimising costs and investing in continual improvement.

Transparency in selecting suppliers

Through these mandatory anti-fraud processes for selecting and assessing suppliers, NEINVER stipulates a minimum number of bids to solicit, the departments and managers involved in evaluating them, and the types of mandatory oversight that ensure a proper bidding process.

NEINVER also conducts annual audits of the supplier selection processes to ensure transparency and guarantee compliance with the criteria.

Additionally, all company employees signed the

Code of Ethics in 2016 and the Conflict of Interest Policy in 2017. These specifically regulate things such as the acceptance of gifts and any other types of privileges, communication, and avoiding conflicts of interest when awarding contracts and, in general, making sure that contracting complies with criteria of objectivity and ethics. Both the Code of Ethics and the newly approved procedures reflect the company's effort to identify potential infractions and take preventive steps to minimise the chance of their occurring.

HELPING SUPPLIERS GROW

NEINVER prioritises local sourcing to help strengthen suppliers' business, create indirect employment, and, as a result, generate wealth in the regions where it operates.

Under this commitment, practically all purchases originating at the centres (94.94% on average) are through suppliers in the same country as the

centre. These are mainly purchases of facilities management services (maintenance, repairs, cleaning, gardening, security, supplies, consulting), marketing (agencies, in-store signage, advertising, etc.), legal and tax assistance, accounting services, travel agencies, estate agents, insurance brokers and office rentals. Corporate-level procurement is concentrated in Spain and Poland.

Percentage of purchases from local suppliers



# The industry

*“NEINVER participates actively in industry associations, standards organisations and other groups that promote improvement and excellence in the industry, always in keeping with principles of social responsibility”*

NEINVER is there in the industry’s major associations, trade shows and events, sharing information, knowledge and experience. This gives it great visibility among store operators, attracting the interest of brands and investors, and bolstering possibilities for business networking.

## Main associations that NEINVER belongs to (G4-16)



European Association for Investors in Non-listed Real Estate Vehicles (INREV)



International Council of Shopping Centers (ICSC)



Global Real Estate Institute (GRI)



Royal Institution of Chartered Surveyors (RICS)



Family Office Managers Meetings (FOMM)



European Facility Management Network (EuroFM)



International Facility Management Association (IFMA)



Asociación de Usuarios de SAP de España (AUSAPE, Spanish Association of SAP Users)

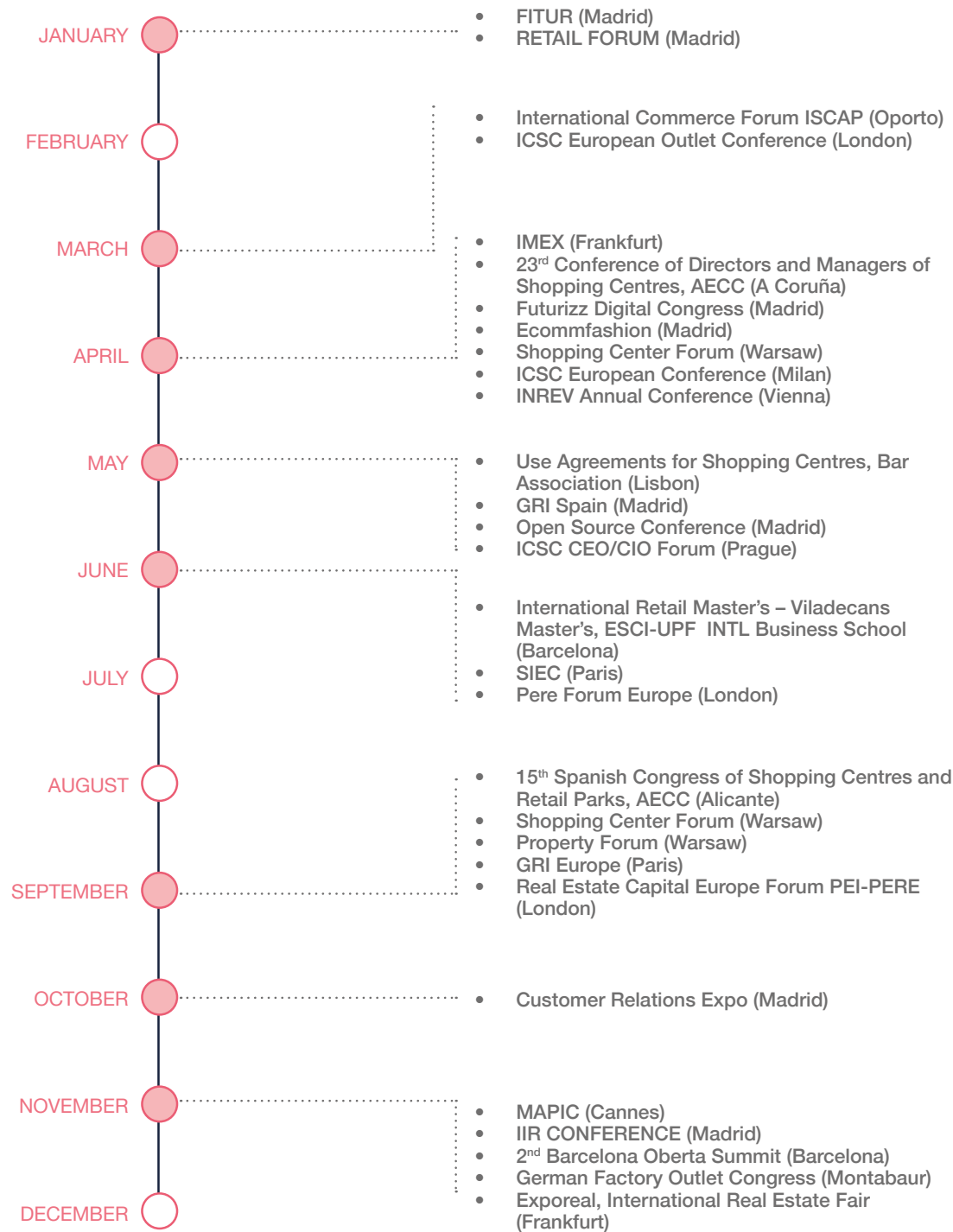


Private Equity Real Estate (PERE/PEI)



Urban Land Institute (ULI)

## NEINVER’s presence at industry events in 2016



In 2016, NEINVER cooperated with the educational community, giving Facilities Management classes at the Universidad Politécnica de Madrid and the IFMA (International Facility Management Association), and E-commerce classes at the Valley Digital Business School in Madrid.



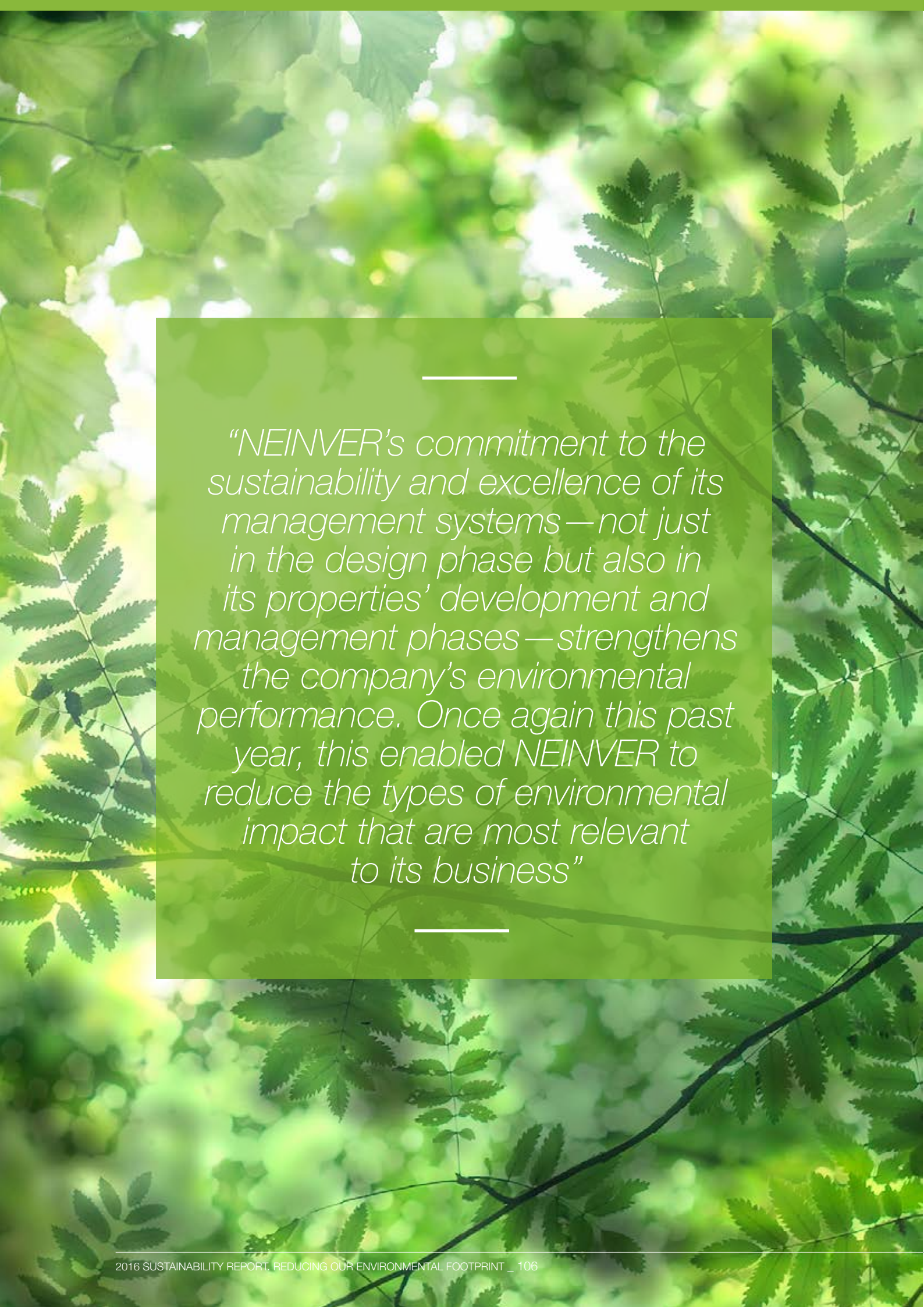


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## REDUCING OUR ENVIRONMENTAL FOOTPRINT

5





*“NEINVER’s commitment to the sustainability and excellence of its management systems — not just in the design phase but also in its properties’ development and management phases — strengthens the company’s environmental performance. Once again this past year, this enabled NEINVER to reduce the types of environmental impact that are most relevant to its business”*

# Sustainability throughout our properties’ life cycle

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NEINVER understands that responsible environmental management must encompass each property’s entire life cycle, from design and development phases to asset management and fund management. Therefore, all activities in these phases are carried out under strict sustainability standards, fostering minimisation of environmental impact during the properties’ construction phase and reducing their environmental footprint throughout their useful life.

In this context, NEINVER does not limit its

environmental management to the company’s own activities but also extends this commitment to other stakeholders with whom it interacts, especially to the centres’ contractors, suppliers, store operators and visitors.

In recent years, NEINVER has made continual efforts to minimise its environmental impact and footprint, especially in the areas most relevant to this type of business, such as energy consumption, greenhouse gas emissions, water consumption, and waste generation and management.





NEINVER's approach to sustainability

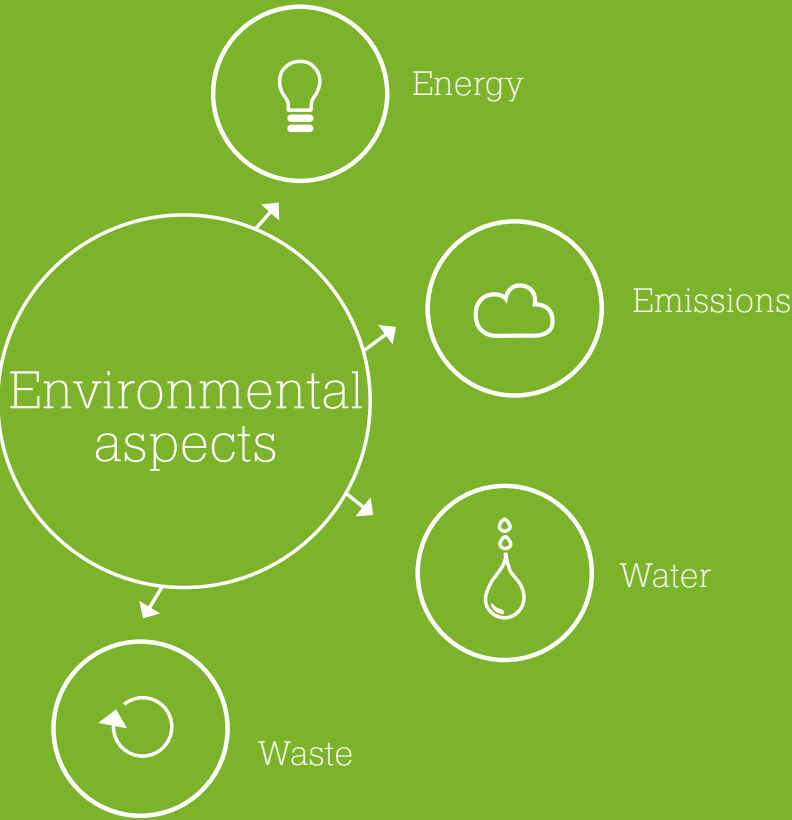
Processes



People



Planet





## ASSET DESIGN AND DEVELOPMENT (G4-14)

In the properties' pre-development phase as well as their design and development phases, NEINVER fosters a business model that is increasingly efficient and sustainable, and therefore more competitive.

NEINVER shows its commitment to sustainable architecture by requiring environmentally friendly buildings that integrate well with their

surroundings, in addition to the economic and social requirements that the company imposes. Thus, right from the pre-development stage, NEINVER embraces ecological principles such as assessing the environmental viability of a location, plot of land or potential project.

Then, in the design phase, NEINVER requires the technical plans to qualify not only for the

required permits but also for BREEAM certification (an assessment and certification standard that promotes sustainable construction). Since 2011, its new centres (and renovations of existing centres) have been certified under the BREEAM New Construction standard, ensuring that these assets are developed to high standards of energy efficiency and sustainability.

