



GARRIGUES

# 2018 Integrated Report

Main accomplishments in 2018	<b>3</b>
Letter from the chairman	<b>4</b>
About this report	<b>5</b>
Business model	<b>6</b>
The value of reputation	<b>11</b>
Trust, credibility and client satisfaction	<b>13</b>
Ethics and governance	<b>16</b>
Human capital	<b>21</b>
Intellectual capital, technology and innovation	<b>31</b>
Social and relationship capital	<b>37</b>
Natural capital	<b>50</b>
Financial capital	<b>54</b>
Guiding principles	<b>57</b>
Index of GRI Standards, Global Compact and SDG	<b>61</b>
Assurance report	<b>70</b>

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

Here is a summary of the firm’s activities in 2018:

**3,433**  
**clients**

who have been with us on an ongoing basis for at least 5 years

**32**  
**offices**

in 13 countries across 4 continents

**€364.6**  
**million**

in revenues  
2.1% annual growth

**2,121**  
**people**

of 24 nationalities  
347 new hires during the year

**53%**  
**47%**  
**Gender split**  
(women / men)

New hires in 2018:  
54% / 46%

**303**  
**partners**

16 new partners in 2018

Pro bono program:

**65**  
**beneficiaries**

In the **first 10 months since its relaunch**, users of [www.garrigues.com](http://www.garrigues.com) rose by more than

**50%**

Garrigues advises clients from

**79**  
**countries**



For yet another year, I am pleased to present Garrigues' Integrated Report, which provides a balanced view of the firm's performance in 2018, sets out the most salient aspects affecting its progress and presents the main areas of work for the coming years.

Garrigues faced major challenges on all fronts in 2018. Our main asset is our team of over 2,100 people who work at the firm and they are at the heart of our strategy. We believe that having the best talent is one of major factors that sets us apart. This is why we strive to promote equal opportunities and merit-based promotions and to encourage training, lifelong learning and the development of digital skills among our people. This approach, together with our commitment to diversity and to adopting new, more flexible, collaborative and innovative working methods is undoubtedly one of the keys to our success.

We will only remain successful if we continue to anticipate our clients' needs, ensuring we are their firm of choice. This is why it is important to consolidate our global culture, which enables us to offer the same degree of excellence in client service at any of our 32 offices in 13 countries. And why we must also remain at the forefront of the sector, by adopting tools and technologies that allow us to be more efficient and provide a better quality service.

Thanks to all of this, 2018 was a year of consolidation in Europe and growth in other markets, particularly Latin America. A trend we hope will be mirrored in 2019: we would like to continue this profitable growth and offer a more efficient service in order to be able to stay by our clients' side, wherever they may need us.

Last but by no means least, we are also driven by our desire to help address, within our capabilities, the major challenges faced by society as a whole. In this regard, we have strengthened our commitment to the 10 principles of the United Nations Global Compact and we have formalized our contribution to the Sustainable Development Goals. We truly believe that the firm can contribute to finding solutions to the increasingly complex global issues and challenges of today.

I am confident that this 2018 Integrated Report will be of great use in helping you know more about Garrigues, an international law firm that is a natural leader in the key areas of business law and a firm of choice in Spain, Europe and Latin America. We will continue to pour all our efforts into our work and build on these accomplishments in the coming year.

**Fernando Vives**  
Executive chairman

This is the thirteenth consecutive year that Garrigues has published its Integrated Report (known until five years ago as the Corporate Social Responsibility Report). This report corresponds to the Garrigues 2018 fiscal year (January 1, 2018 through December 31, 2018).

As always, in preparing this report, we have taken into account the guidelines and recommendations of the integrated reporting framework published by the International Integrated Reporting Council (IIRC) in December 2013, adapting them to the progress made on each issue and to Garrigues' business and specific situation. In particular, pages 21 - 56 provide detailed information on our capital: human, intellectual, social and relationship, natural and financial. This is also the third year we have applied the GRI Standards.

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

Garrigues has assessed and defined its contribution to the Sustainable Development Goals (SDGs) approved by the United Nations. This series of 17 goals and 169 targets aims to solve the social, economic and environmental problems afflicting the world and covers the period 2016-2030. Page 9 provides details of Garrigues' commitment to the Sustainable Development Goals and page 38 sets out the contribution our pro bono program has made to the Sustainable Development Goals.

In addition, and for greater clarity, pages 62 - 64 of the Index of GRI Standards list the GRI disclosures alongside each of the principles of the Global Compact and the UN Sustainable Development Goals.

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

For more information, see the assurance letter on page 71 of this report.



**This is our Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

For more information on Garrigues' activities: [www.garrigues.com](http://www.garrigues.com)

Please address any queries to: [comunicaciones@garrigues.com](mailto:comunicaciones@garrigues.com)

or use the Contact Form on [www.garrigues.com](http://www.garrigues.com)



The background of the entire page is a solid teal color. Overlaid on this background are numerous thin, white, wavy lines that flow diagonally from the top-left towards the bottom-right. These lines vary in frequency and amplitude, creating a subtle, textured pattern.

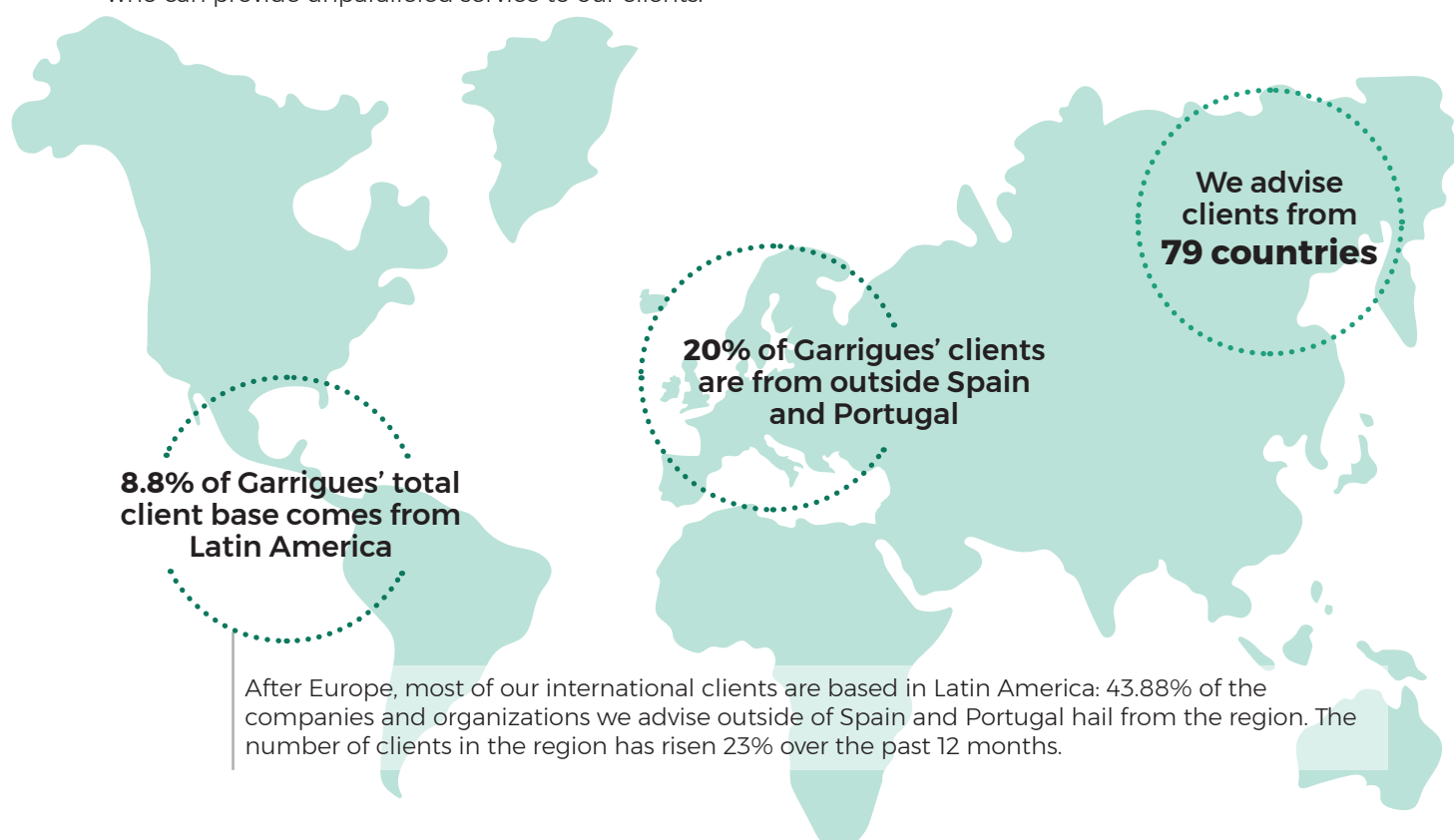
# **Business model**

**Garrigues** is the leading law firm in Spain in terms of billings and is a natural leader in the different practices areas related to business law. All of our departments (corporate/commercial, tax, public law, administrative law, litigation and arbitration, labor and employment, IP and trademarks, etc.) are in step with the market.

Leading firm in the Iberian Peninsula  
#1 firm in terms of billings  
Expansión 2018

## Excellence in client service ■

Our clients are at the heart of all of the firm's initiatives and efforts. Everything we strive for - financial soundness, international expansion, growth and innovation - is geared toward creating the very best teams who can provide unparalleled service to our clients.



## Global ethical culture ■

Over the years, Garrigues has developed a global corporate culture based on solid ethical principles and values, which is shared by our team of more than 2,100 people of 24 nationalities. This culture is key to achieving one of the firm's major objectives: consolidating our leading position through excellence. Thanks to our uniform culture, we can offer a multidisciplinary service to our clients with the same quality standard across the world.

## A multi-local multinational ■

Garrigues is present in 13 countries across 4 continents, while at the same time offering local coverage through its 18 offices in Spain. This dual approach is reflected, among other things, in the firm's capacity to lead rankings of M&A deals, in terms of both the value and number of deals. We lead in terms of deal value because the nature of our domestic and international clients keeps us at the forefront of the sector. We lead on number of deals due to our extensive coverage of the Spanish market.

**Cross-border deals**  
The M&A practice is present at all 32 of Garrigues' offices worldwide

## Sustained and profitable growth ■

The firm's growth targets come second to profitability. Thanks to our policy of controlling expenses and quality, the firm's productivity ratio has risen 19% in the last five years. The challenge is to maintain sustained growth in Europe, a mature and highly competitive market, while increasing the weighting of international revenue.

### Global financial activity

<b>Revenue</b> <b>364.6</b> million euros	<b>Growth</b> <b>2.1%</b> compared to last year
---	---

### Non-Spain markets

<b>Revenue</b> <b>48</b> million euros	<b>Growth</b> <b>6.4%</b> compared to last year
--	---

## Leadership in innovation ■

Garrigues is aware of the challenge it faces in consolidating the firm's leading position in the 21st century and in an ever-changing world. This is why the firm has embraced innovation and has taken a transformative leap to digitalize its processes. Garrigues has invested 50.7 million euros in innovation over the last five years, not only in technological tools that deliver better client service but also in initiatives that provide professionals with the means to spark and share new ways of working and thinking throughout the firm.

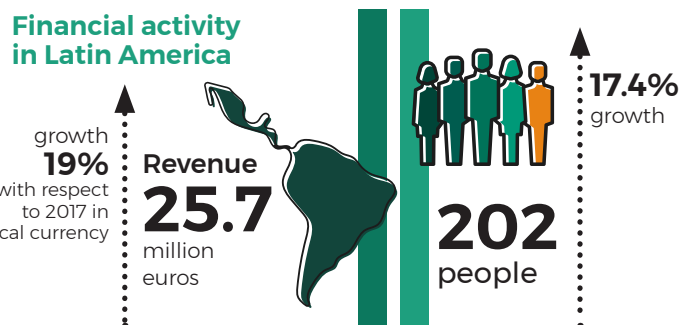
## Information security ■

Garrigues manages its information security systems using best international practices, in line with ISO/IEC standard 27001:2013 and in compliance with new data protection legislation in both Europe (GDPR) and Spain (LOPD-GDD). Consequently, the firm's information security policy enshrines the following fundamental principles: regulatory compliance, risk management, awareness and training, confidentiality, integrity and availability, proportionality, responsibility, and continuous improvement.

This policy constitutes the reference framework for setting security objectives.

## An international strategy ■

Garrigues is already a benchmark in Latin America but still has room to grow and become a leader in the different practice areas. Our commitment to organic growth, by opening own offices, enables us offer our clients a consistent way of doing things and the same standard of quality wherever they may be.



Latin America will continue to be a major focus, with growth and consolidation of existing offices (in Colombia, Peru, Brazil, Mexico and Chile) through the hiring of professionals and the incorporation of new practice areas forming the core of our strategy. The firm is always weighing the possibility of opening new offices elsewhere in the region as well.

In addition to our strong position in Europe and the Americas, the firm's foothold in China rounds out our global network, facilitating ties between the three regions, something which is increasingly appealing to our clients.

Despite the firm's ambitions to lead, it is not willing to grow at any price, and each step forward is carefully planned to ensure that any expansion will further guarantee the best client service.

### Leadership in Latin America

Recommended Firm in Chile, Colombia, Mexico and Peru Latin Lawyer 250	<b>01</b> <b>18</b>
Peru: Sovereign Bond of the Year LatinFinance's Deal of the Year Awards	<b>01</b> <b>18</b>
Mexico: Project Finance Deal of the Year (Norte III) Latin Lawyer's Deal of the Year Awards	<b>04</b> <b>18</b>
Chile: Capital Markets firm of the Year IFLR Americas Awards	<b>05</b> <b>18</b>
Colombia: Americas Tax Policy Team of the Year, Americas Tax Awards International Tax Review	<b>09</b> <b>18</b>



## Our team, at the core ■

The future of Garrigues lies in its ability to recognize, attract and retain talent. Our team numbers more than 2,100 people of 24 different nationalities, operating out of 32 offices in 13 countries. We know that the solution to the challenges ahead of us lies in our people and in a diversity of ideas and perspectives. This is why Garrigues has been committed to nondiscrimination and equal opportunities from the very beginning. We strive to offer the best possible working environment, so that each individual can develop their professional capabilities and gain the acknowledgment they deserve.

## Commitment to society ■

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

Garrigues has defined three levels of contribution to the SDGs in light of its activity, its corporate policies, and its pro bono and community outreach programs. We have prioritized our efforts in this area on promoting peace, justice and strong institutions (Goal 16), decent work and economic growth (Goal 8) and partnerships (Goal 17). Garrigues also fosters quality education (Goal 4), contributes to gender equality (Goal 5) and economic growth (Goal 8), drives innovation (Goal 9), ensures reduced inequalities (Goal 10) and adopts responsible consumption practices (Goal 12) through its corporate policies.

Lastly, our pro bono program and community outreach initiatives mainly contribute to the following SDGs: decent work and economic growth (Goal 8); good health and well-being (Goal 3); peace, justice and strong institutions (Goal 16); zero hunger (Goal 2); quality education (Goal 4); reduced inequalities (Goal 10); no poverty (Goal 1); and gender equality (Goal 5).

## Priority SDGs for Garrigues



### For the business



### Corporate policies



### CSR, pro bono and community outreach



### Client service ■

Practice areas

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

Industries

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

### Desks - International business development services ■

We assist companies seeking to expand and consolidate their activities abroad. To this end, we draw on our professionals' in-depth market expertise, enabling us to offer legal and tax advisory services unhampered by language barriers, guaranteeing quality, business vision and technical excellence: the hallmarks of Garrigues.

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

### Our office network ■



Americas - Bogotá - Lima - Mexico City - New York - Santiago de Chile - São Paulo

Africa - Casablanca - Asia - Beijing - Shanghai - Europe - Brussels - Lisbon - London - Oporto - Warsaw - Spain

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

The background of the image is a solid teal color with a pattern of thin, white, wavy lines that create a sense of movement and depth. The lines are irregular and flow across the frame.

