

NEINVER
2017
Annual
Report




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NEINVER PROFILE

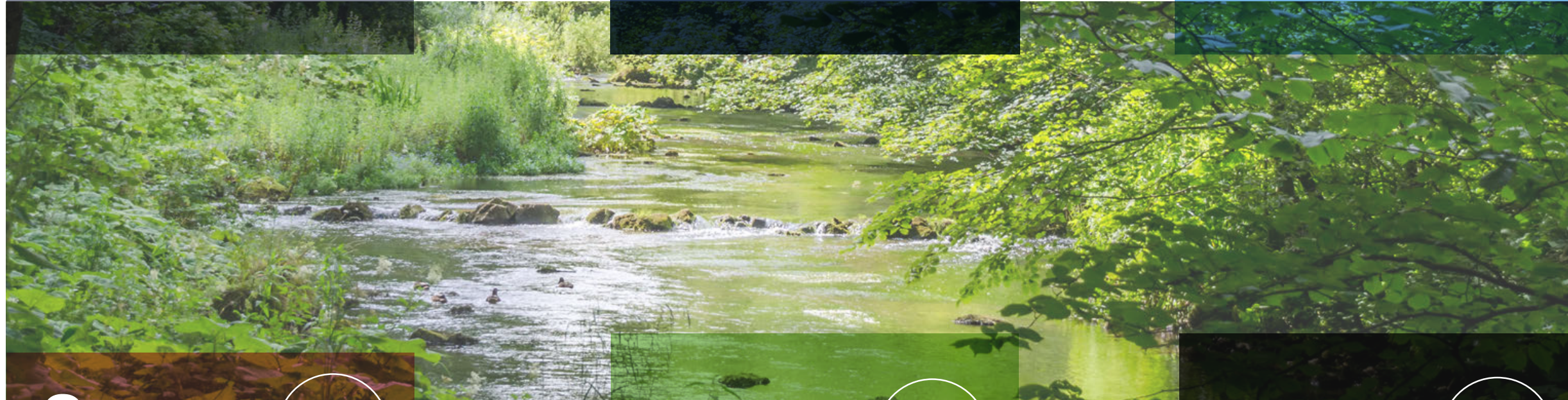


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Message from the Chairman

(102-14)

We are witnessing a real revolution in the retail property sector that is allowing our Group to bring out the best in itself in order to reinvent itself every day.

The main industry in which we operate is exposed to rapid changes in consumers' behaviour and expectations, and the new options available to them.

In this new environment, thanks to the adaptability that has characterised our company since the beginning, we have continued to bolster our leadership position with good results. We have met our targets, improved our solvency and shown once again that we are a solid company with a balanced business model and a bright future.

NEINVER has a unique corporate vision that lets it compete effectively throughout Europe. Its model, developed successfully over the last 49 years, is based on five priorities:

- Business diversification
- Specialisation in the outlet sector over the past 20 years
- Managing every phase of the property cycle
- The brand's strength in our major markets
- Investing in innovation, which lets us digitally transform our industry. For example, we pioneered the outlet sector's first omnichannel platform.

In 2017, we continued to take new decisive steps in our growth plan: we obtained the final permit to develop a new outlet centre in the French Alps, we strengthened our strategic alliance with TH Real Estate by acquiring FACTORY Ursus in Warsaw, and we acquired 40,000 m² of property in Spain to develop a new logistics facility, among other highlights.

Additionally, in May 2018, we and our partner The Prague Outlet opened our first outlet centre in the Czech Republic: Prague The Style Outlets. This centre, which won the trust of our brands, perfectly echoes the architectural style of Prague's city centre and has an excellent location less than 5 minutes from the airport.

Moreover, NEINVER remains committed to innovation and sustainability as defining values in everything we do. This broad effort has been reflected in two awards we won in 2017, of which I am especially proud: the joint BREEAM/GRESB award for Corporate Investment in Responsible Real Estate, and the prize for Best Business Practices in Digital Transformation, awarded by KPMG and the Spanish media outlet El Confidencial.

In a fast-changing environment, it is vital to be flexible and adaptable so we can stay relevant in the sector. Our customers' world never stops. Nor does ours. They no longer visit a centre only to shop but also to have a good time, and they expect a personalised, comfortable, entertaining experience from us.

In this context, finding our way can be a real challenge, but I trust that we at NEINVER have the vision, the entrepreneurial drive and the talent to turn the achievements reflected in this Report into future successes.

We thank all the clients who put their faith in us year after year, and above all, we thank all our employees in the seven European countries where we operate, for their excellent work in 2017. They continue to inspire us every day.

Madrid, July 2018
José María Losantos y del Campo
Chairman



“NEINVER has a unique corporate vision that lets it compete effectively throughout Europe. Our business model has been developed successfully over the last 49 years.”



“Aware that we work in an industry filled with challenges and opportunities, in 2017 we began renovating several centres to continue increasing their value and offering our visitors a unique shopping experience”

Message from the CEO (102-14)

The effort and work carried out throughout 2017 produced very positive results for the company. In the outlet sector, the brands that do business in the centres we manage in Europe saw their sales rise to €917 million, up 5% from 2016, while the number of visitors increased to a total of 41.7 million. These results continue the growth we have maintained in recent years, and they highlight the success of our management model.

Aware that we work in an industry filled with challenges and opportunities, in 2017 we began renovating several centres to continue increasing their value and offering our visitors a unique shopping experience. In the course of these refurbishments, we are improving features such as the food offer, leisure areas, common spaces, and general services.

Besides opening our first outlet centre in the Czech Republic in May, we have other new properties in development in Amsterdam, in the French Alps and in Werl, Germany, with which we will keep expanding our portfolio and our leadership position in Europe.

One of the growth strategies defined in our strategic plan is to form alliances with top-level partners. In 2017, we strengthened our partnership with TH Real Estate through the purchase of FACTORY Ursus, in Poland, from IRUS European Retail Property Fund. Neptune, our joint venture that has grown quickly since its formation in 2014, now has a portfolio totalling 11 outlet centres and 2 retail parks in Europe.

In our commitment to working with local partners, NEINVER bolstered its presence in Germany by assuming management of Fashion Outlet Montabaur, which has now joined our portfolio as Montabaur The Style Outlets.

The industrial and logistics sector is an important part of NEINVER and plays a bigger role in the structure of our earnings every year. Our ongoing alliance with Colony NorthStar now has a portfolio of 37 logistics assets and 256,000 m² of gross leasable area.

At NEINVER, we firmly believe that our growth as a company must be linked to sustainability and social responsibility. That has been in the DNA of our management ever since the company was founded in 1969, and is a basic commitment in all our activities. So in 2016 and 2017, we renewed the BREEAM In-Use environmental certifications of all the centres we manage in Europe, improving on our previous average score. Aware of how important it is to minimise our environmental footprint, in 2017 we reduced our energy consumption by 5.5% and greenhouse gas emissions by 13%.

In 2017, we also continued the digital transformation of our business model. We are on track to leverage the opportunities that this represents and to offer an experience consistent with new shopping habits. To that end, we have been implementing innovative technologies in the centres and have expanded our e-commerce platform in Spain.

Implementing our strategy and achieving our goals requires an ingredient that is decisive in any organisation: the staff. NEINVER has an experienced team with outstanding management skills. Clearly, 2018 is also a year full of opportunities, and I trust we will be able to seize them thanks to the people who work for the Group across Europe. The people are what makes this company stand out. Thanks to their enthusiasm and dedication, we can continue to lead the way in a highly competitive industry.

Madrid, July 2018
Daniel Losantos Egea
CEO

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NEINVER
PROFILE



NEINVER

and value creation

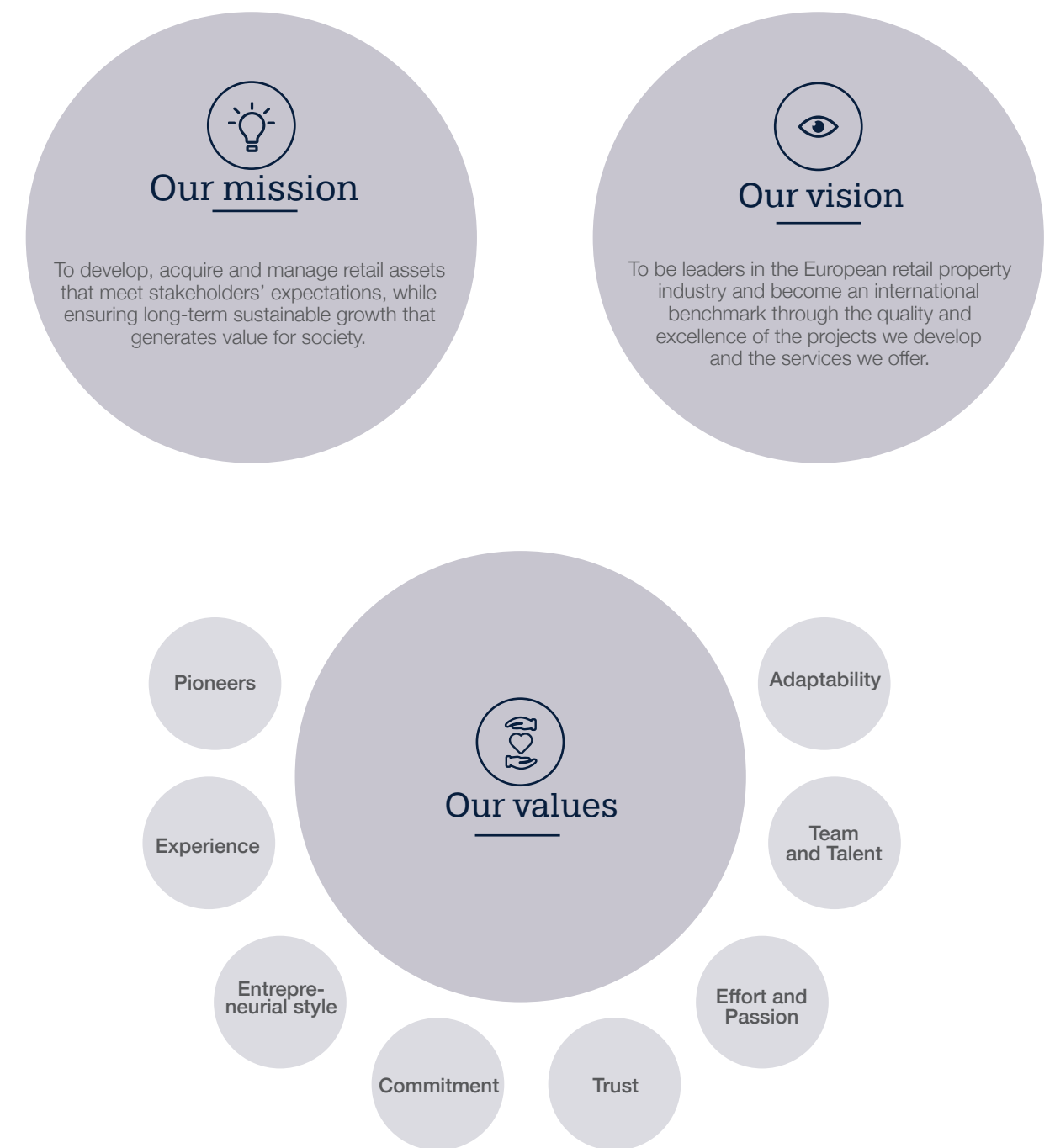
“Founded in 1969, NEINVER is a European property company focused on management of the entire property cycle of its projects. From development, leasing and financing to opening, this Spanish company is highly specialised in managing a wide variety of property assets, with a focus on retail and logistics facilities.”

Since its founding, NEINVER has developed 2 million m² of industrial property, tailored to each client's needs.

NEINVER, a Spanish company with operations in France, Germany, Italy, Poland, Portugal, Spain, the Netherlands and the Czech Republic, has bolstered its position in the European retail property market, managing 21 centres, 544,000 m² of retail space, nearly 1,600 store locations and more than 800 top domestic and international brands.

For more than 20 years, NEINVER's growth strategy has been based on specialisation in the outlet sector, through its brands The Style Outlets and FACTORY. It currently manages 15 centres with a total GLA of 293,000 m², and is the only outlet operator to have developed an omnichannel strategy, offering full integration between physical centres and the online channel. Consistent with its sense of social responsibility, the group became the first company in the industry to earn BREEAM certification for its entire European portfolio of centres.

NEINVER'S MISSION, VISION AND VALUES



BUSINESS MODEL (102-2)

NEINVER is a property development, investment, fund management and property management company, specialised in commercial and logistics assets.

International investors trust NEINVER thanks to

its long and specialised history in the sector. This is why NEINVER has reinforced its position in the European outlet market by signing strategic agreements with key partners to develop and/or manage properties that it owns or co-owns, or that are owned by third parties.

Map: Sustainable management of the property cycle

Management

Asset management

The blend of management with ownership (or co-ownership) fosters a long-term commitment to asset quality and helps produce value for investors and clients.

Fund management

Since 2007, NEINVER has managed IRUS European Property Fund, with attractive returns and stable dividends. In 2017, it was honoured as "Fund of the Year - Retail" for its return on investment, the originality of its offer, and its excellent management by NEINVER.

Design

Diseño y desarrollo de proyectos innovadores
Design and development of innovative properties complying with the highest standards of sustainability, and suited to the needs of customers and brands.

Development

Extensive experience in developing a wide range of logistics facilities, business parks, offices, and especially leisure and retail parks and outlet centres.

Leasing

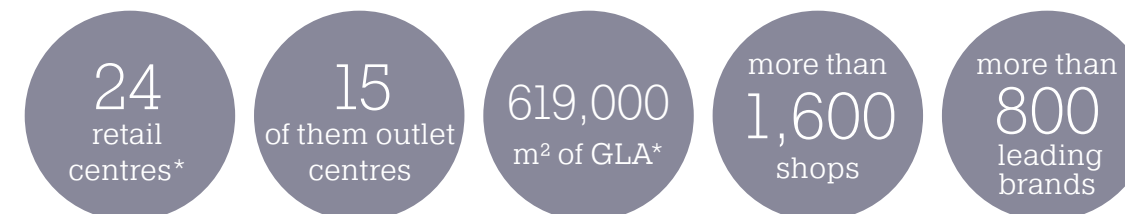
Trusted by more than 800 brands, giving the centres an average occupancy rate of 96%.

Finance

Managing the relationship with financial institutions to obtain finance for new properties and for renovations and upgrades to existing ones.



SPECIALISATION IN THE RETAIL PROPERTY SECTOR

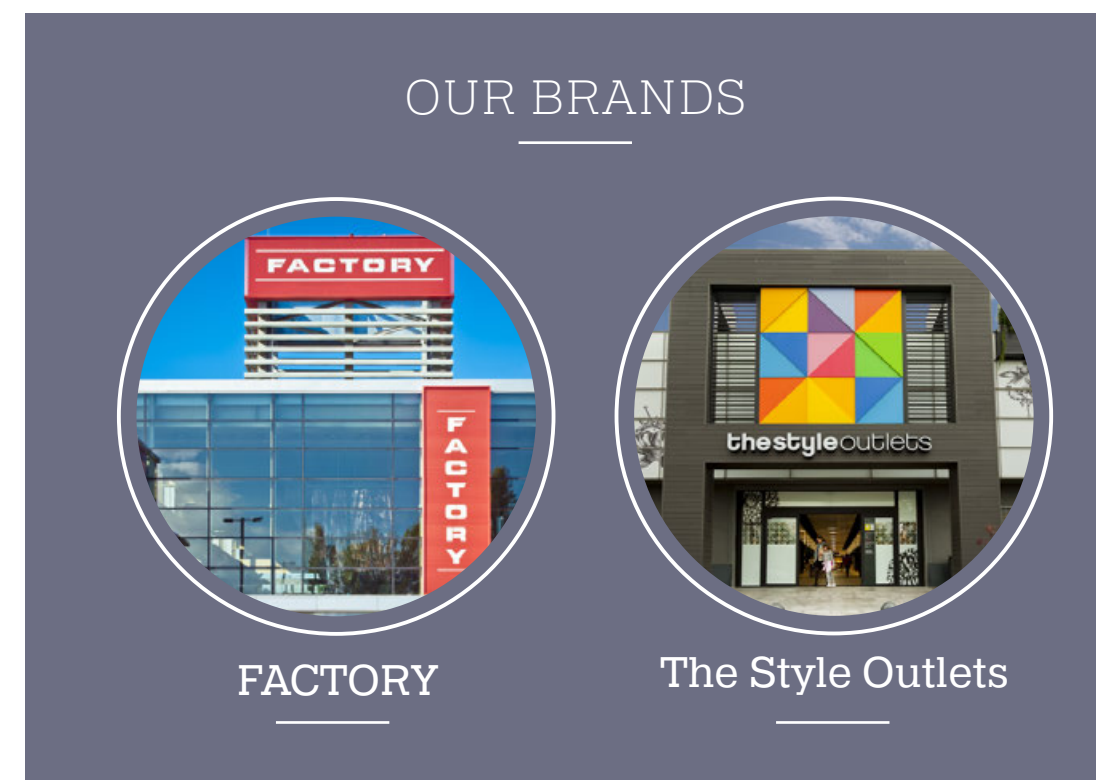


NEINVER considers it essential to discover and manage the variables affecting the consumers' shopping experience, the store operators' satisfaction, and the investors' profits.

let it become an industry leader as the second-largest European operator of outlet centres (in m² managed) and the largest operator in Spain and Poland.

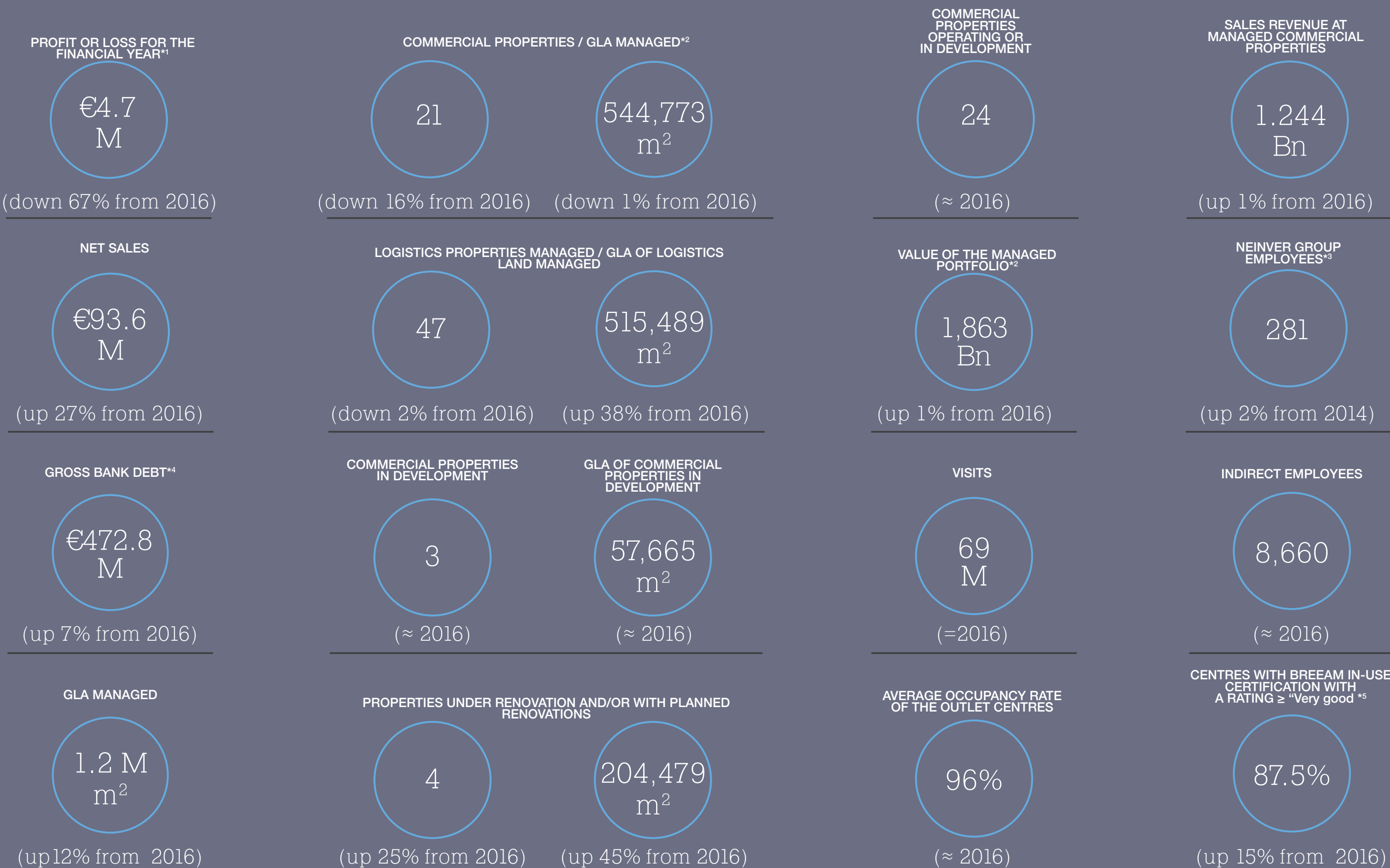
NEINVER's expansion strategy over the last 20 years has focused on specialisation in outlet properties, mainly under The Style Outlets and FACTORY brands. Building a trusting, mutually beneficial relationship with its brands and offering its end customer an appealing commercial mix and a unique shopping experience with exclusive services have been the two levers that

Those years brought sustained growth in the centres' footfall and sales revenue, helping to improve the results of brands and investors alike. This inclusive growth has had a positive impact on local communities through job creation and infrastructure development, while honouring strict sustainability standards throughout the property cycle.



* Includes centres operating or in development.

Figures at a glance (102-7)



*1 Due to extraordinary results in 2016.

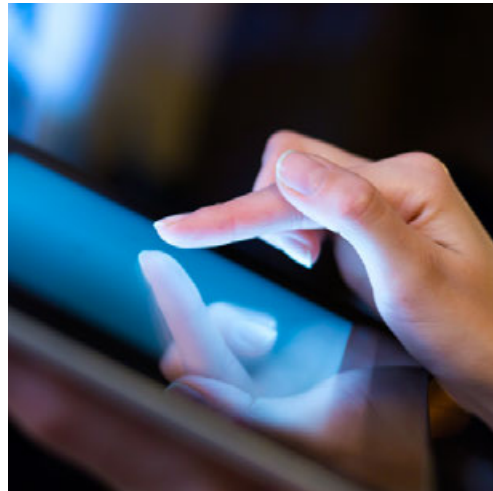
*2 This difference is due to a change in the number of centres.