Lastly, in the building phase, to guarantee environmental performance in line with NEINVER standards, the company also applies sustainability criteria when prescreening and selecting contractors. The awarded contract includes "green clauses": environmental requirements about the types of material the contractors will use and how to manage waste from construction and demolition.<sup>2</sup>

## Environmental management during asset development. 2016

### Completed construction of viladecans the style outlets in compliance with high sustainability standards

In October 2016, NEINVER concluded construction of the new shopping and leisure centre Viladecans The Style Outlets, which opened to the public later that month.

Application of sustainability criteria when designing the centre allowed NEINVER to gain BREEAM certification with a rating of "Very Good" in the design phase.

NEINVER also took steps to bolster the centre's environmental performance during its operation. These include:

- **WATER.** Installation of dual-flush toilets, reduced-flow taps with infrared, and a new drip-irrigation system that uses harvested rainwater.
- **ENERGY.** Using natural light in office areas, generation of potable hot water using energy recovered from the ventilation system with additional heat from solar collectors, installation of lights with motion detectors, and energy-efficient lifts and escalators, among others.
- **BIODIVERSITY.** The centre has also focused on biodiversity. A duly qualified ecologist has defined the area as land of low ecological value, and enhancements and protective measures were put in place to minimise the centre's effects on biodiversity.



After implementing these and other environmental improvement measures, NEINVER applied for BREEAM New Construction certification.

### Incorporating sustainability criteria into construction of new properties



In 2016, NEINVER began the design phase of Amsterdam The Style Outlets and the refurbishment works of Prague The Style Outlets. In all cases, the development complies with sustainability criteria.

This commitment will also be required of store operators in the centres. NEINVER will provide

them with guidelines and directives for the design and setup of shops and restaurants to meet the sustainability standards the company has established for each centre. Some of these requirements deal with the use of materials, generation of waste, and reporting of consumption data.

<sup>1</sup> NEINVER requires them to use raw materials from suppliers with certified management systems for manufacturing the main elements of the building. Contractors must also prove and document that at least 80% of the materials will come from suppliers and manufacturers with an ISO 14001-certified Environmental Management System.

<sup>2</sup> The ISO 14001 standard for managing waste and other environmental impacts is applied as required by law.





## CENTRE MANAGEMENT (G4-14)

*“NEINVER is Europe’s only manager of shopping centres to earn ISO 50001 energy-efficiency certification for its entire portfolio. Also, 87% of its centres have quadruple certification: ISO 9001, ISO 14001, ISO 50001 and BREEAM In-Use”*

Convinced that environmentally sound management of the centres is a key factor in cost savings and increasing the centres’ value, NEINVER makes numerous efforts through its Facilities Management area to improve energy efficiency, minimise consumption of water and other resources, and optimise waste management.

To meet these targets, NEINVER has a Certification Policy (see highlight box) that reflects its commitment to developing sustainable buildings. The policy promotes the use of consistent, transparent, independently verified standards and management systems, such as BREEAM, ISO and OHSAS.<sup>3</sup>

In line with this policy, NEINVER has an ISO 14001–certified Environmental Management System, integrated with the company’s other systems (see

figure). Moreover, given the importance of energy in its operations, NEINVER implemented an ISO 50001–certified energy management system for its entire portfolio.

It also obtained BREEAM In-Use certification for most of its portfolio of properties. Adopting criteria from this standard goes beyond focusing on sustainability, both for the buildings’ construction and facilities (Part 1) and their building-management policies and procedures (Part 2).

Lastly, NEINVER embraces principles of corporate responsibility in managing its centres. It is developing a roadmap of environmental-management and energy-efficiency activities, and conducts periodic monitoring and evaluation to foster continual improvement.

## Methodology for integrating sustainability into management of centres



## NEINVER certification policy



NEINVER’s Certification Policy aims to prove, through certification systems, the company’s commitment to environmentally respectful construction.

The Policy stipulates that when designing and constructing buildings in Europe, NEINVER will follow the prestigious BREEAM international methodology for environmental assessment of buildings. NEINVER voluntarily requires all its new buildings to achieve a rating of “Good” or better.

For buildings in operation for more than two years, NEINVER will also follow the BREEAM In-Use methodology for Part 1 (construction) and Part 2 (management). NEINVER voluntarily requires that all such buildings achieve a rating of “Good” or better.

Additionally, centres that NEINVER has managed for more than a year must have certifications for Quality, Environment, Energy Management and, in Spain, Occupational Health and Safety.

<sup>3</sup> The appendix “Detailed information on current certifications” gives a breakdown of the certifications earned by each of the company’s centres.

<sup>4</sup> BREEAM In-Use certification is valid for three years.

In 2016, NEINVER voluntarily renewed the BREEAM In-Use certifications for the entire portfolio of centres the company has managed for at least two years in Europe.

In Spain, the company improved its centres' overall ratings in the assessment of buildings' sustainability (BREEAM Part 1) and their sustainable management (BREEAM Part 2). In this area, all the centres achieved a rating of "Excellent" (see the table "Changes in BREEAM In-Use certifications"), including the Nassica shopping and leisure centre, which obtained this certification for the first time. In turn, Viladecans

The Style Outlets, which opened in October 2016, is in the process of obtaining BREEAM New Construction certification with a rating of "Very Good".

At NEINVER's other outlet centres in Europe, the ratings also improved in practically every case. In 2016, the company also earned certification for the first time for the FACTORY Annapol and Futura Park Wrocław centres in Poland. NEINVER's goals include evaluating and certifying the Megapark Barakaldo centre using the BREEAM In-Use methodology in 2017 and Viladecans The Style Outlets in 2018.

*"NEINVER's pursuit of sustainability and energy efficiency were reflected not only in each centre's rating (92% improved their score), but the company also was honoured with the responsible investment award at the prestigious BREEAM Awards 2017 (see highlight box)"*

### Changes in BREEAM in-use certifications

	PART 1 RATING		PART 2 RATING	
COUNTRY/CENTRE	2013	2016	2013	2016
SPAIN				
Las Rozas The Style Outlets	Good	Very Good	Very Good	Excellent
Getafe The Style Outlets	Good	Very Good	Very Good	Excellent
Sevilla The Style Outlets	Good	Very Good	Very Good	Excellent
San Sebastián de los Reyes The Style Outlets	Good	Very Good	Excellent	Excellent
Coruña The Style Outlets	Very Good	Excellent	Excellent	Excellent
Nassica	N/A	Very Good	N/A	Excellent
POLAND				
FACTORY Ursus	Very Good	Very Good	Good	Very Good
FACTORY Wrocław	Very Good	Very Good	Good	Very Good
FACTORY Poznań	Good	Very Good	Very Good	Very Good
Galeria Malta	Very Good	Very Good	Very Good	Very Good
FACTORY Annapol	N/A	Very Good	N/A	Very Good
FACTORY Kraków	Very Good	Very Good	Good	Very Good
PORTUGAL				
Vila do Conde The Style Outlets	Very Good	Very Good	Good	Very Good
ITALY				
Vicolungo The Style Outlets	Good	Good	Good	Very Good
Castel Guelfo The Style Outlets	Good	Very Good	Very Good	Very Good
GERMANY				
Zweibrücken The Style Outlets	Very Good	Very Good	Good	Good
FRANCE				
Roppenheim The Style Outlets	Excellent	Excellent (2015)	Outstanding	Outstanding (2015)

Possible ratings:

Unclassified (<10%)

Acceptable\* (>10%)

Pass\*\* (>25%)

Good\*\*\* (>40%)

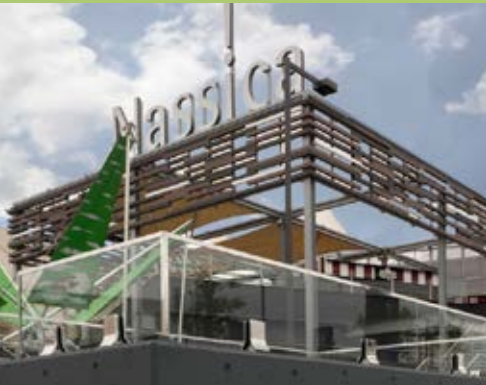
Very Good\*\*\*\* (>55%)

Excellent\*\*\*\*\* (>70%)

Outstanding\*\*\*\*\* (>85%)



## Nassica, Annapol, and Futura Park Wroclaw earn BREEAM In-Use certification for the first time



The Nassica shopping and leisure centre in Getafe has earned its first BREEAM In-Use certificate, with a rating of “Excellent” for the building’s management. It achieved this recognition thanks to a series of changes including implementation of policies and procedures to continually monitor consumption, installation of resource-efficient sanitary fixtures, implementation of drip irrigation, changing refrigerants, and replacing greenery with species of greater ecological value, among other measures.



For the first time, the company earned BREEAM In-Use certification for two of its centres in Poland: FACTORY Annapol and Futura Park Wroclaw, both with a rating of “Very Good”.

## NEINVER wins award for commitment to sustainability certification of its portfolio



In the first quarter of 2017, NEINVER received the first joint BREEAM/GRESB award for its commitment to obtaining sustainability certification for its portfolio: the BREEAM/GRESB Award for Corporate Investment in Responsible Real Estate.

This prize recognises companies that invest in the sustainability certification of their portfolio, as well as their commitment to achieving better results in this field through corporate policies. This marks the first time that BREEAM and GRESB joined forces to jointly honour socially responsible investing at the BREEAM Awards.

At the centres in each country, the company has taken steps to keep or improve its BREEAM certifications. (See the figure “Environmental management enhancement initiatives implemented at the centres in 2016”)

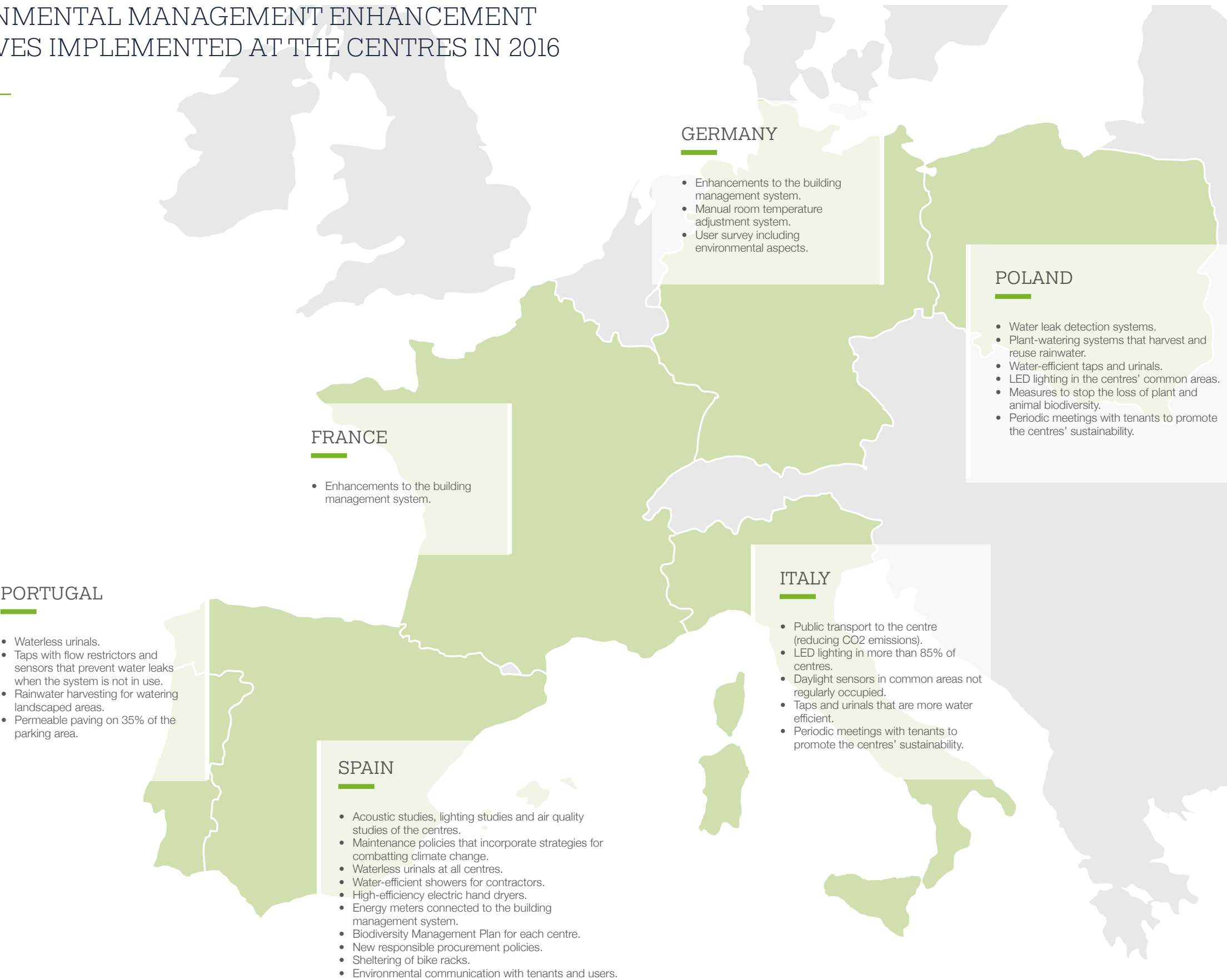


Guzmán Aguilar.

Technical Director

*“The incorporation of sustainability criteria in the development and in the management of the centers not only allows us to reduce our environmental footprint, also contributes to the development of our business by its direct impact on the quality of our services, brands and visitor satisfaction and also for the comfort and occupation levels of the centers”*

# ENVIRONMENTAL MANAGEMENT ENHANCEMENT INITIATIVES IMPLEMENTED AT THE CENTRES IN 2016







## FUND MANAGEMENT

In 2016, NEINVER encouraged all the IRUS Fund outlet centres to participate in the GRESB (Global Real Estate Sustainability Benchmark) initiative. GRESB is a sustainability performance benchmark for the property industry worldwide, and each year it analyses the progress of the

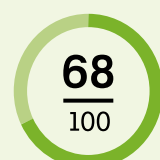
sector. It does this through questionnaires completed voluntarily by property owners or managers that wish to know and improve the impact and quality of their assets' environmental management.



### IRUS Fund qualifies as a GREEN STAR for the first time

Recognition as a GREEN STAR is the property sector's main worldwide benchmark of sustainability.

In 2016, IRUS improved its GRESB results by 4% compared to the previous year. Of the eight categories assessed, it earned the highest possible score (100%) in two: in Building Certifications and in Monitoring & Environmental Management Systems. This makes it a GREEN STAR, comparing it with the peer group of funds similar to IRUS that do GRESB reporting.