# **The value of reputation**

## Awards recognizing the firm's leadership ■

- **Law Firm of the Year: Iberia**  
*The Lawyer European Awards* (March 2018)
- **Outstanding Contribution to the Legal Profession: Fernando Vives**  
*Chambers Europe Awards* (April 2018)
- **Leading firm in Continental Europe by revenue**  
*The Lawyer* (May 2018)
- **Best Tax Firm in Spain and Deal of the Year (ACS - Atlantia takeover)**  
*Expansión Legal Awards for Excellence* (June 2018)
- **Italian Desk dell' anno Internazionale**  
*TopLegal* (November 2018)
- **Spain M&A Legal Adviser of the Year**  
*Mergermarket* (December 2018)

## Recognition in Latin America ■

- **Recommended Firm in Chile, Colombia, Mexico and Peru**  
*Latin Lawyer 250* (January 2018)
- **Peru: Sovereign Bond of the Year**  
*LatinFinance's Deal of the Year Awards* (January 2018)
- **Mexico: Project Finance Deal of the Year (Norte III)**  
*Latin Lawyer's Deal of the Year Awards* (April 2018)
- **Chile: Capital Markets Firm of the Year**  
*IFLR Americas Awards* (May 2018)
- **Colombia: Americas Tax Policy Team of the Year**  
*Americas Tax Awards - International Tax Review* (September 2018)
- **Mexico: 2018 Socially Responsible Enterprise (ESR) distinction**  
*Centro Mexicano para la Filantropía (Cemefi) and Alianza por la Responsabilidad Social Empresarial (AliaRSE)* (September 2018)

## Outside the legal services industry ■

Recognition for our commitment to:

- **Talent**
  - Named one of the Most Attractive Employers in Spain, *Universum* (May 2018)
  - Named the best company to work for, *Actualidad Económica* (September 2018)
  - Ranked 33rd in the *Merco Talento* ranking (Top 100 companies in Spain for attracting and retaining talent), published by the *Corporate Reputation Business Monitor* (November 2018)
- **Work-life balance and flexibility**
  - Standout in managing and developing talent: Plan Optimum, *Financial Times Innovative Lawyers Awards 2018* (October 2018)
- **Innovation in client service**
  - Commended in enabling business of growth: Smart outsourcing - BBVA, *Financial Times Innovative Lawyers Awards 2018* (October 2018)
- **Innovation as strategy**
  - Commended in strategy and changing behaviors: Innovation Think Tank, *Financial Times Innovative Lawyers Awards 2018* (October 2018)
  - Proceso@: an example of best practices in innovation, *Global Compact Spanish Network* (October 2018)
  - Fundacom Award for best website (May 2018)
- **Corporate social responsibility and corporate governance**
  - Ranked 52nd in the *Merco Responsabilidad y Gobierno Corporativo* ranking (Top 100 companies in Spain in terms of corporate governance and CSR) (May 2018)
- **Corporate reputation**
  - Ranked 54th in the *Merco Empresas* ranking (Top 100 companies with the best reputation in Spain) (May 2018)

Garrigues has also featured heavily in all major international directories published in 2018, such as: Chambers Europe, Chambers Latin America, The Legal 500 Europe, Middle East & Africa, The Legal 500 Latin America, IFLR1000 and World Tax.

**Trust,  
credibility  
and client  
satisfaction**

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

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

Garrigues therefore periodically sends out a client satisfaction survey to a representative sample of clients from across Spain and the different practice areas. The survey gives us client feedback on eleven basic questions (although in two of the questions they are asked to evaluate up to ten different aspects of our activity) that clients answer and subsequently discuss with our professionals at a follow-up meeting.

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

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

When asked why they chose Garrigues, the clients we surveyed valued the firm's reputation, the quality of service, the talent of our professionals, the prestige of our lawyers, our proven knowledge and experience in the sector, and the trust we inspire.

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

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

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

## Clients by region and industry ■

The location of our office network has a clear bearing on where our clients hail from. We currently have an extensive network of own offices outside the Iberian Peninsula and have earned the trust of a great many international clients. In 2018, 20% of Garrigues' clients were based outside Spain or Portugal.

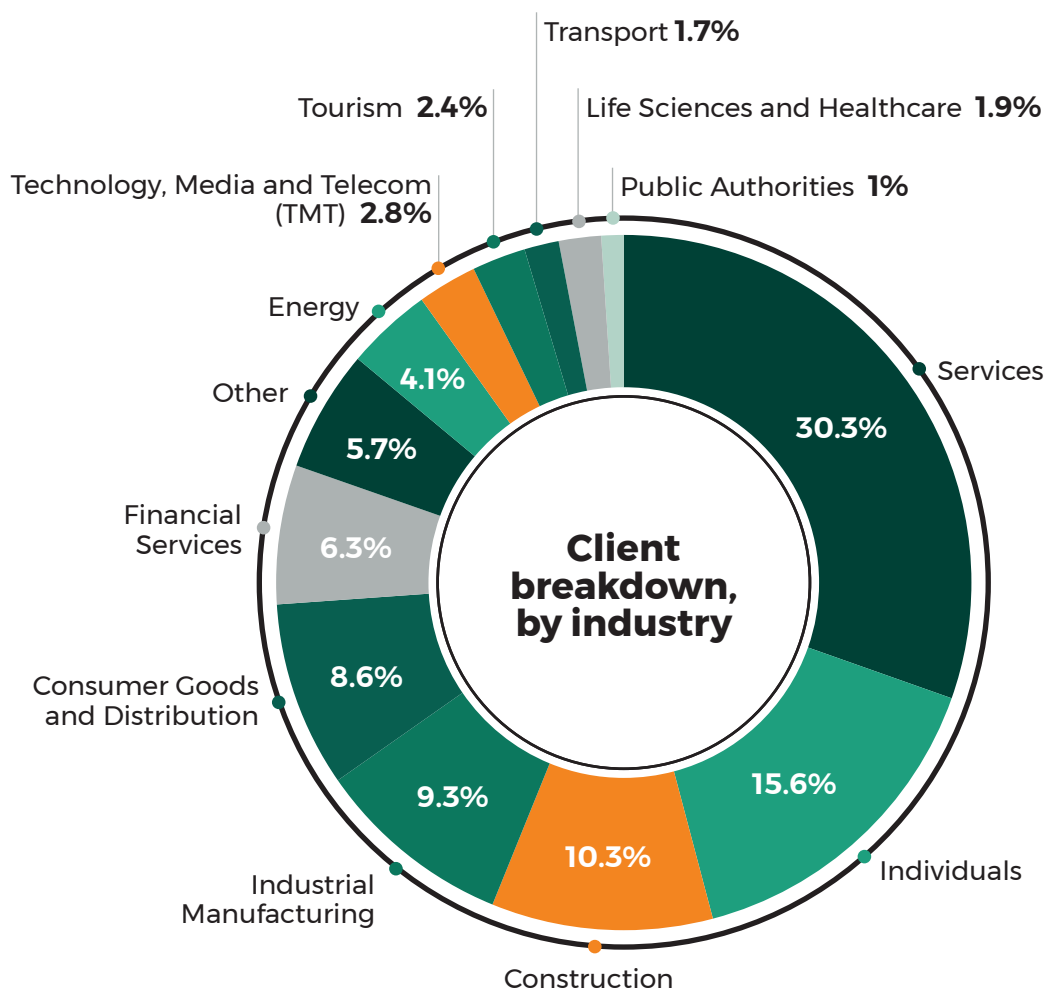
The following table shows where our clients come from (excluding Spain and Portugal):

Client breakdown, by region	%
Europe	38.3
South America	36.9
North America	9.9
Central America and the Caribbean	6.9
Asia	4.4
Africa	3.4
Oceania	0.2
<b>Total</b>	<b>100</b>

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

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

Our clients hail from the following industries:



## Types of clients ■

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

As many as 91.4% of the companies listed on the IBEX 35 at December 31, 2018 were Garrigues clients during the year, as were 63.5% of the companies listed on the Madrid Stock Exchange's electronic trading platform as of the same date. Furthermore, 26.8% of the companies making up the MAB Alternative Stock Exchange at 2018 year-end were clients of Garrigues during the year.

In Portugal, 33.3% of the PSI-20 companies on the Lisbon Stock Exchange as of December 31, 2018 were clients of the firm in the year.

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



# **Ethics and governance**



## Mission



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

## Vision



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

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

## Values



### Unshakeable values:

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

### Core ethical principles:

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

## Ethics ■

Garrigues has an unshakeable commitment to ethical and responsible conduct in the pursuit of its activity, requiring that its professionals not only strictly comply with all laws and regulations, but also refrain from taking any action or imparting any advice that could be considered questionable from an ethical standpoint.

For this reason, Garrigues has a comprehensive Compliance Management System, made up of the internal regulations setting out the standards, policies, procedures and rules of conduct applicable to all members of the firm, both internally and in their dealings with clients and third parties in general.

Our internal regulations include the Code of Ethics (which sets out the basic principles and guidelines on conduct), the Corporate Compliance Program and internal policies (which expand and further define the principles and guidelines established in the Code of Ethics), and the Internal Regulations on Anti-Money Laundering and Counter-Terrorist Financing (which set out the obligations and procedures in place at Garrigues in order to comply with the applicable AML/CTF legislation in force).

The **Code of Ethics** is the fundamental and foremost component of Garrigues' internal regulations, mandating the ethical conduct that must inspire and guide the firm's members at all times. This code fosters ethical and responsible

behavior by all Garrigues professionals and furthers the firm's commitment to the principles of business ethics and transparency in all of its dealings.

Compliance with the Code of Ethics is understood to be without prejudice to strict observance of applicable legislation, ethical standards and other provisions of Garrigues' internal regulations.

The Code of Ethics enshrines Garrigues' values and principles (including integrity, loyalty, independence, dignity and respect, professional secrecy, a commitment to client service, a commitment to quality and a commitment to ethical conduct), as well as the rules and guidelines on conduct required of all members of the firm in their dealings with the firm itself, with other members of the firm, and with third parties in general.

Given its importance, the Code of Ethics is published on the firm's intranet and on the Garrigues website, and can be freely consulted by any third party.



With a view to ensuring adequate knowledge and due observance of the Code of Ethics by all members of Garrigues, each year they are asked to confirm their commitment to familiarize themselves and comply with the provisions of the code. All new hires are required to complete a specific e-learning course on the Code of Ethics and are asked to confirm their commitment to observing the code.

As stipulated in the Code of Ethics, Garrigues has a private and strictly confidential internal communication channel (our Ethics Channel) which all of the firm's members can use to report any conduct by a member of the firm that may be irregular or contrary to the law, the ethical standards and rules of conduct contained in the Code of Ethics, or any other provisions of Garrigues' internal regulations.

The principles and guidelines established in the Code of Ethics are set out in the Corporate Compliance Program, the chief objective of which is to ensure an authentic culture of compliance at Garrigues. The program is based on a prior analysis and assessment of criminal risks at Garrigues (that is, conduct by its professionals that could lead to potential criminal liability for the firm) and is reviewed on a periodic basis.

In addition to this analysis, the program includes measures to prevent such criminal risks from arising (and to mitigate them should they arise), as well as supervision and control measures aimed at ensuring that all of the firm's professionals comply with the internal regulations.

In 2018, the documents containing specific prevention measures for each practice area were updated, adapting risk management processes to each area's particular characteristics. The training sessions provided in these documents also continued during the year.

The implementation of a Supplier Code of Conduct has also been approved, through which Garrigues extends its firm commitment to business ethics to suppliers, business partners and third parties in general.

As previously mentioned, the principles and guidelines set out in the Code of Ethics are further defined and reflected in Garrigues' internal policies, which establish the framework that the firm's professionals must take into account and respect in the pursuit of their activity.

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

Garrigues' internal policies also specifically include the Policy on measures to prevent **corruption, bribery and influence peddling**, reflecting the firm's deep commitment to strictly complying with all legislation and ethical guidelines when delivering its services, as well as to transparency in all its dealings.

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

Accordingly, in upholding the values, principles and guidelines enshrined in Garrigues' Code of Ethics, this policy establishes specific measures aimed at preventing and, failing that, identifying and addressing any type of corruption, bribery or influence peddling.

Another important policy is the **Policy on quality, occupational risk prevention, the environment and corporate social responsibility**, which specifies the commitments entered into by Garrigues in these areas. Under this policy, for example, all work performed by members of the firm must be carried out in strict compliance with occupational risk prevention legislation and with the sufficient and appropriate health and safety safeguards, promoting environmental protection at all times and complying in all cases with environmental legislation and other generally applicable regulations.

The specific characteristics of Garrigues' business require the strictest compliance with the principles of security, confidentiality and protection of information and documentation belonging to the firm and/or to its clients. Garrigues' internal policies establish the guidelines and procedures to be followed by the firm's professionals when using and processing the data and information to which they have access through their work.

Our **Information Security Policy**, developed in line with the ISO/IEC 27001:2013 standard, integrates our fundamental information security principles (which can be consulted on our website) into the methods and procedures for using and securing information belonging to the firm and/or its clients, as set out in Garrigues' other internal regulations.

This policy was updated in 2018, along with others regulating different aspects of how Garrigues pursues its business, to bring the firm into line with the new data protection legislation. This also led to the creation of the role of Data Protection Officer (DPO), among other measures.

Also making up the internal regulations alongside the Code of Ethics, the internal policies and the Corporate Compliance Program, are the **Internal Regulations on Anti-Money Laundering and Counter-Terrorist Financing**, which set out the obligations and procedures in place at Garrigues to comply with the applicable legislation in force in this area.

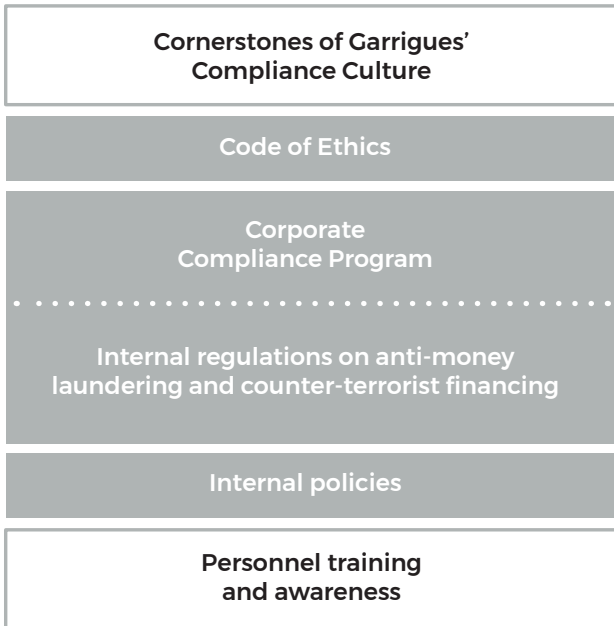
These regulations are based on a prior analysis of the Garrigues group's general exposure to money laundering and terrorist financing and establish the procedures for complying with the obligations incumbent on us in the areas of due diligence, reporting, document storage, internal control, risk assessment and management, client acceptance, internal control bodies and reporting and notification requirements.

New updates were made in 2018 to the Anti-Money Laundering and Counter-Terrorist Financing Manual of the Garrigues Group and its Schedules, with the fundamental aim of incorporating the latest developments in the applicable legislation. The firm's tools for complying with AML/CFT obligations were reviewed and a number of internal procedures were modified to facilitate compliance.

In addition, during the year the team of professionals entrusted with compliance matters was reinforced, with three new individuals joining the firm's Information Processing and Analysis Unit (UTTAI).

The firm’s management team is firmly committed to the Compliance Management System and, in short, to establishing an authentic culture of compliance at Garrigues, which translates into measures to raise awareness and promote ongoing training initiatives (to ensure it is known to all members of the firm), control procedures to ensure compliance, and specific rules applicable in the event any internal regulations are breached.