*3 Reflects the employees of centres and offices in Germany, Spain, France, Italy, Poland and the Czech Republic.

*4 Includes Neptune's debt at its % stake, non-recourse debt.

*5 Calculated based on the 16 centres that had been in operation for more than two years, a prerequisite for this certification.

2017 highlights



First year when the whole NEINVER portfolio has been using **the same digital tools**, thus **strengthening the omnichannel strategy** that the company has developed in recent years.



Leasing for the new properties **Prague The Style Outlets, Amsterdam The Style Outlets and Alpes The Style Outlets**, with strong emphasis on the tourist sector, given their catchment areas.



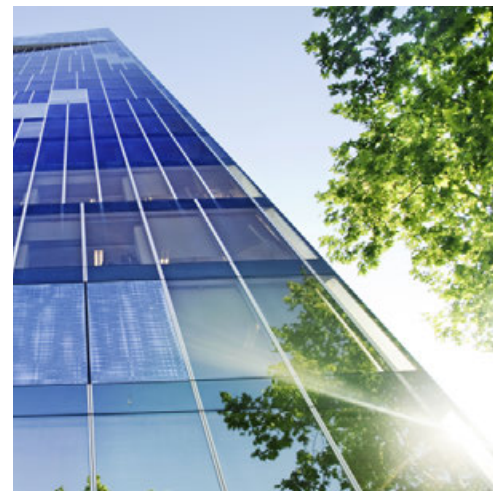
Launch of the **"Hunters, welcome" marketing campaign**, which positions consumers at the heart of the brand's communication and reflects everything consumers feel during their shopping experience at The Style Outlets centres.



Specific certifications at Viladecans The Style Outlets, such as the **DIGA mark for accessibility**, with 5 stars (the maximum score), in recognition of the company's work on accessibility issues, and the **BIOSPHERE** certificate for sustainable tourism, in line with the Sustainable Development Targets.



Incorporating sustainability criteria into construction of new properties. In 2017, NEINVER continued developing four new properties: Prague The Style Outlets, Amsterdam The Style Outlets, Alpes The Style Outlets and phase 2 of Halle Leipzig The Style Outlets. In all these cases, the development and construction complies with sustainability criteria.



In 2017, NEINVER received the **BREEAM/GRESB award for Corporate Investment in Responsible Real Estate**. This prize recognises companies that invest in the sustainability certification of their portfolio, as well as their commitment to achieving better results in this field through corporate policies.

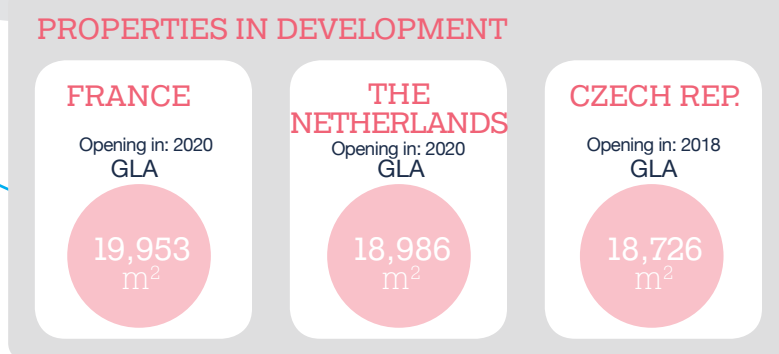
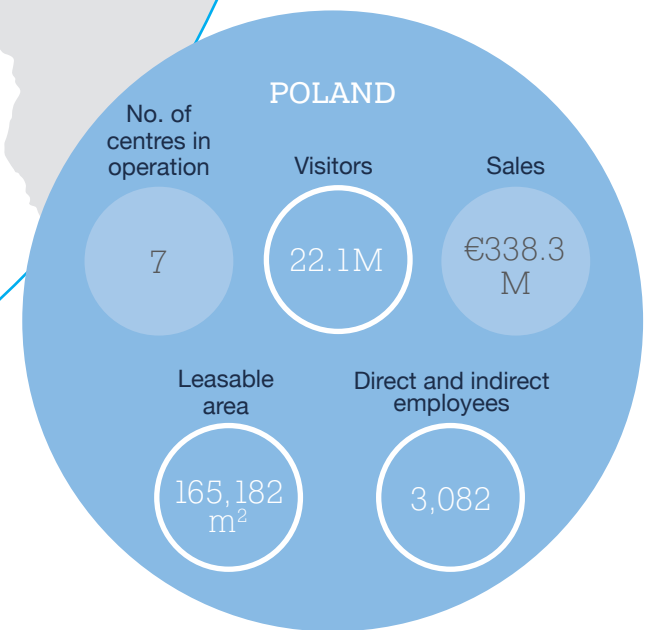
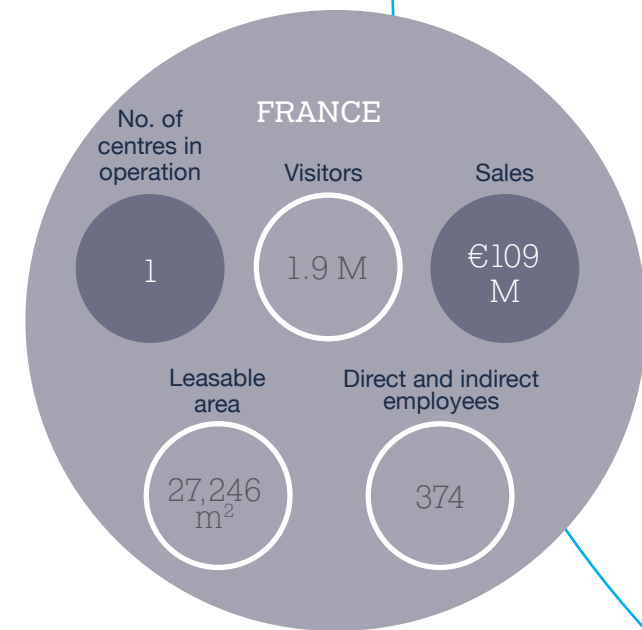
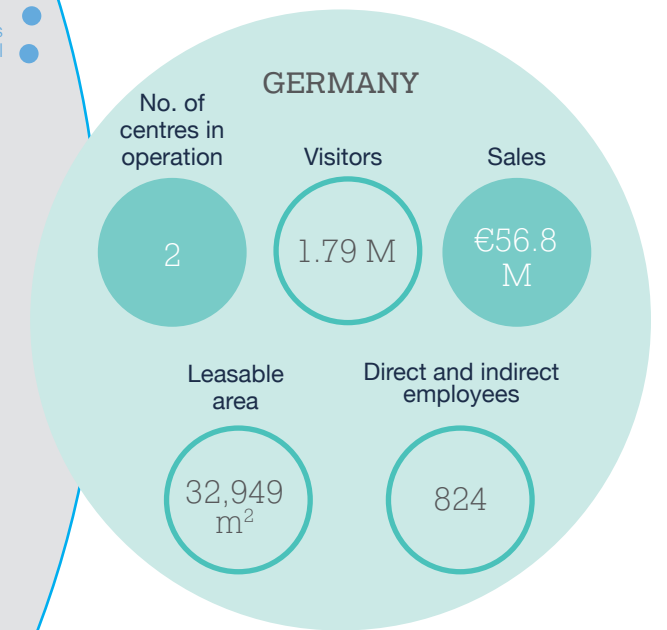
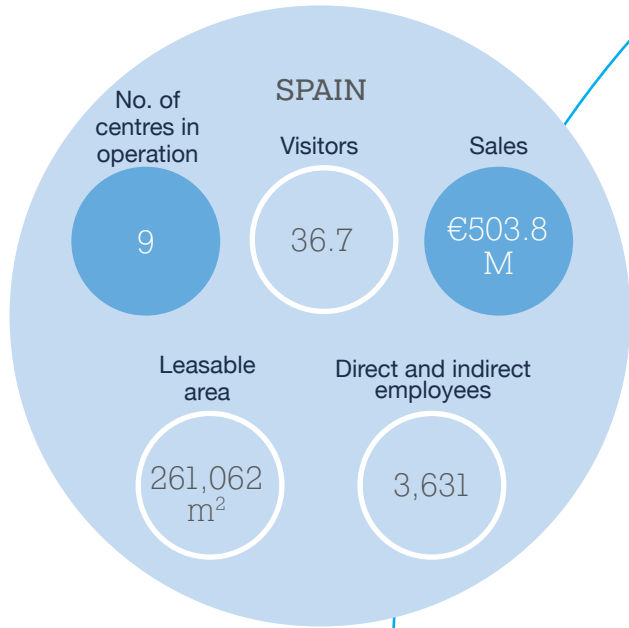


Obtaining **BREEAM IN-USE certification for Fashion Outlet Barakaldo** with a rating of "very good" both in part 1, which focuses on the building, and in part 2, focused on management.



Acquisition of 40,000 m² of **industrial land in the Carpetania Industrial Estate in Getafe**, just outside Madrid, where it has planned a logistics facility with 24,000 m² of GLA.

International retail property operations 2017 (102-4)



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THE PATH
TO ONGOING
SUSTAINABLE
GROWTH



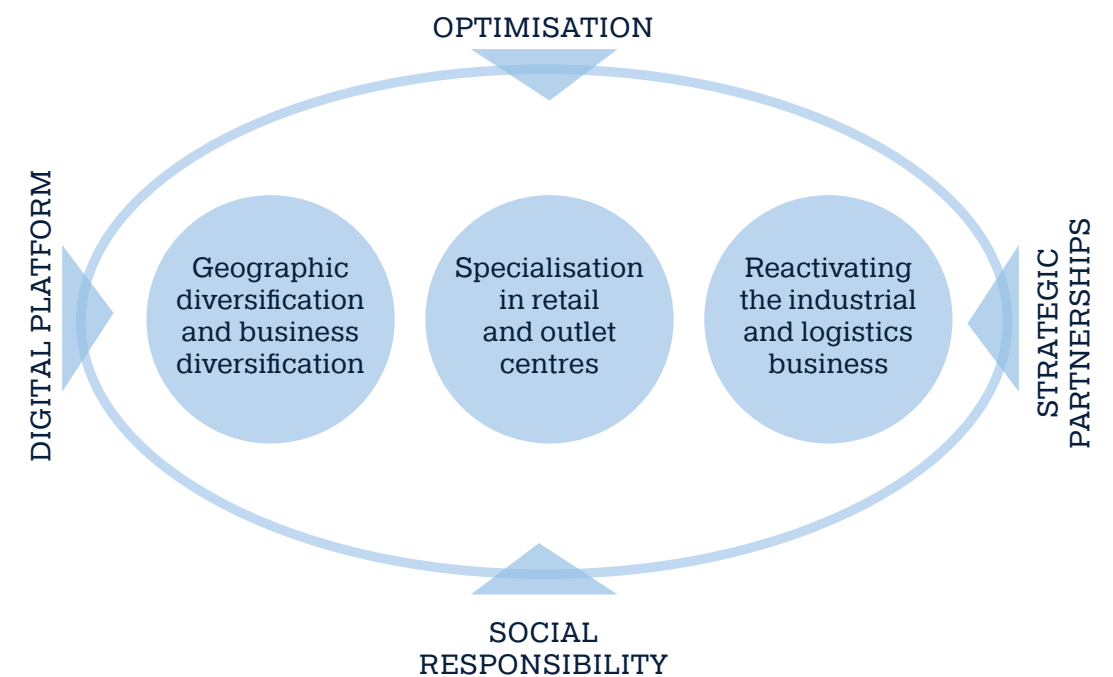


NEINVER's leadership strategy

“NEINVER continues to consolidate its positioning thanks to its specialised management model and its more than 20 years’ experience in the outlet sector, two factors highly valued by investors and by the brands operating in its centres”

NEINVER's business is guided by the leadership strategy outlined by the Management Committee in 2014. This consists of three key priorities: geographic diversification and business diversification, development and management of retail and outlet centres, and reactivating the company's logistics and industrial business. Four levers help to articulate

those priorities: optimising management of the centres, digital transformation by developing the omnichannel strategy, managing social responsibility across the company, and bolstering strategic alliances to strengthen its capitalisation structure and expansion strategy.



“The outlet sector has experienced strong growth in Europe, becoming one of the most successful distribution channels for brands, consumers and investors.

NEINVER’s specialisation in this industry has led to continued improvement of sales in the outlet centres it manages in Europe. This ability to enhance the value of assets is the main reason that more and more strategic partners are putting their trust in the company”

CHALLENGES FOR THE COMPANY

CHALLENGES



A unique, distinctive shopping experience

Managing the shopping experience is a vital part of inspiring loyalty and increasing visitor satisfaction. The concept of shopping experience goes far beyond trying to offer a broad commercial mix, but also is tied to the leisure and supplemental service offers, as well as emotional elements.



Digital transformation

Traditional channels must be integrated holistically with new technologies. The challenge is to do this efficiently, with low costs for integration, scalability and maintenance, making it possible to boost revenue and improve customer-facing services.



Omnichannel strategy

The retail sector must seek a consistent, unified experience on each platform and each offline and online point of contact with customers, accompanying them before, during and after the purchase process.



Geographic expansion

Mature sectors present more challenges in terms of expansion strategies. Knowledge of the market and experience in the sector are vital when considering new projects, given the limited available spaces and the regulatory restrictions.



Sustainability

Investors and consumers increasingly demand proactive management of risks associated with the environment, social issues and good governance. Sustainable construction and mitigating the centres' environmental impact are two main aspects* that organisations in the industry must keep in mind when promoting Corporate Social Responsibility.

* See the Materiality Analysis and Stakeholder Relations section

RISK MANAGEMENT (102-15 y 102-30)

“NEINVER continually analyses its challenges as a company so it can respond to potential risks”



These risks include those associated with illegal practices or related to asset management, solvency, debt repayment and the group's social and criminal liability. The Risk Map is the tool the organisation uses to monitor changes in these risks, ultimately overseen by the Management Committee.

In some cases, it has been determined that mitigating strategic risks would require development of a framework document applicable to the entire company. This is why NEINVER has developed the following policies:

- Confidentiality policy.
- Acceptable use policy for computer hardware and other electronic equipment.
- Data protection policy.
- Criminal Compliance System procedures/policies.

At the same time, NEINVER also has a crisis manual to guide its action in dealing with any emergencies that arise in its properties, and other types of internal rules to ensure ethical behaviour, and insurance policies that allow the transfer of certain risks.

INTEGRITY AND SUSTAINABILITY AS THE BACKBONE OF NEINVER (102-12, 102-16, 102-17, 205-2 y 206-1)

“NEINVER sees Corporate Social Responsibility (CSR) as a lever for long-term improvement of its competitiveness, sustainability and stakeholder relations”

This is why it tries to integrate environmental and social responsibility and good governance into every aspect of its business, throughout the life cycle of its own properties and of the assets it manages.

Aware of the importance of protecting the planet, assuring prosperity for all and joining forces to overcome the global challenges now facing society, NEINVER wants to support the achievement of the 2030 Agenda. It therefore analysed which **Sustainable Development Goals (SDGs)** it most contributes to through its activities. The result of this analysis found direct contribution to 3 of the 17 SDGs:



SDG 3. HEALTH AND WELL-BEING

The health and safety of workers, customers, store operators, and suppliers is a priority for NEINVER. This is why the company is now working to implement ISO 45001 across its entire portfolio.



SDG 8. DECENT WORK AND ECONOMIC GROWTH

NEINVER increases its staffing year after year, creating high-quality jobs. At the same time, creating value for society (investors, suppliers and local communities) is a variable embedded in every decision the organisation makes.



SDG 11. SUSTAINABLE CITIES AND COMMUNITIES

NEINVER has increased the energy efficiency of its centres and has worked to improve access and transport, to help make communities more sustainable. This commitment can be seen, for instance, in the rollout of ISO 50001 to the whole portfolio.



SDG 13. CLIMATE ACTION

Reduction of greenhouse gas emissions throughout the value cycle of its activity is a defining feature of NEINVER's sustainability work. One example of this commitment is the purchase of green energy sources for its entire portfolio.

The main document guiding employees' actions is the Code of Ethics, which sets out principles for day-to-day conduct of employees, which they are expected to apply in their interactions with all the company's stakeholders. In this regard, a number of NEINVER employees are certified by RICS (MRICS), an organisation that certifies property- and construction-sector experts and ensures that they follow the property industry's international ethical standards.

Regulatory compliance and respect for free competition are keystones to its business practices. Hence the Legal Department keeps a close eye on regulations currently in effect or soon to take effect in each country where it does business. In addition, its commercial relations do not include anti-competitive elements such as exclusivity radius clauses, which some companies in the industry use to limit the store operators' activity in the area adjacent to the centres.

As a signatory of the ten principles in the United Nations Global Compact since 2012, NEINVER stands in firm opposition to corruption and fraud. In 2016, it implemented its Criminal Compliance System, a protocol to prevent criminal prosecution risk that reflects current criminal law. As part of this system, NEINVER now has an email address set up for confidential reports of infractions and for confidential questions and suggestions. The account received no formal complaints or comments in 2017.

There is also a person assigned to monitor compliance with the system, which includes policies (such as the conflict of interest policy developed in 2017 and signed by all employees), specific processes for action and communication, and a disciplinary system.



María de la Peña
Legal Director

NEINVER CSR Roadmap for 2016–20

In 2016, it charted a roadmap to 2020 to promote year-on-year improvement in the company's priority areas: (i) the environment, (ii) corporate governance and CSR management, (iii) labour practices and (iv) operational practices. To report the degree of progress on the measures identified in this action plan, the Roadmap dashboard below shows the status at the end of 2017.

The main advance seen on the dashboard is the launch of processes and actions that had not begun yet in 2016 (36% of them).

Regarding waste management, we have begun working with a data-collection platform that will, in turn, enable us to draft comprehensive action plans. There is also proactive waste-water management, which led to a change in suppliers and improvements at the Nassica and Megapark Barakaldo centres.

NEINVER is working to improve its internal reporting system for environmental indicators through use of the online platform. It is working to

integrate the Building Management System (BMS) tool with the global Business Intelligence tool, a project slated for completion in 2018.

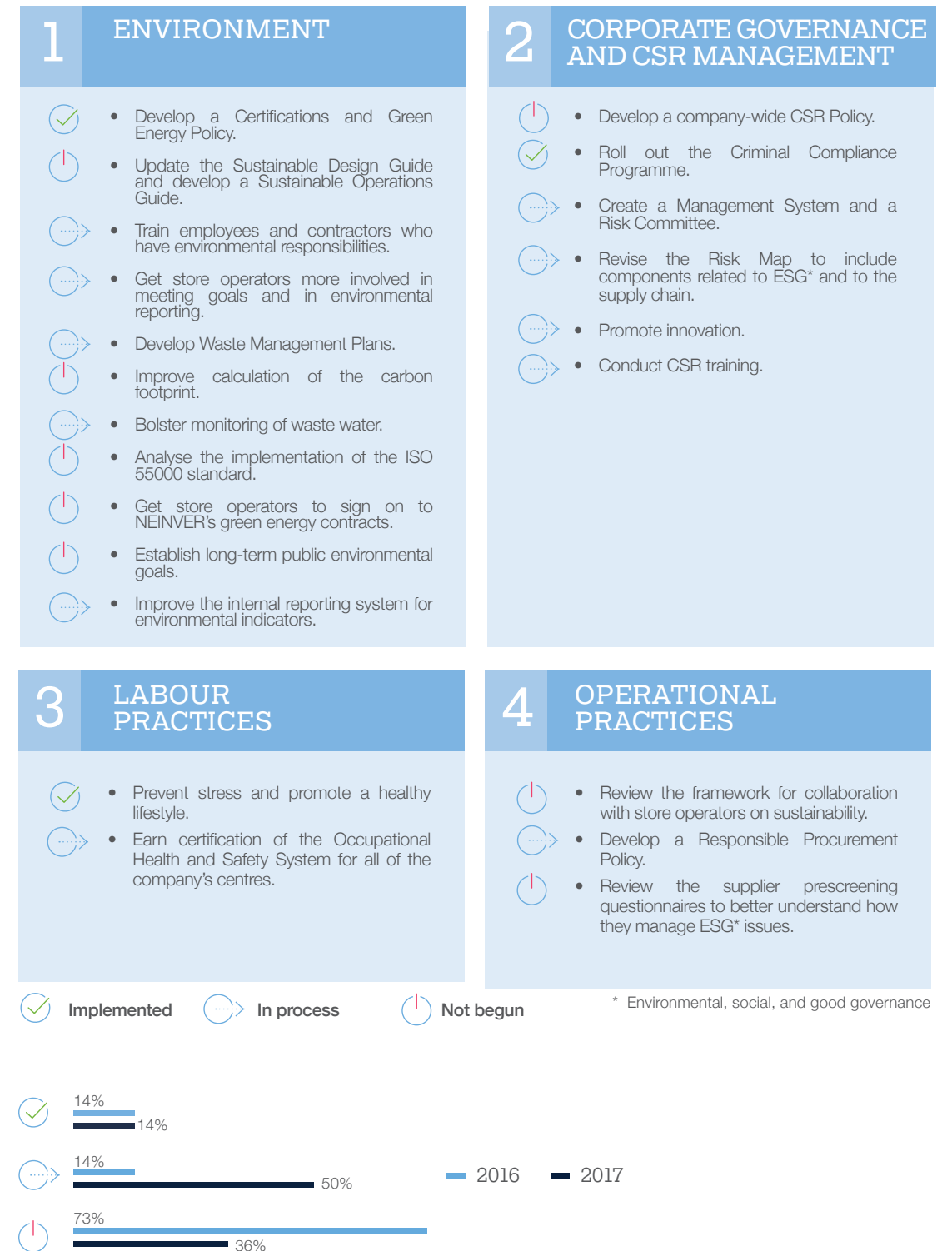
We are also working to create the Risk Management System and form a risk monitoring committee, and will ensure that the Risk Map (to be defined next year) includes matters associated with the environment, social issues, good governance, and the supply chain.

In terms of innovation, NEINVER's omnichannel strategy marks a turning point in the company, and its digital transformation has become a benchmark for the market. Its Business Intelligence (BI) model has also been progressively integrating the market's latest trends and tools.

As for CSR training, it has been decided that in 2018 the head of CSR will take a course on the subject and share the knowledge with others in the organisation who are involved in achieving the Roadmap targets.