**GRESB**

**GRESB Average 60**

**Green Star**

**Peer Average 63**



## COOPERATION WITH OTHER STAKEHOLDERS (G4-EN32)

NEINVER aims to involve its suppliers, contractors and store operators in improving environmental performance in the centres, with the goal of getting them on board with the company's sustainability

standards. To that end, requirements have been set, awareness events have been held, and collaborative systems are in place for continual environmental improvement.



### SUPPLIERS



### CONTRACTORS



### STORE OPERATORS

#### Environmental requirements

- Know NEINVER's policy on the environment, energy efficiency, quality, and health and safety.
- Answer a pre-evaluation questionnaire that assesses environmental certifications.
- Sign "green clauses" in contracts, including best practices for the environment, energy efficiency, and health and safety.
- Work in compliance with the contractual Service Level Agreements, which set criteria for behaviour and define penalties.
- Receive and review a twice-yearly reminder about green policies and clauses and about the monitoring of certain environmental impacts.

- Obey environmental laws and follow best practices.
- Correctly manage health and safety of staff and facilities.
- Act responsibly, minimising energy consumption and the use of non-renewable raw materials.
- Manage waste appropriately, especially hazardous waste.

- Comply with the leases' environmental management and efficiency clauses. requirements in the retail units' Technical Guides, which establish obligations to meet when operators design, build and manage their stores.

#### Awareness and collaboration tools

- Guides to best practices on environmental issues and energy efficiency for suppliers and store operators.
- Twice-yearly Store Manager Meetings in which centre management meets with all store managers to present the centre's key figures and remind them of environmental issues such as the importance of recycling, where recycling bins are located, etc.
- Ongoing training about NEINVER policies and procedures.
- Periodic performance meetings between the contract manager and the supplier to assess improvements and critical issues.
- Signs in lavatories to raise awareness of responsible use of resources.

\* Only for suppliers with major environmental impact: cleaners, gardeners, security and maintenance.

## Leases with green clauses



NEINVER includes "green" clauses in commercial leases to engage store operators in improving the centres' environmental performance. Some of these clauses require installation of LED lighting systems, preconnection of metering equipment, and reporting, to allow more exhaustive tracking of consumption and involve operators in establishing action plans to improve environmental performance.

Leases for all store locations at Viladecans The Style Outlets now include these clauses. At NEINVER's other shopping and leisure centres, green requirements are being phased in as leases come up for renewal.

## Sustainable initiatives in the new security services contract



In 2016, when it was time to renew the security services contract, NEINVER added services that promote both security and the company's sustainability.

These initiatives include the addition of two Renault Zoe electric vehicles at San Sebastián de los Reyes The Style Outlets and Getafe The Style Outlets to replace the current petrol-consuming vehicles, and a new electric Segway at Viladecans The Style Outlets.



# COMMITMENT TO CONTINUAL IMPROVEMENT. 2016 AND 2017 TARGETS

(G4-DMA)

Each year, NEINVER tracks its environmental goals, analysing its compliance, the impact of past actions, and priorities for the future.

## NEINVER's 2016 environmental targets. Level of compliance

	AREA	TARGET	PROGRESS
Energy	Energy consumption	Create a new indicator to track energy consumption that distinguishes centres by climate zone, age and design.	<b>Rescheduled</b> - Target postponed to 2017.
		Reduction of power consumption across the portfolio by 2% compared to 2015.	<b>Achieved</b> - Power consumption decreased by 10.3%.
Environment	Procedure for spills	Monitoring and tracking all spills, implementing the "Spill Response Procedure".	<b>In progress</b> - The procedure is not yet rolled out to all centres. Completion is expected in 2017.
	Environmental reporting	Updating the Facilities Management metrics.	<b>Rescheduled</b> - NEINVER already receives periodic reports in Spain, Portugal and Poland. Roll-out to the other countries has been postponed to 2017.
	Sustainability	Creating a CSR committee of different departments in the company to drive decision-making in this area.	<b>Rescheduled</b> - Progress towards this target is expected by late 2017.
	Certifications	The 2016 renewal of BREEAM In-Use certification across the portfolio. First-time certification of Nassica, FACTORY Annapol, and the expansions of FACTORY Ursus and Futura Park Wrocław. BREEAM New Construction certification of Viladecans, after its opening. Renewal of ISO 9001, ISO 14001 and OHSAS 18001 certifications when they expire.	<b>Achieved</b> - Successful renovation/receipt of certifications.
	Efficient management	Creation of a new Maintenance Policy	<b>Achieved</b> - Creation of a new Maintenance Policy applicable to the whole portfolio: 100% success at all centres.
	Environmental management	Environmental due-diligence audits at all IRUS centres. Execution of the resulting action plans.	<b>Achieved</b> - In 2016, NEINVER conducted environmental due-diligence audits at all IRUS centres.

Besides completing targets not reached in 2015, NEINVER has set the following actions as priorities for 2017:

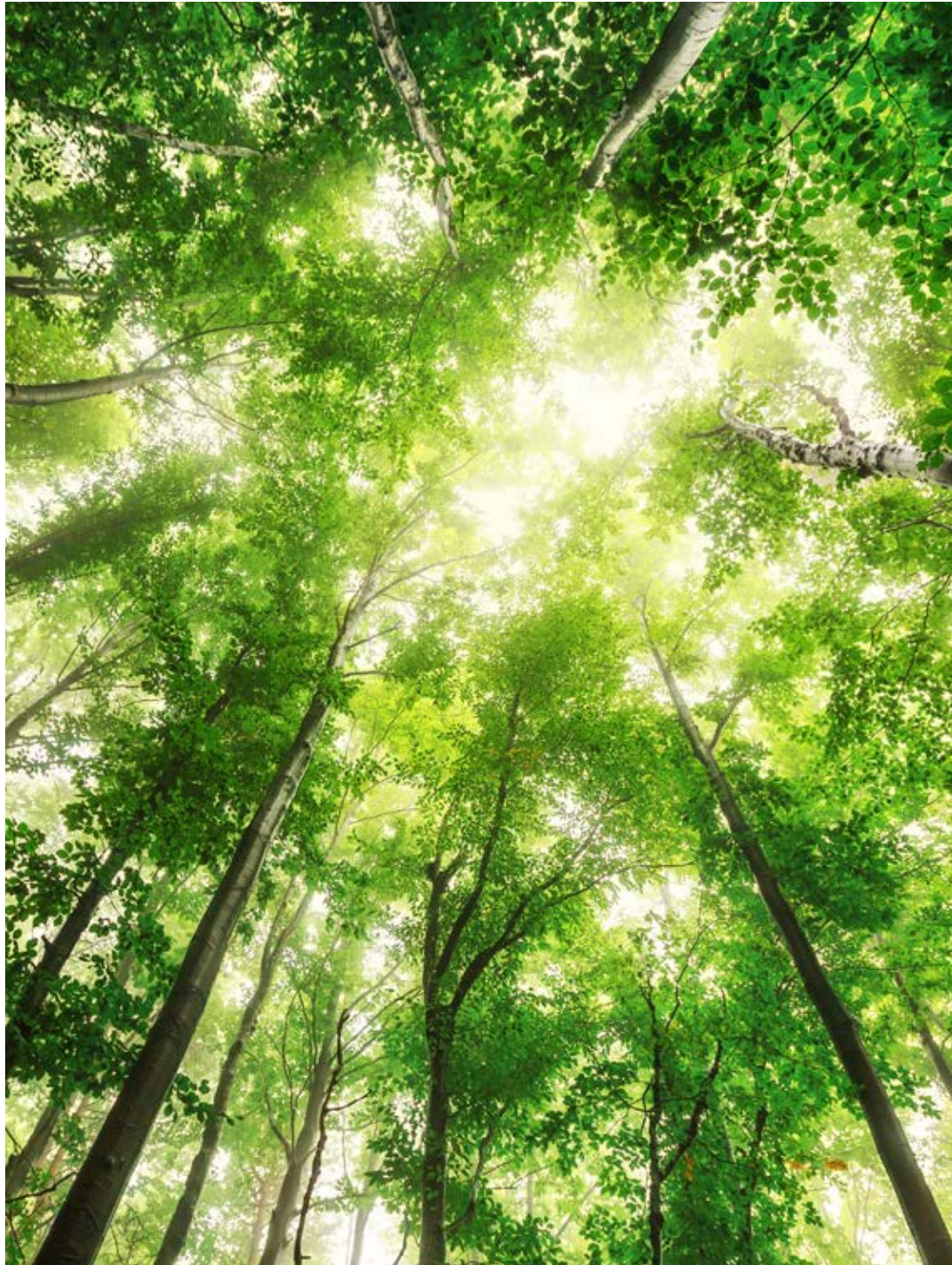
## NEINVER's 2017 environmental targets

	AREA	2017 GOALS
Environment	BREEAM In-Use certification of new centres.	Apply the BREEAM In-Use methodology to evaluate and certify Megapark Barakaldo, and prepare Viladecans The Style Outlets and Halle Leipzig The Style Outlets for 2018.
	Raise environmental awareness at all the centres.	Design and disseminate environmental awareness campaigns at all NEINVER centres.
	Pilot project to upgrade the facilities management tool.	Work to update the service management computer tool through a pilot project at one of the centres throughout 2017.
	Measuring satisfaction (the Happy or Not project).	Begin measuring satisfaction by installing push-buttons at the centres' entrances, exits and information points.
	DIGA emblem vouching for accessibility assessment and certification.	Finish work to obtain DIGA certification for the accessibility of Viladecans The Style Outlets and Megapark Barakaldo, begun in 2016.
	Upgrading the lighting at Nassica Getafe.	Continue replacing fluorescent lighting with new LED technology, a project begun in 2016.
	Remodelling of shopping and leisure centres using sustainability criteria.	Complete the remodelling of FACTORY Annapol, in Warsaw, which involves improvements such as installing charging points for electric vehicles, a bicycle maintenance area and racks at FACTORY Ursus, and renovation of the FACTORY Kraków and Futura Park Wrocław shopping centres.
	Updating management systems to comply with new ISO international standards.	Upgrade management systems to comply with the new versions of ISO standards 9001 and 14001.
Energy	New online tool to identify and assess legal requirements.	In 2017, a new online tool will be implemented to identify legal requirements on the environment, electrical installations, safety standards and general regulations. The tool also lets users upload proof of compliance to the platform: registrations, permits, inspections, etc.
	Implementation of the building management system in Italy and France.	Finishing modernisation of the facilities monitoring systems, a process begun in 2016.
Materials	Reducing consumption.	Reduction of power consumption across the portfolio by 2% compared to 2016.
	New online platform for recording consumption and waste.	Record the NEPTUNE centres' consumption and waste through the online Carbon Desktop platform.



# Environmental performance in 2016

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*“Once again in 2016, the implemented  
resource-efficiency projects and  
measures made it possible to reduce  
NEINVER’s environmental footprint.  
Energy performance is a lever for  
reducing our environmental footprint”*

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## ENERGY CONSUMPTION (G4-DMA)

Energy consumption is one of the company's top environmental priorities. For instance, in all its centres, NEINVER has implemented an energy efficiency management system that is certified as compliant with the ISO 50001 standard.

In 2016, NEINVER met two key targets in this area. On the one hand, it reduced its power consumption by 10.3% compared to the previous year, exceeding the 2% target. At the same time,

it successfully extended the use of green energy to its entire portfolio of properties, except Galeria Malta and Megapark Barakaldo. Both recently joined the company's portfolio and are scheduled to be using green energy by 2017.

Additionally, the company continued conducting reviews to identify energy inefficiencies and implement improvement plans based on the previous year's reviews.

## Changes in consumption

(G4-EN3) (G4-EN5) (G4-EN6) (G4-EN7) (G4-CRE1)

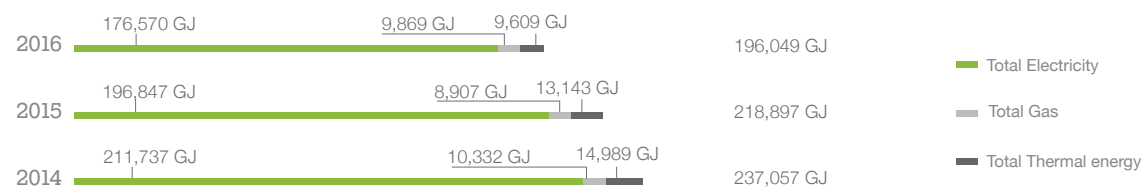
In 2016, the NEINVER centres' and offices' energy consumption continued the downward trend of recent years, going from 219,982 GJ to 197,149 GJ, a 10.4% in absolute terms. Like-for-like energy consumption in the centres also decreased, from 41,526 GJ to 38,462 GJ, a 7.4% drop.

Much of this reduction resulted from energy-efficiency investments and initiatives conducted in recent years. In 2016, for instance, NEINVER worked to progressively replace traditional lighting

systems with efficient lighting and implement automatic control systems in the centres it manages.

Natural gas consumption rose in only two places: in Poland, due to a harsh winter, and at the Nassica centre in Getafe, near Madrid, because of the centre's renovation. In any case, the increase in consumption was minor because, as previously mentioned, the company's portfolio as a whole had an overall decrease in consumption.

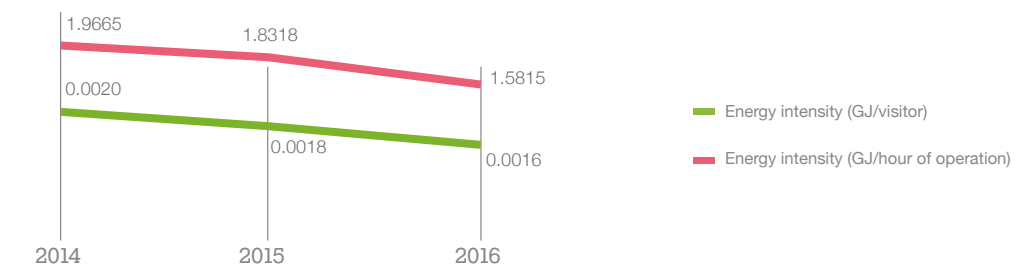
### Total Energy consumption (GJ) .



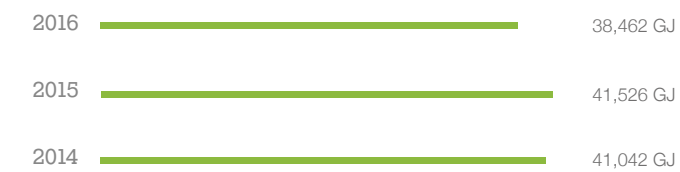
As for energy intensity, in 2016, for the fourth year in a row, NEINVER was able to reduce energy intensity per visitor by 15.63%. Despite a rise in foot traffic, this decrease was possible thanks to the centres' efforts and the efficacy of NEINVER's energy management policies.