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



## Governance ■

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

### More information

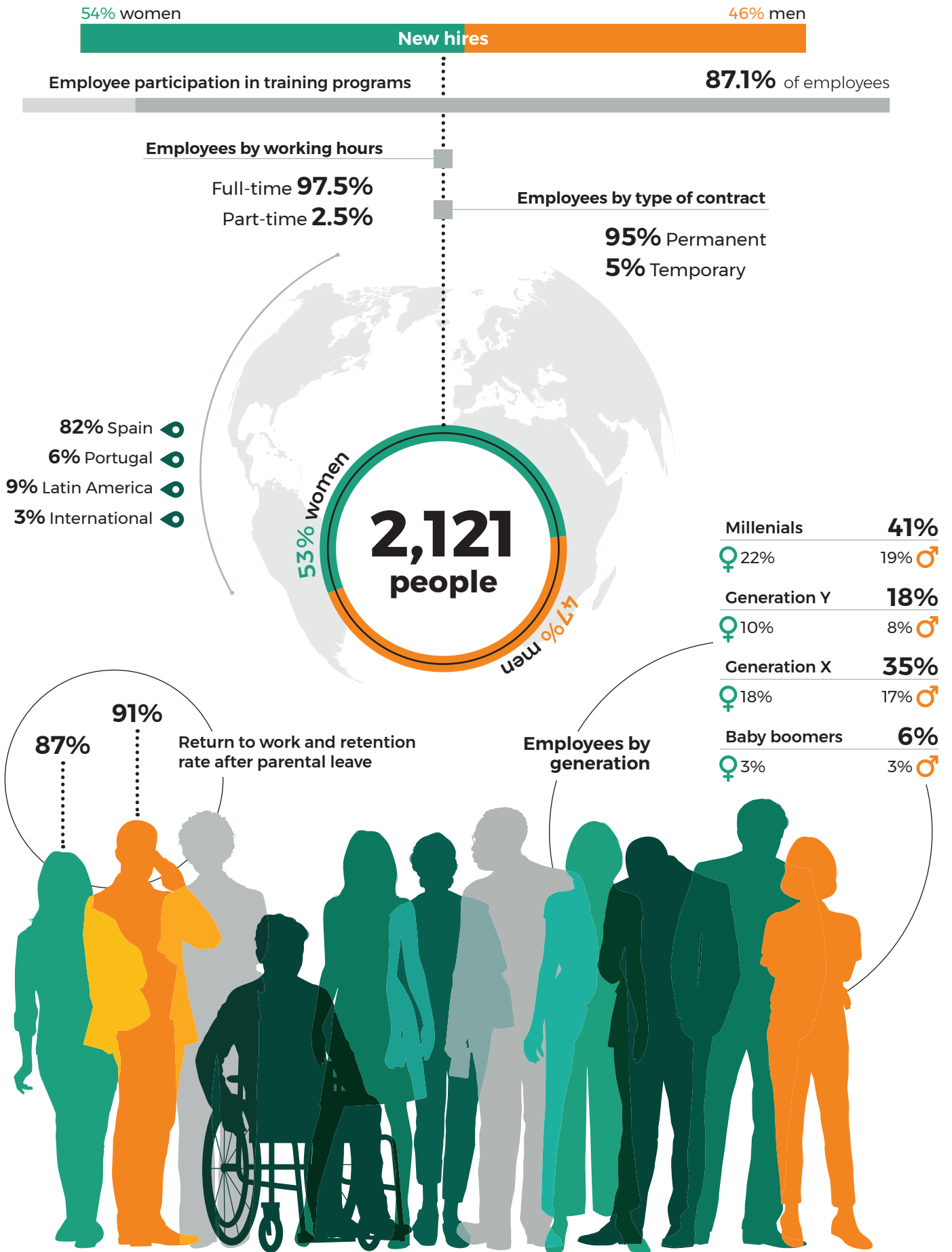
# Human capital

At Garrigues, we make it our priority to identify, develop and retain the best professionals in their respective areas. In our business, talent is key.

## 2018 Accomplishments

- Implementation of new measures to achieve a work-life balance.
- Stronger commitment by Garrigues to people with disabilities.
- Use of gamification elements on the *Fórmate*-e e-learning platform.
- Preparation of a health and safety protocol for business travel.
- Consolidation of the global departmental retreats launched in 2017.
- Improvement of the process of setting and evaluating partner objectives, through the Garrigues Portal.
- Improvement of the process of setting and evaluating counsel objectives, through the Garrigues Portal.
- Analysis of salary trends in the markets in which we operate to ensure that our salary packages are fair and competitive, particularly to attract and retain young talent.
- Design of new summer programs for final-year university students and new strategies to introduce Garrigues' corporate culture to first-year students through job shadowing programs.
- New online form to enable candidates to send in their CVs using any digital device and update their application.
- Increased activity on social media to present our value proposition.
- Consolidation of individual exit interviews with interns to obtain feedback and stay in touch with a view to future selection processes.
- Increased reach of the e-Bazar section on the intranet.





Our people management strategy focuses on eight key challenges:

### **Committing to the professional growth of our people**

Offering them an attractive career in an excellent working environment, where technical expertise, empathy and the ability to build and lead a team are all equally important.

### **Retaining talent**

Having a close relationship with all our professionals, fostering active participation and decision-making among all team members and allowing them to reach their personal and professional goals, which means striving to continually improve as an organization.

### **Training and career development**

Providing our employees with an ongoing training plan and supporting their professional development, building on their skills and abilities.

### **Attracting young talent**

Presenting our value proposition at university presentations and job fairs. Offering internship programs that round out the academic training received by law students and increase their employability on entering the job market while at the same time allowing us to identify talent and keep abreast of their professional development.

### **Compensation and benefits**

Having an attractive and competitive compensation system that fairly recognizes merit through a rigorous, competency-based performance evaluation process.

### **Culture**

Ensuring that the entire firm shares a common culture focused on a job well done, the strictest ethical standards, excellence in client service and the value of teamwork.

### **Diversity and equal opportunity**

Enhancing our commitment to creating a working environment that respects and embraces broad diversity.

### **Innovation**

Developing new technological resources to improve people management.

## Committed to talent ■

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

## Our team ■

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

**Garrigues has a team of 2,121 professionals at 32 offices worldwide.**

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

## Professional development ■

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

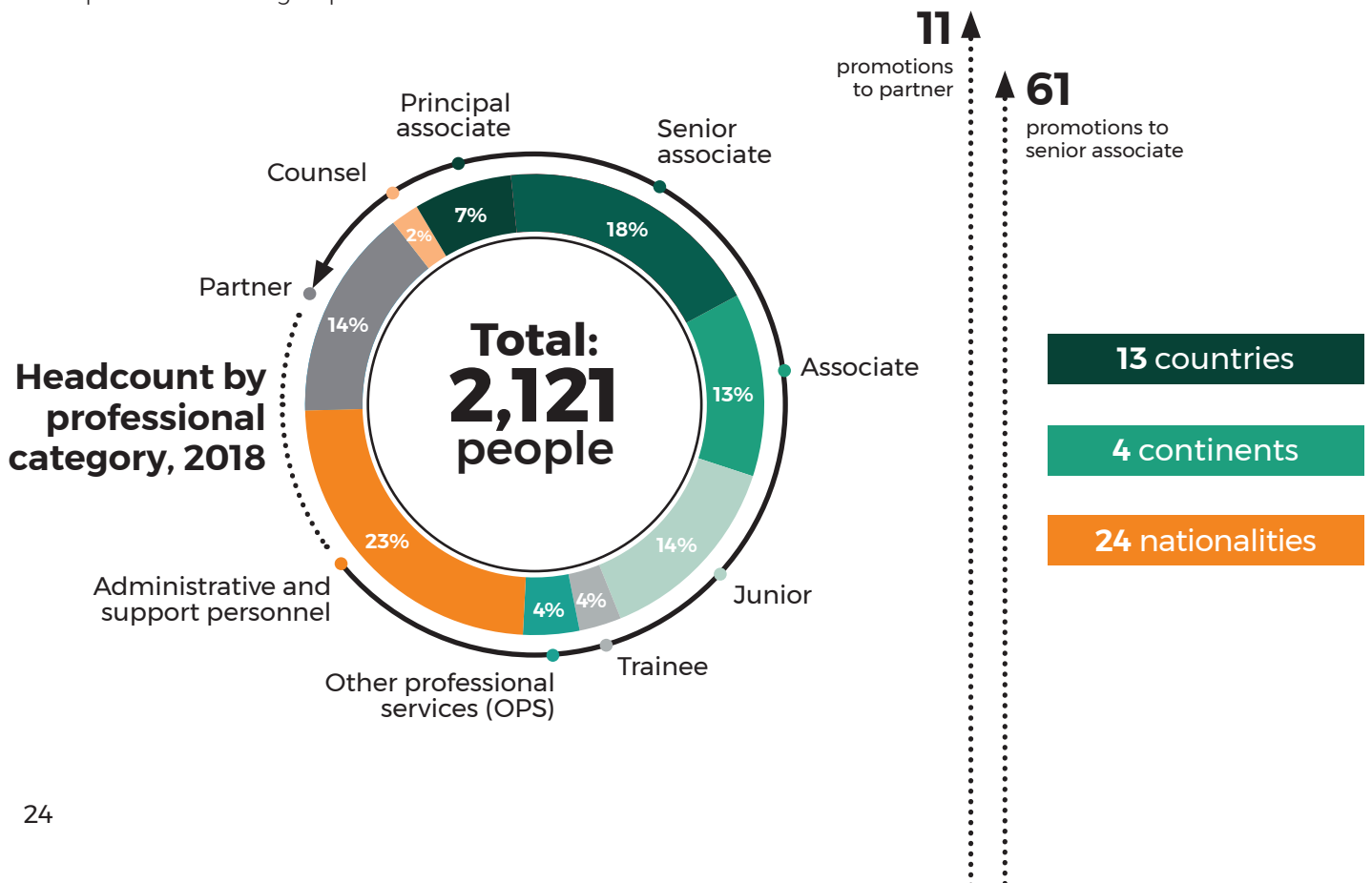
Depending on their experience and ability, our professionals are grouped into the different

categories shown below, which are easily recognizable in the market and, in particular, in the legal and tax services industry.

Internal promotions are based on a rigorous annual competency-based performance evaluation. During this process, each individual's performance and career prospects are analyzed and discussed, personal and professional encouragement is given, and feedback is obtained and assessed. It is an entirely merit-based system.

The evaluation process includes a self-assessment, allowing employees to reflect on their performance. Moreover, in order to ensure greater objectiveness and rigor in evaluations by team leaders, highly experienced professionals (partners and counsel) from other departments act as "external" appraisers. Their mission is to analyze the evaluation process followed by other departments (in other practice areas) and provide feedback and comments where appropriate.

To reflect the importance placed by the firm on individual talent management and responsible leadership, we have an upward feedback program whereby employees can appraise the performance of their supervisors, including partners. The program uses 28 questions about work management, people management and professional skills to help improve leadership at the firm, make our teams more efficient and allow for growth of both our professionals and the organization as a whole.





## Commitment to diversity and equal opportunities ■

To respond to the challenges facing the firm, we need to have a broad range of talent, ideas and perspectives at our disposal.

In 2008, Garrigues broke new ground as one of the first law firms to implement an equality plan. Year on year, the firm has continued to add new measures to the plan, which has now yielded measurable results. In 2017, the firm launched its second Equality Plan, upholding the measures introduced under the first plan and adding new measures leading to greater retention and professional development of our people.

The equality measures implemented by Garrigues in recent years include:

- The **Garrigues Optimum Plan**, which allows employees who have recently become parents to reduce their working hours following the end of their maternity or paternity leave in order to meet the needs of their young child or children, with no reduction in pay or negative impact on their career progression. This measure was implemented in 2016 and covered a period of one year following the end of parental leave. The measure was very well received and has become a byword for our commitment to efficiency and flexibility in the workplace. As a result, in 2018, the firm decided to extend the duration of the plan to two years. The Garrigues Optimum Plan was recognized by the Financial Times at the 2018 European Innovative Lawyers Awards.
- The **Mentoring Program**, which supports female professionals by providing them with tools and methods to further their progression at the firm.

Several different generations work side-by-side at Garrigues, learning from each other in an environment of mutual respect:

### Gender split, by generation

Age range (%)	M	W	Total
Baby boomers (born before 1965)	3%	3%	6%
Generation X (born between 1965 and 1979)	17%	18%	35%
Generation Y (born between 1980 and 1984)	8%	10%	18%
Millennials (born after 1985)	19%	22%	41%
<b>Total</b>	<b>47%</b>	<b>53%</b>	<b>100%</b>

(M) men and (W) women

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

53%



47%

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

## Disabilities ■

From the very beginning, Garrigues has been committed to nondiscrimination, equal opportunities, the integration of people with disabilities and respect for diversity.

In 2018, we strengthened our commitment to disability initiatives, including the hiring of people with disabilities, pro bono services, training and corporate volunteering, responsible procurement of goods and services through special employment centers, measures to ensure that the firm’s offices are accessible to all, collaboration with institutions, and more. All of these efforts are aimed at raising awareness and fostering diversity.

## Talent: the foundation of our excellence ■

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

In 2018, 5,900 individuals submitted their CVs to Garrigues around the world. After closely evaluating all applicants in search of the best talent, we carried out over 1,600 selection processes, leading to the hiring of 195 young professionals worldwide. These new hires were graduates of 49 different universities, including some of the most prestigious law schools in the world.

In attracting the best talent, Garrigues works closely with universities year on year. The two newest initiatives launched in 2018 and starting in 2019 are the Summer Program and the Job Shadowing Program.

- **Summer Program:** aimed at final-year law students, this program consists of a two-month internship, in June and July, during which they can take part in international projects and receive

specific training in different areas, with the possibility of rotating between two departments they are particularly interested in.

- **Job Shadowing Program:** aimed at first-year law students, this program involves shadowing a partner in their day-to-day work for one week, in order gain an introduction to professional practice, our team and our culture.

To promote the program, the firm designed and distributed two informative flyers to students who attended any of the 102 university presentations and job fairs at which Garrigues was present in the countries in which we operate.

We welcome interns at all of our offices, through 137 special agreements with universities.

The entire Garrigues team behind these internship programs plays a key role in identifying those interns with the greatest potential and who may later join the firm as employees. This team comprises the lawyers that participate in the selection processes, the firm's Human Resources personnel, and the interns' mentors, who closely monitor their progress in order to supervise each intern's learning and evaluate their performance.

Internships offered by Garrigues:

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

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

### Degree internships

- **Summer internships**
- **Internships during the academic year**

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

In 2018, Garrigues garnered the following awards, closely linked to its efforts to attract talent:

- For the fifth year in a row, university students voted Garrigues the number one law firm to work for, as part of the Most Attractive Employers survey carried out by Universum.

University students once again named Garrigues the best law firm to work for in 2018



- Garrigues occupies first place in the 2018 ranking of the best companies to work for, drawn up by Actualidad Económica.
- Garrigues is the first and only law firm to make the Merco Talento Universitario ranking, based on 9,000 surveys of final-year students regarding their job priorities and other aspects of their job search.

## Training ■

For a firm like Garrigues, which operates in an increasingly competitive and fast-moving sector, the professionalism of our people is a key factor behind our success.

Ongoing training is an integral part of the firm's business strategy and policies, not only as an essential prerequisite for attaining the technical expertise required of our professionals, but also as a necessary tool for their development. This is why ongoing training is expressly enshrined as a fundamental ethical principle in the Garrigues Code of Ethics.

We therefore consider it essential to provide opportunities for ongoing training that are suited to each professional's level of experience and responsibility, in order to help them gain and preserve the necessary skills to ensure excellence in client advice, deliver value, inspire trust and offer better quality service.

Garrigues regularly organizes training, refresher and specialized courses and seminars, publishes updates on notable legislative, academic and case law developments, and uses the most advanced legal technologies, all within a multidisciplinary and global context but without losing sight of the necessary expertise of our professionals in the different branches of law.