In occupational health and safety, goals include adapting the current OHSAS 18001 certification to the new ISO 45001 standard. As we adapt to the new standard, we will take the opportunity to certify our whole portfolio, where previously only our portfolio of Spanish centres had this type of certification.

Lastly, in 2018, the company set out to improve supplier certification by phasing in clauses in its contracts that refer to aspects of social and environmental performance.



Omnichannel strategy as a response to changes in the industry

“Changes in customers’ shopping habits are inevitably affecting the retail property sector, and to address this successfully, companies in the industry need a better understanding of the different types of customers and their characteristics.

NEINVER’s omnichannel strategy gives the company the ability to face this change in a suitable, effective way”

The jumping-off point is an inventory of all the company’s digital assets, which allows development of a single platform that connects customers to the centres and the shops. NEINVER can thus track the customer not only at the moment of purchase but also before and after.

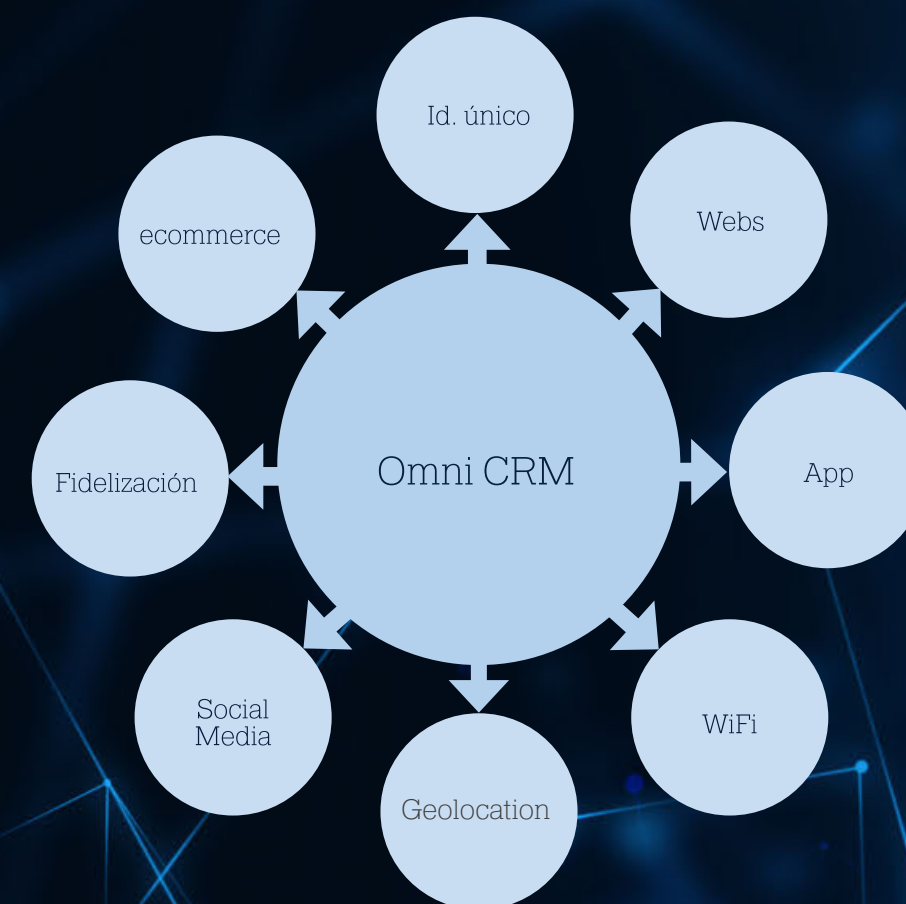
Affinity (brand awareness and acceptance), the visit (offline or online) and the purchase are the keys to monetising the NEINVER relationship model by studying customers’ behaviours and interests through the company’s web pages, mobile apps, e-commerce portals and social media, as well as people counters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

Regarding growth of online sales as a percentage of total sales in the retail sector, NEINVER has become the first operator of outlets and shopping centres to offer an omnichannel experience in the B2B2C (business to business to consumer) space. It therefore has an ever greater ability to respond to customers’ omnichannel shopping habits.

Thus, NEINVER manages a great deal of qualitative information on customers and their consumption patterns, which lets the company access a set of data and indicators that add great value to its specialised management. In this context, NEINVER’s omnichannel strategy provides a 360° view of the customer, which permits greater customisation of their experience in the centres.

“Our customers’ privacy is a priority for NEINVER, so throughout 2017 we implemented specific data-protection measures to comply in advance with new European regulations”

The NEINVER digital ecosystem



NEINVER initiatives to develop its digital ecosystem in 2017.

In this context, NEINVER has also continued working on a CRM system as a channel for communication with its direct clients, giving them access to all of the centres' information in real time.

CORPORATE DASHBOARD



The goal of this project is to automate the principal financial and business indicators and offer a global vision of the centres, letting the company improve its clients' experience and management. For a company-wide view of the organisation's activities, NEINVER began work in 2017 to integrate environmental indicators into this corporate dashboard, connecting it to the Building Management Systems that measure all of a centre's environmental parameters.

GEOLOCATION



NEINVER continues using three geolocation options: mobile applications, Wi-Fi and Gennion sensors. They are all integrated into the company's OMNI-CRM system. The system's functionality was improved in 2017, allowing real-time identification of when a user visits a shop, triggering a message or content that will interest that person. For 2018, there are plans to upgrade the information design, the timing of when the user can see it, and which channel is most appropriate for that type of customer.

EMA PROJECT



The second phase of digitising the shopping centres' leasing process was completed in 2017, consisting of loading information into the system and activating automatic invoicing.

POINT-OF-SALE TERMINAL SOFTWARE



In connection with this project, NEINVER has designed a loyalty plan that can monitor individual customers' purchases in real time. The point-of-sale terminal software can link the retail establishments' management systems with the company's data systems.



Sergio Jiménez
Delgado

Digital Business
& IT Director

"The year 2017 was the first time the whole NEINVER portfolio has been using the same omnichannel tools, thus strengthening the model and strategy developed in recent years"

“NEINVER’s management model fosters sustained and sustainable growth in every facet of the company’s business”



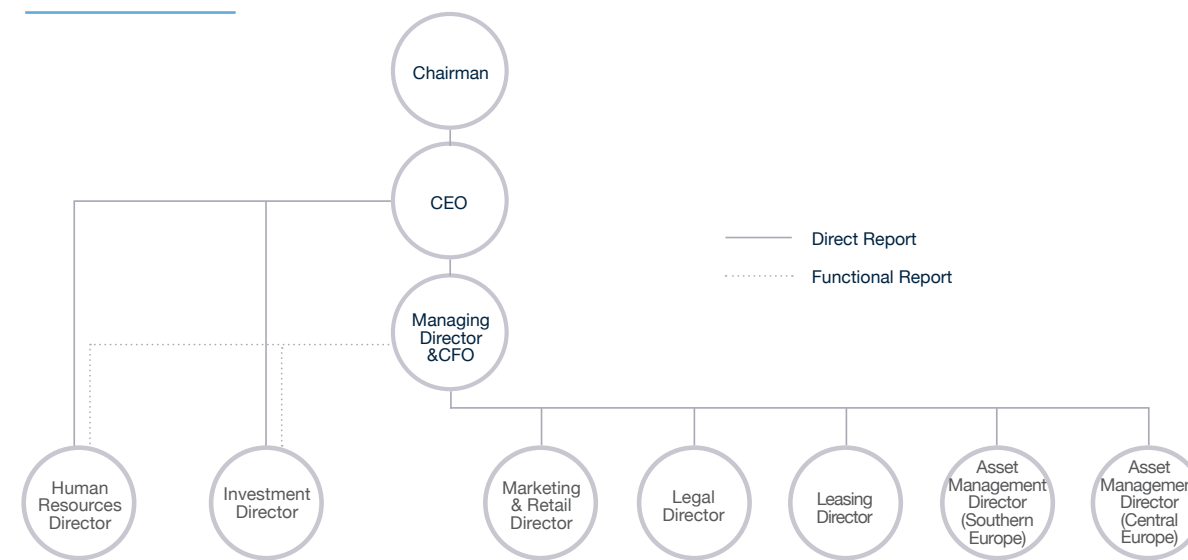
In late 2015, Daniel Losantos was named CEO, and since then the company has continued to build a strong business model focused on adapting the organisation to changes in the industry while detecting existing growth opportunities. The work

of Managing Director Carlos González and the other members of the Management Committee has been decisive in solidifying the organisation’s positioning over the past two years.

Corporate governance

(102-18, 102-19 y 102-20)

NEINVER ORGANISATION CHART



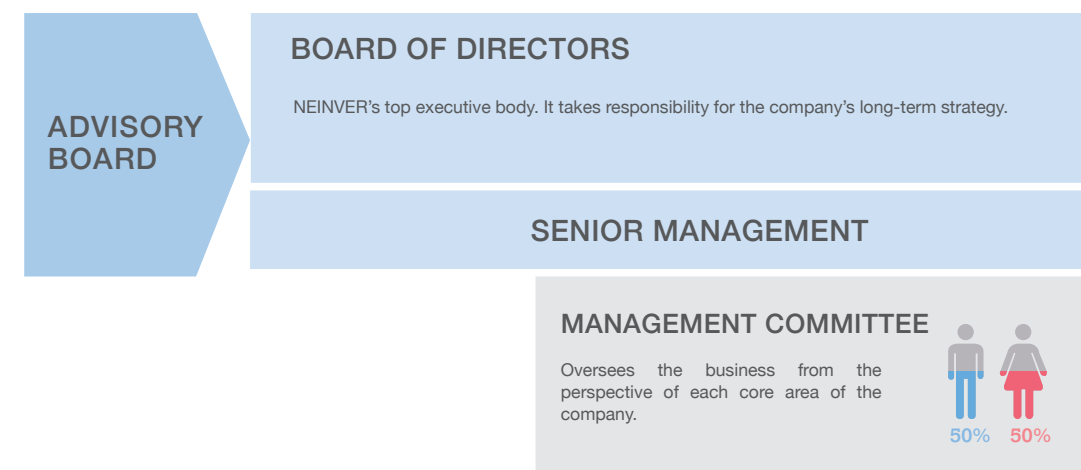
NEINVER corporate governance structure

(102-5, 102-22, 102-26, 102-33 y 405-1)

NEINVER’s corporate governance structure is built around the operations of two boards and one independent committee. The top corporate body is the General Shareholders’ Meeting, represented by the Losantos family, who hold 100% of the share capital. Although this body is not involved in the company’s day-to-day management, senior management must report to it periodically. The Board of Directors is set up as the group’s top executive body, responsible for the company’s

long-term strategy. The Management Committee, in turn, has the main function of strengthening the organisation’s various strategic priorities.

Lastly, NEINVER’s Corporate Governance structure also includes an Advisory Board of outside professionals with far-ranging expertise, whose role is to advise the company on particular strategic matters.



Strengthening the business model (201-1)

The results for the year were once again very positive. Net sales rose by 27.3%, mainly because Neptune (the joint venture with TIAA) acquired new assets over the past 18 months, bringing an increase in rental income as well as management fees from those properties.

The alliances are a fundamental pillar of NEINVER's strategy. Besides the Neptune joint venture

between the company and TIAA, there is also the alliance with Colony NorthStar. It focuses on Spain's logistics sector and currently has 37 logistics facilities and more than 256,000 m² of leasable space. NEINVER's share in these ventures lets it capture part of the value generated as an asset manager, and open up a new stream of recurring revenue from these investments' dividend distributions.



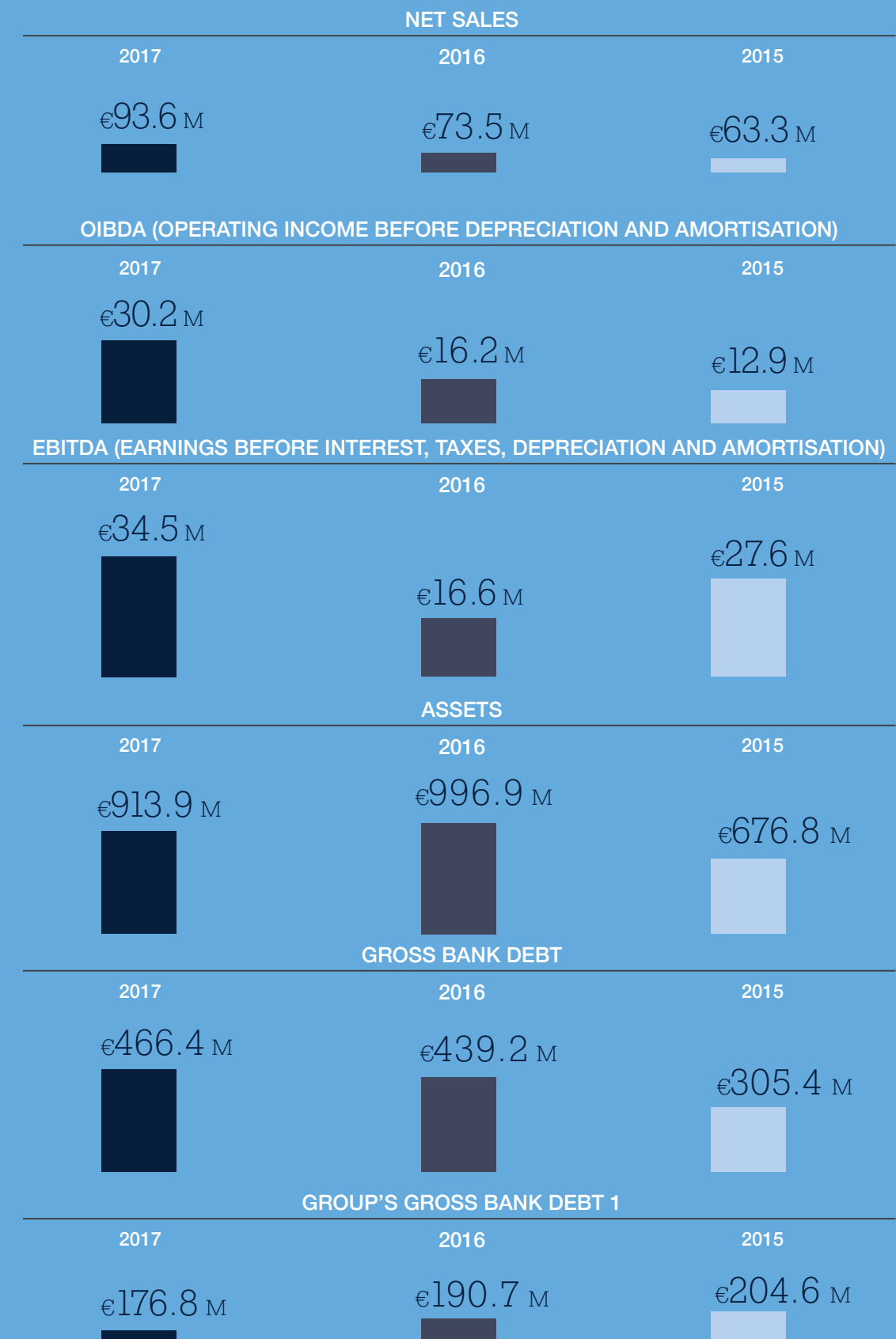
"NEINVER's status in 2017 was again characterised by its financial soundness, expansion of its business, and its consolidation as a Europe-wide benchmark in the property management sector"

Francisco
Javier Cortijo

**Finance Administration
& Controlling Director**

Strategic alliances	Assets		Market Value		GLA		Rent	
	2017	2016	2017	2016	2017	2016	2017	2016
NEINVER - TIAA	12 properties operated	11 properties operated	€1,288.6 M	€1,065.8 M	319,345 m ²	€299,745 M	€87.3 M	€82.6 M
NEINVER - Colony Northstar	37 logistics facilities	36 logistics facilities	€166.9 M	€151.8 M	256,216 m ²	€242,797 M	€11.6 M	€10.6 M

NEINVER's main financial figures (in millions)



NEINVER's financial strategy is based on the following priorities, which it works on daily:

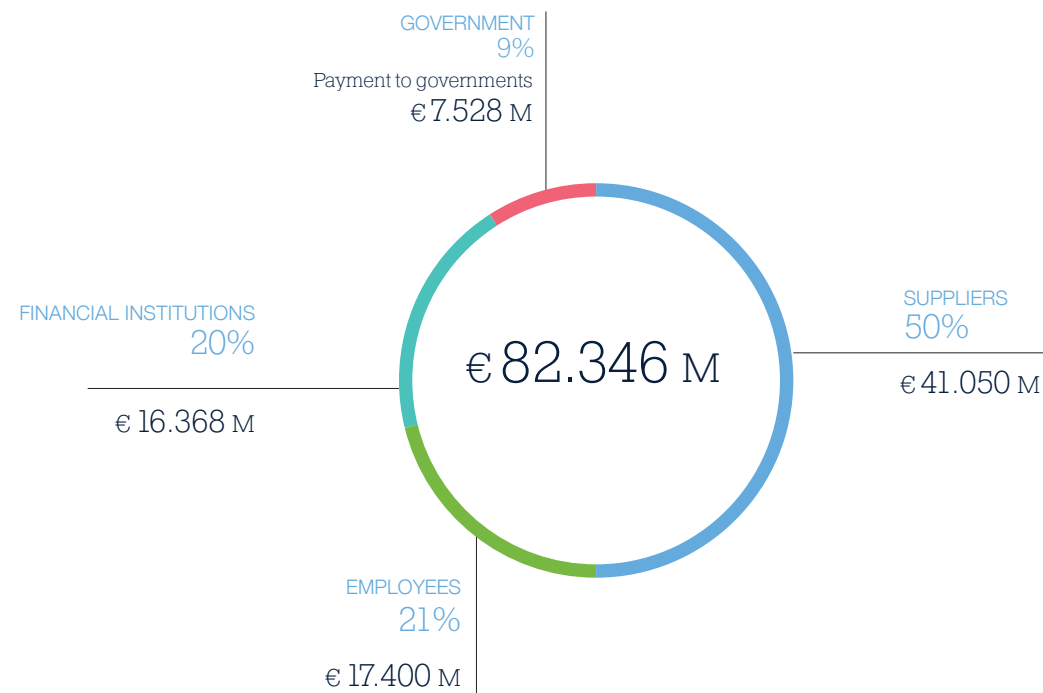
1. Increasing its recurring revenues, leveraging their two types of diversification: functional (leasing properties and providing management services) and geographical.
2. Efficiency in its operational profit and loss account by increasing revenues and controlling operating expenses.
3. Reducing financial costs.

4. Reducing bank debt, continuing to disinvest from non-strategic assets.

5. Increasing the value of its financial holdings, which are a value reserve for the company.

Creation of shared value can be seen in the distribution of economic value among different stakeholders: to suppliers through operating costs, to employees through salaries and benefits, to financial institutions through financial costs, and to governments through taxes and licence fees.

Economic value distributed. €82.346 million



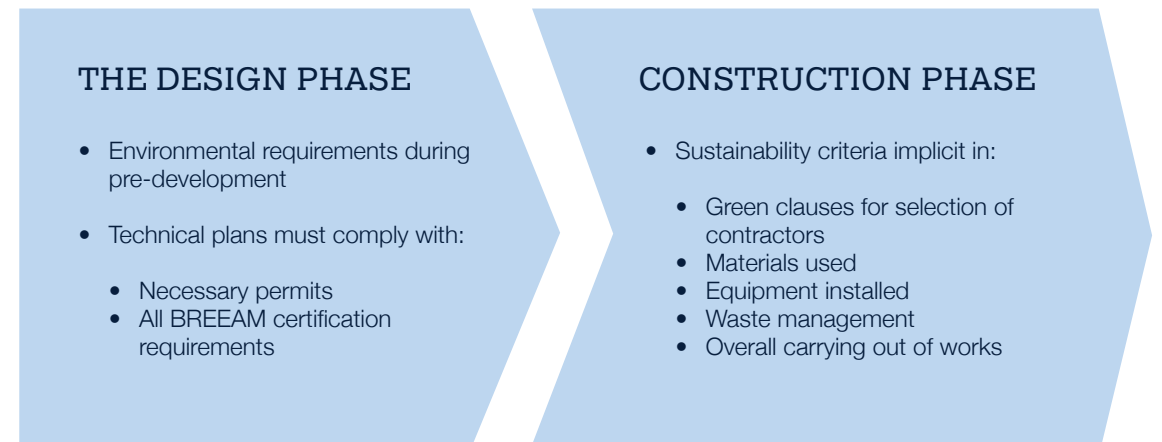
Operating results (102-6)

PROPERTY DEVELOPMENT

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

When undertaking a new project, NEINVER includes environmental rules in the pre-development phase and requires the technical plans to qualify not only for the required permits but

also for BREEAM certification in the design stage. Later, in the construction phase, sustainability criteria play a part in selecting contractors through "green clauses" and also in the materials used, the equipment installed, the management of waste from the works, and in short, in the execution of the work, ultimately earning BREEAM certification in the construction phase.



NEINVER completely renovated a pre-existing building for Prague The Style Outlets in 2017, ahead of a 2018 grand opening. Earth excavation and decontamination were also performed on the future site of Amsterdam The Style Outlets. In addition, the company obtained the final construction permit for Alpes The Style Outlets, which had been pending approval of the Environmental Impact Study by the environmental authorities, and also began construction of an expansion of Halle Leipzig The Style Outlets.

It performed a complete refurbishment of Megapark Barakaldo—both the outlet centre and the retail-warehouse park—and drew up plans for a redesign of the walkways, pedestrian plazas and green spaces at Roppenheim The Style Outlets. Plans for Vicolungo The Style Outlets involve modernising the exterior and interior facades and the lighting, plantings, new children's play areas, and customer-service structures.

Lastly, renovations in 2017 focused on FACTORY and Futura Park Krakow, emphasising the redesign and rehabilitation of interior common areas.