There was also a drop in energy intensity per hour of operation (which decreased by 13.66%).

### Centres' energy intensity per visitor (GJ/visitor) and per hour of operation (GJ/hour)



### Total Energy consumption (GJ) like for like







# GREENHOUSE GAS EMISSIONS (G4-DMA)

Besides the investments and actions to boost energy efficiency at the centres, the acquisition of green energy continued to reduce greenhouse gas emissions significantly. All NEINVER centres

now buy green energy, except Galeria Malta and Megapark Barakaldo. Both recently joined the company's portfolio and are scheduled to be using green energy by 2017.

## Changes in emissions (G4-EN15) (G4-EN16) (G4-EN18) (G4-EN19) (G4-CRE3) (G4-CRE4)

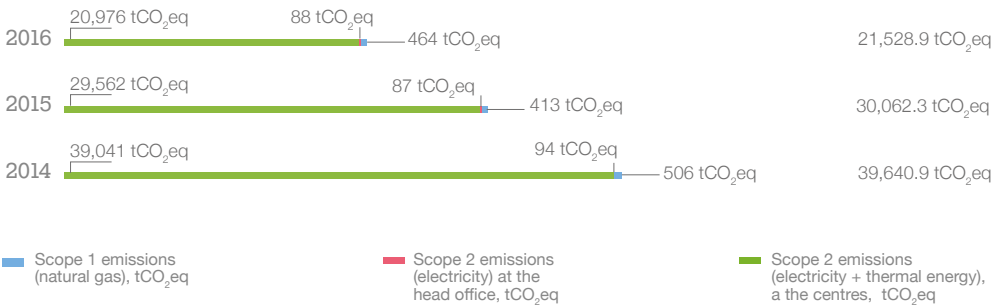
Greenhouse gas emissions dropped by 28% in 2016 compared to the previous year (Scope 1 and 2 emissions, as defined by the GHG Protocol), largely thanks to the purchase of green energy.

increase was, in any case, very small.

Regarding like-for-like changes in the portfolio's emissions, 2016 saw a continuation of the downward trend that began in 2014. In that period, emissions have decreased by 91.93%, from 4,783 tCO<sub>2</sub>eq in 2014 to 382 in 2016.

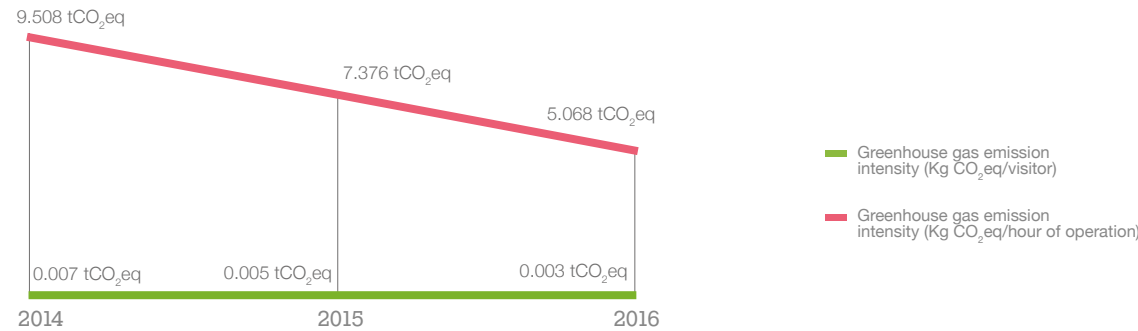
Over the last year, Scope 1 emissions only increased from 413 to 464 CO<sub>2</sub>eq, due to the increased consumption of natural gas mentioned above. This

### Scope 1 and 2 greenhouse gas emissions (tonnes CO<sub>2</sub>eq)



By the end of 2016, emissions intensity per visitor and per hour of operation at the centres had dropped significantly, by 38% and 31% respectively.

### Centres' greenhouse gas emissions intensity per visitor (kg CO<sub>2</sub>eq/visitor) and per hour of operation (kg CO<sub>2</sub>eq/hour of operation)



\* The GHG Protocol is the most widely recognised international method for estimating greenhouse gas emissions. This standard classifies emissions into three scopes (1, 2 and 3). NEINVER has calculated emissions for Scope 1 (direct consumption of natural gas in the company's boilers) and Scope 2 (emissions from power consumption and from use of thermal energy from district heating systems).

## Reducing emissions from the transport of customers and employees (G4-EN17)

To minimise the carbon footprint, besides continuing to enhance energy efficiency and prevent emissions at the centres and the head

office, NEINVER pursues various options to limit environmental impact from the transport of customers and employees.



### Bicycles

Bicycle parking at 100% of the portfolio.



### Electric vehicles

Charging points at 70% of the portfolio.



### Public transport

Free transport service to the centre and improvements to the transport network through public buses.



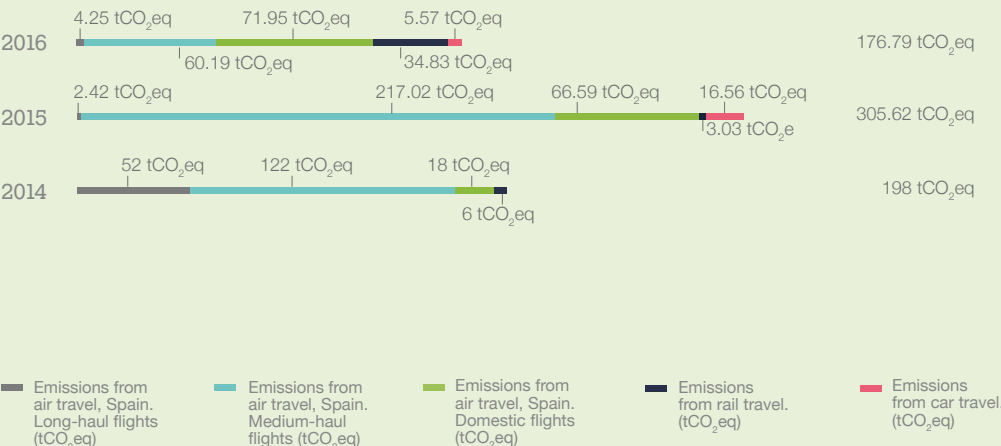
### Virtual meetings

Videoconferencing equipment to avoid business travel.

In 2016, emissions from employee travel dropped, mainly through reduction of the number of medium-distance business trips to European destinations such as Paris and Frankfurt. The change in ownership of some centres has been a factor.

Nonetheless, the opening of Viladecans The Style Outlets significantly raised the number of trips by employees with responsibilities connected to that centre.

### Greenhouse gas emissions from employee travel (tCO<sub>2</sub>eq)





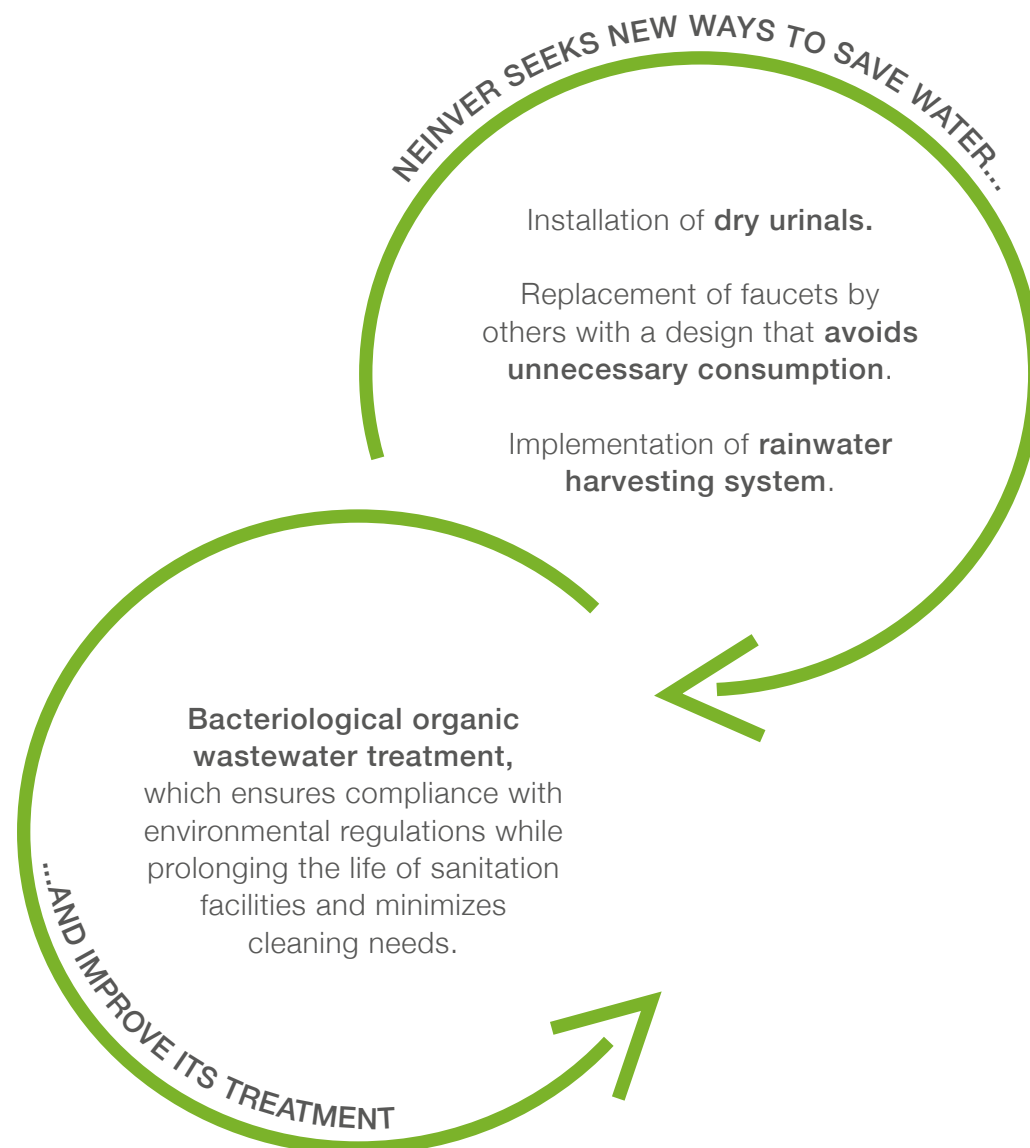
## WATER CONSUMPTION (G4-DMA)

NEINVER promotes sustainable use of water in all its processes through specific plans and actions to minimise consumption at all its centres.

The company also raises awareness among employees, visitors, suppliers and store operators

about the responsible use of resources. It does this, for example, through signage and by including water use in the environmental recommendations in the best practices manuals for suppliers and operators.

### NEINVER best practices for water management



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

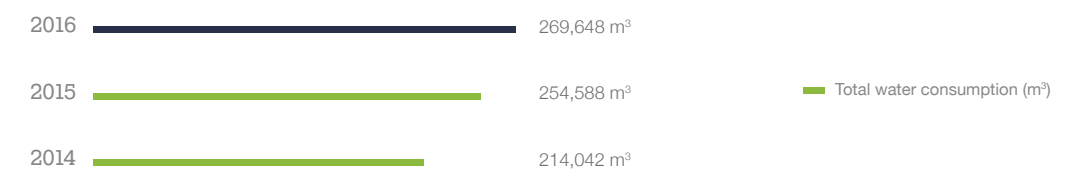
In 2016, the NEINVER centres' total water consumption was 269,648 m<sup>3</sup>, 5.92% higher than the previous year. Though most countries reduced consumption, especially Poland (down 11.5%) and Portugal (down 5%), there were also significant increases in Spain and Italy.

In Spain, the addition of new centres to the portfolio and the increased consumption at the Nassica retail and leisure park (installation of a plant-watering

system for the new landscaped area) and at Coruña The Style Outlets (due to a break in one of the main automated plant-watering lines, expansion of the planted area, and low precipitation, which meant more watering than the previous year) explain the bulk of the increased consumption.

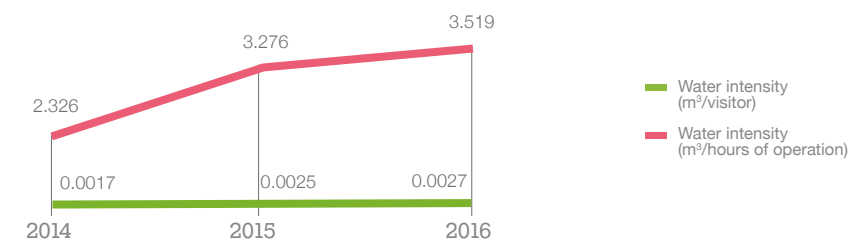
In Italy, the rise in consumption occurred at Vicolungo The Style Outlets because of a leak in the fire protection system.

### Total water consumption (m<sup>3</sup>) at NEINVER centres



In relative terms, water consumption per visitor dropped slightly compared to 2015 (down 3.2%), despite increased foot traffic.

### Centres' water intensity per visitor (m<sup>3</sup>/visitor) and per hour of operation (m<sup>3</sup>/hour of operation)







## WASTE (G4-DMA)

NEINVER also obtained a commitment for responsible waste management, centred on minimising waste and improving its separation for higher levels of recycling.

The company puts that commitment into practice through actions involving its stakeholders, given

their vital role in achieving the goal. Besides setting up facilities where operators, visitors, suppliers and company employees can properly separate the waste, over the last year NEINVER also added new clauses to its contract with the waste management company to ensure the best waste management now possible.

## Waste production (G4-EN23)

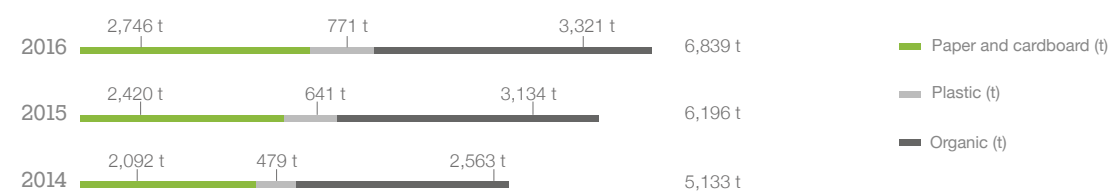
To minimise waste production and resource use, NEINVER is embracing processes, technologies and best practices to manage the recycling and reuse of materials and resources.