The firm also develops specific training programs tailored to the global market, to cater to the needs of our business and of our professionals:

- **Introduction to International Business Law:** This program offers young professionals from all offices the comprehensive training they need to provide international legal advisory services. 134 people completed this program in 2018.

Since its launch in 2016, a total of 473 individuals have studied on the program.

- **International Training Program:** This program offers our professionals the unique career opportunity of gaining experience at Garrigues offices and other law firms abroad through secondments or international transfers, or of broadening their academic training at an international level by earning either a Master of Laws (LL.M.) at one of the most prestigious foreign universities or a Master of Laws in International Transactions at Centro de Estudios Garrigues in collaboration with Fordham University.

Since its launch in 2016, more than 75 individuals have taken part in the International Training Program.

In addition, the firm continues to offer residential courses and retreats for our professionals, according to their level of experience and professional category. Among other benefits, these events facilitate and deepen the personal and professional relationships between colleagues and foster knowledge-sharing among professionals from different countries, ensuring everyone involved gains a more global perspective of professional practice.

**Nearly 500 people attended residential courses in 2018:**

- 394 from Spain
- 30 from Portugal
- 56 from Latin America
- 12 from our other international offices

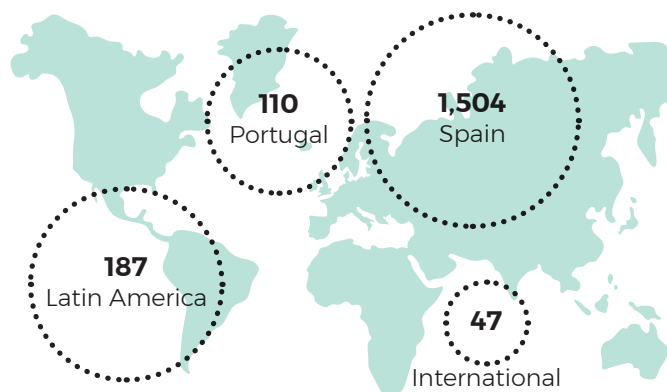
As every year, in order to promote proper management of the risks inherent in our profession, in 2018 we continued to educate our professionals on the Corporate Compliance Program and the specific measures to be adopted in each department, as well as on anti-money laundering and counter terrorism financing obligations.

Garrigues guarantees equal opportunities for all its personnel in terms of access to, and participation in, training. This policy is applied firm-wide: programs are aimed at all personnel, irrespective of gender, and are personalized according to each professional's level of experience.

87.1% of Garrigues employees took part in our training programs in 2018:



Participants in training programs by region



Key training program figures

Training program	Personnel trained
Technical training (technical courses and meetings held at different departments/offices)	1,368
Ethics and good professional practice	1,280
Management skills	788
Languages	670
Technology	482
Knowledge management	259
External training	331

In 2018, we continued to promote the use of online training, which offers each professional greater flexibility to decide when is the best time to complete their training. There are currently more than 250 online courses in our catalog, structured into the following blocks: Onboarding, Compliance, Technical Training, Skills, Knowledge Management and Technology.

The online platform, which employs a variety of machine learning techniques, generates course recommendations for each user based on their profile, interests and past learning, as well as on courses other users have taken, among others.

Furthermore, Garrigues believes that one of the best ways to learn is on the job itself, gaining experience and developing new skills and abilities by participating in complex legal engagements and transactions at the highest level.

All these efforts are reflected by Garrigues' position at the top of the 2018 ranking of the Best Companies to Work For, drawn up by Actualidad Económica, which describes the firm as a "training and equality pioneer".

## Compensation system ■

At Garrigues, we reward the pursuit of excellence and the accomplishments of our people using a performance-based compensation system. This system is applied consistently and uniformly to all Garrigues personnel and is based on:

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

Our compensation packages are periodically reviewed for each level of experience, taking into account salary trends in the different national markets and in our practice areas, meaning that

they are among the most competitive and fair on the market. This commitment to our people and to fair and competitive compensation applies at all levels of the firm, making us a top-tier law firm our employees can be proud to be a part of.

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

As part of the general Human Resources policy, we ensure full equality in compensation and do not tolerate discrimination on grounds of gender or any other basis.

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

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

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

## Other employee benefits ■

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

## Workplace medicine and occupational risk prevention ■

Garrigues' internal policies include the Policy on quality, occupational risk prevention, the environment and corporate social responsibility, which ensures compliance with occupational risk prevention and health & safety legislation in all countries in which the firm operates.

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

The service aims to achieve the best quality of life for Garrigues personnel through integral health management. By coordinating and collaborating with other departments, it also promotes a culture of occupational risk prevention among employees and subcontractors alike.

Training constitutes a fundamental pillar of the occupational risk prevention policy. In 2018, firm personnel continued to receive occupational risk prevention training.

The training is divided into three blocks: training for new hires; training for emergency team members; and training for initial response teams. Occupational risk prevention training in other areas was also provided to employees in certain positions who, due to their special tasks and functions, require more specific and detailed knowledge.

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

No occupational diseases were reported at the firm in 2018. The number of occupational accidents recorded in 2018 was similar to previous years..

A program got underway during the year to prevent deep vein thrombosis and pulmonary thromboembolism in women taking certain hormone preparations.

Another new development, following the current P4 medicine model (Predictive, Preventive, Personalized and Participatory), is the compilation of a survey on the health areas of greatest interest to Garrigues personnel.

The main health promotion activities carried out are as follows: campaigns for the early detection of colon and lung cancer, sharing of health information and best practices via the intranet, nutritional advice, preliminary fitness studies before taking up sports in order to rule out heart conditions, collaboration in healthy eating initiatives, and more.

## Goals for the future

- Innovate in Human Resources, analyzing needs and ways to improve HR processes through application of the latest technologies and specific developments based on HR analytics, artificial intelligence and robotics.
- Continue to analyze salary trends in the different markets in which we operate, in order to ensure that our salary packages are fair and competitive, particularly to attract and retain young talent.
- Continue to improve compensation structures for lower-skilled support area positions and profiles.
- Launch the 2nd edition of the upward feedback program.
- Offer a business travel health and safety e-learning course.
- Continue to expand the catalog of e-learning courses.
- Create a blockchain training program for partners.
- Create a legal tech training program.
- Launch and consolidate the Summer Program and Job Shadowing Program.



# Intellectual capital, technology and innovation

Innovation and applied technology are fundamental values for Garrigues. During the year, Garrigues remained strongly committed to both, as a way of setting us apart from other firms and delivering added value for our clients and professionals.

In 2018, our efforts have focused on six main areas: the security of our documents and management systems; developing new applications and functionalities devised by the Innovation Think Tank; incorporating new legal tech tools; technological training; internationalizing knowledge services; and encouraging collaboration between our professionals and with clients.



## 2018 Accomplishments

### Cybersecurity:

- Adaptation to the new General Data Protection Regulation (GDPR).
- Maintenance of ISO/IEC 27001:2013 certification of our Information Security Management System (ISMS).
- 100% fulfillment of the 2017-18 Security Master Plan.
- Implementation of a tool to detect anomalous behavior in the network.
- Establishment of the 24/7 Security Operations Center service.

### Artificial intelligence and process automation:

- Integration of cloud cognitive services in our Proces@ robot.
- Rollout of a document assembly tool at Garrigues for the automation of documents, standard contracts and deeds.
- Automation and monitoring of administrative / judicial proceedings handled by the tax practice (Investment Funds).
- Implementation of a CRM tool to manage international contacts and supervise and monitor matters relating to Garrigues.
- Application of HighQ Collaborate technology to automate different processes in the legal practice.
- Rollout of legal prediction tools for use by professionals.

### Corporate applications arising from the Innovation Think Tank:

- Mobilization of the following processes in the Garrigues Work app:
  - ClientPal: access to 360° information on our clients.
  - Individual dashboard: at-a-glance view of the KPIs of each professional.
- Development and rollout of GarriguesIN, a platform for viewing and managing professional profiles of Garrigues employees. This involved:
  - Automating the employee directory and generating professional profiles based on area of expertise and experience.
  - Automating and synchronizing approval flows and publication of profiles on the Garrigues website.

### Our new international services:

- Development of a local knowledge service line in Latin America to provide a more on-the-ground and flexible service.
- More than doubling of the number of e-books available via the Garrigues Virtual Library to international offices, including Latin America.

### Training and knowledge-sharing:

- New IT training model focusing on the digital transformation process at Garrigues.
- Development and rollout of gamification elements on the Garrigues e-learning platform.
- Signature of a new license with the Spanish Reproduction Rights Organization (CEDRO) for the reproduction and distribution of works in its repertoire.

### Audiovisual channels and systems:

- Change of videoconferencing system infrastructure.
- Rollout of Webex at the Barcelona office.

### Infrastructure and communications:

- Launch of Lima data center to provide coverage for Latin American offices as regards the document management system and internet access.
- Increased MPLS flows at international offices.

### Desktop empowerment:

- Modernization of workstations by replacing IT equipment with more versatile, convertible laptops running Windows 10 and by upgrading software.
- Continued rollout of latest generation headsets and dual monitor set-ups.

### Office refits (modernization of network infrastructure and audiovisual systems):

- New York office.
- Valladolid office.



## Cybersecurity ■

In 2018, we improved the security of our documentation and management systems, applying advances in the market. We conducted an audit and maintained our certification under ISO/IEC 27001:2013.

We also brought our processes into line with the General Data Protection Regulation (GDPR) and other legislation governing data protection and the safeguard of digital rights (LOPD-GDD) and appointed a Data Protection Officer (DPO), thereby fulfilling 100% of the 2017-2018 Security Master Plan.

Additionally, we implemented a 24/7 Security Operations Center (SOC) and an intruder detection and prevention system, which monitors and provides real-time alerts of anomalies, incidents or threats within our network, enabling us to be ready to respond at all times to any incidents that may arise.

## Information Security Management System (ISMS) ■

The ISMS preserves the confidentiality, integrity and availability of information by applying a risk management process and inspires trust among stakeholders. Its main objectives are:

- To enhance information security management.
- To improve the firm's position compared to its competitors.
- To ensure compliance with legal and contractual requirements.

The ISMS is managed at Garrigues by the Information Systems Security Committee and the Information Security Department and is governed by the Information Security Policy. The fundamental principles of the Information Security Policy are:

- Regulatory Compliance
- Risk Management
- Awareness and Training

- Confidentiality, Integrity and Availability
- Proportionality
- Responsibility
- Continuous Improvement

This policy is published on the firm's intranet, along with information on the members of the security committee and the information security department and their respective roles.

Lastly, we conduct and are subject to internal and external audits every year in order to maintain the certification of our information security management system under ISO/IEC 27001:2013.

## Corporate applications arising from the Innovation Think Tank ■

In 2018, we rolled out tools and developed new functionalities that favor internal cross-selling, client knowledge and management. These applications are the product of the Garrigues Innovation Think Tank, an internal ideas laboratory to promote innovation at the firm.

GarriguesIN is a new tool that unifies access to the firm's directory and the professional profiles of Garrigues employees. The platform enables users to search for employees by location, CV, area of expertise or professional experience, and automatically synchronizes this information with the professional profiles published on the website.

Our corporate app, Garrigues Work, continues to evolve with new processes that give professionals one-click access to crucial data while on the move. This most notably includes immediate access to the individual dashboard, where each professional can view their key performance indicators (KPIs) as well as immediately access 360° information on our clients using the ClientPal module. Garrigues Work received two nominations in 2018 in the innovation and technology categories of the awards granted by the international publications Managing Partners' Forum and The Lawyer.

## Legal tech ■

The Technology and Knowledge Management Departments continued their work to incorporate and adapt new technologies to the needs of our professionals, with a view to focusing their efforts on tasks that deliver greater value for clients.

During 2018, we worked in three fundamental areas:

- Selection and implementation of legal prediction tools.
- Selection and adoption of legal drafting tools (drafting and assisted review of documentation).
- Automation of working processes.



### Legal prediction tools

During the year we introduced two tools that recognize procedural patterns in millions of case law documents. These tools help lawyers identify the best jurisdiction or legal interpretation for defending our clients' interests and shows them case law search results in a graphic format, which can reveal information that is difficult to glean on a judgment-by-judgment basis.



### Legal drafting tools

Assisted drafting of documents is a solution widely used among lawyers. Since 2018, Garrigues professionals have the option of using a highly advanced tool to generate initial drafts of contracts, reports, engagement letters and other documents in a quick and secure manner.



### Automation of working processes

Our Proces@ robot continues to evolve. In 2018, we replaced Speech to Text (STT) with Microsoft's cognitive services in order to improve the quality of audio transcriptions. In 2018, twice the number of files were created using Proces@ compared to 2017.

During the year, and drawing on the experience gained from using the automation modules in Collaborate for due diligence reviews, the Knowledge Management Department has extended the use of these tools to mass, repetitive or low-value processes, thereby increasing the efficiency, speed and security of our professionals' work.

## Training and knowledge-sharing ■

Using the Collaborate platform, in 2018 we created new formats for sharing knowledge and information worldwide:

- InFórmate Knowledge: new databases, books, journals and resources. This valuable digital content is updated on an almost daily basis and classified by legal area.
- Virtual bookshelves are ordered by jurisdiction and by topic in order to facilitate searches and queries using in-house or external tools. These virtual bookshelves contain subject-specific collections of matters of great interest at national and international level.

## New service in Latin America ■

In 2018, we created a specific regional knowledge management service in Latin America in order to provide on-the-ground support, particularly in vital client services like Collaborate. This new service has bolstered the rollout of legal tech tools and new ways of working.

## Internal and client collaboration ■

Demand for Collaborate sites grew sharply in 2018, with nearly 400 new sites created for clients. Since its inception (February 2015), Collaborate continues to be a highly useful and versatile tool, offering a wide range of functionalities. In 2018, we began to include links to the client satisfaction survey on Garrigues Collaborate sites where so authorized by site administrators.



## Goals for the future

### Cybersecurity:

- Extend the Information Security Management System (ISMS) to Garrigues' international network.
- Define and implement the 2019-20 Security Master Plan.
- Establish a platform to control and automatically assign security permissions to workspaces generated on opening job numbers (SPM).
- Establish a platform to monitor alerts and user statistics relating to the document management system (Threat Manager).
- Install advanced endpoint protection across the entire server platform (TRAPS).
- Implement a multi-factor authentication (MFA) system for domain access.

### Artificial intelligence and process automation:

- Extend the cognitive abilities of our Proces@ robot to languages other than Spanish.
- Automate the control and management of internal processes associated with contracts between Garrigues and its suppliers (office lease, maintenance, licenses, etc.).
- Analyze the use of artificial intelligence to automatically select documents of interest (Lang.ai).
- Increase the number of standard-form documents with the new document assembly tool and, together with lawyers, identify new areas of application.
- Further integrate legal tech tools, through good practices and process standardization. Accelerate the adoption of these tools at the firm.

### Digital transformation:

- Re-engineer our credential management systems (credentials database).
- Mobilize time / expense management processes and registration of conflicts of interest in the Garrigues Work app.
- Roll out administrative / financial management and collaboration functionalities in our document management system (MatterView).

- Migrate the document management system to a web environment.
- Apply the new IT training model to all groups, offices and countries.
- Set up expert and practice area portals.
- Anonymize the entire archive of published documents.
- Migrate Labor and Employment Department files to a new digital platform accessible from any mobile device.
- Replace the current intranet with a digital working environment that expedites processes and increases productivity, improves access to content, and promotes collaboration, communication (both internal and external) and knowledge sharing.
- Speed up the incorporation of digital content and access to our Virtual Library by taking advantage of mobile and cloud technologies.

### Audiovisual channels and systems:

- Roll out the Webex communication system firm-wide.
- Ensure compatibility of the videoconferencing system with Webex and Jabber.
- Simplify use of the videoconferencing system.
- Install Jabber on corporate cell phones.
- Upgrade audiovisual systems in Barcelona (multi-purpose space).
- Launch Stream for internal video sharing.