2017 Projects

Country	Property	Type	GLA/GBA m ²	Store locations
Reformas y ampliaciones en 2016				
THE NETHERLANDS	Amsterdam The Syle Outlets	In progress	18,986	109
CZECH REP.	Prague The Style Outlets	In progress	18,726	100
FRANCE	Alpes The Style Outlets	In progress	19,953	96
GERMANY	Halle Leipzig The Style Outlets (Phase 2)	Enlargement	7,344	36
POLAND	FACTORY Krakow	Renovation	39,418	145
SPAIN	Megapark Barakaldo	Renovation	96,177	106
ITALY	Vicolungo The Style Outlets	Renovation	34,194	148
FRANCE	Roppenheim The Style Outlets	Renovation	27,346	109



LEASING

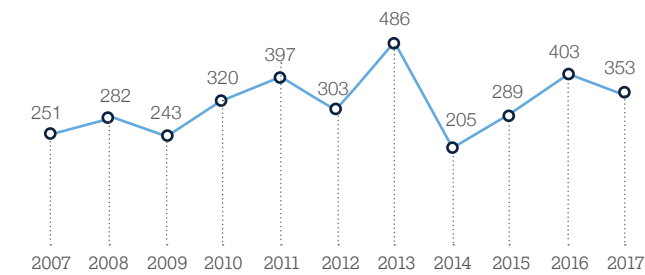
In 2017, NEINVER signed 350 new leases, most of them related to the upcoming opening of Prague The Style Outlets.

The year 2017 was notable for the solid leasing of units in Prague The Style Outlets, ongoing leasing of Amsterdam The Style Outlets, and the start of leasing for Alpes The Style Outlets, which are scheduled to open in 2018, 2020 and 2020, respectively. This leasing is occurring from a more tourism-based focus, given the centres' catchment area.

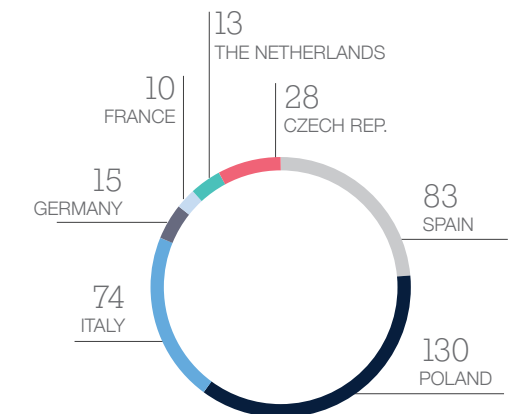
Note that in 2017, both Vicolungo The Style Outlets and Castel Guelfo The Style Outlets reached 100% occupancy, despite increased competition for the latter.

On the other hand, Viladecans The Style Outlets had 5% more leases than in 2016, with similar increases in sales, foot traffic and tourism in 2017.

Changes in number of leases 2007-2017



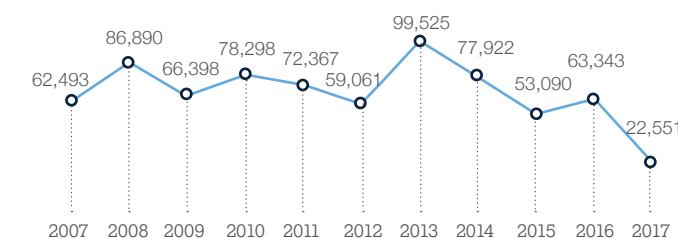
Number of leases signed, by country



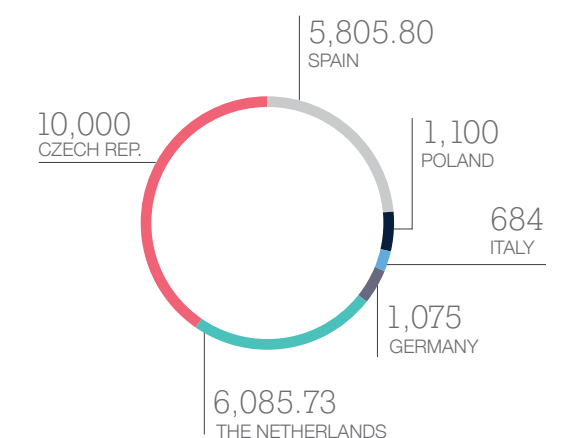
The 350 signed leases represented a total of 22,551 m² of leased area, 64% less than in 2016. This is because many centres already

reached 100% occupancy in 2016. Spain was the country with the greatest growth in square metres leased, followed by Germany.

Changes in leased area (m²) 2007-2017



Leased area, by country (m²) 2017





Barbara Somogyiova
Leasing Director

"It is worth highlighting the Leasing team, the company's commitment to developing new properties, and the effort that went into the opening of Prague The Style Outlets"

The combined sales figure for all centres that NEINVER manages in Europe rose by 1% compared to 2016, reaching €1.244 billion in 2017.

The centres' foot traffic remained flat compared to 2016, with 69 million visitors.

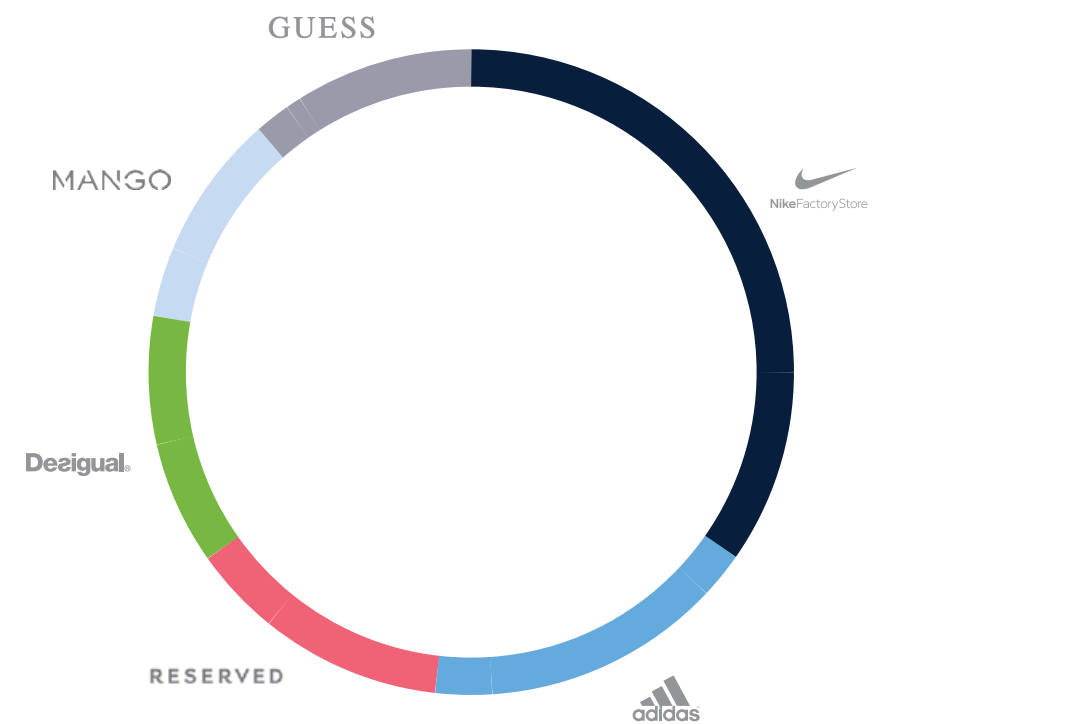
In the Leasing department, one notable change in 2017 was the arrival of the new Leasing Director, who was hired to define the strategy for future development projects such as the centres in Prague, Amsterdam and the Alps. These are key properties, given their prime locations and tourist appeal.

New brands in the NEINVER portfolio



Abre su primer outlet en Europa con NEINVER

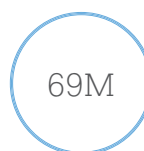
GLA of largest outlet operators*



* This shows only the 6 outlet operators with the most gross leasable area (GLA).

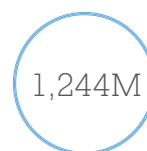
Changes in the portfolio's KPIs NEINVER 2017 vs 2016

Foot traffic



(=2016)

Sales



(+1% vs 2016)

MANAGING LOGISTICS PROPERTIES

In February 2017, NEINVER and Colony Northstar jointly acquired two logistics facilities, in Barcelona and Pamplona.* With the purchase of these two facilities, the joint venture with Colony—established in early 2015 with an investment target of €200 million—now has a portfolio of 37 logistics or industrial centres that are managed directly by NEINVER. The company's strategy in 2018 is to continue growing in this business area and introduce environmental upgrades to its industrial properties, taking advantage of its know-how in this field and the rise of the Spanish logistics sector.

Additionally, in October 2017, NEINVER acquired 40,000 m² of industrial land in the Carpetania Industrial Estate in Getafe, just outside Madrid, where it has planned an industrial facility with 24,000 m² of gross leasable area (GLA).

With these two transactions, NEINVER has strengthened its position in Spain's logistics market. It now manages a portfolio totalling more than 500,000 m² of logistics space, including warehouses and land, with an average occupancy rate of 99% (two points above 2016), generating gross annual income of €15.2 million.

	Properties in operation			Gross annual income (€M)			Gross leasable area			GLA Rent		
	2017	2016	Comp.	2017	2016	Comp.	2017	2016	Comp.	2017	2016	Comp.
COLVER assets	37	36	3%	11.1	10.6	5	256,216	242,797	6%	167	152	10
NCR assets	7	7	0%	0.7	0.7	0	15,910	15,910	0%	11	10	7
NEINVER assets	3	3	0%	3.4	3.3	3	41,260	41,260	0%	52	48	7
NEINVER plots of land	8	7	14%	-	-	-	202,103	162,028	25%	65	55	18
Industrial assets	55	53	4%	15.2	14.6	4%	515,489	461,995	12%	295	266	11%

* The gross floor area totals 15,000 m².



Juan Carlos Ortega

Industrial & Logistics Director

"The target for 2018 is to earn BREEAM New Construction certification for the facility planned in the Carpetania Industrial Estate, with a rating of Very Good, as there are only five assets of this type with that certification level in all of Spain"

Fund management and joint ventures

“In 2017, NEINVER closed the investment fund IRUS ERPF with a 9% return, making it one of the most profitable funds of its kind”

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

Besides being the fund's founder and one of its main investors, NEINVER has overseen its management, its purchase and sale of assets, its financing and its investor relations, and developed 85% of the assets in which that instrument invested.

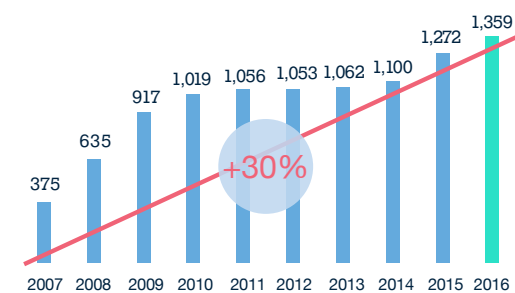
In 2017, NEINVER closed it with a 9% return, making it one of the most profitable funds of its kind. Over its active period, the fund returned all the capital with a multiple of 1.9 times the amount invested. During its lifetime, the fund continually increased the value of its assets and was recognised as one of the highest-return funds of its type.

Since the end of its investment period in 2011, the assets' gross value has risen 30%, from €1.006 billion to €1.360 billion. They have also shown continual growth, with 7% average annual growth in sales and 5% in foot traffic in the past five years.

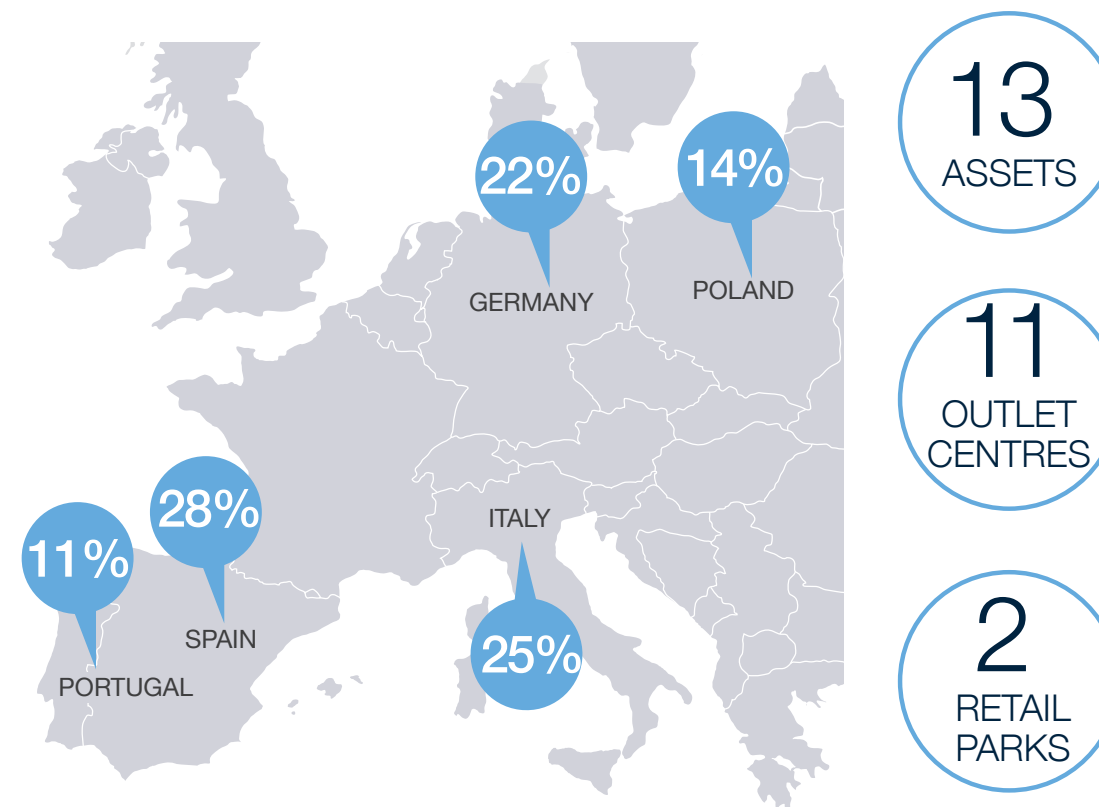
Main indicators



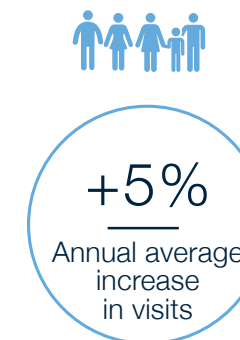
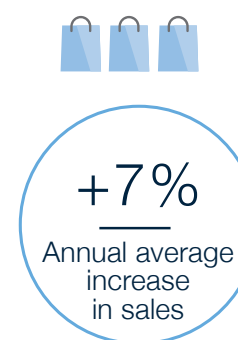
*The average annual return on closed-end and value funds established from 2006 to 2008 is -5.7% (INREV)



Gross asset value by country



Assets' results





Vanessa
Gelado

Investment
Director

“The founding and successful management of IRUS ERPF has further strengthened NEINVER’s positioning as an ideal investment partner and manager”

With the winding up of the Fund’s operations, NEINVER retains most of the portfolio and keeps its position as Europe’s second-largest operator of outlet centres. In its commitment to create a leading European outlet platform and bolster strategic alliances, the joint venture between NEINVER and TIAA (through its investment management arm, TH Real Estate) agreed to acquire the following assets: three The Style Outlets centres in Greater Madrid (Getafe, Las Rozas and San Sebastián de los Reyes), the two in Italy (Vicolungo and Castel Guelfo) and two in Poland (FACTORY Poznan and FACTORY

Ursus). The purchases were completed in late 2016 and 2017. These properties joined the five centres that the joint venture already owned: Roppenheim The Style Outlets in France, Viladecans The Style Outlets and Nassica in Spain, and FACTORY Warsaw Annapol and Factory Krakow in Poland.

Analysing investment opportunities is an ongoing task whose goal is to seek projects that fit the company’s criteria and strategies.

Sale of assets (102-10)

With the winding up of IRUS, the fund sold the following assets in 2017:

ASSETS	DATE	BUYER
Zweibrücken The Style Outlets	February 2017	
Vila do Conde The Style Outlets	March 2017	VIA OUTLETS
Bricor	December 2017	
Castel Guelfo The Style Outlets	February 2017	
FACTORY Warsaw Ursus	November 2017	NEPTUNE



3

—
CREATING
VALUE
FOR OUR
STAKEHOLDERS



Materiality analysis and stakeholder relations

(102-40, 102-43 y 102-44)

“Transparency is a fundamental value for strengthening stakeholders’ confidence. That is why in 2007, NEINVER prepared its first sustainability report, gradually improving the breakdown of information over the years and, since 2012, basing it on the G3, G4 and GRI Standards guides published by the Global Reporting Initiative (GRI)”

Performing a materiality analysis in 2016 set the parameters for reporting on the topics most relevant to its stakeholders and for delving into management of the issues perceived as relevant to them.

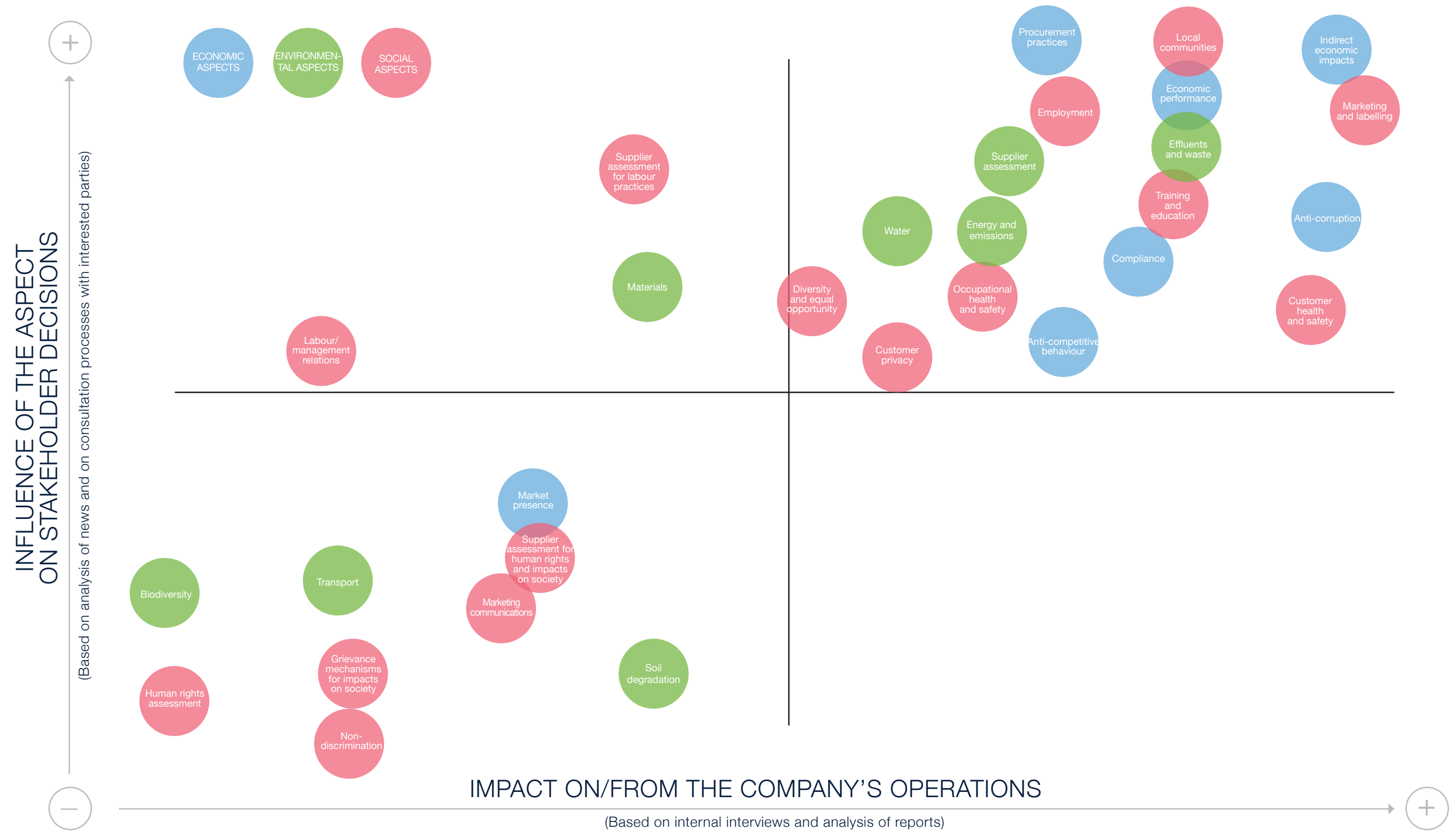
This matrix was developed based on meetings with the heads and senior managers of the company's key areas, benchmarking against companies in the industry, analysis of press clippings, and results of customer and employee satisfaction surveys, as well as analysis of requirements

from other standards (GRESB and Dow Jones Sustainability Indexes, EPRA – Best Practices Recommendations on Sustainability Reporting).

Fostering a close, friendly relationship with its stakeholders is vital to NEINVER. The company has therefore set up different channels for spreading information about its performance and operations to the ten stakeholder groups identified as the top priorities.



MATERIALITY MATRIX FOR NEINVER (102-40, 102-43 y 102-44)



Transparency and stakeholder relations

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

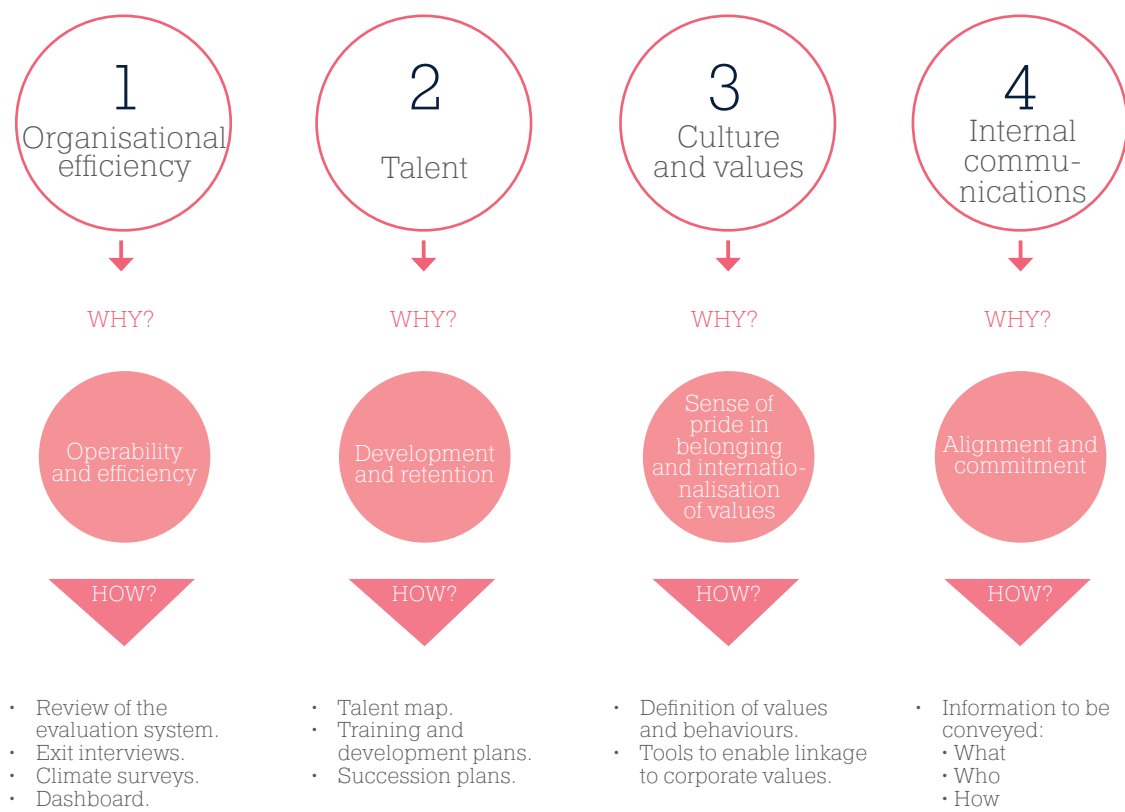


Employees

MANAGING HUMAN CAPITAL

As part of its human capital management, NEINVER works to develop talent, organisational efficiency, corporate culture and values, and internal communication.