The 2016 figures show a 10.37% rise in waste collection. This increase reflects NEINVER's growing ability to improve the percentage of waste that is collected and managed properly, thanks to the ongoing implementation of initiatives such as installation of total separation bins in the centres that did not previously have them.

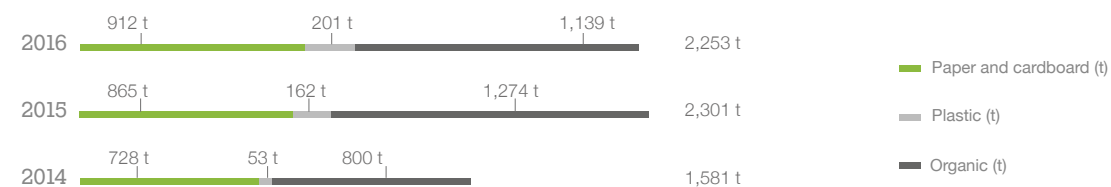
In 2016, NEINVER also worked to comply with Spanish Royal Decree 180/2015 of 13 March 2015, which regulates the transport of waste in Spain. Among other documentation provisions, it requires a treatment contract and identification document before any waste can be transported. This way, NEINVER can know what waste it sends out, ensure optimal processing, and report on the processing.

The properties in the NEINVER portfolio produced 2,253 tonnes of waste in 2016, 2% less than the previous year on a like-for-like basis.

Waste production (t) at NEINVER centres



Waste production (t) at NEINVER centres like for like



## New contract for managing non-hazardous waste

To ensure proper waste separation for subsequent treatment and recycling by waste management companies, in 2016 NEINVER upgraded its contract with CESPA waste management for The Style Outlets centres in Greater Madrid (in Getafe, Las Rozas and San Sebastián de los Reyes).

The new contract calls for better description of waste so people will know what kind of plastics they can recycle. The contract also specifies a better treatment method and brings the centres into compliance with the 2020 European waste management strategy (fostering traceability and reducing the CO<sub>2</sub> footprint) and requires awareness campaigns.





## AIR QUALITY AND FUGITIVE EMISSIONS

Besides CO<sub>2</sub> emissions, NEINVER monitors emissions of other gases and noise associated with operating its facilities, and therefore takes actions to guarantee the quality of all its centres.

To ensure proper air quality inside the centres and prevent any negative effects on visitors' health, NEINVER uses a building management system (BMS) with temperature and humidity sensors that automatically activate air recirculation or ventilation as needed based on preset parameters.

Moreover, specialist companies perform annual audits of indoor air quality and, if deemed necessary, the ducts are then cleaned. To control Legionella, every NEINVER centre's maintenance programme includes monitoring for this type of bacteria. It also monitors waste water quality through periodic testing.

To prevent fugitive emissions and detect possible leaks, the centres' maintenance team periodically checks the air conditioning circuits.

Centres also receive alerts from the BMS if there is a loss of pressure.

NEINVER's initiatives to prevent fugitive emissions in 2016 included:

- Upgrades of air conditioning equipment in Spain and Portugal to use the most sustainable refrigerants that will work with equipment of that power.
- Replacement of some individual boilers in store locations at Castel Guelfo The Style Outlets (Italy) with higher-performance models.
- Installation of vinyl ultraviolet filters on large skylights at Las Rozas The Style Outlets. Vinyl UV filters improve insulation and thus help reduce the demand for air conditioning. In 2017, the company plans to continue installing these at other shopping and leisure centres, including Getafe The Style Outlets.



## ENVIRONMENTAL AWARENESS AND TRAINING

Each year, NEINVER holds in-house and external training sessions on topics such as energy efficiency, waste management, and certification systems.

Its 2016 trainings included specific sessions on BREEAM In-Use for all site facility managers to inform them of changes in the certification tool since the 2013 certification. NEINVER also conducts ongoing training and awareness campaigns for

contractors and store operators.

To extend greater environmental awareness to all its centres, NEINVER bolstered its environmental communication to tenants and users of its centres in Spain. For 2017, NEINVER has planned the design and dissemination of environmental awareness campaigns at its centres in France, Spain and Italy.



## BIODIVERSITY

NEINVER defends biodiversity as part of its corporate commitment to responsible development, investment and management of property assets.

Aware that its business will inevitably have at least some impact on natural ecosystems, NEINVER developed a Biodiversity Management Plan in 2016 for each of its centres in Spain, including

specific action plans and an ecological study. It will roll this initiative out to other countries in time for their next BREEAM In-Use certification.

NEINVER's Biodiversity Management Plan aims to minimise the impact on biodiversity from its centres' presence on the land, while offsetting that impact through actions that help improve biodiversity.



Planting **fruit-bearing bushes** to sustain wildlife.



Improving **bird nest management** guidelines, especially for migratory and protected birds.



Planting **flora species that are vital** to the habitats surrounding the centres.



Setting up **drip irrigation** in landscaped areas.



Best practices to ensure the use of **organic fertilisers and pesticides**.



Best practices to ensure that **no invasive species** are planted in landscaped areas.



## ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS (G4-DMA) (G4-EN31)

In 2016, NEINVER devoted around €2 million to environmental expenditures and investments, mainly in pursuit of BREEAM certification and

other management system certifications. Spain was the country where the company spent and invested the most in this.

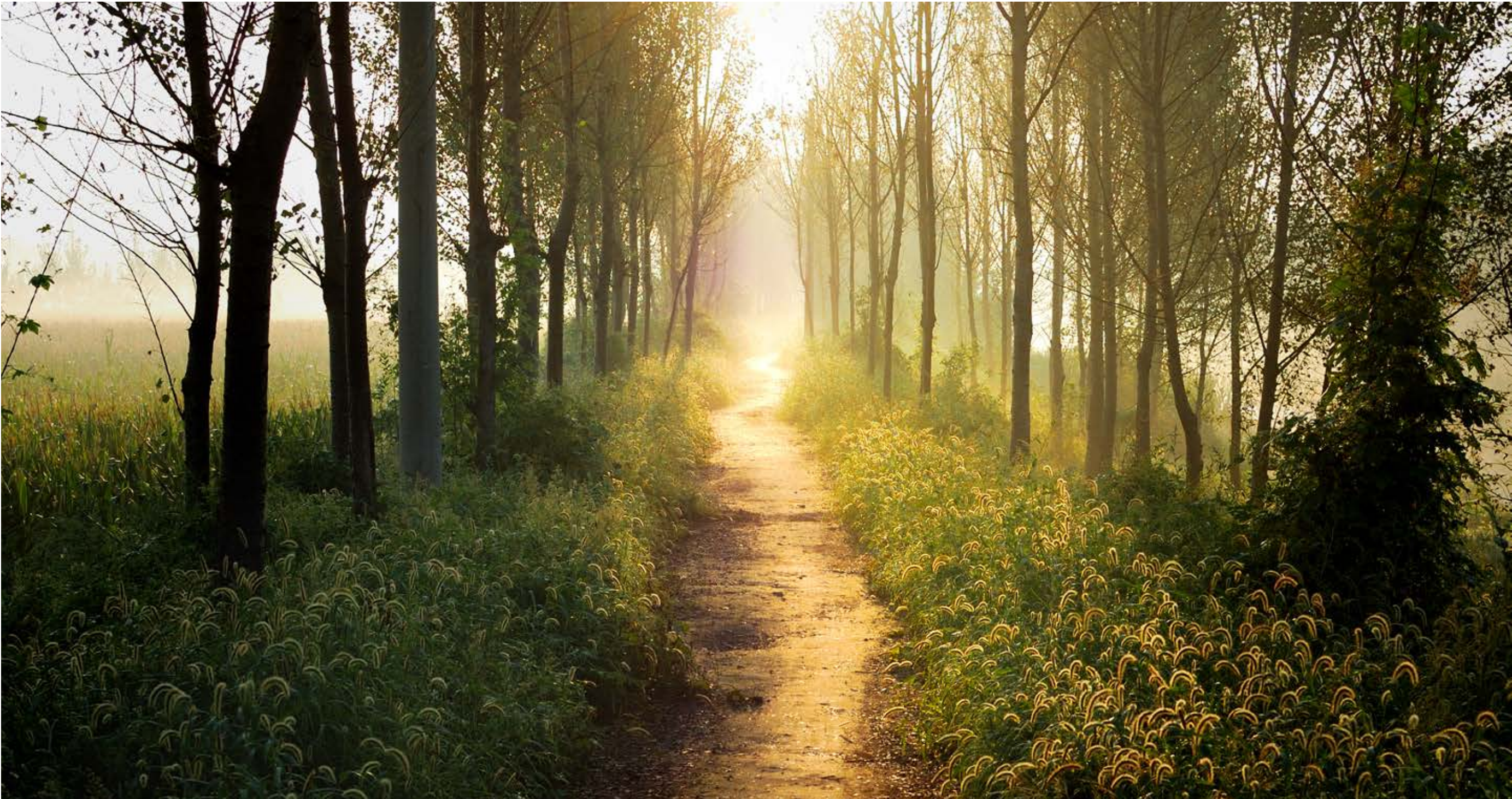
COUNTRY	ENVIRONMENTAL EXPENDITURES	ENVIRONMENTAL INVESTMENTS
Spain	€344,369	€471,500
Portugal	€66,587	€353,000
Italy	€74,384	€131,000
Poland	€321,614	€124,000
Germany	€99,221	€76,000
France	€55,645	€35,000
<b>TOTAL</b>	<b>€961,820</b>	<b>€990,500</b>



# Changes in environmental management, broken down by country

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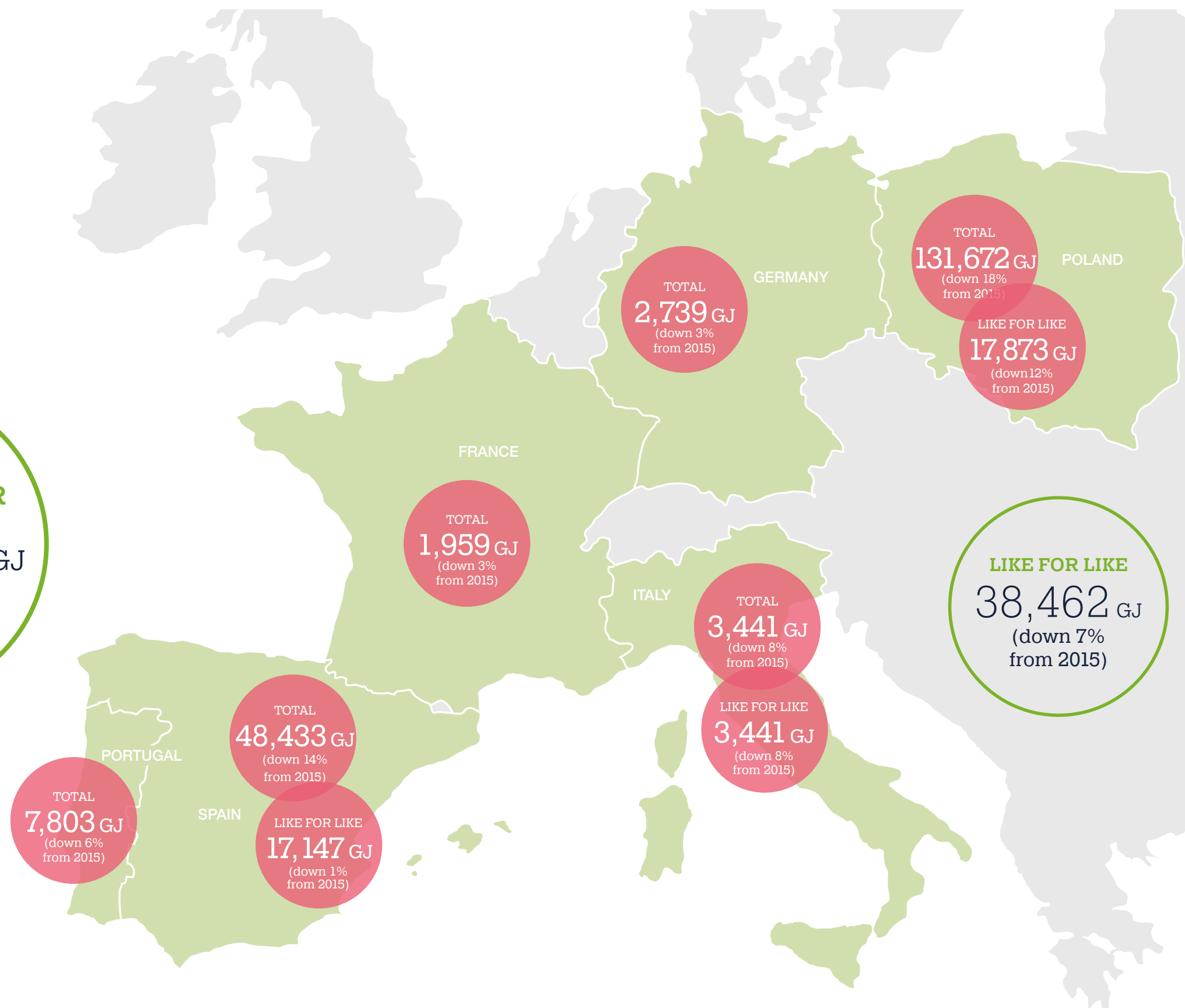
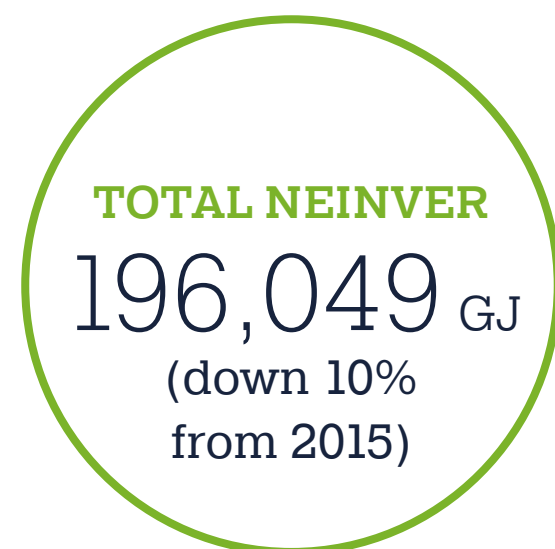
The year 2016 was a time of improvements, especially in energy use and greenhouse gas emissions, which the company reduced in almost every country. Changes in water consumption, however, varied greatly by country. Lastly, the aforementioned increase in waste production numbers largely reflects the improved collection systems, allowing a higher percentage of waste to be managed appropriately.