### Infrastructure and communications:

- Replace central switches providing access to all Garrigues systems and platforms.

### Training:

- Achieve more flexible on-site training, using synchronous e-learning technologies such as Webex.

Promote self-study through short videos and new formats that lawyers can view at their convenience.



# Social and relationship capital

Garrigues has strengthened its commitment to serving the general interests of society through applied legal research, knowledge sharing, awards, community outreach initiatives, the provision of pro bono advice to charitable, welfare, cultural, civic, research and educational organizations, and the quality training programs offered by Centro de Estudios Garrigues.



## Pro bono program ■

### 2018 Accomplishments

- Provision of pro bono tax and legal services to 65 entities.
- 157 Garrigues lawyers took part in the pro bono program in its various forms.
- 25 new projects commenced over the course of 2018.
- Founding member of the Spanish Pro Bono Foundation.

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

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

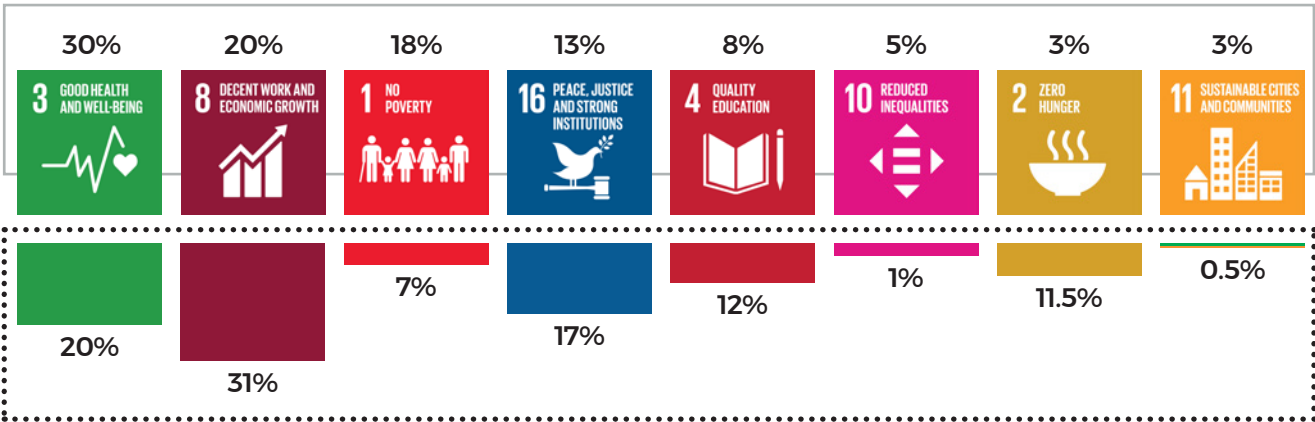
General coordination of the pro bono program lies with the Pro Bono Committee, made up of professionals from various offices and departments. The committee approves new projects and ensures compliance with the mechanisms in place to guarantee the quality of the services provided.

In 2018, the firm provided pro bono legal advice to 65 non-profit entities, with 157 Garrigues lawyers (13 more than in 2017) taking part in initiatives in Chile, Spain, Morocco, Mexico and Portugal.

Garrigues also joined 27 other law firms in creating the Spanish Pro Bono Foundation. The foundation promotes legal pro bono work and acts as a clearing house to facilitate free legal advice and assistance to entities or groups which, for economic or other reasons, have difficulties in accessing these services.

During the year, the firm also assessed the pro bono program’s contribution to fulfillment of the United Nations Sustainable Development Goals (SDGs). Based on the number of hours dedicated to each non-profit under the program, Garrigues’ contribution to the SDGs in 2018 was primarily as follows: decent work and economic growth (Goal 8), good health and well-being (Goal 3), peace, justice and strong institutions (Goal 16) and zero hunger (Goal 2).

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



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

## Legal clinics ■

As part of our collaboration with various legal clinics, this year we continued to assist Universidad Pontificia Comillas by supervising and mentoring students who combine their specific training with social outreach. These students provide legal assistance to non-profit entities that request their help.

## Goals for the future

- Encourage more lawyers to participate in the pro bono program.
- Continue to develop the pro bono program at our international offices.
- Strengthen our contribution to the Sustainable Development Goals.

## Garrigues Foundation: Corporate outreach ■

### 2018 Accomplishments

- 18th Young Lawyers Awards.
- Promotion and coverage of corporate outreach projects in the “Social Corner” section of the intranet.

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

Our corporate outreach program includes awards, volunteering, charity campaigns, events and raising social awareness.

### Young Lawyers Awards

In order to foster excellence in knowledge and the practice of business law, the Garrigues Foundation, together with publishing house Thomson Reuters Aranzadi and Centro de Estudios Garrigues, held the 18th edition of the Young Lawyer Awards, which were presided over by the Minister of Justice.

### Study grants

As in previous years, the firm offered financial assistance to students studying law at universities

and other academic institutions. These grants are designed to support young people in the final stages of their studies.

### Social Corner

Through our internal communication channel, Rincón Social/ Social Corner, located on the intranet, we share news of the charitable work of colleagues with ties to non-profits and worthy causes, invite Garrigues personnel to participate in different initiatives and report on the projects the firm is involved in.

### Science and Law Symposiums

During 2018, the Garrigues Foundation and Fundación para la Investigación sobre el Derecho y la Empresa (FIDE) organized several symposiums analyzing the role of law and jurists in today’s society, particularly with regard to scientific and technological developments. The matters addressed during the year or scheduled for 2019 include: advances in neuroscience and the study of the brain, genomics, demographic challenges and the application of new technologies.

## Notable outreach initiatives

### Corporate volunteering

- Participation in a program to help immigrants learn about the Spanish constitution, held at immigrant participation and integration centers (CEPI) in Madrid. 35 volunteers took part in 2018.
- Participation in skill-building initiatives run by Fundación Integra.
- Collaboration by professionals from the Bilbao offices with the Fundación Bakuva educational program.
- Training sessions as part of the educational programs run by Fundación Prodis.
- Participation in Give & Gain, the 8th International Corporate Volunteering Week.

### Charity events

- **Rock & Law Madrid.** July 2018. Punto G from the Madrid office took part in the 7th Spanish edition of this charity concert. The proceeds went to Fundación Debra Piel de Mariposa, whose mission is to improve the quality of life of people suffering from epidermolysis bullosa.
- **Rock & Law Lisbon.** November 2018. The Walkers from the Lisbon office took part in the 10th edition of this charity concert. Proceeds went to the Portuguese Association against Leukemia (APLC).

- **Charity runs and sporting events.** Our people took part in numerous sporting events for worthy causes, such as charity runs and football and golf tournaments coordinated by organizations such as the Spanish Cancer Association, Fundación Create, Cooperación Internacional ONG and Prodean.
- Colleagues from the Vigo office took part in the **Business Outreach Day** event coordinated by Cooperación Internacional ONG.

### Campaigns

- **Operation Kilo food drive.** The firm has coordinated food drive campaigns for the Spanish Federation of Food Banks (FESBAL) since 2012. Garrigues then matches the number of kilos donated each year, doubling the impact.
- **Charity book drive.** The firm once again participated in the book drive to support cooperation projects run by the non-profit AIDA (Ayuda, Intercambio y Desarrollo), with excellent results. This year more than 1,000 books were donated.
- **Blood drives** at the Barcelona and Madrid offices in conjunction with the Spanish Red Cross.
- The **Mexico office** promoted several campaigns in support of non-profit entities, such as the purchase of cookies for meeting refreshments from APAC (Asociación Pro Personas con Parálisis Cerebral) and coordination of campaigns to collect plastic bottle caps ("Tapitas de Amor" campaign) to help children with cancer and their families.

## Goals for the future

- Hold the 19th Young Lawyers Awards.
- Remain committed to our community outreach initiatives and increase the number of campaigns in which Garrigues employees take part, with a particular focus on entities that work towards the integration of people with disabilities and respect for diversity.
- Continue to actively support causes by providing information on new corporate outreach projects and initiatives in the "Social Corner" section of the intranet.





## Garrigues and education: Centro de Estudios Garrigues ■

### 2018 Accomplishments

- Launch in 2018 of the new Master's Degree in Sports Business & Law and of two new programs aimed at professionals: the Executive Program in Blockchain and Artificial Intelligence, and the Executive Program in Fintech.
- Launch of the first Law & Business Summer School, particularly aimed at international students, with a world-renowned faculty teaching business law topics with a comparative and multi-disciplinary approach.
- Creation of the Centro de Estudios Garrigues Research Committee, made up of PhD holders on the faculty and Garrigues professionals.
- Creation of the Centro de Estudios Garrigues Blog, featuring articles analyzing the impact of new technologies on the different areas of professional expertise taught at the Center.
- Launch of the first edition of the Young Excellence Challenge Award, aimed at attracting talented prospective students, fostering teamwork and driving excellence in legal research.

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

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

Since October 2009, Centro de Estudios Garrigues has been authorized to deliver training programs as a center attached to Universidad Antonio de Nebrija and holds the necessary administrative clearance to offer the Master's Degree in Legal Practice for Access to the Legal Profession, with the following four specialties: Tax Law, Business Law, Labor and Employment Law and International Business Law.

The Master's Degrees in Human Resources, Tax Practice, Banking and Finance, and the Master of Laws in International Transactions are all officially recognized qualifications.

Centro de Estudios Garrigues also offers other teaching programs, including: executive programs for experienced professionals, in-company training programs tailored to each company's individual needs, ad hoc programs for foreign university students, as well as other open-access courses and seminars on current topics of particular interest in the legal and business communities.

The following long-term programs were taught in the 2017/2018 academic year (which began in October 2017):

### Centro de Estudios Garrigues students on long-term programs, 2017/2018

Program	First intake	Total students
<b>Master's degree programs</b>		
Master's Degree in Tax Practice	1994/1995	204
Master's Degree in Legal Practice (Business Law)	1996/1997	
Master's Degree in Human Resources	1997/1998	
Master's Degree in Legal Practice (Labor Law)	1999/2000	
Master's Degree in Banking and Finance	2000/2001	
Master's Degree in Legal Practice (Access to the Legal Profession)	2013/2014	
Master's Degree in Fashion Business & Law	2017/2018	
<b>Executive programs and master's degrees</b>		
Executive Master's Degree in Human Resources (and specialization modules)	2004/2005	201
Executive Program in Labor Relations	2004/2005	
Executive Master's Degree in Tax Advice	2007/2008	
Executive Master's Degree in International Taxation	2009/2010	
Executive Master's Degree in Business Law Practice	2013/2014	
Executive Program in Sports Management	2015/2016	
Executive Program in Fashion & Law	2016	
Master of Laws (LL.M.) in International Transactions	2016/2017	
Executive Program in Corporate Compliance	2017/2018	
<b>Total students 2017/2018</b>		<b>405</b>

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



At October 2018, a total of 303 students were enrolled for the 2018/2019 academic year. The definitive data for the Executive Programs is not yet available, as the registration period runs through April 2019.

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

### Percentage of students employed on completion of the teaching period of the Master's programs \*

Program	Placement %		
	2015/2016 (October 2016)	2016/2017 (October 2017)	2017/2018 (October 2018)
Master's Degree in Tax Practice	97.0%	100%	100%
Master's Degree in Legal Practice (Business Law)	97.3%	100%	100%
Master's Degree in Human Resources	100%	97%	100%
Master's Degree in Legal Practice (Labor Law)	96.9%	100%	100%
Master's Degree in Banking and Finance	85.7%	92%	100%
Master's Degree in Legal Practice (International Business Law)	100%	100%	100%
Master's Degree in Fashion Business & Law	-	-	86%
<b>Average placement</b>	<b>97.2%</b>	<b>99%</b>	<b>99%</b>

\* Includes students in employment and students on internships

## #1 Position in the ranking of Master's Degree programs drawn up by El Mundo by specialty for 2017/2018:

- Master's Degree in Tax Practice
- Master's Degree in Legal Practice (Business Law)
- Master's Degree in Legal Practice (Labor Law)
- Master's Degree in Banking and Finance
- Master's Degree in Human Resources

Centro de Estudios Garrigues has signed collaboration agreements with most of the leading law firms and companies for potential internship placements, as well as agreements with foundations and other academic institutions in order to promote study and research in the field of tax and law.

In this regard, the Center has notably entered into agreements with Fundación Universia to offer grants for students with disabilities, with three students benefiting from a 75% reduction in fees in the 2017/2018 academic year.

With respect to Latin America, the Center has signed collaboration agreements with Instituto Tecnológico de Monterrey (Mexico), Universidad Austral (Argentina), Universidad de los Andes (Chile),

Universidad Javeriana de Cali (Colombia), Universidad San Ignacio de Loyola (Peru), Universidad Libre de Comercio de México and Universidad Montevideo (Uruguay), and with Fundación Carolina and Funglode (Dominican Republic).

Moreover, in conjunction with the Garrigues Foundation and publishing house Thompson Reuters Aranzadi, Centro de Estudios Garrigues once again organized and hosted the annual Young Lawyers Awards, which were handed out in 2018 at the Center's headquarters at an event attended by the Spanish Minister of Justice.

For more information: [www.centrogarrigues.com](http://www.centrogarrigues.com)

## Goals for the future

- Continue to enhance the international dimension of Centro de Estudios Garrigues.
- Continue to garner recognition for the Master's Program for Access to the Legal Profession, as a benchmark master's program.
- Increase the academic offering, catering to new training requirements arising from technological development and new regulatory frameworks.
- Consolidate the programs taught for the first time in 2018.
- Launch the Centro de Estudios Garrigues online school, to offer the highest quality training using the best technological tools available.



## The Garrigues Collection (published in Spanish) ■

Our commitment to responsible legal practice and the firm's deep-seated interest in training and research in the field of law gave rise to the Garrigues Collection, which was unveiled in 1999 with the publication *El gobierno de las sociedades cotizadas* (Governance of Listed Companies). It contains works of considerable legal interest such as *La sociedad cotizada* (Listed Companies), *El derecho español en el siglo XX* (Spanish Law in the 20th Century), *La licencia de marca* (Trademark Licenses) and *Comentarios a la Ley Concursal*

(Commentary on the Insolvency Law), among others. 2018 saw the publication of *Las normas generales antielusión en la jurisprudencia tributaria española y europea* (General Anti-Avoidance Rules in Spanish and European Tax Case Law).

With the Collection, the firm actively participates in legal debate, helps rethink the institutions and concepts of traditional law and contributes to the definition of new legal ideas.

## Goals for the future

- Publish two new works as part of the Garrigues Collection:
  - A collective work on Compliance.
  - *La anulación del laudo. Estudio jurisprudencial del orden público* (Setting Aside of Awards: A case law study of public policy).



## Electronic codes ■

### 2018 Accomplishments

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

Garrigues also collaborates with the Official State Gazette Government Agency in selecting, ordering and reviewing the provisions of its electronic codes, a compilation of the main provisions in force in the Spanish legal system. These codes are constantly updated and can be downloaded free of charge in pdf and ePub formats to facilitate their storage and reading across different electronic devices.

The following codes have been published in recent years: *Derecho Farmacéutico* (Pharmaceutical Law), *Derecho Concursal* (Insolvency Law), *Propiedad Intelectual* (Intellectual Property), *Derecho Deportivo* (Sports Law), *Inversiones Extranjeras en España* (Foreign Investments in Spain) and *Derecho de la Competencia* (Competition Law). The Code on Fashion Law was published in 2018.

## Garrigues Chair on the Modernization of Company Law, Universidad Pontificia de Comillas (ICADE) ■

During the first half of 2018, the recurring work of the Garrigues Chair continued at Universidad Pontificia de Comillas (ICADE). However, with the start of the new academic year, in October 2018 both Garrigues and the university decided to give a new boost to this academic project by relaunching the Chair. The firm's commitment to this new phase was highlighted at the first event, held on October 11, at which executive chairman Fernando Vives took part as speaker. On that occasion, the topic addressed was "The new rules governing the challenge of corporate resolutions".