Key priorities of Human Resource Management



NEINVER worked hard in 2017 to uphold a quality work environment, foster employee training as a primary motivation tool, generate talent-retention incentives, and add new professional profiles to

the company that track with the business's growth, always rooted in a framework of equal opportunities in all work contexts.



Luis Meseguer
Human Resources Director

"For NEINVER, having a team of skilled professionals with strong values is a foundation that lets it create value among its various stakeholders"

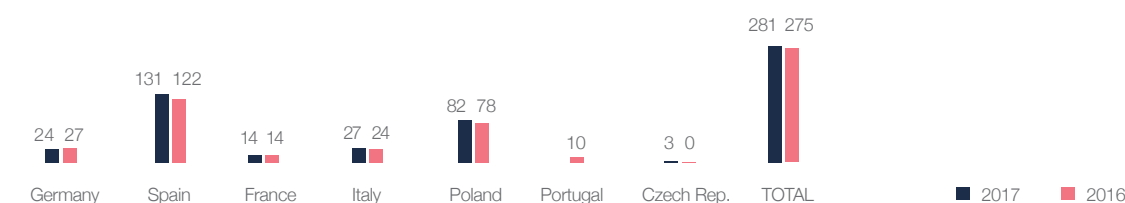


CHANGES IN NEINVER STAFFING (102-8, 102-41 y 401-1)

NEINVER is committed to stable, high-quality employment. Its international headcount continues to increase from year to year, through a stringent screening process whose aim is to hire the best professionals in the industry. In 2017, NEINVER had 281 employees worldwide; 90% had a full-time contract and 93% had an open-ended contract.

The biggest differences were seen in Spain and Poland, because of the expanded headcount in the departments. Notably, NEINVER is also entering the Czech market with the upcoming opening of Prague The Style Outlets in 2018, with three direct employees. The company also disengaged from the centre in Vila do Conde, Portugal, where it had had ten employees in 2016.

Changes in staffing by country



The staff turnover ratio remains stable (16.36) with a slight decrease compared to 2016, and the percentage of employees under collective

bargaining agreements (61%) rose slightly due to increased headcount in countries covered by such agreements.*

COMMITMENT TO LOCAL AND YOUTH

NEINVER is committed to fostering employability in communities near its centres and among recent university graduates. Its support for young talent is embodied in the training program "Prepárate para tu futuro" (Prepare for Your Future), which cooperates with several universities and offers internship grants for students and recent graduates.

in Spain such as the Technical University of Madrid (UPM), Pompeu Fabra University, and Comillas Pontifical University (ICAI/ICADE). To that end, the company signed 13 riders to its collaboration agreements with training institutions in Spain, letting 13 students do their work experience internships at NEINVER, both in the central offices and in the shopping centres. Another highlight of the year was the launch of a comparable project in the Czech Republic.

In 2017, NEINVER collaborated with nine universities, including some of the highest ranked

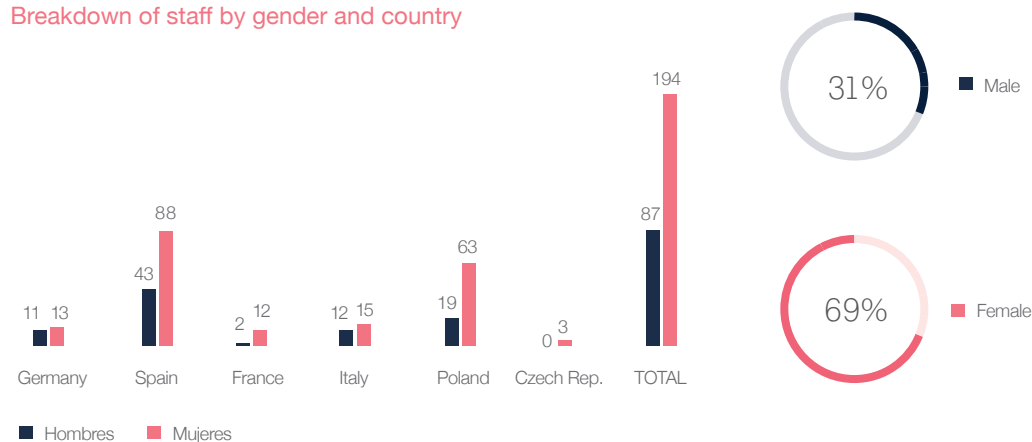
* See appendixes.

EQUAL OPPORTUNITIES FOR ALL EMPLOYEES

One of NEINVER's priorities and commitments to its employees is to foster equal employment opportunities and non-discrimination, regardless of nationality, gender, areas or profiles within the organisation. In 2017, NEINVER had 4 women in

senior management positions and 29 women in middle management. Additionally, the technical team's professionals functioned with full equality in terms of age and gender.

Breakdown of staff by gender and country



COMPETENCIES AND PROFESSIONAL DEVELOPMENT

For NEINVER, improving its employees' professional skills and competencies is an essential value for the company's healthy development and for job satisfaction, which is why it invests constantly in training.

The company's training scheme responds to its employees' needs and expectations. It consists of specific courses for particular jobs, higher education options for employees with growth potential, and different trainings on our core business areas and specialised topics such as property management, international taxation and financing, integrated management system audits, the environment and energy audits, urban planning, and legal specialisation and continuing education. Another vital part of the training catalogue is foreign-language education, to enhance communication among employees in different countries and with our main stakeholders.

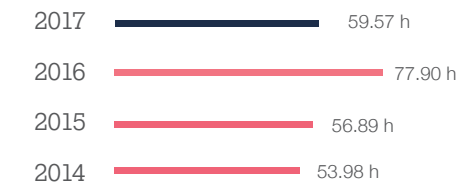
In 2017, the company provided each employee with an average of 59.57 hours of training, distributed equitably by gender. This is consistent with previous years, since the 2016 jump in hours and investment reflected a one-off team building project in Poland.

Staff training in 2017 increased considerably among upper management, up 56% from the previous year, mainly attributable to master's programmes pursued by senior managers and members of the governance team.

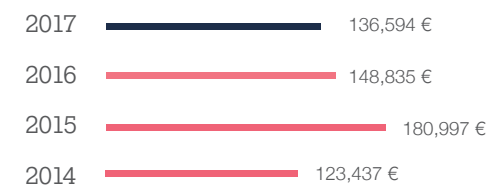
This year also brought a focus on organising health and safety trainings, which will occur in 2018, and work has begun in Germany on training issues with the local team and city governments.

TRAINING INVESTMENT AND AVERAGE HOURS OF TRAINING AT NEINVER (404-1)

Average hours of training per employee



€ invested in training



To boost employee motivation and thus improve productivity, NEINVER conducts an annual performance evaluation process with all employees, using the same criteria in every country. This

evaluation is directly integrated with the worker's personal training plan and with the variable portion of their compensation.

1

Definition of corporate and operational objectives and employee-specific objectives.

2

Meeting predefined objectives.

3

Closure of the process in a one-on-one meeting between each professional and their manager.

COMPENSATION POLICY FOR FAIR REMUNERATION (102-36, 401-2 y 404-3)

NEINVER's compensation policy is based on international standards consistent with the compensation offered by its main competitors. In 2016, the company updated its market salary information, based on the existing system of salary bands, to guarantee fairness and to use objective criteria for pay rises.

Workers' employee category, performance, and level of responsibility are the factors that affect their compensation. NEINVER makes no distinctions when setting staff compensation, given its commitment to the company's Equality and Non-Discrimination Policy

It also uses an upper-management compensation policy to foster commitment among senior managers through various programmes. As in previous years, in 2017 all senior managers in the company participated in one of these programmes.

NEINVER provides a set of employee benefits that complements the salary, including health insurance available to all employees and their immediate family, life insurance, and an accident policy taken out for all staff in all countries, even if not required by law.

In Spain, NEINVER has implemented a flexible compensation plan for its employees, which each worker can choose based on personal needs. The plan generates a tax benefit and offers restaurant vouchers, childcare vouchers, transport cards and coverage of training expenses.

Average salary ratios by employee category and gender

	2017	2016	Variation
Governance team	-	-	0
Senior management	0.81	1.01	-20%
Middle management	1.32	1.12	+18%
Technicians	1.06	1.03	+3%
Administrative staff	1.32	1.34	-1%



NEINVER'S COMMITMENT TO WORKPLACE SAFETY AND HEALTH (403-2)

In conducting its business, NEINVER prioritises workplace safety and health, given its commitment to preparedness and safety in a healthy work environment. Its excellent health and safety figures for recent years are proof of this, and specifically in 2017, workplace absenteeism was down and there were no cases of occupational diseases or accidents.

The company's good outcomes year after year are the result of the risk training and preventive

management education that NEINVER conducts, together with job-specific annual risk analyses. The company also has a best-practices guide on workstation ergonomics and accident prevention in the office, which is required reading for new employees. All of this is reinforced through an Improvements Communication Model that acts as a contact channel for queries and improvements in terms of occupational health and safety.

HEALTH AND SAFETY INDICATORS



INTERNAL COMMUNICATIONS

Communication to and among employees must be clear, transparent and effective. NEINVER has various internal communication channels to strengthen links among employees, promote values such as dedication and teamwork, and create a consistent corporate culture.

The primary tool is the intranet, which continues to be built up year after year to promote information

flows and share initiatives that could be replicated from one country to another. The internal mailbox for complaints, questions and suggestions (part of the Criminal Compliance Programme) is hosted on this platform and aims to monitor the working environment and improve the dynamics among employees. There is also a daily in-house mailing to inform employees of current events in the company and the industry.

Investors and partners

“Generating stable strategic alliances has been one of NEINVER’s top priorities since 2007”



NEINVER’s goal is to work with first-rate financial partners to develop and manage commercial and multi-use properties with a strong economic and social impact. This has allowed it to successfully advance its international growth plan and its leadership in the European market.

NEINVER’s sectoral specialisation and the integrity, transparency and sustainability that define the company are the traits that matter most to those players in the industry who seek a partner for developing or acquiring new properties in the retail and outlet space and in the logistics sector.

NEINVER’s investors and partners in 2017



As a responsible partner that acts with integrity, NEINVER is committed to meeting partners’ requirements while ensuring that its collaborators operate in accordance with NEINVER’s principles and values. Therefore, NEINVER includes specific anti-corruption and anti-bribery clauses in its contracts, violation of which is a breach

of contract, and requires completion of highly detailed compliance surveys. In addition, NEINVER complies strictly with FATCA (the Foreign Account Tax Compliance Act, a United States law), which includes rules on accounts and investments outside the United States.

Store operators (403-2)

“Responsible management of the entire value chain requires nurturing the relationship with store operators in the company’s daily operations, improving the familiarity with and awareness of their activities from a legal, financial and socially responsible perspective”



Ralf Steinebrunner

Retail Director

NEINVER provides store operators with construction-related Technical Guides as well as guides on environmental best practices and saving energy, to foster better performance and to align operations throughout the company. Through its EMA project, NEINVER is working to standardise its leases across all centres and countries (with room to accommodate certain local specifics and conditions), and incorporate sustainability clauses regarding energy efficiency, waste management, health and safety, and other issues. This avoids discretion in contracts, preventing agreements and clauses incompatible with the company’s values (i.e. anti-competitive terms).

The organisation seeks to offer the best information to store operators about their business through its Business Intelligence tools, sharing weekly and monthly local and corporate data with them about the most important KPIs (foot traffic, sales, conversion rates, average ticket, unit per ticket, etc.). Investment in new technologies, such as indoor geolocation (to count unique visitors), combined with data obtained through Mystery Shoppers and periodic meetings, generates highly useful information that the company’s clients value tremendously. NEINVER’s main services to this stakeholder group fall into two categories:

Improving day-to-day operations

- Business advisory service
- Panic button in the stores
- Cash centres for on-site deposit of money from cash registers and for currency exchange
 - “Open House” days
 - E-commerce platform
- Omnichannel platform to manage the customer relationship
 - Private security
 - Training workshops
 - Anti-shoplifting workshops

Attracting customers, the shopping experience

- Progress towards omnichannel sales
- Marketing campaigns to attract more visitors
- Physical and digital channels to improve customer-facing services
- Satisfaction push-buttons at the centres
- Advertising and promotions launched from the FACTORY and The Style Outlets platforms

Learning about store operators’ needs, expectations, and opinions on their degree of satisfaction is vital to promoting continual improvement of the organisation. Twice a year, NEINVER sends out a survey with questions about communication between NEINVER and the operator and about the centre’s reporting, environmental management, and sustainability.

Store operators’ satisfaction index was above 75% in 2017, continuing a trend from previous years. This validates NEINVER’s approach to managing operators, in terms of advice, communication, reporting and the good condition of the centres.

As part of its environmental awareness work, NEINVER also involves the operators in initiatives such as participation in “Earth Hour”, and continually runs ecology awareness campaigns.

The centres' visitors

“For NEINVER, visitor satisfaction reflects the company’s constant effort and work to offer customers a pleasurable and unique shopping experience”



This is seen in the wide range of services that NEINVER offers visitors, and its firm commitment to technological innovation and the careful design of its centres.

Examples include the geolocation system and omni-CRM platform in NEINVER's centres, which let it provide a more satisfying, appealing shopping experience.

NEINVER's range of visitor services

As a sample of the added value that the company offers, the following are the numerous services that NEINVER makes available to visitors in its centres:*

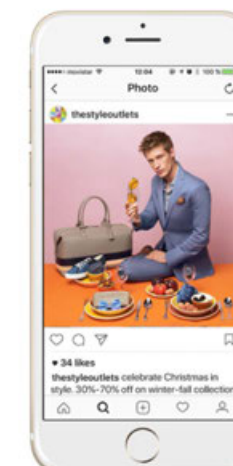
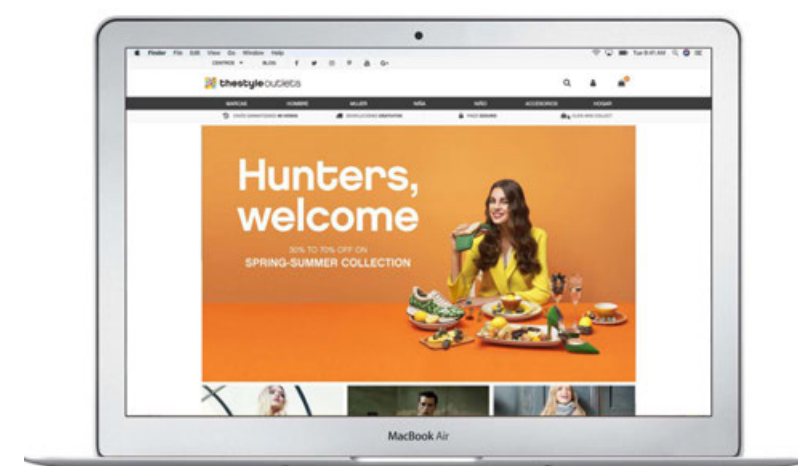
- Free parking
- Electric car charging points
- Motorbike parking with helmet storage
- Shuttle bus
- Bicycle rental locations
- Car wash service
- Pushchair and wheelchair loans
- Umbrella loans (at outdoor centres)
- Book loans
- Storing visitors' belongings while they shop
- Luggage storage
- Tourist information service
- Lounges for parents with small children
- Children's recreation areas
- Reading and video nooks for children
- Geolocation of minors
- Wi-Fi network
- Cash machines
- VAT refund service for travellers
- Click&Collect service
- App with customised discounts and offers
- Mobile charging stations and loan of batteries for mobiles
- Wide range of dining options
- Image consulting (personal shopper)
- Gift cards
- Garment alterations
- Infirmary and defibrillator
- Outdoor "chill-out" areas
- At pet-friendly centres: pet relief areas and water for pets



*1 Not all services are available at all centres.

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

In 2017, the company launched its "Hunters, welcome" marketing campaign, which positions consumers at the heart of the brand's communication and reflects everything consumers feel during their shopping experience at the company's centres.

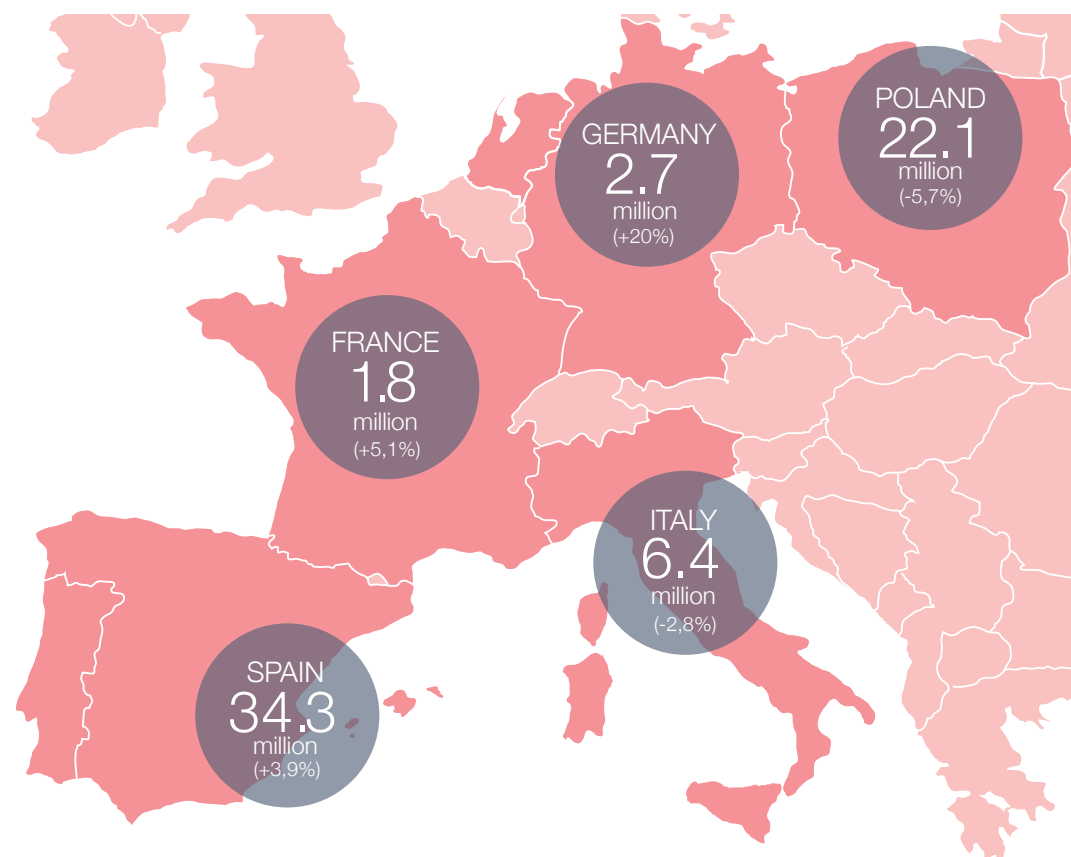


VOLUME OF VISITORS TO NEINVER CENTRES IN 2017

In 2017, the number of visitors to NEINVER centres remained flat from the previous year, with a total of 64.7 million visitors, consistent with the footfall from 2016 on a like-for-like basis.

There was a particularly strong increase in foot traffic in Germany, due to the work being done at the Leipzig and Montabaur centres that recently joined the portfolio.

Volume of visitors to NEINVER outlet centres in 2017



69
million
visitors
in 2017
(=2016)

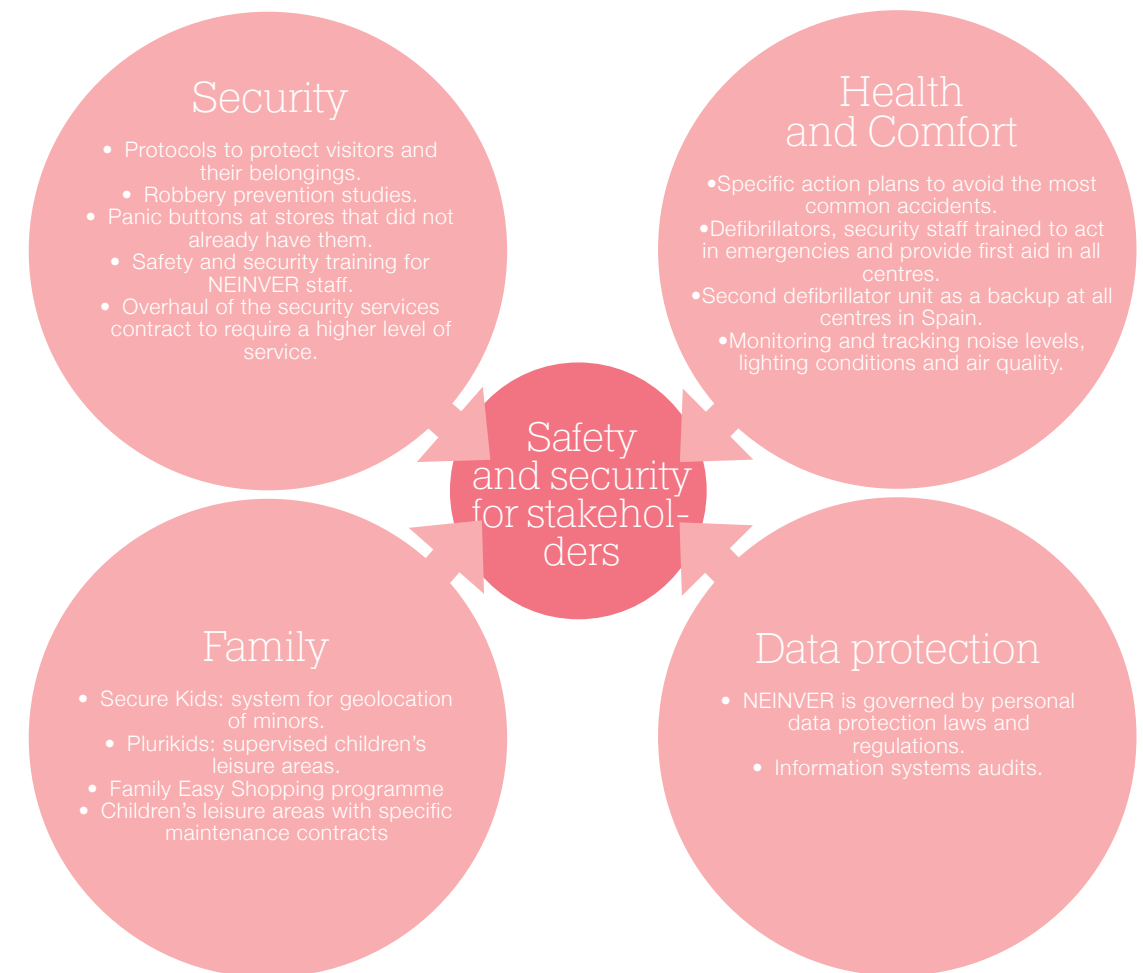
ENSURING SAFETY AND SECURITY (416-1 y 418-1)

NEINVER makes it an absolute priority to ensure optimal safety and security for all its stakeholders (visitors, operators, investors and the general community): physical protection at our facilities as well as data protection.