## ENERGY CONSUMPTION

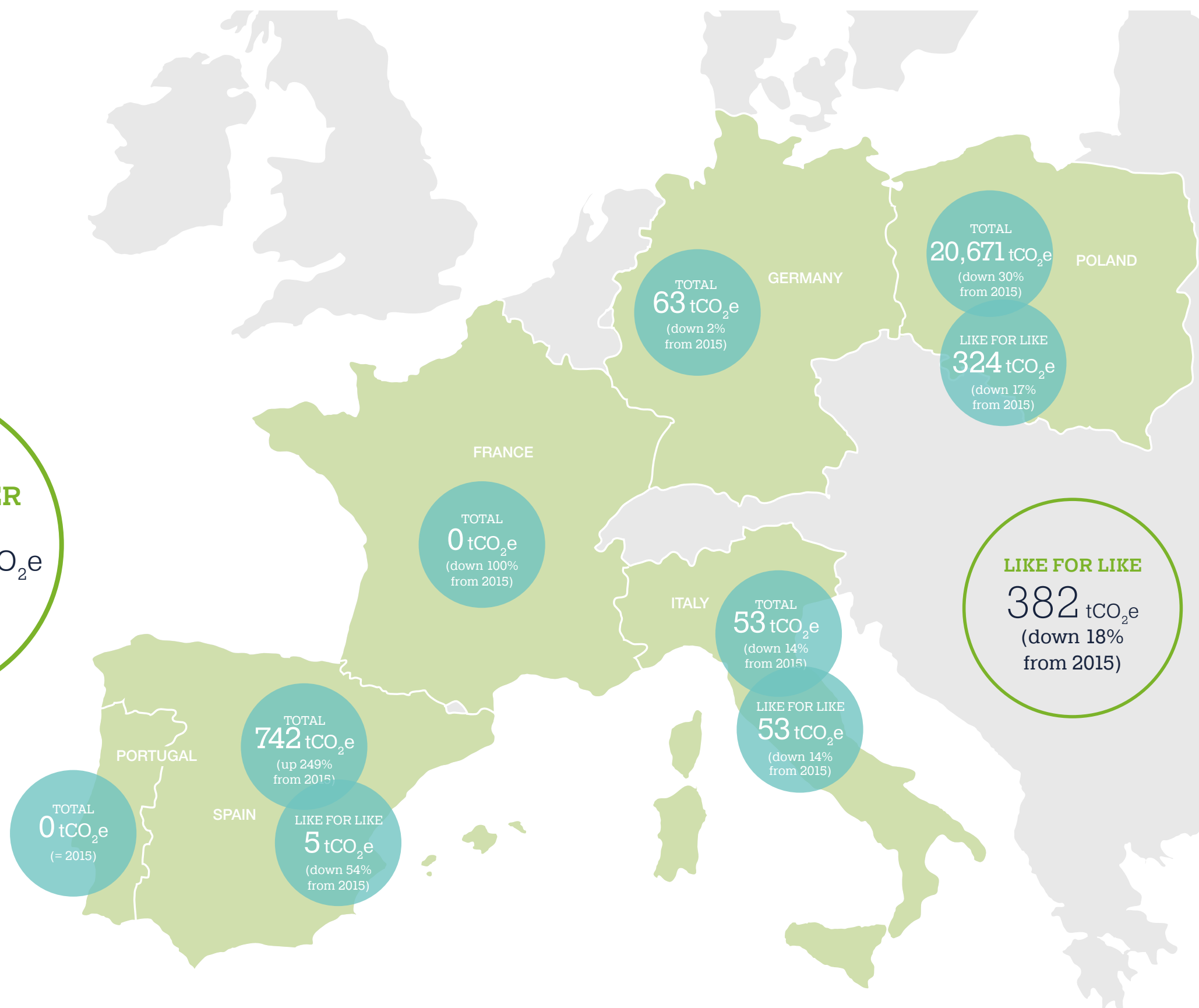






## GREENHOUSE GAS EMISSIONS

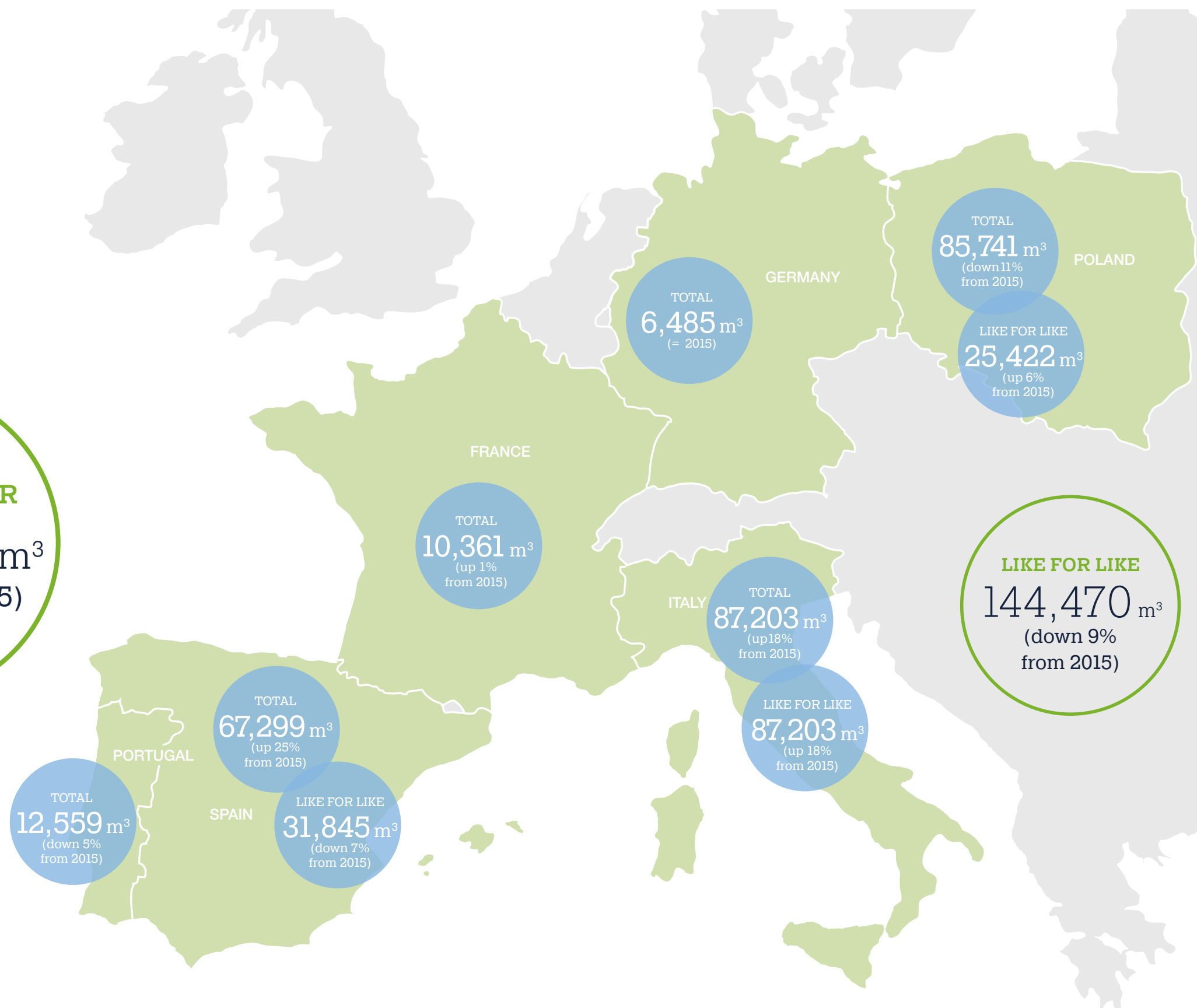
**TOTAL NEINVER**  
**21,528 tCO<sub>2</sub>e**  
(down 28%  
from 2015)





## WATER CONSUMPTION

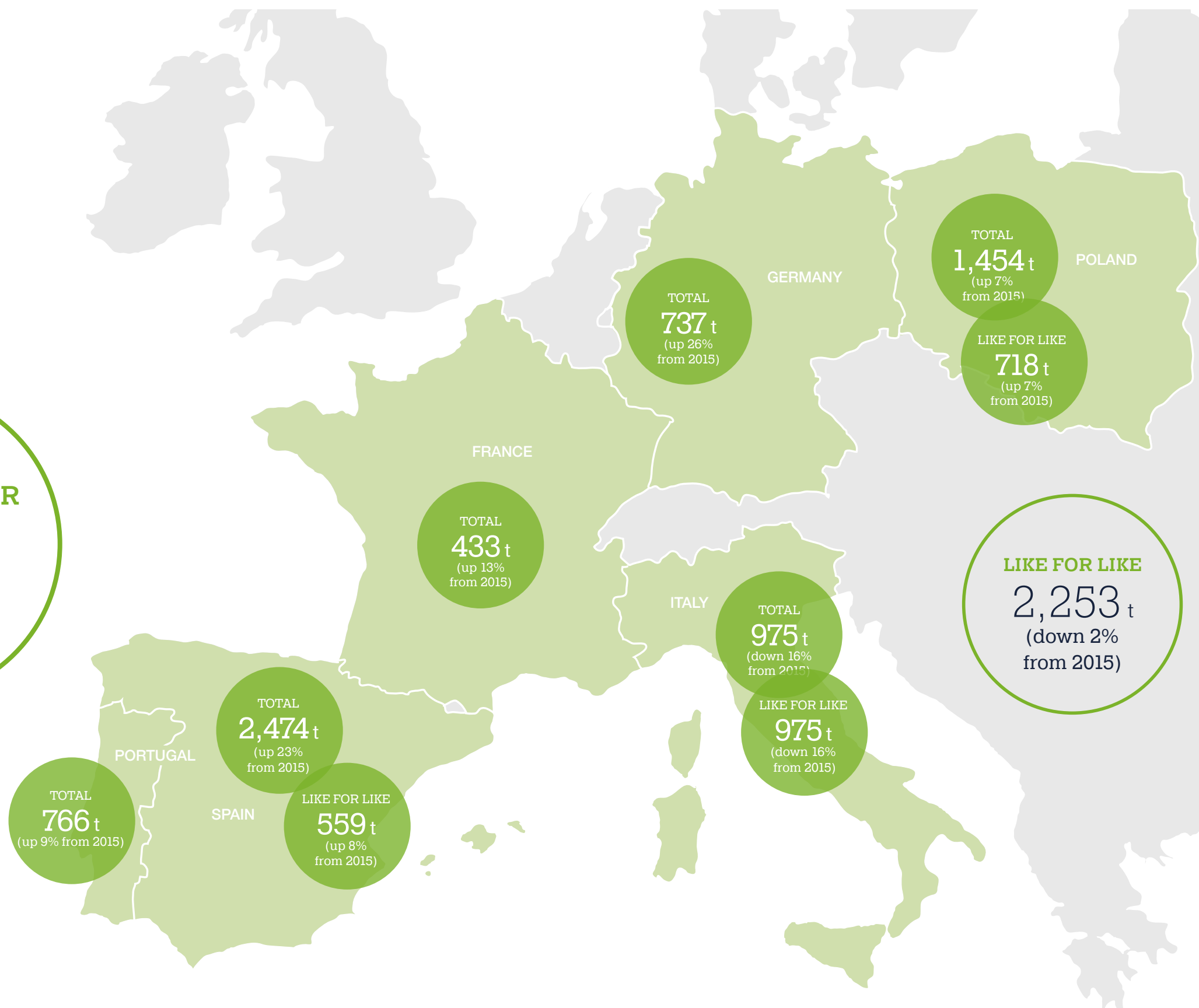
**TOTAL NEINVER**  
**269,648 m<sup>3</sup>**  
(up 6% from 2015)







## WASTE PRODUCTION



APPENDIX OF ENVIRONMENTAL AND LABOUR INDICATORS

Environmental indicators. Detailed information on consumption, emissions and waste.

	POLAND			GERMANY			ITALY			FRANCE			SPAIN			PORTUGAL		
ENERGY	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Energy consumption																		
Total energy (GJ)	177,481	159,704	131,672	2,846	2,810	2,739	4,291	3,728	3,441	2,497	2,020	1,959	40,182	42,370	48,433	8,589	8,264	7,803
Electricity (GJ)	159,008	144,246	119,577	1,737	1,567	1,515	3,260	2,525	2,407	2,497	2,020	1,959	35,473	38,224	43,308	8,589	8,264	7,803
Thermal energy (GJ)	13,881	11,899	8,385	1,109	1,243	1,224	-	-	-	-	-	-	-	-	-	-	-	-
Natural gas (GJ)	4,592	3,558	3,710	-	-	-	1,031	1,203	1,034	-	-	-	4,710	4,146	5,124	-	-	-
Energy intensity																		
Energy intensity (GJ/visitor)	0.00422	0.00383	0.00371	0.00074	0.00075	0.00071	0.00075	0.00062	0.00055	0.00179	0.00133	0.00111	0.00211	0.00202	0.00149	0.00206	0.00194	0.00175
Energy intensity (GJ/hour of operation)	5.35683	4.94799	4.61928	1.01630	1.00296	0.96898	0.59283	0.51071	0.47024	0.87308	0.73145	0.63332	1.37057	1.34204	1.15141	1.82391	1.74891	1.64594
GREENHOUSE GAS EMISSIONS	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Greenhouse gas emissions																		
Scope 1 and Scope 2 emissions (tCO <sub>2</sub> eq)	34,422	27,240	18,946	0	0	0	391	19	12	42	17	0	1,141	212	654	675	0	0
Scope 1 emissions (tCO <sub>2</sub> eq)	235	182	190	-	-	-	29	19	12	-	-	-	242	212	263	-	-	-
Scope 2 emissions (tCO <sub>2</sub> eq)	34,187	27,058	18,756	-	-	-	361	0	0	42	17	0	900	0	391	675	0	0
Emissions intensity																		
Emissions intensity (kg/visitor)	0.00087	0.00063	0.00044	0.00001	0.00002	0.00002	0.00007	0.00001	0.00001	0.00003	0.00001	0.00000	0.00006	0.00000	0.00001	0.00016	0.00000	0.00000
Emissions intensity (kg/hour of operation)	1.12453	0.91182	0.70506	0.02029	0.02274	0.02219	0.05399	0.00845	0.00727	0.01479	0.00604	0.00000	0.03223	0.00514	0.00961	0.14338	0.00000	0.00000
WATER	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Water consumption																		
Water consumption in m³	97,019	96,865	85,741	6,012	6,476	6,485	30,578	73,964	87,203	10,792	10,287	10,361	52,732	53,722	67,299	16,909	13,273	12,559
Water consumption intensity																		
Water intensity (m³/visitor)	0.00309	0.00316	0.00307	0.00157	0.00172	0.00167	0.01286	0.01165	0.01284	0.00776	0.00676	0.00588	0.00301	0.00279	0.00244	0.00405	0.00312	0.00282
Water intensity (m³/hour of operation)	3.45457	3.51327	3.10236	2.14714	2.31121	2.29397	4.23929	10.13642	11.94971	3.77343	3.72448	3.34874	1.97079	1.86907	1.95798	3.59078	2.80910	2.64902
WASTE	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Waste production																		
Total waste production (t)	959	1,358	1,454	585	584	737	610	1,158	975	351	382	433	2,001	2,011	2,474	628	703	766
Waste production intensity																		
Waste production intensity (kg/visitor)	0.0000	0.0001	0.0001	0.0002	0.0002	0.0002	0.0001	0.0002	0.0002	0.0000	0.0000	0.0000	0.0001	0.0001	0.0001	0.0002	0.0002	0.0002
Waste production intensity (kg/hour of operation)	0.0349	0.0499	0.0537	0.2089	0.2084	0.2606	0.0846	0.1585	0.1333	0.0129	0.0140	0.0160	0.0129	0.0140	0.0160	0.1333	0.1487	0.1616
MATERIALS	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Use of materials																		
Paper (kg)	209,000	189,500	236,000	97,500	122,000	107,500	130,500	102,500	166,199	30,900	24,000	50,589	237,700	622,700	835,243	41,359	57,500	88,000
Toner (kg)	37	31	65	24	31	27	54	14	28	5	6	0	93	73	104	7	8	13