The aim of the Garrigues Chair on the Modernization of Company Law is to propose solutions, advance potential measures and offer answers following a meticulous analysis of questions surrounding our laws and their practical, real-world application. Dialog with industry players, input from renowned professionals and ongoing research are key to the success of this format, aimed at professionals, business owners and students. In short, the arrangement aims to capitalize on the knowledge and experience of Garrigues professionals, coupled with that of experts in a range of areas, to help achieve greater legal certainty in corporate and commercial transactions and, by extension, better and more efficient operation of the markets.

The most relevant corporate law seminars held in 2018 were as follows:

- UNCITRAL Legislative Guides and their application in Spanish corporate law (January 25).
- Distribution of dividends and the statutory minimum percentage (March 1).
- Protection of creditors in mergers, spin-offs and other structural modifications at capital companies under Spanish corporate law (March 13).
- US Capital Markets Regulation (June 18 and 19).
- The new rules governing the challenge of corporate resolutions (October 11).

## Garrigues Chair in Law and Business, Universidad de Zaragoza ■

In 2018, the Garrigues Chair fulfilled its commitment to providing activities and internships for Universidad de Zaragoza students through several initiatives and by organizing seminars, conferences and courses to encourage the transfer of knowledge to Aragón society as a whole.

In 2018, this Garrigues Chair carried out the following activities:

- 4th Garrigues Award for outstanding students at Universidad de Zaragoza (April 13, 2018).
- Sponsor of the 10th edition of the Aragón regional government's "Economic Olympics" (May 24, 2018).
- 6th edition of the seminar entitled "Law and Business: a view from the professional practice perspective" (November 7, 12, 13 and 14, 2018).
- Speaker on modules forming part of Universidad de Zaragoza's own Expert in Corporate Responsibility Management qualification (November 29, 2018).

Garrigues' work through the Chair was recognized by Universidad de Zaragoza at the 2nd event in recognition of the Institutional and Business Chairs, which took place on November 26, 2018.

In 2019, the Chair will continue to engage in activities that strengthen the collaboration between Garrigues and the Universidad de Zaragoza and Aragón society as a whole. To that end, new editions of some of the above activities are already being prepared.

## Knowledge sharing to better connect with our stakeholders ■

In 2018, Garrigues took a major step towards improving its knowledge-sharing formats to ensure that the accumulated know-how of our lawyers can be a truly useful tool for clients and stakeholders and to offer effective means of external communication.

With this aim in mind, the firm has designed a **three-pronged content strategy**:

- 1 Redesigning the website to be a dynamic, user-friendly information portal.
- 2 Rethinking the way we create content through editorial committees that foster cross-practice collaboration.
- 3 Creating a new type of publication that identifies trends and uses new ways to engage shareholders, such as audiovisual content.

Through this strategy, we have generated multidisciplinary content that truly connects with our stakeholders.

### Legislation alerts

RCurated information from official bulletins and the main legal sources. **194 alerts** were sent out in 2018.

### Viewpoints

Transversal analysis of industry trends and business cases and a look ahead at upcoming regulations. In 2018, **40 viewpoints** were published.

### Newsletters

Legislative developments, commentaries and case law, along with industry news, sent to subscribers on a regular basis. A total of **98 newsletters** were published in 2018.

### Commentaries

Specific publications in which each department carries out an in-depth analysis of the legislative and case law developments with the largest social impact. **112 commentaries** were issued in 2018.

### Blogs

During the year, 46 articles were posted to our specialist Labor and Employment Law blog; Nuestra Fiscalidad, run by the Garrigues Tax Department and the newspaper Expansión, published 34 posts; and **76 articles were posted** to Fiscalidad Foral (on Basque Country and Navarre tax issues).

### Our website is now an information portal

The driver of all our publications is the revamped Garrigues website launched in February 2018. The site and its innovative approach have garnered praise from the business community (Fundacom Award for the best corporate website).

In the first 10 months since its relaunch, users of [www.garrigues.com](http://www.garrigues.com) more than doubled.

The revamped site better showcases the know-how of our professionals in all practice areas and jurisdictions. Content reflects a multinational and multi-local approach and features more appealing headlines and more straightforward and structured writing on trending issues.

By placing content on our home page, search engines can better index Garrigues' articles and publications. Web traffic from search engines rose 144% during the year.

The website features minisites such as **Garrigues Digital**, through which our professionals can speak directly with stakeholders about the legal challenges of digital transformation. Since this minisite was created, **280 entries** have been added in Spanish and English. The firm also created **specific portals** covering trending issues and our international business. Of note are the special features on data protection, our Startup Chats (a video series addressing key legal issues for entrepreneurs) and guides on doing business in different countries and on international arbitration.

The launch of **Garrigues Careers**, a new online tool for attracting talent, was another turning point for the website. With the tool, jobseekers can quickly and easily submit their details to the firm.

### Social networks to boost the firm's digital identity

Garrigues publications and events are shared via the firm's accounts on social media, a tool which has proved a key means of communicating with stakeholders and building an online presence.

In 2018, we worked hard to add even more value for our stakeholders and to encourage the best use of social networks. This included a new manual on best practices for LinkedIn, the network on which the firm has the most followers:



Twitter

**16,034**  
followers

(up 1,712  
on 2017)



Facebook

**5,775**  
followers

(up 700  
on 2017)



LinkedIn

**50,330**  
followers

(up 18,545  
on 2017)

By posting more on social media in 2018, we have also driven more traffic to our website. Click-throughs to [www.garrigues.com](http://www.garrigues.com) from our social media accounts rose from 5,037 in 2017 to 18,170 in 2018.

### New formats and topics for client and stakeholder events

Garrigues hosts events, seminars, working breakfasts and training workshops as an essential way to connect with stakeholders. At these gatherings, Garrigues professionals and speakers from other entities and agencies analyze and debate issues that are important to our clients and stakeholders. In 2018, we added new topics and formats to reach new audiences as well. Garrigues hosted a total of **240 events** across all its offices. Three of these events are highlighted below, in light of their contribution to society, innovation and connectivity with new business players.

- Challenging the Future**  
(February 13, 2018, Alicante)

Garrigues organized this summit discussing the challenges facing our aging society and reflecting the firm's interest in supporting major scientific and social causes. One of the purposes of the summit was to promote the establishment of an aging research institute in Alicante.
- 1<sup>st</sup> Garrigues Digital Forum**  
(June 14, 2018, Madrid)

Garrigues Digital, an online portal to help advise both those companies tackling digital transformation and tech companies, was unveiled at the first-ever Garrigues Digital Forum.
- South Summit 2018**  
(October 2 - 4, 2018, Madrid)

This was the second time Garrigues participated in this international macro event to forge new channels for business with start-ups and entrepreneurs.

## Collaboration with associations and other entities ■

### 2018 Accomplishments

- Publication of a practical guide on how to comply with regulations governing the number of positions set aside for people with disabilities.
- Publication of a guide on incentives for hiring workers with disabilities.

Garrigues is a member of more than 90 national and international associations, professional groups and similar entities in the public and private arenas (business associations, chambers of commerce, etc.). The firm collaborates with these entities in many different ways.

For example, in 2018, we prepared two guides on disability law: the first guide, in collaboration with Fundación ONCE, looked at incentives for hiring workers with disabilities, while the second, prepared in conjunction with Fundación Seres, Fundación ONCE and Ilunion, addressed

regulations governing the number of positions set aside for people with disabilities.

We also continued to collaborate with Fundación Derecho y Discapacidad (through the Master's Degree in Disability, Personal Autonomy and Care for Dependent Persons and, in 2018, the 2nd National Conference on Disability and the Law ), Plataforma del Tercer Sector, the Spanish Association of Foundations, Club de Excelencia en Sostenibilidad and the Spanish Accounting and Business Administration Association (AECA).

## Dialog with stakeholders ■

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

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

Garrigues strives to foster and ensure ongoing exchanges with its stakeholders and continually identifies new channels of communication, while taking on board their expectations and defining what courses of action to take in this connection.

To this end, Garrigues regularly analyzes the relevance and materiality of different topics in order to identify those that may be of most interest to its stakeholders. Stakeholders are provided with the pertinent information on these material topics in different ways, usually through the Integrated Report.

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

#### Clients

---

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

#### Partners

---

- Integrated Report
- Corporate website
- Client experience and satisfaction
- Direct comments / informal meetings
- Formal meetings (Partners' Meeting) and internal committees
- Intranet (Partners' Portal)



### Personnel

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

### Regulatory bodies and public authorities

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

### The media

- Integrated Report
- Corporate website
- Social networks
- Meetings and telephone and email contact

### Alliances

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

### Entities (suppliers, etc.)

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

### Society

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

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

The key issues of interest identified through our stakeholder engagement are as follows:

Issue	Stakeholders	Where discussed in this report
Service quality	Clients	Trust, credibility and client satisfaction
Professional career development	Personnel	Human capital
Compensation and employee benefits systems		
Training		
Equality and non-discrimination policies		
The firm's social commitment: Community outreach and pro bono work		Social and relationship capital
Digital society	CSR experts	Intellectual capital, technology and innovation
Information security		
Compliance		
Commitment to society		
Financial performance	Media, directories and rankings	Financial capital
Business model		Business model
Innovation and technology		Intellectual capital, technology and innovation
Talent management		Human capital

# Natural capital

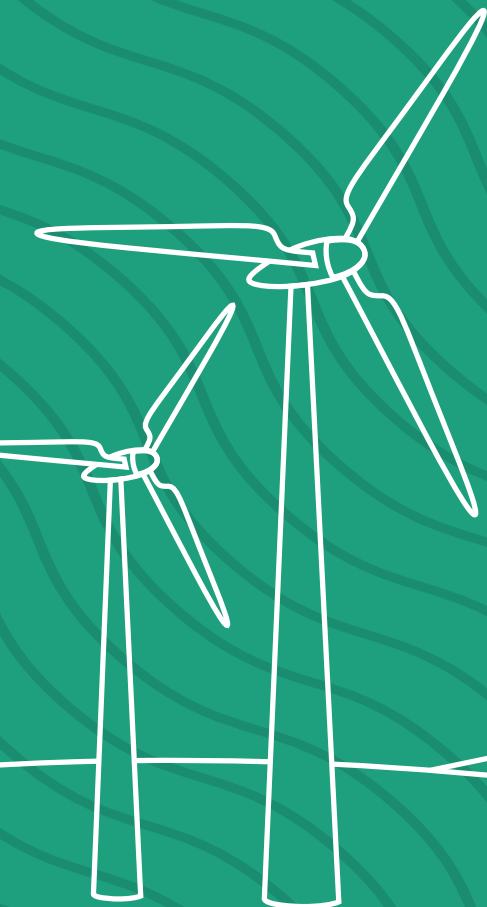
Garrigues works to ensure its business model is environmentally responsible and complies with environmental legislation, while at the same time preventing or mitigating all of the impacts of our business.

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

- Sustainable, healthy and accessible workplaces
- Responsible consumption
- Waste management
- Energy efficiency and climate change
- Environmental awareness

## 2018 Accomplishments

- Implementation of 990 m<sup>2</sup> of sustainable office space (making the most of natural light, use of recycled and recyclable materials, FSC-certified products, LED or other energy-saving lighting and water-saving systems).
- Ongoing publication of the Garrigues en Verde/GoGreen Garrigues newsletter, sent to the entire organization and published in Spanish and English, with a view to continuing educating and raising awareness among all personnel.
- Opening of the new Valladolid office in line with the Garrigues office standards. Replacement of conventional lighting with LED technology at the A Coruña, Santa Cruz de Tenerife and Las Palmas de Gran Canaria offices. Replacement of all halogen bulbs with LED bulbs at the Ayala and Recoletos buildings in Madrid, and partial replacement of halogen with LED at the Bilbao, Pamplona and Madrid offices (Castellana building and Hermosilla head office).
- 36 multifunctional printers replaced.
- Maintenance and inclusion of new data on the Garrigues intranet Eco-efficiency portal (data on electricity and water consumption, paper destruction and recycling, broken down by office). For the first time in 2018, information was included on removal of fluorescent tubes from offices in Spain. The portal can be used to consult any of the past newsletters sent to all personnel.
- Feasibility study for purchase of green energy (100% renewable).



## Sustainable, healthy and accessible workplaces ■

One of the most important decisions taken when the firm moved to its new headquarters in 2006 was to standardize the infrastructure of all offices, giving precedence to environmental aspects that make our personnel more comfortable and reduce consumption, both in terms of resources and costs.

At our new offices, and when refurbishing existing offices, we always try to use glass wherever possible (office walls, cubicle walls, area separators), in order to make the most of natural light.

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

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

We remain firmly committed to replacing all conventional lighting with newer, more efficient technology.

In addition, we continue to ensure that restrooms (both within our own office space and in shared areas) have sensor faucets and dual-flush toilets, so as to conserve as much water as possible.

One of the main achievements in 2018 was our relocation in Valladolid to a new 990.30 m<sup>2</sup> office. This meant upgrading from a traditional (and not energy efficient) office set-up to modern offices that both meet sustainability standards and ensure that our personnel and visitors are as comfortable as possible.

In the coming year, we will continue to improve the dining areas at our offices, creating more inviting, comfortable and enjoyable spaces that can be used for meetings and other get-togethers outside of meal times.

Virtually all the buildings in which Garrigues has offices are accessible by people with disabilities. Workstations are also adapted to meet any specific employee needs, such as height-adjustable desks for wheelchair users, more accessible floor layouts, and more.

**Our goal of creating a sustainable, efficient, accessible and environmentally-friendly office has now been achieved with respect to more than 71% of Garrigues' total office surface area.**

Currently, almost one-third of our total office space worldwide is in buildings certified as sustainable. In particular, 29.5% of this area carries Leadership in Energy and Environmental Design (LEED) certification, an international verification standard developed by the US Green Building Council to promote the design of buildings on the basis of sustainable and high efficiency criteria.

In 2018, our Málaga office secured Building Research Establishment Environmental Assessment Methodology (BREEAM) certification as well.

In Colombia, the Bogotá City Council recognized our office as a sustainable building.

### LEED-certified offices

Office	Certification
Lima	Leed Silver
London	Leed Platinum
Madrid	Leed Gold
Mexico City	Leed Gold
Málaga	BREEAM

## Responsible consumption of resources and waste management ■

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

### Energy



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

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

To support efficient energy use, we couple awareness-raising initiatives with the installation of efficient lighting systems and energy-saving IT equipment and printers.

### Water



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

Garrigues' General Services, Logistics and Infrastructure Department monitors electricity and water use, with each office uploading the data from their utility bills to a special platform on a monthly basis. This system enables us not only to obtain global and individual consumption figures, but also to compare consumption across the different offices, note progress or setbacks, detect anomalies and establish corrective measures. The resulting information is housed on the department's portal and can be viewed by all Garrigues personnel. The employees in charge of compiling this data also draw up charts on consumption by each office.

### Paper



Garrigues uses multifunctional printers with state-of-the-art technology that helps reduce paper consumption (such as default double-sided, locked printing and the capacity to send and receive faxes, in addition to energy-saving sleep and standby functions). We always upgrade this equipment to the most efficient models available.

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

Thanks to these measures, total paper consumption at Garrigues offices was 65.20 kg/person in 2018, down 14.5% on the previous year. Historic data on paper destruction and recycling by office can be consulted on the firm's intranet.

**Annual paper consumption per employee**  
(kg / person)

	2016	2017	2018
	82.38	76.26	65.20

Note: Usage data covering 84.2% of Garrigues' activity in 2016, 83% in 2017 and 100% in 2018 (average coverage in terms of headcount).

Paper consumption is one of the key environmental concerns for Garrigues, since this resource is directly used in our professional activity.

Waste  
management

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

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

Energy efficiency and  
climate change

Garrigues continues to work towards a more sustainable world by carrying out initiatives aimed at reducing CO<sub>2</sub> emissions. The firm participates in campaigns on energy sustainability and the fight against climate change. It also prepares an annual inventory of the greenhouse gas (GHG) emissions produced directly or indirectly by our business.