Moreover, in Spain it has completely overhauled the security services contract.

NEINVER focuses on four categories of stakeholder safety and security issues.

Main spheres of action for stakeholders' safety and security



One of the indicators that help NEINVER measure and improve safety and security at its facilities is tracking the number of accidents (accidents in the centre,

illnesses, car accidents) and incidents (facility damage, thefts in car parks, etc.). In 2017, fewer accidents and incidents were recorded than in previous years.

Incidents and accidents at The Style Outlets in Spain, 2017



NEINVER'S COMMITMENT TO ACCESSIBILITY

The meaning of accessibility goes far beyond mere elimination of architectural barriers for the sole benefit of people with physical disabilities. For NEINVER, this concept encompasses anyone who needs help with activities such as climbing up and down stairs and moving through the centre (such as people who are older or pregnant, or small children).

The company is working to improve its physical centres' accessibility and make them safer and more convenient for people with reduced mobility. NEINVER's intense work in this area was honoured in October 2017 with the **DIGA mark for accessibility, for Viladecans The Style Outlets**, which earned five stars, the highest score possible for that certification. This rating involves:

ACCESS POINTS: Adapted and accessible.	MOBILITY: Complete.	TOILETS: Adapted.	SIGNAGE: High contrast, dual mode.
COMMUNICATION: Human facilitator and comprehensible signs with pictograms.	LIFT: Accessible, wheelchair friendly, with handrail and an accessible button panel (interior and exterior), and dual-mode signage.	FURNITURE: Accesible.	EXTERIORS: Accessible, signage uses contrasting colours.

In addition, various renovations and redesigns took place at different centres to improve the facilities and their accessibility before their subsequent certification. For now, these upgrades have occurred only at the centres in Spain, with plans to roll them out gradually to the other centres.



VISITOR SERVICES (102-43 y 102-44)

To continue maximising visitors' shopping experience and the company's communication with them, NEINVER offers various channels for their complaints, suggestions and requests (incident forms and suggestion boxes, a web page for submitting questions, email contacts for every management department, and information points in the centres). The information collected is always

managed in the most appropriate way, giving a personalised answer and escalating the matter to the right managers based on the content.

The number of **suggestions and complaints** has decreased steadily from year to year, with 13.4% fewer in 2017 than in 2016. The communication channel used most often in 2017 was the website.

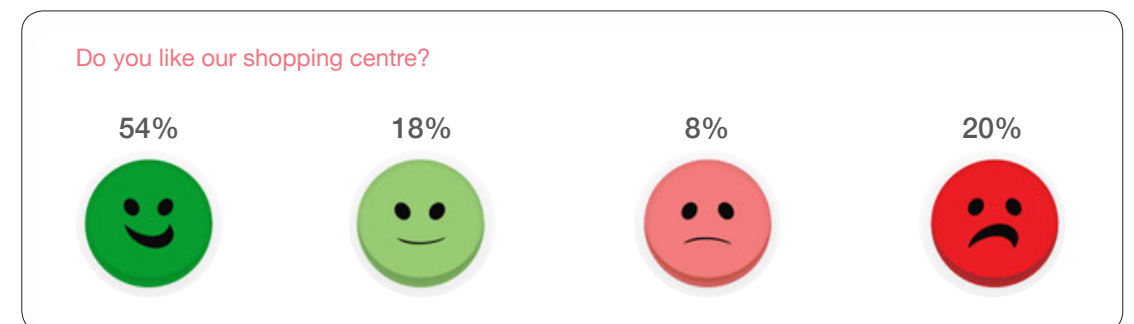
Complaints and Suggestions received by NEINVER



In this same framework of approachability and communication with visitors, the company considers it vital to know **how satisfied they are** with the time they spend at the centres. To measure this indicator, NEINVER uses a tool in all countries that lets it improve its marketing activities and get to know visitors' characteristics and what they think of the brand and their experience. In 2017, visitors' satisfaction index was 81%, their overall assessment of the centre 87%, and 7 out of 10 said they intended to return to the centre.

Moreover, in 2017, NEINVER launched the **Happy or Not project** to measure visitor satisfaction. In the pilot programme, the company measured satisfaction by installing push-buttons at the entrances, exits and information points of the centres in its Spanish portfolio. Initial analysis of results from the devices in the seven centres where they are installed is yielding very positive evaluations, making it possible to analyse aggregate trends by hour, day of the week and month of the year, and make comparisons between centres. The Alegria Shopping and Leisure Centre particularly stood out, with 72% "very satisfied" ratings.

Average results from the Happy or Not project in 2017



An innovative project was set up to link the frequency of toilet cleaning to the number of people using them, to improve management and the use of resources. We studied visitor satisfaction with

cleanliness through a HAPPY OR NOT device installed in the toilet area, so we immediately know users' on-site reactions.

Local communities

(102-40, 203-1, 203-2 y 413-1)

“NEINVER works to build good relationships with its surroundings, based on closeness and transparency, from the beginning of a centre’s construction and development to its day-to-day management. Local communities, as the direct social context in which the company operates, are an aspect the organisation keeps very much in mind when identifying its socioeconomic impacts”

BIOSPHERE certification.

During 2017, NEINVER carried out alterations to obtain BIOSPHERE sustainable tourism certification at Viladecans The Style Outlets.



Before starting operations in any geographic area, NEINVER analyses potential repercussions and takes all available steps to manage any potentially negative impact.

Local job creation is the main parameter of the company’s contribution to a community. In 2017, counting direct and indirect employment, NEINVER’s operations accounted for nearly 9,000 jobs. The year’s activities included working with local employment offices and developing training projects to improve people’s skills and employability. For example, this year, Alegra Park in San Sebastián de los Reyes signed an agreement with the city council to promote hiring through the city’s employment exchange, and worked with the Fuentevea Foundation, which supports education in the most disadvantaged areas.

Infrastructure upgrades in the areas around the centres help revitalise the peripheral neighbourhoods where they are located, by developing public transport, conducting traffic studies, cleaning public areas and adding parking spaces. Its centres also make it possible to expand the region’s retail market, **boosting economic growth** and property values.

Another sphere of action is cooperation with local institutions to **promote and attract shopping tourism** through the Tourism Strategy. In 2017, Las Rozas The Style Outlets held a special campaign to celebrate the Chinese New Year, and also worked with international tour operators to increase the presence of foreign tourists, including visitors from Israel.

PROMOTING LOCAL CULTURE



NEINVER promotes local culture through activities such as spotlighting local artists and holding art exhibitions (at Coruña The Style Outlets), sponsoring the local festival of the City of Getafe (Getafe The Style Outlets), installing a free book exchange (at Castel Guelfo The Style Outlets and Vicolungo The Style Outlets), and participation in the Great Orchestra of Christmas Charity Foundation (FACTORY Annopol and FACTORY Krakow).

SOCIALLY RELEVANT PROJECTS



NEINVER had a positive effect on the community through other projects in 2017, which focused on supporting or creating initiatives around social issues. For instance, the company commonly signs Collaboration Agreements with local authorities to co-sponsor programmes addressing matters of mutual concern, such as the city’s economic and social growth.

The numerous projects at the various centres include Megapark Barakaldo’s provision of space to Doctors of the World, Viladecans The Style Outlets’ cooperation with organisations such as Kivu-Colors d’Africa (a Catalan/African association that works for social inclusion and builds bridges between cultures through the creation and sale of organic artisanal products) and Grup Àgata (the Catalan association of women affected by breast cancer), as well as FACTORY Poznan’s and FACTORY Krakow’s collaborations with numerous local organisations.

FOSTERING ENVIRONMENTAL VALUES



Regarding the environment, all the centres take part in the WWF’s international “Earth Hour” initiative, which aims to raise awareness about the need to adopt measures in the face of climate change.

In addition, installing honey-producing beehives at Roppenheim The Style Outlets in 2017 was a thoroughly innovative project designed to counter the decline of pollinating insects. This project is multifaceted and includes social aspects such as involving children with disabilities in the first honey collection, in cooperation with the Sonnenhof Foundation.



Suppliers

“Ensuring that NEINVER acts with responsibility and integrity means making sure that its suppliers’ ethical principles, values and way of doing business are in line with its own”

(102-9 y 204-1)

RESPONSIBLE SUPPLY CHAIN

Given its business structure and non-linear supply chain, the company does everything it can to homogenise its contracting processes with its very diverse set of suppliers.

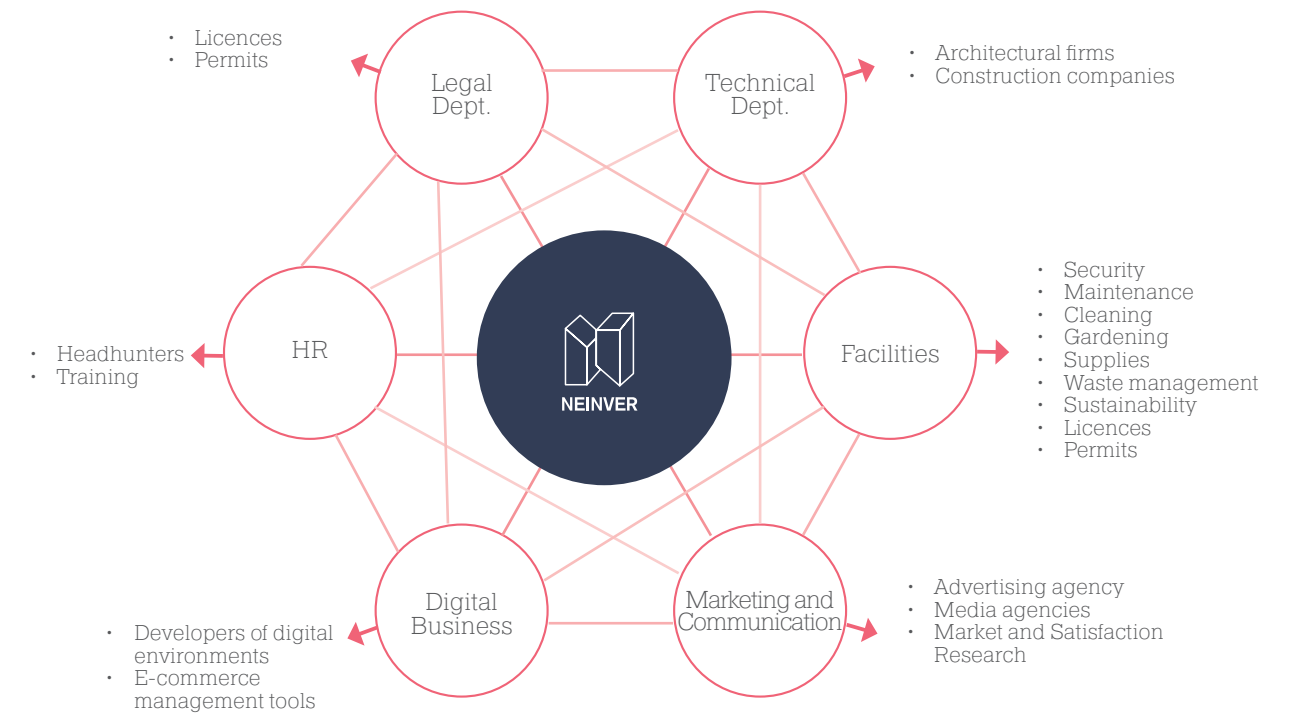
Its relationship with suppliers begins with a precertification and selection process that assesses products’ and services’ impact on the business, and whether they are consistent with the company’s standards of quality, productivity and competitiveness. After this initial step, NEINVER’s contracts include ESG best-practices clauses regarding labour standards, safety, health and the environment.

To gain better awareness and oversight of suppliers from a legal standpoint, NEINVER distributes a KYC (Know Your Client) questionnaire to all suppliers associated with the property development business. Among other things, it asks whether the supplier has internal precautions against money laundering and the financing of terrorism.

For similar reasons, supplier training is part of NEINVER’s model. It does this by distributing environmental and energy-related best practices, offering ongoing customised advice, and constructive comments about the precertification procedures and about measuring the level of service provided.



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



Pre-contract screening of suppliers

One of NEINVER’s big achievements for 2017 was implementing its supplier precertification process. As a result, the company now has a portfolio of the best suppliers, in keeping with its principles. New precertification criteria have been added, making this prescreening process even more thorough. Note that throughout the process of defining and implementing this programme, all departments involved in managing suppliers took part: CSR and Sustainability, Risk Management, IT, Marketing, Centre Management and the Administrative Department.

This new system of precertifying before awarding contracts imposes a set of standards regarding certifications (ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001); compliance with data

protection, anti-money laundering and anti-bribery policies; the quality of the bid, including efficient use of resources; internal and external references; and compliance with appropriate labour practices. The evaluation of these requirements varies depending on the type of service needed, and can make a vendor more appealing when it comes time to select a supplier.

After this first phase, a second phase of ongoing assessment begins, more focused on evaluating performance and the supplier’s relationship with the company. The aspects assessed in this phase include compliance with requirements, quality of the product/service, delivery management, and the introduction of sustainability practices.

Supplier assessment system



TRANSPARENT SELECTION OF SUPPLIERS

In these mandatory anti-fraud screenings and assessments of suppliers, NEINVER stipulates a minimum number of bids to solicit, the departments and managers that will evaluate them, and the type of oversight to apply, depending on the specifics of the bidding.

To that end, there are annual audits of this selection process, to ensure compliance with the defined criteria and guarantee transparency throughout the selection process.

Note that all employees of the company signed its Conflict of Interest Policy in 2017 and the Code of Ethics in 2016, which regulate concerns such as the acceptance of gifts, avoiding conflicts of interest when awarding contracts and, in general, making sure that contracting complies with principles of ethics and objectivity.

NEINVER developed the Conflict of Interests Policy, the Code of Ethics and other newly approved procedures as instruments to identify potential infractions and take preventive steps to minimise the risk of their occurring.

NEINVER SUPPORTS LOCAL SUPPLIERS

For NEINVER, local job creation is its main vector for contributing to the community. That is why the company encourages local purchasing, which expands indirect employment and the businesses and growth of suppliers.

Along these lines, and aware of its commitment and influence in this area, NEINVER maintains a wide network of local suppliers. It makes nearly all its purchases in the countries where its centres operate,

with a geographical average of 95%. The primary sectors in which it makes these purchases are facilities management services (maintenance, repairs, cleaning, gardening, security, supplies, consulting), marketing (agencies, posters, advertising, etc.), legal and tax assistance, accounting services, travel agencies, estate agents, insurance brokers and office rentals. Most corporate-scale purchases are made in Spain and Poland.



The industry (102-13)

“Membership in various associations and organisations lets the group keep up to date with the latest trends in the industry, share its best practices, and identify new opportunities to maximise value creation among all its stakeholders. Its active participation also gives it visibility among store operators, increasing the interest of brands and investors, and bolstering possibilities for business networking”

Main associations to which NEINVER belongs



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



Family Office Managers Meetings (FOMM)



International Council of Shopping Centers (ICSC)



Red Europea de Facility Management (EUROFM)



Asociación Internacional de Facility Management (IFMA)



Asociación de Usuarios de SAP en España (AUSAPE)



Royal Institution of Chartered Surveyors (RICS)

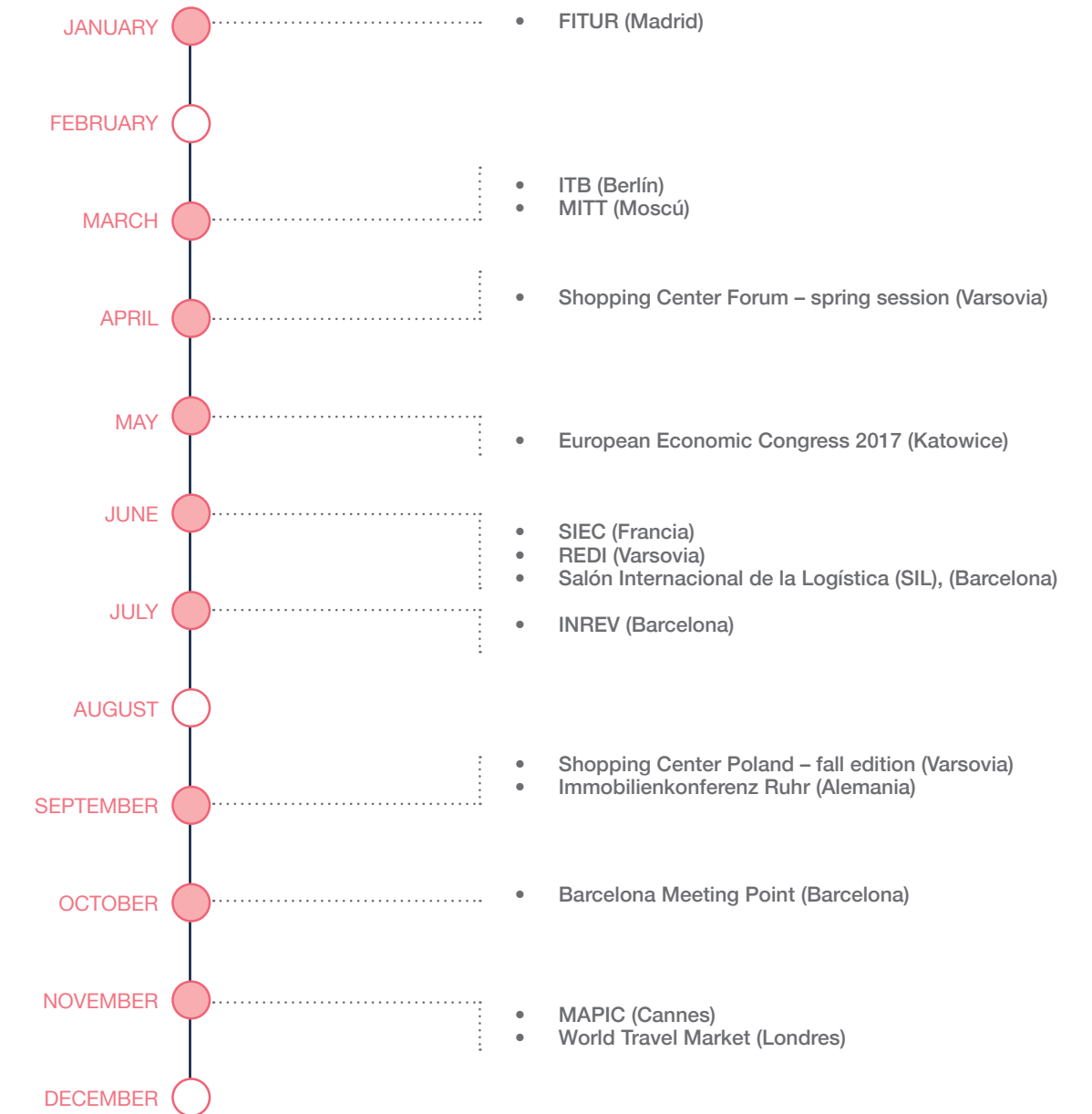


Private Equity Real Estate (PERE/PEI)



Urban Land Institute (ULI)

NEINVER's presence at industry events in 2017



Other highlights include the industry awards that NEINVER received in 2017:



Europe Property Investor Awards, IRUS: Fund of the Year – Retail (June)



BREEAM/GRESB Award for responsible investment (March)



Superbrands 2017 – FACTORY, to the strongest brand in Poland (May)



PRCH Retail Awards 2017 – The awards of the Polish Council of Shopping Centres, for NEINVER's portfolio - Galeria Malta (October)

The company also takes part in industry events, helping to spread best business practices internationally.

In 2017, NEINVER also helped teach Facilities Management classes at the Technical University of Madrid (UPM) and at the IFMA (International Facility Management Association).

4

REDUCING OUR ENVIRONMENTAL FOOTPRINT



Sustainability throughout our properties' life cycle

"NEINVER sees sustainability as an element that must permeate the entire value chain and the life cycle of every property, from the design and development phase to management of the assets"

NEINVER does business in accordance with sustainability criteria, minimising environmental impact and working to reduce its environmental footprint.

To that end, NEINVER pays attention to the aspects most relevant to its operations, such as

energy consumption, greenhouse gas emissions, water consumption and waste production.

Additionally, NEINVER expects its stakeholders to share this commitment, especially contractors, suppliers, store operators and visitors.



Guzmán
Aguilar

Technical
Director

"Any new project that NEINVER undertakes will be BREEAM certified, ensuring high sustainability and energy efficiency"



PROPERTY DESIGN AND DEVELOPMENT. 2017 HIGHLIGHTS

(102-11)

NEINVER is committed to sustainable management of its business. Right from the pre-development stage, NEINVER embraces ecological principles such as assessing the environmental viability of a location, plot of land or potential project.