## APPENDIX OF ENVIRONMENTAL AND LABOUR INDICATORS

(G4-CRE6) (G4-CRE8)

Detailed information on current certifications

	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	BREEAM IN USE	BREAM NEW CONSTRUCTION
POLAND						
FACTORY Poznań	x	x	x		x	
Galeria Malta	x	x	x		x	
FACTORY Wrocław	x	x	x		x	
FACTORY Warsaw Ursus	x	x	x		x	
FACTORY Kraków	x	x	x		x	x
Futura Park Kraków	x	x	x			
FACTORY Warsaw Annopol	x	x	x		x	x
Poland Office	x	x	x			
GERMANY						
Zweibrücken The Style Outlets	x	x	x		x	
Halle Leipzig The Style Outlets	2018	2018	2018		2019	
ITALY						
Castel Guelfo The Style Outlets	x	x	x		x	
Vicolungo The Style Outlets	x	x	x		x	
FRANCE						
Roppenheim The Style Outlets	x	x	x		x	
SPAIN						
San Sebastián de los Reyes The Style Outlets	x	x	x	x	x	
Alegria San Sebastián de los Reyes	x	x	x	x		
Getafe The Style Outlets	x	x	x	x	x	
Las Rozas The Style Outlets	x	x	x	x	x	
Sevilla The Style Outlets	x	x	x	x	x	
Coruña The Style Outlets	x	x	x	x	x	x
Nassica Getafe	x	x	x	x	x	
Viladecans The Style Outlets	2017	2017	2017	2017	2019	2017
Fashion Outlet Barakaldo	2018	2018	2018	2018	2017	
Megapark Barakaldo	2018	2018	2018	2018		
Spain Head Office	x	x	x	x		
PORTUGAL						
Vila do Conde The Style Outlets	x	x	x		x	x

APPENDIX OF LABOUR INDICATORS

(G4-LA3) (G4-GRE6) (G4-GRE8)

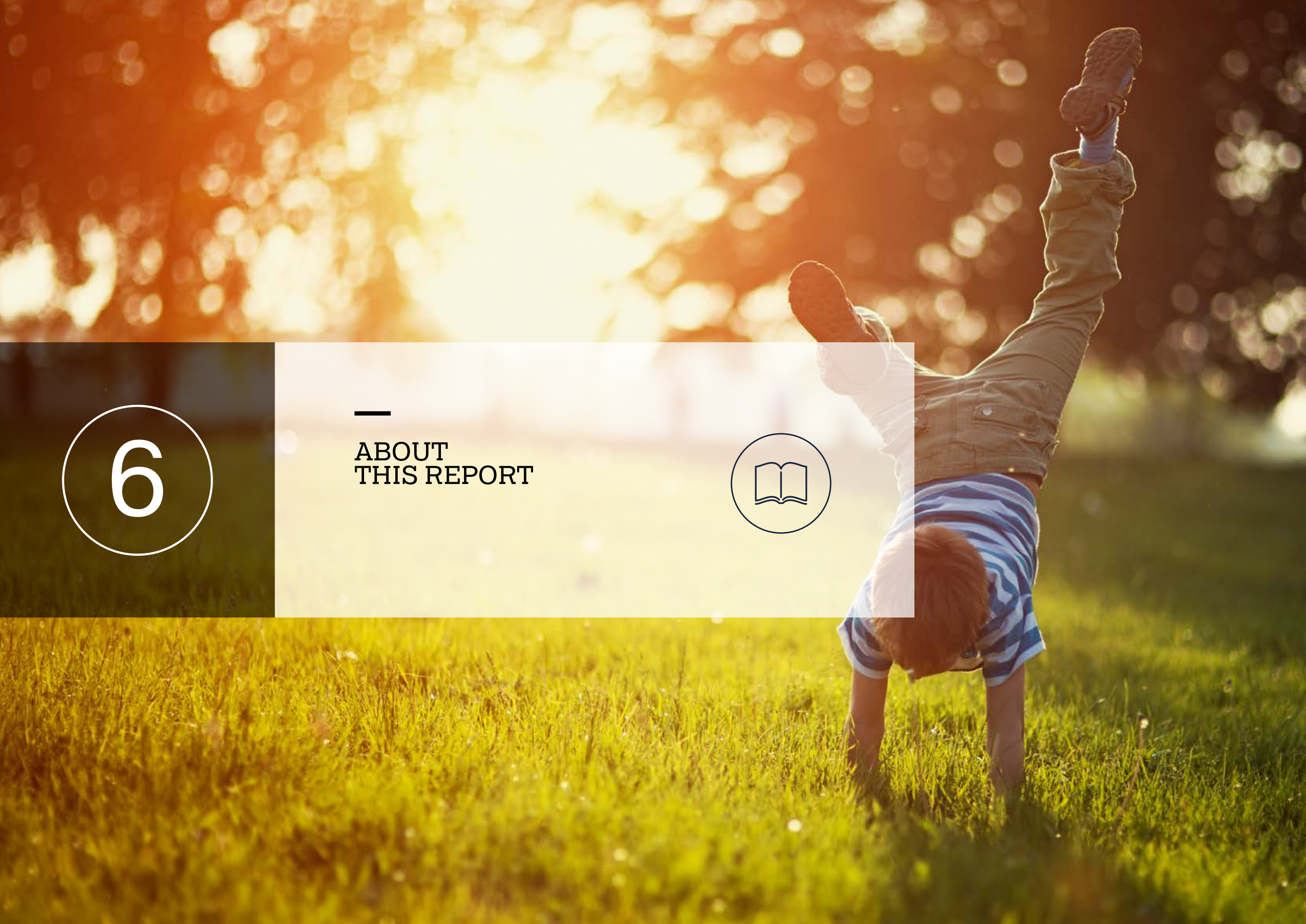
Information about parental leaves.

	2016				2015				2014			
	Employees who went on leave		Employees who returned after leave		Employees who went on leave		Employees who returned after leave		Employees who went on leave		Employees who returned after leave	
	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman
SPAIN	1	5	1	5	1	6	1	5	2	8	1	5
PORTUGAL	0	0	0	0	1	0	1	0	1	1	1	1
FRANCE	0	0	0	0	0	0	0	0	0	0	0	0
ITALY	0	3	0	1	0	1	0	0	0	0	0	0
GERMANY	0	1	0	2	0	3	0	1	0	2	0	0
POLAND	0	9	0	5	0	0	0	0	1	6	1	4



# 6

## — ABOUT THIS REPORT





# About this report

## SCOPE OF INFORMATION AND THE STANDARDS USED IN THIS REPORT (G4-18)

This sustainability report includes information from 2016 for all of the company's operations and services. Where appropriate, it also includes information from previous years as a point of comparison.

It was developed in compliance with the Core level established in the GRI G4 guidelines for the preparation of sustainability reports. It also includes additional content for the GRI industry-specific supplement for the Construction and Real Estate sector.

## GRI PRINCIPLES FOR DEFINING REPORT CONTENT (G4-18)

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

- **Stakeholder engagement.** This report was prepared keeping in mind the various stakeholders' interests and expectations regarding NEINVER's operations. Besides identifying these expectations through the company managers who interact with them, the company analysed the results of several consultation processes that NEINVER conducted, as explained in the materiality analysis section.
- **Sustainability Context.** The company studied the interaction between NEINVER's operations and services and the social, economic and environmental context in which it does business.
- **Materiality.** The company conducted a materiality study to define the aspects of sustainability that are most relevant to NEINVER. The methodology of this analysis is explained later in the chapter.
- **Completeness.** After identifying the material aspects, the company proceeded to include enough information about them to let stakeholders assess NEINVER's economic, environmental and social performance over the past few years.

## GRI PRINCIPLES FOR DEFINING REPORT QUALITY (G4-18)

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

- **Balance.** Under this principle, sustainability reports must reflect both positive and negative aspects of a company's performance. This yielded an objective, complete view of NEINVER's overall performance.
- **Comparability.** The company compiled information periodically and included it in the report contents so stakeholders can analyse changes in its performance in recent years and compare it with that of other organisations.
- **Accuracy.** The information provided is detailed enough to meet the expectations expressed by the stakeholders.
- **Timeliness.** As in recent years, NEINVER will continue to update the contents of its Sustainability Report annually to provide periodic information to its stakeholders.
- **Clarity.** The company wishes to present its performance information in a way that is understandable and accessible to all its stakeholders.
- **Reliability.** This report includes a detailed explanation of how it was prepared. By doing this, NEINVER ensures that the report's contents can be subjected to outside review to judge the quality and materiality of the information.

## MATERIALITY ANALYSIS (G4-26) (G4-18)

In compliance with the GRI's G4 guidelines, this document compiles indicators reflecting the aspects of sustainability that were considered material to the company. NEINVER performed a targeted analysis to determine which topics are most important, either because they affect stakeholders' decisions or because they are critical to the long-term success of the corporate strategy.

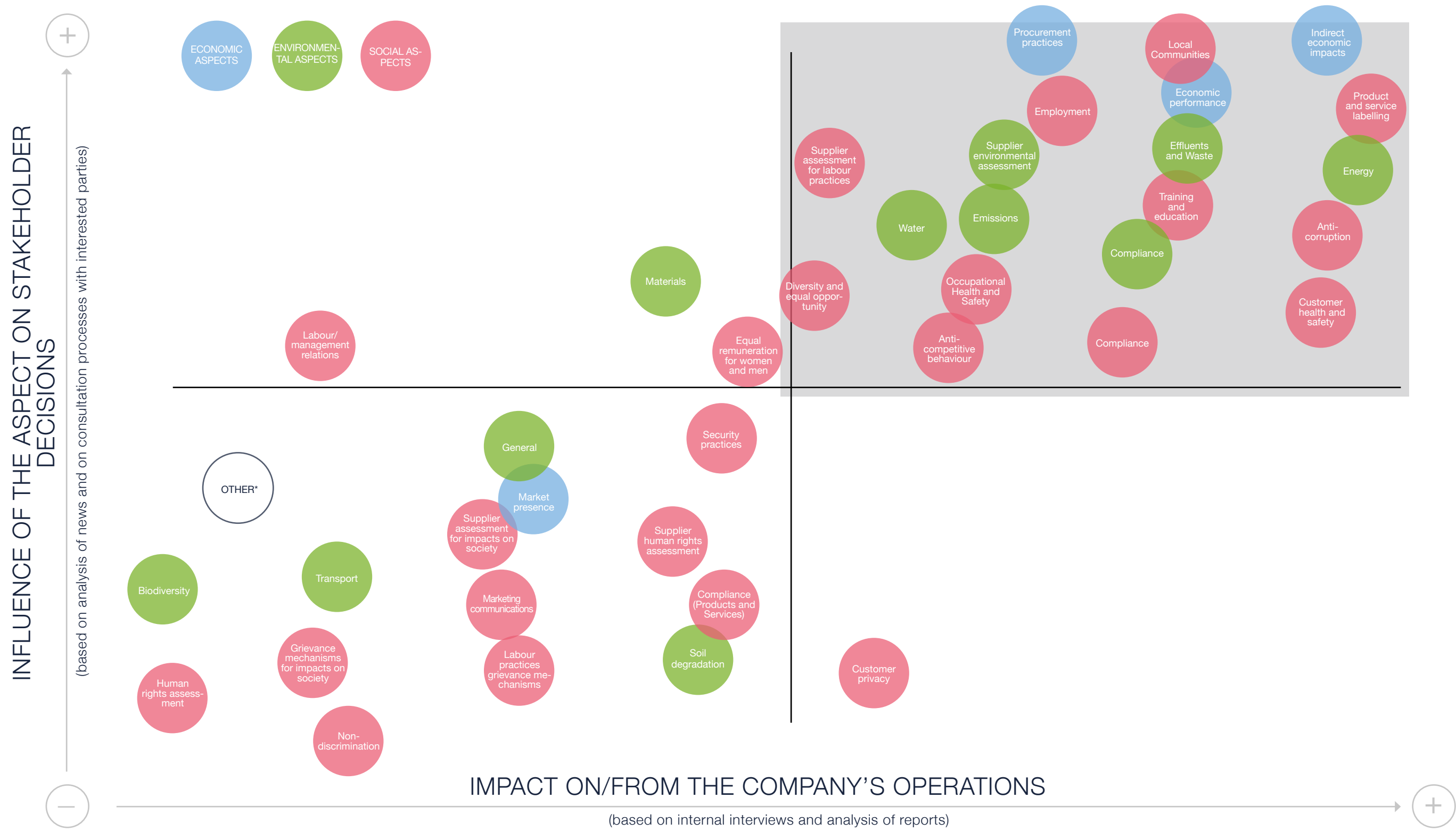
Specifically, this materiality analysis consisted of:

- **Meetings** with managers and senior managers of the key areas of the company.
- **Benchmarking** against other companies that specialise in the retail and outlet segment of the property industry.
- **Analysis of investors' CSR requirements** by analysing the content and indicators requested by initiatives such as GRESB and the Dow Jones Sustainability Indices (DJSI), as well as conclusions drawn from interviews with some investors (TH Real Estate, KKR).
- **Analysis of press clippings** compiled by the company over the past year.
- **Results of NEINVER's stakeholder consultations.** Analysis of customer and employee satisfaction surveys.
- **Analysis of requirements under other reporting standards** (EPRA – Best Practices Recommendations on Sustainability Reporting).