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

## Environmental awareness ■

We firmly believe that improved environmental behavior comes through greater awareness and that the best way to achieve this is to educate people, highlighting the facts and figures of what we have accomplished and showing how we can do things better to gain even better outcomes. In short, we encourage everyone to contribute to a collective solution. To do this, we run environmental education and awareness-raising initiatives, both internally, by providing information on procedures at our offices (posters in specific areas that depict good practices and the quarterly Garrigues en Verde/GoGreen Garrigues newsletter distributed to all members of the firm), and externally, through our online Environmental Newsletter and by offering our clients and collaborators free information sessions and training workshops on the latest developments in environmental conservation. We are also analyzing the social and environmental impact of our use of bottled water in our meeting rooms.

### Goals for the future

- Continue introducing advanced technologies in order to reduce resource use and emissions. Replace all conventional halogen lighting with LED technology.
- Continue to raise awareness to reduce electricity, water and paper consumption and to better manage our waste.
- In 2019, 75% of energy purchased by Garrigues in Spain will be from renewable sources.

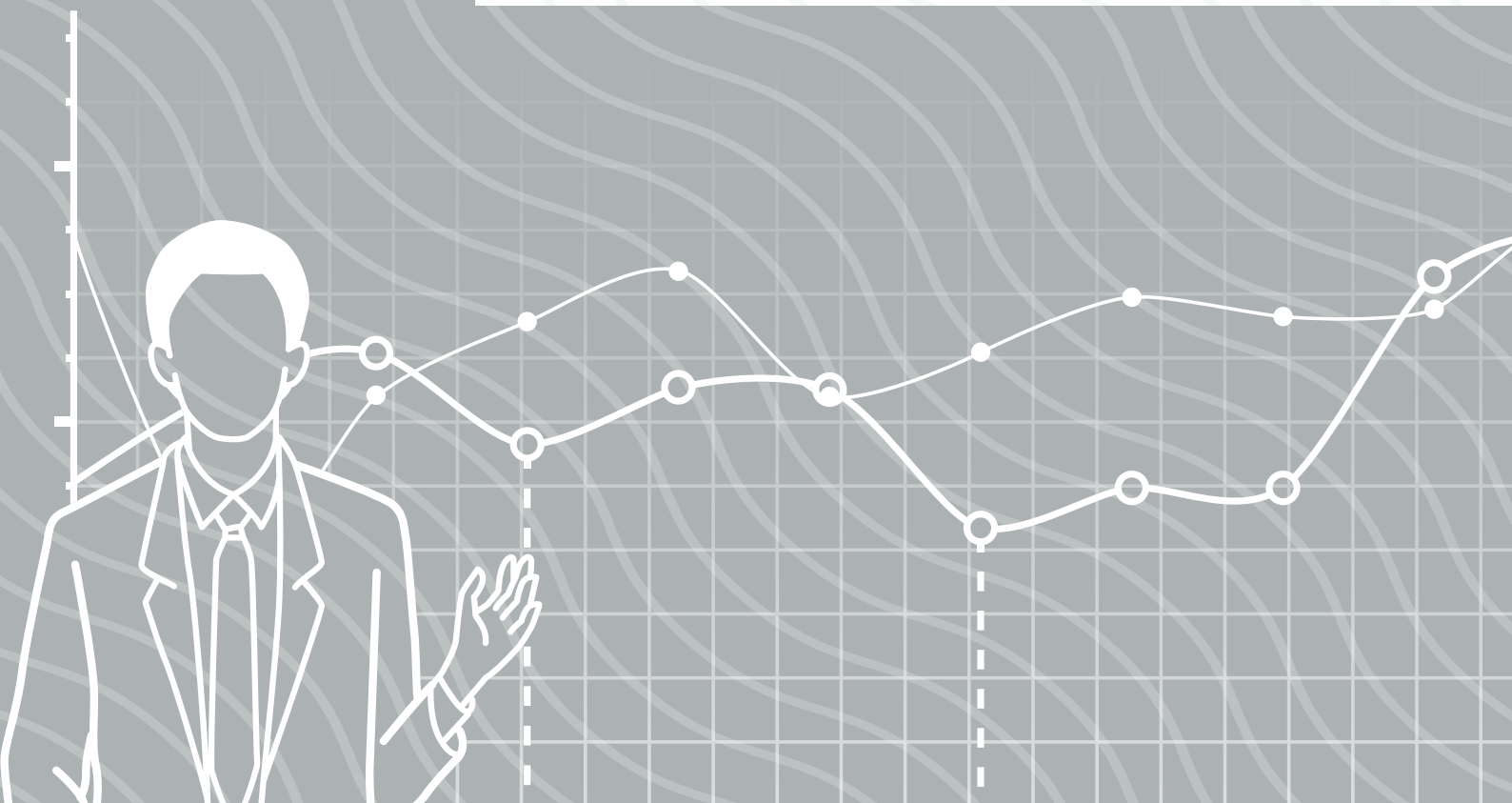


# Financial capital

The firm has continued to build on the growth seen in past years, which has been strongly driven by our international expansion, particularly in Latin America. Our financial performance has locked in our position of leadership and prestige in the Spanish legal services industry and in the main international markets in which we operate.

## 2018 Accomplishments

Sustained revenue growth with respect to last year.



During the year, Garrigues' net revenue stood at €364.6 million, up 2.1% on the €357.1 million posted last year.

We are clearly seeing the fruits of Garrigues' ongoing international expansion. Among the 13 countries in which the firm operates, the greatest growth over the period was seen in Latin America as a whole, up 19% in local currency.

With offices in five countries in the region (Brazil, Chile, Colombia, Mexico and Peru), Garrigues is a unique firm in Latin America due to its integrated management model, its strong presence in the region and the wide range of professional services offered. The aim over the coming years is to continue to grow and consolidate our position in the region.

Our growth and international expansion have enabled us to maintain our leading position in the tax and legal industry. Garrigues is once again the largest law firm in Spain in terms of billings and is recognized as one of the most prestigious international firms of lawyers and tax advisers.

The key financial aggregates relating to Garrigues' group of companies for the last two years are as follows:

#### Key figures for the Garrigues Group as a whole

(thousands of euros)	2017	2018
<b>Direct economic value generated</b>	<b>358,671</b>	<b>366,087</b>
<b>a) Revenues</b>	<b>358,671</b>	<b>366,087</b>
Revenues from operations	357,138	364,645
Other operating revenue	964	602
Financial revenue	569	840
<b>Economic value distributed</b>	<b>355,319</b>	<b>360,484</b>
<b>b) Operating costs</b>	<b>78,333</b>	<b>85,369</b>
Depreciation and amortization expense	5,382	4,988
Variation in working capital provisions	1,984	1,831
External services	70,967	78,550
<b>c) Personnel and professional expenses</b>	<b>245,716</b>	<b>248,241</b>
<b>d) Payments to capital providers</b>	<b>5,982</b>	<b>3,086</b>
<b>e) Payments to public authorities</b>	<b>24,935</b>	<b>23,417</b>
Tax on economic activities and other non-income taxes	777	770
Corporate income tax	7,779	5,356
Social security	16,379	17,291
<b>f) Donations and other community investments</b>	<b>353</b>	<b>371</b>
<b>Income for the year</b>	<b>3,352</b>	<b>5,603</b>

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

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

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

<b>Spain (thousands of euros)</b>	<b>2017</b>	<b>2018</b>
Personal income tax of partners, professionals and employees	78,090	77,042
VAT for the companies and partners	45,562	47,843
Social security contributions of the companies, partners, employees and professionals	21,441	22,264
Corporate income tax	5,425	4,037
<b>Total</b>	<b>150,518</b>	<b>151,186</b>
<b>Portugal (thousands of euros)</b>	<b>2017</b>	<b>2018</b>
Personal income tax of partners, professionals and employees	2,590	2,976
VAT for the companies and partners	1,348	1,709
Social security contributions of the companies, partners, employees and professionals	1,259	1,389
Corporate income tax	24	78
<b>Total</b>	<b>5,221</b>	<b>6,152</b>

### Goals for the future

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





The background of the entire page is a solid teal color. Overlaid on this background are numerous thin, white, wavy lines that flow across the page in a rhythmic, undulating pattern, creating a textured, topographic-like effect.

# **Guiding principles**

## International standards ■

This report for the Garrigues 2018 fiscal year (January 1, 2018 through December 31, 2018) has been prepared in accordance with the following international reporting standards:

### **Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)**

Garrigues has prepared its 2018 Integrated Report in line with the GRI Standards (2016 version) to give a true and fair view of the firm's material topics, their impact and how they are managed.

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

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

This report takes into account the guidelines and recommendations set out under the integrated reporting framework published by the IIRC in December 2013, adapting them to the progress made on each issue and Garrigues' business and specific situation. As well as informing the firm's stakeholders of its economic, social and environmental performance, this report identifies and describes Garrigues' main assets: human capital, intellectual capital and innovation, natural capital, social and relationship capital, and financial capital. We have also taken into account the principles of strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness, and consistency and comparability.

### **United Nations Global Compact**

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

### **United Nations Sustainable Development Goals**

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

## Materiality analysis ■

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

Material topics are listed in a separate column in the GRI Standards index, in accordance with the materiality analysis carried out in 2018.

## Management approach ■

Economic topics have been material in preparing this report, mainly due to the expectations the firm's personnel and partners have in relation to certain issues addressed in the GRI Standards (value generated and distributed, entry-level wages and pro bono work). This information is described in the sections of the report dedicated to pro bono work, personnel and economic topics.

Topics listed under the "Anti-corruption" and "Anti-competitive behavior" subgroups have been included in the report due to the relevance that ethical and compliance issues have for Garrigues and for practically all of its stakeholders, and the indicators chosen are those that specifically address these kinds of concerns.

The ethics and governance section of this report provides detailed information on the firm's organization and the steps taken by Garrigues in this respect. The Marketing and Labeling topic has been included due to the importance that client satisfaction, a matter addressed by the GRI Standards under this topic, has for the firm, its personnel and its clients. This is a key issue for the firm, and our operating and organizational structure seeks to ensure the highest levels of client satisfaction.

The material environmental topics identified reflect the expectations that exist for the firm in this respect, although in a less intense manner than for the previous topics. The impetus behind these expectations varies depending on the stakeholder, spanning from legal compliance and cost cutting as a part of appropriate environmental management to the sensitivity of partners, clients, society and personnel to certain issues (CO<sub>2</sub> emissions, recycling, etc.).

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

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

### Measurement and assessment of management approach

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

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

## Frequency ■

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

## Scope, period and limits ■

The information disclosed in the Integrated Report on material topics relates to all Garrigues companies but excludes the impact on the upstream and downstream value chain, unless expressly indicated otherwise under the particular aspect. The impacts on the value chain are described (where appropriate as a result of the materiality analysis) in the relevant section on each topic. Except where otherwise indicated, the information supplied relates to the Garrigues 2018 fiscal year: January 1, 2018 through December 31, 2018.

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

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

The entities referred to in this report are:

- J & A Garrigues, S.L.P.
- Garrigues Portugal, S.L.P.
- Garrigues, LLP (USA) (\*)
- Garrigues UK, LLP

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

(\*) Sole-shareholder companies.

## Accuracy ■

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

Garrigues also takes into account other international standards such as the Greenhouse Gas Protocol (WRI/WBCSD GHG Protocol), the UNE-ISO 26000 Standard (2012), the OECD Guidelines for Multinational Enterprises (revised in 2011), the UN Guiding Principles on Business and Human Rights (2011), the Sustainability Accounting Standards for professional services (2018) and the European Commission Guidelines on non-financial reporting (2017).

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

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

Garrigues has in place the means to ensure the quality and accuracy of the information included in this report.

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

This report was verified by the independent entity AENOR on April 12, 2019, in accordance with the core option of the GRI Standards.

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

# Index of GRI Standards, Global Compact and SDG



GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
<b>General comments</b>							
GRI 102	102-1		Name of the organization			3, 59 - 60	
GRI 102	102-2		Activities, brands, products, and services			10	
GRI 102	102-3		Location of headquarters			Calle Hermosilla, 3 - 28001 Madrid (Spain)	
GRI 102	102-4		Location of operations			3, 14 - 15	
GRI 102	102-5		Ownership and legal form			20	
GRI 102	102-6		Markets served			3, 14 - 15	
GRI 102	102-7		Scale of the organization			3, 6 -10	1
GRI 102	102-8		Information on employees and other workers	8		21 - 30	6, 7, 8, 9, 10, 12, 15
GRI 102	102-9		Supply chain				20
GRI 102	102-10		Significant changes to the organization and its supply chain			No significant changes in 2018	
GRI 102	102-11		Precautionary Principle or approach			16 - 20	
GRI 102	102-12		External initiatives			3, 37 - 49	
GRI 102	102-13		Membership of associations	17		48	
GRI 102	102-14		Statement from senior decision-maker			4	
GRI 102	102-16		Values, principles, standards, and norms of behavior	16		16 - 20	
GRI 102	102-18		Governance structure			20	
GRI 102	102-40		List of stakeholder groups	17		48 - 49	
GRI 102	102-41		Collective bargaining agreements	8			19
GRI 102	102-42		Identifying and selecting stakeholders	17		48 - 49	
GRI 102	102-43		Approach to stakeholder engagement	17		48 - 49	
GRI 102	102-44		Key topics and concerns raised	16		6 - 10, 49	
GRI 102	102-45		Entities included in the consolidated financial statements			59 - 60	
GRI 102	102-46		Defining report content and topic Boundaries			58 - 59	
GRI 102	102-47		List of material topics			58 - 59	
GRI 102	102-48		Restatements of information			No significant changes in 2018	
GRI 102	102-49		Changes in reporting			58 - 60	
GRI 102	102-50		Reporting period			5, 59	
GRI 102	102-51		Date of most recent report			60	
GRI 102	102-52		Reporting cycle			60	
GRI 102	102-53		Contact point for questions regarding the report			5	
GRI 102	102-54		Claims of reporting in accordance with the GRI Standards			5	
GRI 102	102-55		GRI content index			62 - 64	
GRI 102	102-56		External assurance			60, 71	

GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
<b>Management approach</b>							
GRI 103	103-1		Explanation of the material topic and its Boundary	1 - 17		58 - 59	
GRI 103	103-2		The management approach and its components	1 - 17		58 - 59	
GRI 103	103-3		Evaluation of the management approach	1 - 17		59	
<b>Economic performance</b>							
GRI 201	201-1	✓	Direct economic value generated and distributed	2, 5, 7, 8, 9		54 - 56	
<b>Market presence</b>							
GRI 202	202-2	✓	Proportion of senior management hired from the local community			3, 24	17
<b>Indirect economic impacts</b>							
GRI 203	203-1	✓	Infrastructure investments and services supported	2, 5, 7, 9, 11		37 - 49	
<b>Anti-corruption</b>							
GRI 205	205-1	✓	Operations assessed for risks related to corruption	16	10	16 - 20	
GRI 205	205-2	✓	Communication and training about anti-corruption policies and procedures	16	10	16 - 20, 27	
GRI 205	205-3	✓	Confirmed incidents of corruption and actions taken	16	10	None	
<b>Anti-competitive behavior</b>							
GRI 206	206-1	✓	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16	10	None	
<b>Materials</b>							
GRI 301	301-1		Materials used by weight or volume	8, 12	7 - 9	50 - 53	
GRI 301	301-2		Recycled input materials used	8, 12	7 - 9	50 - 53	4
<b>Energy</b>							
GRI 302	302-1		Energy consumption within the organization	7, 8, 12, 13	7 - 9	50 - 53	3
GRI 302	302-4		Reduction of energy consumption	7, 8, 12, 13	7 - 9	50 - 53	5
<b>Water (2018)</b>							
GRI 303	303-5		Water consumption	10	7 - 9	50 - 53	2
<b>Emissions</b>							
GRI 305	305-1		Direct (Scope 1) GHG emissions	3, 12, 13, 14, 15	7 - 9	50 - 53	
GRI 305	305-2		Energy indirect (Scope 2) GHG emissions	3, 12, 13, 14, 15	7 - 9	50 - 53	5
GRI 305	305-3		Other indirect (Scope 3) GHG emissions	3, 12, 13, 14, 15	7 - 9	50 - 53	5
<b>Effluents and waste</b>							
GRI 306	306-1		Water discharge by quality and destination		7 - 9	50 - 53	2
GRI 306	306-2		Waste by type and disposal method		7 - 9	50 - 53	4