In the design phase, NEINVER adds a further requirement intended to help earn BREEAM certification (an assessment and certification standard that promotes sustainable construction). Since 2011, all of its new properties (and renovations of existing properties) are certified under this standard, ensuring high sustainability and energy efficiency.

Lastly, in the building phase, NEINVER applies sustainability criteria when prescreening and selecting construction contractors. In this case, NEINVER includes "green clauses" in the contracts: environmental requirements referring specifically to the type of materials the contractors will use¹ or how they must manage waste from construction and demolition.²

In 2017, NEINVER incorporated sustainability criteria into the design and construction of its new assets:

Incorporating sustainability criteria into construction of new properties



In 2017, NEINVER continued developing four new properties: Amsterdam The Style Outlets, Prague The Style Outlets, Alpes The Style Outlets and phase 2 of Halle Leipzig The Style Outlets. In all these cases, the development and construction complies with sustainability criteria.

This commitment will also be required of store operators in the centres. NEINVER will provide them with guidelines and directives for the design and setup of shops and restaurants to meet the sustainability standards the company has established for each centre. Some of these requirements deal with the use of materials, generation of waste, and reporting of consumption data.

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

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

Prague The Style Outlets

A complete rehab was performed on an existing building, redesigning the exterior facades, access points, landscaping, etc., yielding a centre that follows the traditional architecture of Prague's Old Town district.



Amsterdam The Style Outlets

In developing Amsterdam The Style Outlets, pollution was abated sustainably through a remediation plan in which soil on the centre's future site was excavated and decontaminated. Start of construction is scheduled for 2018 and the centre is expected to open in 2020. Like all new centres developed by NEINVER, it will have BREEAM NEW CONSTRUCTION certification.



Alpes The Style Outlets

In June 2017, NEINVER obtained the Environmental Permit for Alpes The Style Outlets, which involved executing an Environmental Action Plan that required studies of the flora and fauna, and analysis of wetlands, aimed at regenerating those areas. The regeneration work will occur concurrently with the centre's construction and its subsequent operation, with plans to maintain those areas over a ten-year period.



In the course of 2017, multiple centres were redesigned and renovated: Fashion Outlet and Megapark Barakaldo, FACTORY Krakow Futura Park, FACTORY Ursus, Vicolungo The Style Outlets and Roppenheim The Style Outlets. These upgrades met sustainability criteria and minimised environmental impacts, complying with the standards for BREEAM IN-USE certification.



CENTRE MANAGEMENT (102-11, G4-CRE6 y G4-CRE8)

“NEINVER’s environmental approach to managing its centres has proved vital to increasing their value and cutting costs”

The Facilities Management department is in charge of monitoring, implementing and evaluating proposed measures related to energy efficiency, reducing consumption, and proper waste management. The tool behind all these actions is the Certification Policy, which reflects NEINVER’s dedication to designing, developing and managing sustainable buildings and implementing management systems and standards in the centres, such as BREEAM, ISO and OHSAS, which are independently verified.

The policy stipulates that when designing and constructing buildings in Europe, NEINVER follows the BREEAM international methodology for environmental evaluation and sustainability assessment of buildings. NEINVER voluntarily requires all its new buildings to achieve a rating of “Good” or better. For buildings in operation for more than two years, NEINVER follows the BREEAM IN-USE methodology for Part 1 (construction) and Part 2 (management). Here, again, NEINVER voluntarily requires a minimum rating of “Good.”

In line with this policy, NEINVER has an ISO 14001–certified Environmental Management System, integrated with the company’s other systems (ISO 9001 and OHSAS 18001). Moreover, NEINVER also has an ISO 50001–certified energy management system installed throughout its portfolio, given the importance of energy issues in the company’s operations.

In 2017, NEINVER began to record the Neptune centres’ consumption and waste through the online Carbon Desktop platform. This gives NEINVER automated and more thorough monitoring, with the ability to develop reports and comparisons between centres and within one centre’s own history. For 2018, full integration between this tool and the Building Management System (BMS) is planned so that the information will load automatically.

NEINVER is recognised for its commitment to sustainability certification of its portfolio

In 2017, NEINVER received the BREEAM/GRESB award for its commitment to obtaining sustainability certification for its portfolio (BREEAM/GRESB Award for Corporate Investment in Responsible Real Estate).



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



Centres with BREEAM IN-USE certification in the NEINVER portfolio

For the first time, in 2017, NEINVER earned BREEAM IN-USE certification for Fashion Outlet Barakaldo. For its other centres, in 2016, NEINVER renewed* the BREEAM IN-USE certifications for the entire portfolio of centres the company had managed for at least two years in Europe, improving on its 2013 scores.

Style Outlets (which currently has a BREEAM NEW CONSTRUCTION certificate), though the process will take until 2019. Meanwhile, the Alegra Shopping and Leisure Centre is in the process of obtaining a BREEAM IN-USE certificate, and Roppenheim The Style Outlets is in the process of renewing it, with hopes that it will retain its Outstanding rating, which for now is the highest rating in our portfolio.

For 2018, NEINVER aims to begin the BREEAM IN-USE certification process for Viladecans The

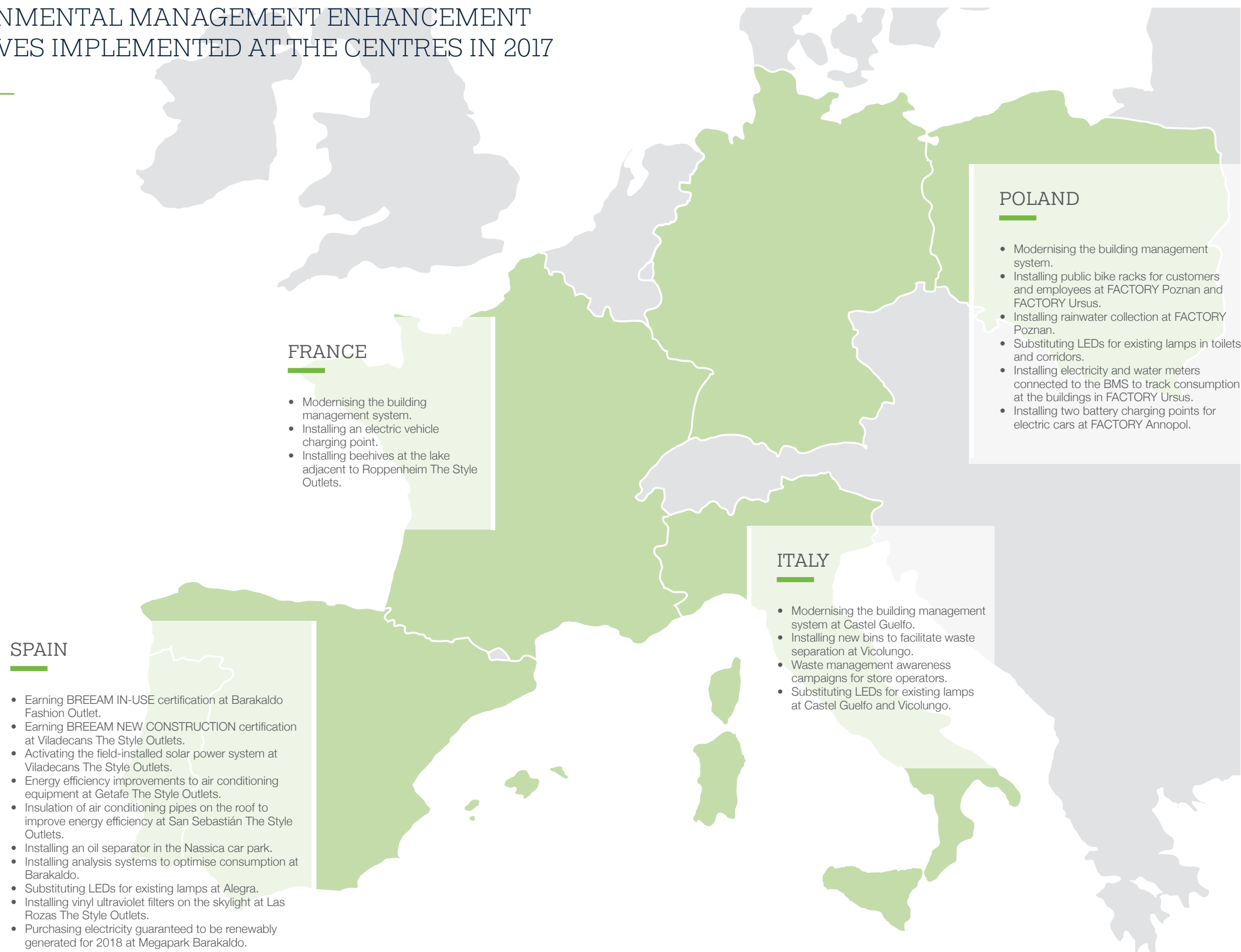
COUNTRY/CENTRE	PART 1 RATING		PART 2 RATING	
	2013	2016	2013	2016
SPAIN				
Las Rozas The Style Outlets	Good	Very Good	Very Good	Excellent
Getafe The Style Outlets	Good	Very Good	Very Good	Excellent
San Sebastián de los Reyes The Style Outlets	Good	Very Good	Excellent	Excellent
Coruña The Style Outlets	Very Good	Excellent	Excellent	Excellent
Nassica	N/A	Very Good	N/A	Excellent
Fashion Outlet Barakaldo (2017)	N/A	Very Good	N/A	Very Good
POLAND				
FACTORY Warsaw Ursus	Very Good	Very Good	Good	Very Good
FACTORY Warsaw Annapol	N/A	Very Good	N/A	Very Good
Futura Park Kraków	Very Good	Very Good	Good	Very Good
Galeria Malta	Very Good	Very Good	Very Good	Very Good
Futura Park Wrocław	Very Good	Very Good	Good	Very Good
FACTORY Poznan	Good	Very Good	Very Good	Very Good
ITALY				
Vicolungo The Style Outlets	Good	Good	Good	Very Good
Castel Guelfo The Style Outlets	Good	Very Good	Very Good	Very Good
FRANCE				
Roppenheim The Style Outlets	Very Good	Excellent	Excellent	Outstanding

Possible ratings:

- Unclassified (<10%)
- Pass** (25-<40%)
- Very Good**** (55-<70%)
- Outstanding***** (>=85%)
- Acceptable* (10-<25%)
- Good*** (40-<55%)
- Excellent***** (>70-<85%)

* BREEAM In-Use certification is valid for three years.

ENVIRONMENTAL MANAGEMENT ENHANCEMENT INITIATIVES IMPLEMENTED AT THE CENTRES IN 2017



SPAIN

- Earning BREEAM IN-USE certification at Barakaldo Fashion Outlet.
- Earning BREEAM NEW CONSTRUCTION certification at Viladecans The Style Outlets.
- Activating the field-installed solar power system at Viladecans The Style Outlets.
- Energy efficiency improvements to air conditioning equipment at Getafe The Style Outlets.
- Insulation of air conditioning pipes on the roof to improve energy efficiency at San Sebastián The Style Outlets.
- Installing an oil separator in the Nassica car park.
- Installing analysis systems to optimise consumption at Barakaldo.
- Substituting LEDs for existing lamps at Alegra.
- Installing vinyl ultraviolet filters on the skylight at Las Rozas The Style Outlets.
- Purchasing electricity guaranteed to be renewably generated for 2018 at Megapark Barakaldo.

FRANCE

- Modernising the building management system.
- Installing an electric vehicle charging point.
- Installing beehives at the lake adjacent to Roppenheim The Style Outlets.

ITALY

- Modernising the building management system at Castel Guelfo.
- Installing new bins to facilitate waste separation at Vicolungo.
- Waste management awareness campaigns for store operators.
- Substituting LEDs for existing lamps at Castel Guelfo and Vicolungo.

POLAND

- Modernising the building management system.
- Installing public bike racks for customers and employees at FACTORY Poznan and FACTORY Ursus.
- Installing rainwater collection at FACTORY Poznan.
- Substituting LEDs for existing lamps in toilets and corridors.
- Installing electricity and water meters connected to the BMS to track consumption at the buildings in FACTORY Ursus.
- Installing two battery charging points for electric cars at FACTORY Annapol.



COOPERATION WITH OTHER STAKEHOLDERS (308-1)

NEINVER deems it essential to promote knowledge about and improvement of environmental performance in its centres by involving its suppliers, contractors and operators in the company's sustainability standards. To achieve that, NEINVER

holds awareness-raising sessions in cooperation with these stakeholders and carries out a process to continually improve its systems of cooperation and communication, to make them increasingly efficient and useful.

Promoting environmental improvement among stakeholders.



SUPPLIERS



STORE OPERATORS

<p>Environmental requirements</p>	<ul style="list-style-type: none"> • Know NEINVER's policy on the environment, energy efficiency, quality, and health and safety. • Answer a pre-evaluation questionnaire that assesses environmental certifications. • Sign "green clauses" in contracts, including best practices for the environment, energy efficiency, and health and safety. • Work in compliance with the contractual Service Level Agreements*, which set criteria for conduct. • Receive and review a twice-yearly reminder about green policies and clauses and about the monitoring of certain environmental impacts. • Obey environmental laws and follow best practices. • Correctly manage health and safety of staff and facilities. • Manage waste appropriately, especially hazardous waste. 	<ul style="list-style-type: none"> • Comply with the leases' environmental management and efficiency clauses. • Comply with the requirements in the retail units' Technical Guides, which establish obligations to meet when operators design, build and manage their stores.
<p>Awareness and collaboration tools</p>	<ul style="list-style-type: none"> • Guides to best practices on environmental issues and energy efficiency for suppliers and store operators. • Twice-yearly Store Manager Meetings in which centre management meets with all store managers to present the centre's key figures and remind them of environmental issues such as the importance of recycling, where recycling bins are located, etc. • Ongoing training about NEINVER policies and procedures. • Periodic performance review meetings between the contract manager and the supplier to discuss improvements and critical issues. • Posters and signage to raise awareness about responsible use of resources in toilets. 	

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

Sustainable initiatives in the new security services contract



In 2017, NEINVER introduced some improvements to the security services contract to add services that promote not only security but also the company's sustainability.

These initiatives include having an additional Automated External Defibrillator (AED) at each centre and replacing the fleet of fossil-fuel vehicles with electric vehicles (Segways and electric cars).





CONTINUAL IMPROVEMENT. 2017 AND 2018 TARGETS

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

NEINVER's 2017 environmental targets. Level of compliance.

	AREA	TARGET	PROGRESS
Energy	Modernising the building management system at Castel Guelfo The Style Outlets and Roppenheim The Style Outlets.	Finish modernising the facilities' monitoring and control systems, a process begun in 2016.	Successfully upgraded and modernised the BMS.
	BREEAM IN-USE certification of Fashion Outlet Barakaldo.	In 2017, NEINVER intends to assess and certify Fashion Outlet Barakaldo with BREEAM IN-USE methodology.	Earned a "VERY GOOD" rating in both Part 1 (building) and Part 2 (management).
The environment	Raise environmental awareness at all the centres.	Design and disseminate environmental awareness campaigns at all NEINVER centres in order to spread a greater ecological consciousness to all the centres.	NEINVER's methods for pursuing this include campaigns, informal breakfasts in the management offices with store operators, twice-yearly trainings with all operators at the same time, separate monthly meetings, etc.
	Pilot project to upgrade the facilities management tool.	Work to update the service-management IT tool. The aim is to have carried out a pilot project at one of the centres during 2017.	The pilot programme is up and running at San Sebastián de los Reyes The Style Outlets, where its effectiveness is being assessed for export to the rest of the centres.
	New online platform for recording consumption and waste.	Record the centres' consumption and waste through the online Carbon Desktop platform. This will let NEINVER conduct automated, more thorough monitoring, with the ability to develop reports and comparisons between centres and within one centre's own history.	Once this is achieved, there is a quarterly data analysis of consumption, waste, etc. in collaboration with TH Real Estate. Special attention is paid to properties with the highest consumption and thus a bigger environmental impact, which are monitored in greater depth.
	New online tool to identify and assess legal requirements.	Implement a new online tool to identify legal requirements on the environment, electrical installations, safety standards and general regulations. The tool also lets users upload proof of compliance to the platform: registrations, permits, inspections, etc.	In 2017, the first phase was conducted: signing the contract and making the system operational. In 2018, data will be fed into the platform.
	Updating management systems to comply with new ISO international standards.	Upgrade management systems to comply with the new versions of ISO standards 9001 and 14001.	The latest audit, performed in 2017, already complied with the new versions of the standards.

NEINVER's 2018 environmental targets

Besides monitoring and achieving 2017 targets, NEINVER has defined the following as priorities for 2018:

	AREA	2018 GOALS
Environment	BREEAM IN-USE certification of Alegra	Apply the BREEAM IN-USE methodology to evaluate and certify the Alegra Shopping and Leisure Centre. The goal is to earn a "Very Good" rating in both Part 1 (building) and Part 2 (management).
	BREEAM NEW CONSTRUCTION certifications	Obtain BREEAM NEW CONSTRUCTION certification for NEINVER's new head office, with a rating of "Excellent," and for the facility planned in the Carpetania Industrial Estate, with a "Very Good" rating.
	Broadening the scope of ISO certifications	ISO 9001, 14001, 50001 and OHSAS 18001 certification for the Megapark Barakaldo centre. Begin team training and implementation of work methods based on the management systems at the centres Halle Leipzig The Style Outlets, Montabaur The Style Outlets and Prague The Style Outlets, with an eye towards earning ISO certifications in 2019.
	Transitioning from OHSAS 18001 to ISO 45001 and broadening the scope.	Manage the transition from the OHSAS 18001 standard to ISO 45001 in Spain, and then broaden the scope to the rest of the NEINVER portfolio.
	WELL certification of NEINVER's new head office	Certify the new head office under the WELL Building Standard, which focuses more on employees' health and well-being. The goal is to obtain the GOLD level.
	Accessibility improvements	Implement improvement proposals from the DIGA certification audit report at Viladecans The Style Outlets, and act on the recommendations in the other Spanish centres based on the 2017 architectural study, to obtain accessibility certifications in 2019.
	Promote electric vehicles	Install electric vehicle charging points in centres that do not yet have them (Las Rozas and Getafe).
	Continuing to develop energy efficiency initiatives	Install vinyl ultraviolet filters on skylights (Getafe, Coruña), LED lamps (Vicolungo, Las Rozas), lighting optimisation projects (Viladecans, Megapark), studies for installation of solar panels in 2019, etc.

Environmental performance in 2017*



ENERGY CONSUMPTION (302-1, 302-3, 302-4, 302-5, G4-CRE1)

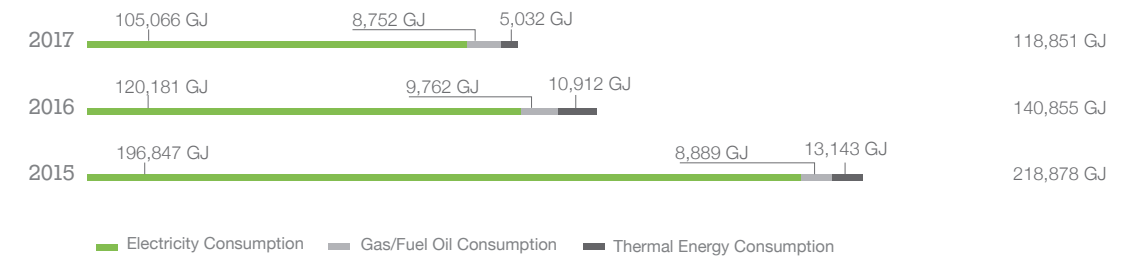
All NEINVER centres have ISO 50001 certification for energy management, which shows how important this environmental issue is to its operations.

parameters in the BMS, which led to a more exhaustive tracking of consumption.

Notably, in 2017, NEINVER managed to reduce its power consumption by 17.9% from the previous year, and successfully extended the use of green energy to its entire portfolio of properties. A considerable drop in thermal energy consumption, in particular, was due to configuration of the new

Much of this reduction resulted from energy-efficiency investments and initiatives conducted in recent years. In 2017, for instance, NEINVER continued to progressively replace traditional lighting systems with efficient lighting and to implement automatic control systems in the centres it manages.

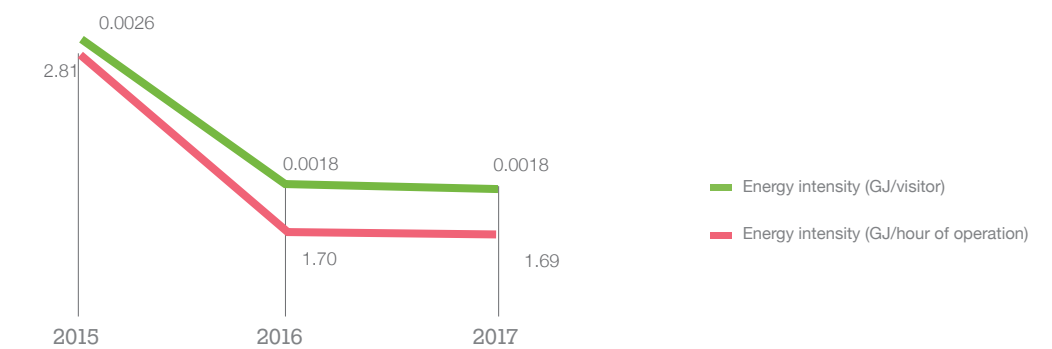
Total energy consumption (GJ), by source



It should be stressed that in Spain, the autumn of 2017 was very warm, 0.8 °C above average for the season, in one of the three warmest years on record according to data from the Spanish National Meteorology Agency (AEMET).

As for the consumption intensity per visitor and per hour of operation, NEINVER continued to reduce its impact slightly through the consumption reduction measures it implemented.

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



* Except for 2017 data about NEINVER offices, given their low impact, and the centres in Germany, since they only recently joined the portfolio.

* Except for 2017 data about NEINVER offices, given their low impact, and the centres in Germany, since they only recently joined the portfolio.