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



MATERIALITY MATRIX FOR NEINVER (G4-19)



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

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

Category	Material aspect	Aspect boundaries <sup>1</sup>	
		Organisation	Outside the organisation
EC	Economic performance	X	X
EC	Indirect economic impacts		X
MA	Materials	X	
MA	Energy	X	
MA	Water	X	
MA	Emissions	X	
MA	Effluents and waste	X	
MA	Compliance	X	
MA	General (Environmental protection expenditu-	X	
MA	Supplier environmental assessment	X	X
SO	Employment	X	X
SO	Occupational Health and Safety	X	
SO	Training and education	X	
SO	Diversity and equal opportunity	X	
SO	Local communities		X
SO	Anti-corruption	X	
SO	Customer health and safety	X	X
SO	Product and service labelling	X	
SO	Compliance	X	
SO	Customer privacy	X	

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

Once the material aspects and their boundaries were identified, the information for the report was compiled through interviews and by sending data collection sheets to corporate managers.

NEINVER prepared the final version of this report using the data it received and the contextual information from the materiality analysis. The GRI table in the next section tells readers where in the report to find information for each indicator requested by the standard.

The table indicates if it was impossible to meet all the guide's requirements for reporting a particular indicator. The company has also made a commitment to improve its information systems in order to make the requested data available in future editions of the report.

## MORE INFORMATION (G4-31)

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





## — GRI TABLE

7



INDEX OF GRI G4 CONTENT (G4-32)

This Sustainability Report has been validated with the GRI Content Index Service, which reviews the accuracy of the GRI Content Index and that the indicator labels are placed correctly in the body of the Report.



STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
STRATEGY AND ANALYSIS			
G4-1	4-7		Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.
G4-2	4-7		Description of key impacts, risks and opportunities.
ORGANISATIONAL PROFILE			
G4-3	NEINVER, S.A.		Name of the organisation.
G4-4	20-21		Primary brands, products and services.
G4-5	C/ Francisca Delgado, 11, 5ª planta, Alcobendas (España)		Location of the organisation's headquarters.
G4-6	22-23		Number of countries where the organisation operates, and names of countries where it has significant operations.
G4-7	56 NEINVER is a corporation (sociedad anónima).		Nature of ownership and legal form.
G4-8	22, 23, 30-38		Markets served.
G4-9	12-13		Scale of the organisation (number of employees, number of operations, net sales, etc.).
G4-10	69, 72	Subcontracted workers who provide services at the company's centres.	Breakdown of workforce by type of employment, type of contract, and region.
G4-11	69		Percentage of employees covered by collective bargaining agreements.
G4-12	98-99		Description of the supply chain.
G4-13	39		Significant changes regarding the organisation's structure, ownership or its supply chain (acquisitions, share capital structure, selection and termination of suppliers).
G4-14	110-115		Explanation of how the precautionary principle is addressed by the organisation.
G4-15	59		Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses.
G4-16	102-103		Memberships of associations and national or international advocacy organisations in which the organisation: › Holds a position on the governance body › Participates in projects or committees › Provides substantive funding beyond routine membership dues › Views membership as strategic

GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
MATERIAL ASPECTS AND COVERAGE			
G4-17	Financial data taken from the Group's annual consolidated financial statement. Its scope includes NEINVER, S.A. and all its subsidiary companies.		List of all entities included in the organisation's consolidated financial statements, and indication of which of them are not covered by this report.
G4-18	152-153		Process for defining the report content and the Aspect Boundaries. Explanation of how the organisation has implemented the Reporting Principles for Defining Report Content.
G4-19	156-157		List of all the material Aspects identified in the process for defining report content.
G4-20	158		For each material Aspect, report the Aspect Boundary within the organisation.
G4-21	158		For each material Aspect, report the Aspect Boundary outside the organisation.
G4-22	Water and energy consumption data and greenhouse gas emissions data for 2014 and 2015 have been revised slightly from the figures included in the 2015 Sustainability Report. These restatements reflect improvements to the data collection and processing procedures, and are not considered significant.		Effect of any restatements of information provided in previous reports and the reasons for such restatements.
G4-23	There have been no significant changes.		Significant changes from previous reporting periods in the Scope and Aspect Boundaries .
STAKEHOLDER ENGAGEMENT			
G4-24	63, 91		List of stakeholder groups engaged by the organisation.
G4-25	NEINVER defines its list of stakeholders as including all organisations/groups that are critical to the company's operations or are influenced by its operations.		Basis for identification and selection of stakeholders with whom to engage.
G4-26	63, 155		The organisation's approach to stakeholder engagement
G4-27	63		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.
REPORT PROFILE			
G4-28	The reporting period is the year 2016, although information from previous years is included where deemed appropriate.		Reporting period.
G4-29	The most recent edition of the report was published last year, in 2016.		Date of most recent previous report.
G4-30	Annual.		Reporting cycle (such as annual, biennial).
G4-31	159		Contact point for questions regarding the report or its contents.
G4-32	162-169		Indication of the "in accordance" option, plus a GRI Content Index indicating the location of the report's standard disclosures, and a reference to the external assurance.
G4-33	No external assurance was obtained for the sustainability report. All indicators included in it come from the company's own annually audited management systems.		The organisation's policy and current practice with regard to seeking external assurance for the report. Information on the relationship between the organisation and the assurance providers, and the most senior decision-maker in the company who is involved in selecting the assurance provider.



GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
GOVERNANCE			
G4-34	56		The governance structure of the organisation responsible for decision-making on economic, environmental and social impacts.
G4-35	55-56		Description of the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.
G4-36	55-56 The Management Committee involves all the company's top managers in issues related to economic, environmental and social topics. This Committee reports to Senior Management.		Existence of an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.
G4-37	All members of the Management Committee stay in ongoing contact with the key stakeholder groups in their area of activity. Topics important enough to affect the company's performance are shared by the Management Committee and, when necessary, are escalated to other elements of the corporate governance structure.		Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.
G4-38	56		Composition of the highest governance body and its committees by: executive or non-executive, gender, tenure on the governance body, independence, membership of under-represented social groups, competences relating to economic, environmental and social impacts, stakeholder representation.
G4-39	The Chairman of the Board is not an executive officer, as Daniel Losantos was named CEO in late 2015.		Report whether the Chair of the highest governance body is also an executive officer.
G4-42	56		The highest governance body's and senior executives' roles in the development, approval and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.
G4-43	The company continually assesses the need to improve knowledge among its governance bodies, and in all cases promotes the most advisable initiatives.		Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.
G4-44	There is no independent performance evaluation of NEINVER's highest governance body.		Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.
G4-45	The Management Committee and other advisory bodies promptly inform the highest governance body about the most important management issues in the company, and that highest body gives its opinion and makes decisions about the most relevant issues.		The highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Stakeholder consultation.
G4-46	57 The Management Committee informs the highest governance body about the main identified risks and about the steps to take to manage them.		Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.
G4-47	At all its meetings, the highest governance body analyses any new impacts, risks and opportunities of high relevance to the company.		Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.
G4-48	Management Committee.		Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered.
G4-49	56 The Management Committee and other advisory bodies promptly inform the highest governance body about the most important management issues in the company, and that highest body gives its opinion and makes decisions about the most relevant issues.		Process for communicating critical concerns to the highest governance body.

GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
G4-52	74		Process for determining remuneration (indicating whether outside consultants are involved and whether they are independent).
G4-53	Stakeholders' opinions are not solicited for this section.		Stakeholders' involvement in defining remuneration policies.
ETHICS AND INTEGRITY			
G4-56	58-60		Description of the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.
G4-57	58-60		Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity (such as helplines or advice lines).
G4-58	58-60		Mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity.

SPECIFIC STANDARD DISCLOSURES

DISCLOSURES ON MANA- GEMENT APPROACH AND INDICA- TORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
ECONOMIC PERFORMANCE			
ECONOMIC PERFORMANCE			
G4-DMA	27		Management approach.
G4-EC1	29		Direct economic value generated and distributed (EV/G&D) including revenues, operating costs, employee wages and benefits, donations and other community investments, profits undistributed and paid to providers of capital and to governments.
G4-EC2	Actions related to energy are key to fighting climate change, which can have various effects on the assets the company manages: water shortages, changes in energy prices, changes in flooding patterns and impacts on the supply chain, for example.		Financial implications and other risks and opportunities for the organisation's activities due to climate change.
G4-EC3	There is no benefit plan in the orga- nisation.		Coverage of the organisation's defined benefit plan obligations.
INDIRECT ECONOMIC IMPACTS			
G4-DMA	10-11		Management approach.
G4-EC7	91-93, 96-97		Development and impact of infrastructure invest- ments and services supported.
G4-EC8	91, 96-97		Significant indirect economic impacts, including the extent of impacts.
ENVIRONMENTAL PERFORMANCE			
MATERIALS			
G4-DMA	NEINVER takes care to reduce consumption in the centres, for example by installing interactive touch screens to reduce the need to print documents. In construction phases, by applying BREEAM sustainability criteria, it also works to reduce the environmental impact of its use of materials.		Management approach.
G4-EN1	In 2016, paper consumption totalled 687 kg and toner consumption was 134 kg.	No data is available on consumption of construction materials. Despite this, NEINVER requires its suppliers to reduce their use of materials and is committed to sus- tainable alternatives.	Materials by weight or volume.
ENERGY			
G4-DMA	126		Management approach.
G4-EN3	126-127, 138-139		Energy consumption within the organisation (fuel, renewable and non-renewable sources, and electricity acquired, generated and sold) and methodologies/assumptions used.
G4-EN5	127		Energy intensity.
G4-EN6	126-127, 138-139		Reduction of energy consumption .
G4-EN7	126-127, 138-139		Reductions in energy requirements of products and services.
G4-CRE1	127		Building energy intensity.

DISCLOSURES ON MANA- GEMENT APPROACH AND INDICA- TORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
WATER			
G4-DMA	130		Management approach.
G4-EN8	130, 142-143 All NEINVER centres use the munici- pal water supply.		Total water withdrawal by source.
G4-EN9	No water sources were significantly affected by the company's with- drawal of water.		Water sources significantly affected by withdrawal of water.
G4-CRE2	131		Building water intensity.
EMISSIONS			
G4-DMA	128		Management approach.
G4-EN15	128		Direct greenhouse gas (GHG) emissions (Scope 1).
G4-EN16	128		Indirect greenhouse gas (GHG) emissions (scope 2).
G4-EN17	129		Indirect greenhouse gas (GHG) emissions (scope 3).
G4-EN18	128		Greenhouse gas (GHG) emissions intensity.
G4-EN19	128, 140-141		Reduction of greenhouse gas (GHG) emissions.
G4-CRE3	128		Buildings' greenhouse gas emissions intensity.
G4-CRE4	128		Greenhouse gas emissions intensity for new construction and renovations.
EFFLUENTS AND WASTE			
G4-DMA	132		Management approach.
G4-EN23	132, 144-145		Total weight of waste by type and disposal method.
G4-EN24	There were no significant spills.		Total number and volume of significant spills.
COMPLIANCE			
G4-DMA	112-115		Management approach.
G4-EN29	NEINVER received no such sanctions in 2016.		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
ENVIRONMENTAL – OVERALL			
G4-DMA	135		Management approach.
G4-EN31	135		Total environmental protection expenditures and invest- ments by type.
SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	98-99		Management approach.
G4-EN32	The company evaluates all its suppliers.		Percentage of new suppliers that were screened using environmental criteria.



DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
SOCIAL PERFORMANCE – LABOUR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	67		Management approach.
G4-LA1	69		Total number and rates of new employee hires and employee turnover by age group, gender and region.
G4-LA2	75		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation .
G4-LA3	150		Return to work and retention rates after parental leave, by gender.
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	76		Management approach.
G4-LA6	76	A breakdown of the indicators by geography and gender, as they are not relevant factors in the context of the company's operations.  Indicators related to the work of contractors, because that information was not available when this report was written.	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.
G4-CRE6	148-149		Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system.
TRAINING AND EDUCATION			
G4-DMA	73		Management approach.
G4-LA9	73		Average hours of training per year per employee, by gender and by employee category.
G4-LA11	75		Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.
DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	72		Management approach.
G4-LA12	56-72		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.
SOCIAL PERFORMANCE – SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	91		Management approach
G4-SO1	91		Percentage of centres with implemented local community engagement, impact assessments and development programmes
G4-SO2	When developing new properties, none of the socio-economic impact studies found any severe negative impacts in this area.		Operations with significant actual and potential negative impacts on local communities
G4-CRE7	The company's projects have not displaced any populations.		Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.

DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE OR DIRECT RESPONSE	OMISSIONS	DESCRIPTION
ANTI-CORRUPTION			
G4-DMA	58-60		Management approach.
G4-SO4	58-60		Anti-corruption communication and training policies and procedures.
G4-SO5	There were no known cases of corruption during the reporting period.		Confirmed incidents of corruption and actions taken.
COMPLIANCE			
G4-DMA	58-60		Management approach.
G4-SO8	The company has not received any significant sanction in the last year.		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.
SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
G4-DMA	87		Management approach.
G4-PR1	87		NEINVER evaluates the health and safety impacts of all the outlet and retail centres that it manages.
G4-PR2	There were no cases of non-compliance in this regard.		Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.
PRODUCT AND SERVICE LABELLING			
G4-DMA	82		Management approach.
G4-PR4	There were no cases of non-compliance in this regard.		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes .
G4-PR5	88-89		Results of surveys measuring customer satisfaction.
G4-CRE8	148-149		Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.
CUSTOMER PRIVACY			
G4-DMA	87		Management approach.
G4-PR8	To date, the company has received no complaints about non-compliance in this area or requests for data deletion.		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