GRI Standard	Disclosure number	Material topic	Disclosure title	SDG	Global Compact	Pages	Notes
<b>Environmental Compliance</b>							
GRI 307	307-1		Non-compliance with environmental laws and regulations	16	7 - 9	None	
<b>Employment</b>							
GRI 401	401-1	✓	New employee hires and employee turnover	5	3 - 6	21 - 30	9, 10, 11
GRI 401	401-2	✓	Benefits provided to full-time employees that are not provided to temporary or part-time employees	8	3 - 6	21 - 30	
GRI 401	401-3	✓	Parental leave	5, 8	3 - 6	21 - 30	14
<b>Labor/Management Relations</b>							
GRI 402	402-1	✓	Minimum notice periods regarding operational changes	8	3		19
<b>Occupational Health and Safety</b>							
GRI 403	403-2	✓	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3, 8	3 - 6	29	12, 13
<b>Training and Education</b>							
GRI 404	404-1	✓	Average hours of training per year per employee	4, 5, 8	3 - 6	21 - 30	16
GRI 404	404-2	✓	Programs for upgrading employee skills and transition assistance programs	4, 5, 8	3 - 6	21 - 30	
GRI 404	404-3	✓	Percentage of employees receiving regular performance and career development reviews	4, 5, 8	3 - 6	21 - 30	
<b>Diversity and Equal Opportunity</b>							
GRI 405	405-1	✓	Diversity of governance bodies and employees	5, 8	1 - 2	21 - 30	7
GRI 405	405-2	✓	Ratio of basic salary and remuneration of women to men	5, 8, 10	1 - 2	21 - 30	
<b>Non-discrimination</b>							
GRI 406	406-1	✓	Incidents of discrimination and corrective actions taken	5, 8, 16	1 - 2	None	
<b>Public Policy</b>							
GRI 415	415-1		Political contributions			0	
<b>Marketing and Labeling</b>							
GRI 417	417-3		Incidents of non-compliance concerning marketing communications	5, 8, 16		None	
<b>Customer Privacy</b>							
GRI 418	418-1	✓	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16		None	
<b>Socioeconomic Compliance</b>							
GRI 419	419-1	✓	Non-compliance with laws and regulations in the social and economic area	16		0	



## Notes ■

- (1) By industry type and type of company ownership, the indicators that best reflect the firm's size are: number of people, number of partners and billings.
- (2) The water supply at all our offices comes from the municipal water supply network and is only used for office purposes. Thus, the only waste water we generate is sanitary wastewater, which is channeled via the municipal treatment network. No accidental spillages have occurred. In 2018, water consumption at our offices amounted to 15.07 megaliters (MI).

### Water consumption (m<sup>3</sup> / person)

2016	2017	2018
8.97	8.89	7.38

Note: Water consumed to cover 86% of Garrigues' activity in 2016, 82.27% in 2017 and 96.23% in 2018 (average coverage in terms of headcount).

- (3) In 2018, energy consumption at our offices amounted to 23,316.74 gigajoules (GJ).

### Electricity consumption (MJ / m<sup>2</sup>)

2016	2017	2018
422.63	371.88	379.03

Note: Energy consumed to cover 97% of Garrigues' activity in 2016, 96% in 2017 and 100% in 2018 (average coverage in terms of headcount).

- (4) The waste generated at Garrigues is mostly non-industrial and non-hazardous in nature (211 tons in 2018). The hazardous waste generated at Garrigues offices in the last three years is summarized below:

### Hazardous waste generated by Garrigues offices (kg)

2016	2017	2018
597	428	507

Note: Hazardous waste consumed to cover 33% in 2016, 33% in 2017 and 33.24% in 2018 (average coverage in terms of headcount).

### Fluorescent waste generated by Garrigues offices (kg)

2016	2017	2018
-	-	232.90

Note: Fluorescent waste generated to cover 81.8% in 2018.

- (5) In recent years, the main efforts to reduce GHG emissions at our offices have targeted energy consumption (discussed in the "Responsible consumption of resources and waste management" section) and business trips (by promoting the use of videoconferencing).

Garrigues does not generate significant emissions of other non-GHG gases. Set out below is the Garrigues GHG Inventory for the last three years.

### Greenhouse gas emissions inventory (tons CO<sub>2e</sub>)

	2016	2017	2018
Scope 2 emissions	2,799.70	1,691.82	1,649.04
Scope 3 emissions	1,605.93	1,843.52	1,290.22

Note: GHG emissions (scope 2) to cover 97% of Garrigues' activity in 2016, 96% in 2017 and 100% in 2018 (average coverage in terms of headcount).

Travel (scope 3): Scope 3 emissions have been calculated using methodologies and specific estimates based on available information. In view of the nature of this data, there is some margin for error.

- (6) Headcount by professional category and region (2016, 2017 and 2018 year-end figures):

### Headcount by professional category

	2016	2017	2018
Partner	295	298	303
Counsel	32	31	41
Principal associate	121	143	152
Senior associate	407	387	388
Associate	267	268	284
Junior	296	293	294
Trainee	33	60	81
OPS	78	81	89
Administrative and support personnel	486	481	489
<b>Total</b>	<b>2,015</b>	<b>2,042</b>	<b>2,121</b>

### Headcount by region

Region	2016	2017	2018
Spain	1,696	1,695	1,735
Portugal	114	115	120
Rest of offices	205	232	266
<b>Total</b>	<b>2,015</b>	<b>2,042</b>	<b>2,121</b>

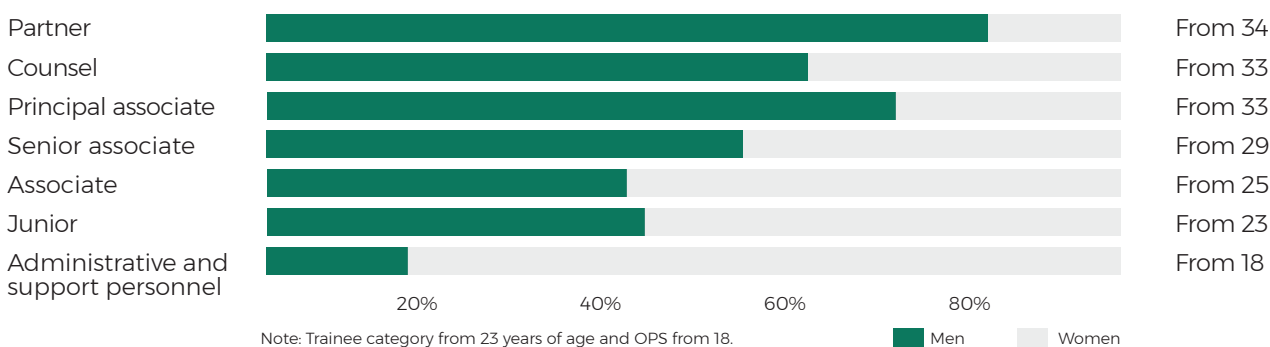
(7) Headcount by professional category, gender and age at 2016, 2017 and 2018 year-end:

#### Headcount by professional category and gender

Category	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Partner	251	44	295	252	46	298	255	48	303
Counsel	22	10	32	22	9	31	32	9	41
Principal associate	88	33	121	105	38	143	103	49	152
Senior associate	205	202	407	189	198	387	186	202	388
Associate	127	140	267	119	149	268	130	154	284
Junior	124	172	296	127	166	293	134	160	294
Trainee	19	14	33	35	25	60	42	39	81
OPS	26	52	78	27	54	81	30	59	89
Administrative and support personnel	77	409	486	76	405	481	82	407	489
<b>Total</b>	<b>939</b>	<b>1,076</b>	<b>2,015</b>	<b>952</b>	<b>1,090</b>	<b>2,042</b>	<b>994</b>	<b>1,127</b>	<b>2,121</b>

(M) Men and (W) women

#### Employees by category, gender and age



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

(9) New hires by gender, professional category and region at 2016, 2017 and 2018 year-end:

#### New hires by gender and professional category

Category	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Partner	93%	7%	14	100%	0%	1	80%	20%	5
Counsel	67%	33%	3	100%	0%	2	100%	0%	2
Principal associate	50%	50%	4	75%	25%	4	50%	50%	4
Senior associate	67%	33%	21	50%	50%	12	45%	55%	29
Associate	33%	67%	27	46%	54%	37	45%	55%	40
Junior	38%	62%	125	44%	56%	135	50%	50%	143
Trainee	53%	47%	30	53%	47%	49	48%	52%	66
OPS	50%	50%	12	25%	75%	12	44%	56%	18
Administrative and support personnel	13%	87%	47	12%	88%	33	25%	75%	40
<b>Total</b>	<b>41%</b>	<b>59%</b>	<b>283</b>	<b>42%</b>	<b>58%</b>	<b>285</b>	<b>46%</b>	<b>54%</b>	<b>347</b>

(M) Men and (W) women

## New hires by region

Region	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Spain	67	108	175	88	111	199	111	126	237
Portugal	10	9	19	9	14	23	9	24	33
Rest of offices	39	50	89	24	39	63	40	37	77
<b>Total</b>	<b>116</b>	<b>167</b>	<b>283</b>	<b>121</b>	<b>164</b>	<b>285</b>	<b>160</b>	<b>187</b>	<b>347</b>

(M) Men and (W) women

(10) Employee turnover, by professional category, gender and region in 2016, 2017 and 2018:

## Employee turnover by professional category and gender

Category	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Partner	15	0	15	8	1	9	7	0	7
Counsel	5	1	6	1	0	1	1	0	1
Principal associate	5	1	6	4	3	7	5	3	8
Senior associate	21	27	48	30	25	55	29	28	57
Associate	29	43	72	36	37	73	29	52	81
Junior	30	20	50	20	39	59	28	30	58
Trainee	2	1	3	7	4	11	7	6	13
OPS	3	5	8	2	8	10	6	5	11
Administrative and support personnel	3	34	37	5	33	38	3	28	31
<b>Total</b>	<b>113</b>	<b>132</b>	<b>245</b>	<b>113</b>	<b>150</b>	<b>263</b>	<b>115</b>	<b>152</b>	<b>267</b>

(M) Men and (W) women

## Employee turnover by region

Region	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Spain	92	103	195	89	117	206	87	105	192
Portugal	11	1	12	8	14	22	13	15	28
Rest of offices	10	28	38	16	19	35	15	32	47
<b>Total</b>	<b>113</b>	<b>132</b>	<b>245</b>	<b>113</b>	<b>150</b>	<b>263</b>	<b>115</b>	<b>152</b>	<b>267</b>

(M) Men and (W) women

(11) Our firm has not been required to undertake any business restructuring processes, such as collective dismissals or temporary layoff procedures.

(12) Absentee rate:

## Absentee rate by gender (%)

Year	Men	Women	Total
2016	0.17	2.31	2.48
2017	0.29	2.09	2.38
2018	0.35	2.02	2.37

Note: The absentee rate calculated refers only to Spain.

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

#### Medical service indicators

	2016	2017	2018
<b>Indicators</b>			
Doctor appointments	5,775	5,666	5,623
Nurse appointments	2,428	2,371	1,129
Health check-ups	875	784	787
Lab tests	807	889	954
Ergonomics-related queries	225	207	159
Health-related queries and reports	229	259	234
Safety-related reports	22	20	8
Training (attendees)	548	306	165
<b>Accidents with sick leave</b>			
<b>Total number of accidents</b>	<b>10</b>	<b>6</b>	<b>7</b>
Accidents on the way to/from work	9	4	5
Workplace accidents	1	2	2
<b>Distribution by gender</b>			
Number of women	8	3	7
Number of men	2	3	0
<b>No. of days' sick leave</b>	<b>564</b>	<b>459</b>	<b>177</b>

Note: Data refer solely to Spain.

In 2018, a total of 165 individuals (99 women and 66 men) received health and safety training.

(14) In 2018, 59 employees out of the 68 who took maternity leave were still at the firm 12 months after coming back to work, that is, 87% of all women taking maternity leave. As for new fathers, 19 employees out of a total of 21 employees who took paternity leave were still at the firm 12 months after coming back to work, representing 91% of the total.

Staff returning after maternity/paternity leave	2016				2017				2018			
	M		W		M		W		M		W	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Left within 12 months of returning from maternity/paternity leave	6	24	10	14	0	0	8	11	2	9	8	12
Left before returning from maternity/paternity leave	0	0	0	0	0	0	0	0	0	0	1	1
Still at the firm 12 months after returning from maternity/paternity leave	19	76	62	86	19	100	64	89	19	91	59	87
<b>Total</b>	<b>25</b>	<b>100</b>	<b>72</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>72</b>	<b>100</b>	<b>21</b>	<b>100</b>	<b>68</b>	<b>100</b>

(M) Men and (W) women

Note: Data refer solely to Spain.

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

Total headcount	2016		2017		2018	
	M	W	M	W	M	W
<b>By type of contract and gender</b>						
Permanent	530	857	542	843	556	853
Trainees / Temporaries	26	27	28	25	34	37
<b>Total</b>	<b>556</b>	<b>884</b>	<b>570</b>	<b>868</b>	<b>590</b>	<b>890</b>
<b>By working hours and gender</b>	<b>M</b>	<b>W</b>	<b>M</b>	<b>W</b>	<b>M</b>	<b>W</b>
Full-time	553	848	564	834	585	857
Part-time	3	36	6	34	5	33
<b>Total</b>	<b>556</b>	<b>884</b>	<b>570</b>	<b>868</b>	<b>590</b>	<b>890</b>

(16) Variation in average number of training hours in 2016, 2017 and 2018:

Category	2016			2017			2018		
	M	W	Total	M	W	Total	M	W	Total
Partner	58	75	60	66	75	67	56	58	57
Counsel	62	88	70	58	84	65	50	65	53
Principal associate	46	54	50	65	54	62	50	53	51
Senior associate	69	71	70	112	93	102	90	72	81
Associate	165	144	154	139	150	145	222	148	182
Junior	167	178	173	142	158	151	142	155	149
Trainee	113	133	121	81	108	92	65	74	69
OPS	58	32	40	59	37	44	43	46	45
Administrative and support personnel	30	31	31	35	29	32	33	28	29

(M) Men and (W) women

(17) Garrigues delivers professional services in several different jurisdictions, covering all specialty areas of business law. The firm seeks to hire personnel from the different regions in which it operates, supporting the professional development of these employees under the corresponding career plan.

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

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

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

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

(20) Number of suppliers:

	2016	2017	2018
Spanish suppliers	2,717	2,815	2,696
International suppliers	402	305	420
<b>Total</b>	<b>3,119</b>	<b>3,120</b>	<b>3,116</b>

Note: Data refer solely to Spain. More information on the Garrigues supply chain can be found in the Suppliers section of the 2016 Integrated Report.

# **Assurance report**

# AENOR

## VERIFICATION OF SUSTAINABILITY REPORT

VMS-2019/0010

AENOR has verified the Report by the organization

### GARRIGUES

TITLE: 2018 INTEGRATED REPORT

In accordance with: GRI Standards of the Global Reporting Initiative

GRI option applied: Core

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

Issue date: 2019-04-12



Rafael GARCÍA MEIRO  
General Manager

Original Electrónico

AENOR INTERNACIONAL, S.A.U  
Génova, 6. 28004 Madrid. España  
Tel. 91 432 60 00.- www.aenor.com



# GARRIGUES

[garrigues.com](http://garrigues.com)