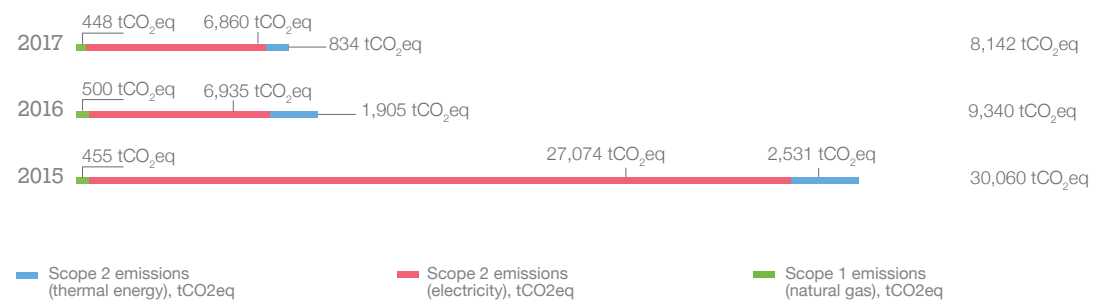
GREENHOUSE GAS EMISSIONS

(305-1, 305-2, 305-3, 305-4, 305-5, G4-CRE3, G4-CRE4)

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

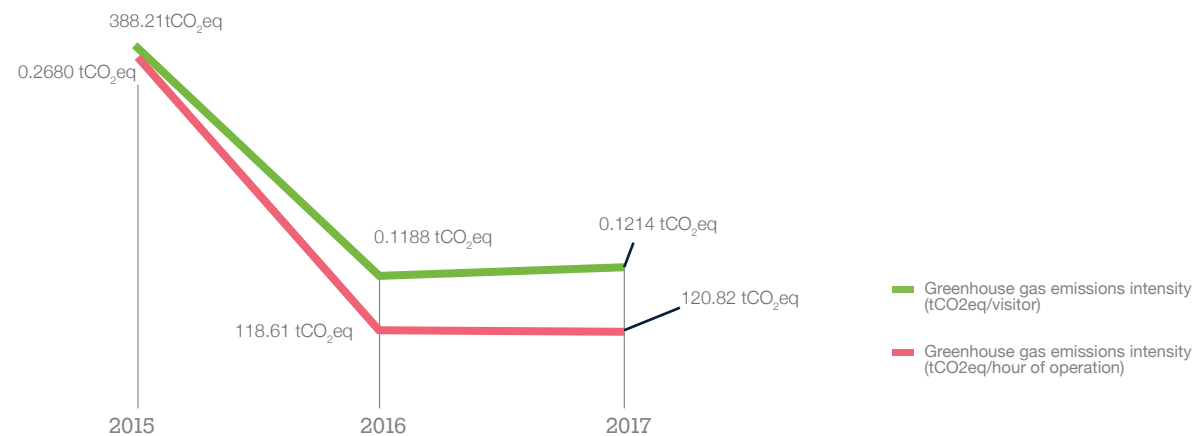
Greenhouse gas emissions dropped by 12.8% in 2017 compared to the previous year (Scope 1 and 2 emissions, as defined by the GHG Protocol*1), largely thanks again to the purchase of green energy.

Scope 1 and 2 Greenhouse Gas Emissions (tonnes CO₂eq)



NEINVER centres' emissions intensity per visitor and per hour of operation both rose slightly by the end of 2017.*2

Centres' emissions intensity per visitor (tonnes CO₂eq/visitor) and per hour of operation (tonnes CO₂eq/hour of operation)



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

*2 Previous years' data recalculated based on new methodology.

Emissions from transport

steps intended to minimise the centres' emissions and the environmental impact from the transport

of both employees and visitors. The measures implemented include:



Virtual meetings

Promoting the use of videoconferences to avoid employee travel.



Electric vehicles

Installing vehicle-charging points at 70% of the portfolio.



Bicycles

Bicycle parking at 100% of the portfolio.



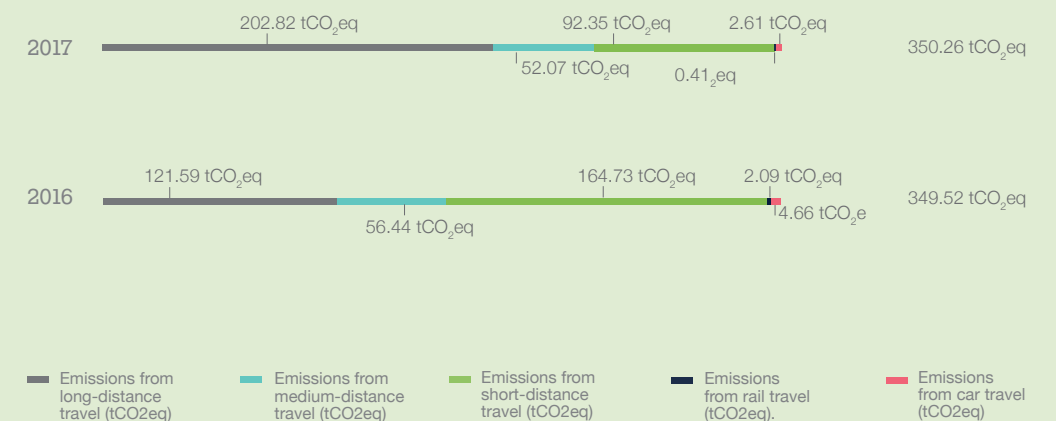
Public transport

Free transport services to the centre.

In 2017, emissions from employee transport rose only slightly (0.2%) because 2016 was when there was a sharp drop in the number of employee trips, mainly thanks to encouragement of virtual

meetings. The type of travel with the largest increase was long-distance travel, due to more trips to centres in development in the Netherlands and the Czech Republic.

Greenhouse gas emissions from employee travel (tCO₂eq)*



*3 Scope: as in previous years, this includes travel by employees of the head office

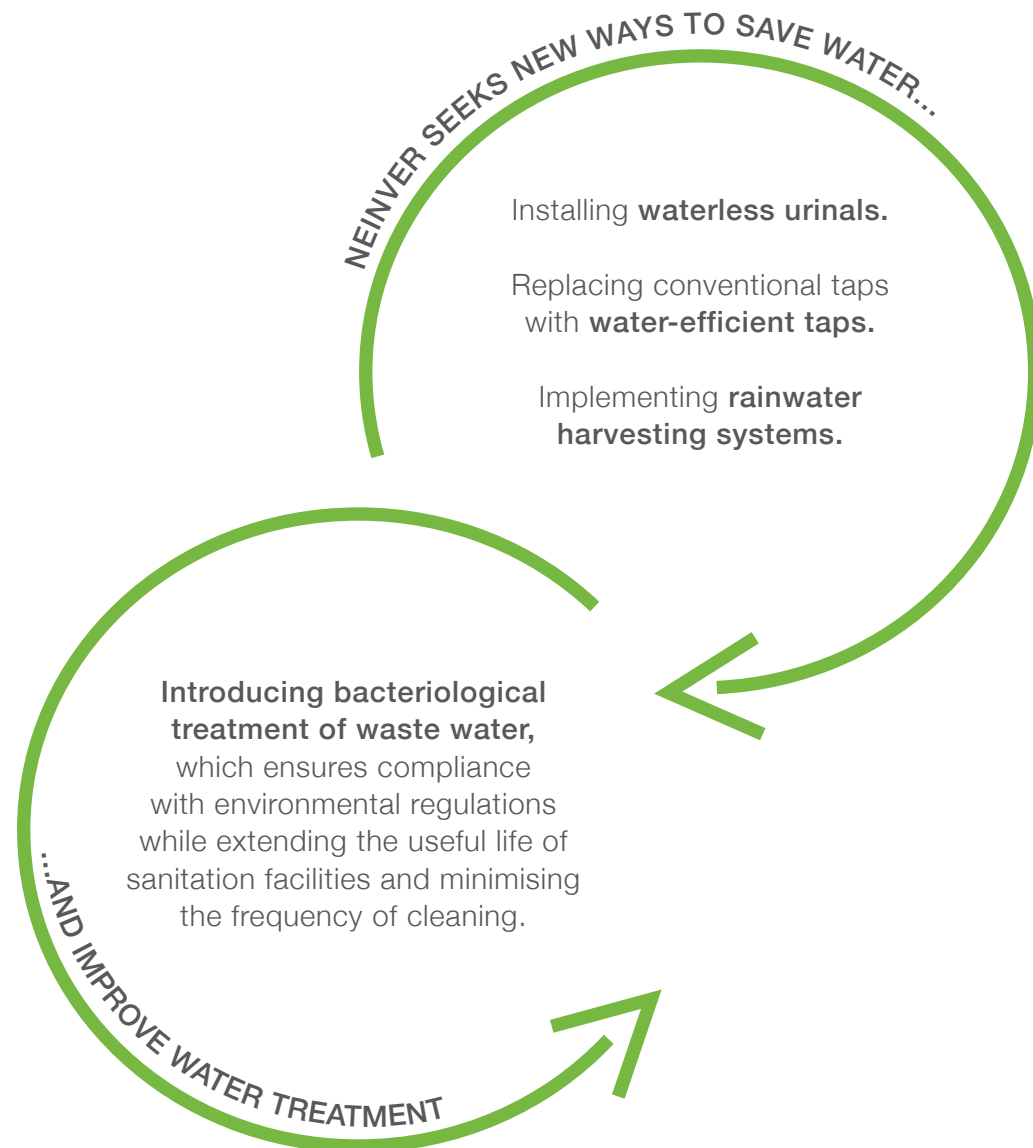


WATER CONSUMPTION (303-1, G4-CRE2)

Minimising water use in its centres is very important to NEINVER, and so it implements various plans and actions to foster efficient water use in all its processes. NEINVER therefore promotes best practices for sustainable water consumption

among all its visitors, employees, suppliers and store operators through posters and by including this issue in the recommendations in its best practices manuals for suppliers and operators.

NEINVER best practices for water management



Data shows that NEINVER's water consumption decreased in 2017 by 5.9% thanks to the savings measures put into place, even though the climate that year was, overall, unusually dry.

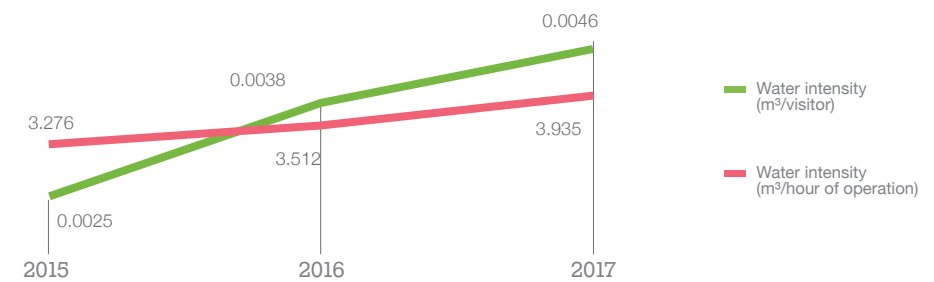
Specifically in Spain, 2017 was the second-driest year on record, with precipitation 59% below average for the quarter according to AEMET data.

Total water consumption (m³) at NEINVER centres



Water intensity per visitor and per hour of operation increased slightly compared to 2016.

Centres' water intensity per visitor (m³/visitor) and per hour of operation (m³/hour of operation)



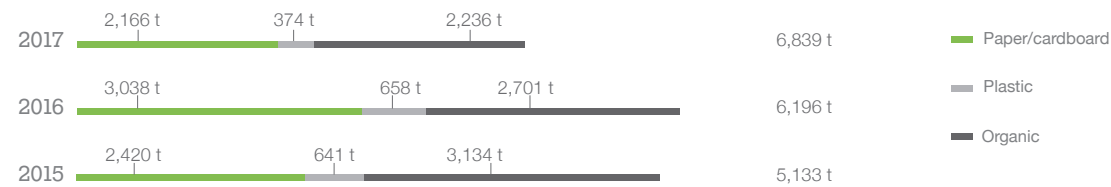


WASTE (306-2)

NEINVER is dedicated to proper waste management at all its centres, encouraging minimisation of waste and fostering better waste separation. The company pursues this by involving all its stakeholders through awareness programmes and by installing bins for correct separation. Since 2016, it has included new clauses in its contracts with waste management companies, providing for better waste handling and management.

Waste production decreased by 30% in 2017, mainly due to the departure of large properties such as those in Vila do Conde, Zweibrücken and Seville. It is important to note that NEINVER sends 50% of its centres' waste, presorted, to recycling plants for subsequent processing so it can return to the marketplace as new materials.

Waste production (t) at NEINVER centres



AIR QUALITY AND FUGITIVE EMISSIONS

NEINVER also monitors other, non-CO2 gas emissions, as well as noise levels from its operations. These "fugitive emissions" are monitored through the BMS tool, whose temperature and humidity sensors automatically activate air recirculation or ventilation as needed based on preset parameters.

Additionally, NEINVER submits to specialised annual audits of indoor air quality, and takes any necessary corrective measures. To control Legionella, every NEINVER centre's maintenance programme includes monitoring for this type of bacteria. It also monitors waste water quality through periodic testing.

Throughout 2017, NEINVER has undertaken initiatives of this type, including installation of vinyl ultraviolet filters on large skylights at Coruña The Style Outlets, Las Rozas The Style Outlets and Alegria Park San Sebastián de los Reyes. This type of vinyl UV filter improves insulation and thus helps reduce the demand for air conditioning.

NEINVER also monitors other, non-CO2 gas emissions, as well as noise levels from its operations.



ENVIRONMENTAL AWARENESS AND TRAINING

To attain better sustainability for current and future generations, environmental awareness is essential. Each year, NEINVER therefore holds in-house and external training sessions on energy efficiency, waste management, and certification systems.

In its 2017 trainings, the company continued to invest in BREEAM Associate courses for staff responsible for sustainability issues. NEINVER also conducts ongoing training and awareness

campaigns aimed at contractors and store operators. In addition, the company strengthened its environmental communication to tenants and users of its centres in Spain, and in 2017, environmental awareness campaigns were designed and deployed at NEINVER centres in France, Spain and Italy.



BIODIVERSITY

In 2017, NEINVER continued implementing its Biodiversity Management Plan, developed in 2016 to minimise the impact on biodiversity from its centres' presence on the land, while offsetting that impact through actions that help

improve biodiversity. It designed the initiatives with a view to BREEAM NEW CONSTRUCTION certification and the renewal of BREEAM IN-USE certifications.

Scope of the Biodiversity Management Plan



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



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



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



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



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



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



ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS

Over the course of 2017, NEINVER devoted more than €2 million to environmental expenditures and investments, 50% more than in 2016 on a like-for-like basis. These additional funds went mainly

to improving the Energy Manager and BMS tools, installation of charging points for electric vehicles, and maintenance to the BMS, among others.

COUNTRY	ENVIRONMENTAL EXPENDITURES	ENVIRONMENTAL INVESTMENTS
Spain	€ 616,427	€ 201,196
Italy	€ 277,472	€ 123,729
Poland	€ 691,995	€ 162,116
France	€ 178,525	€ 85,000
TOTAL	€ 1,764.419	€ 572,041



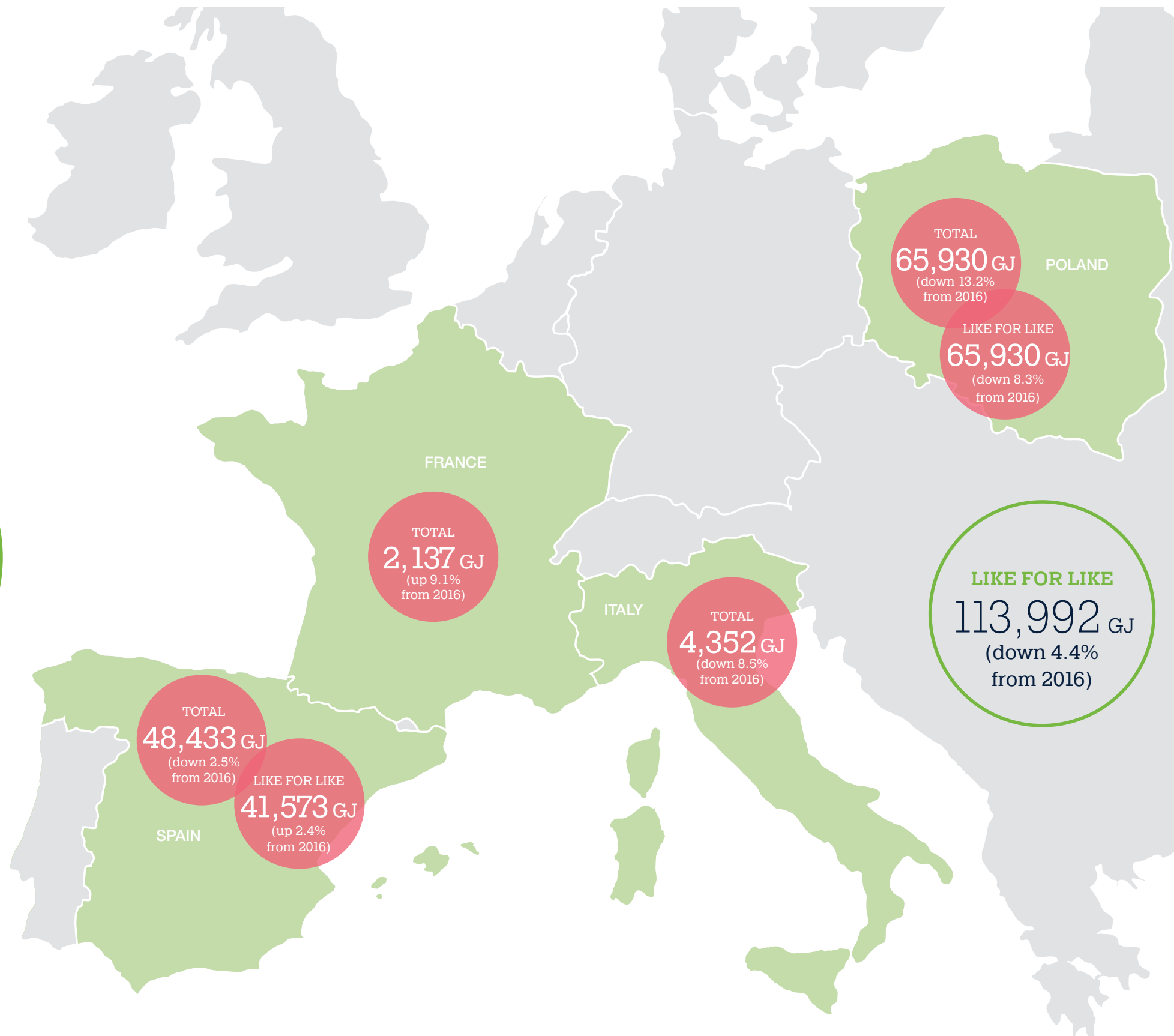
Changes in environmental management, broken down by country





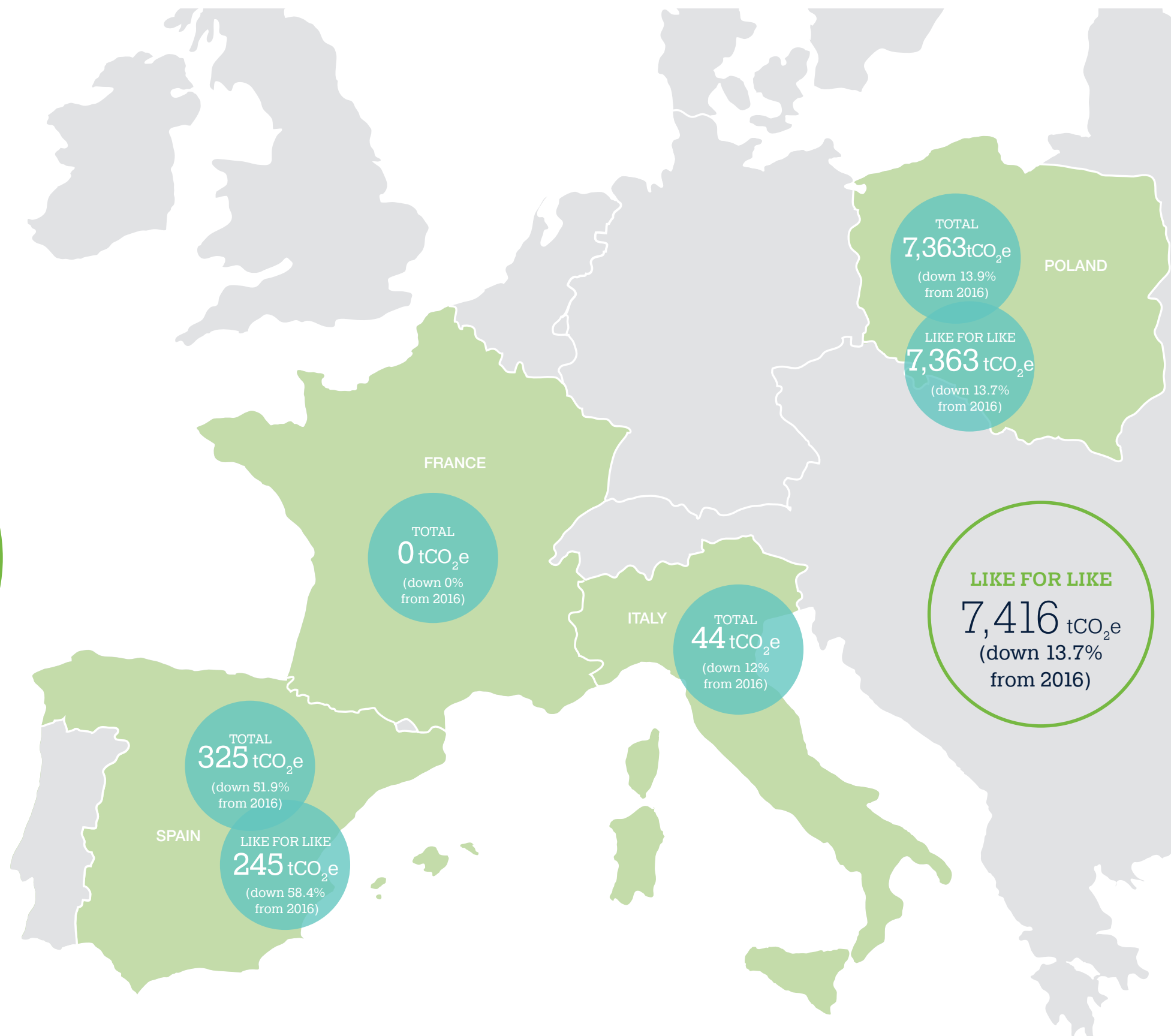
ENERGY CONSUMPTION

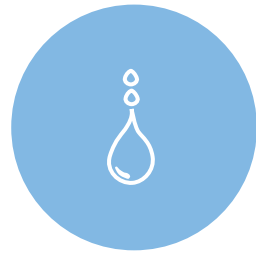
NEINVER TOTAL
118,850 GJ
 (down 15.6% from 2016)





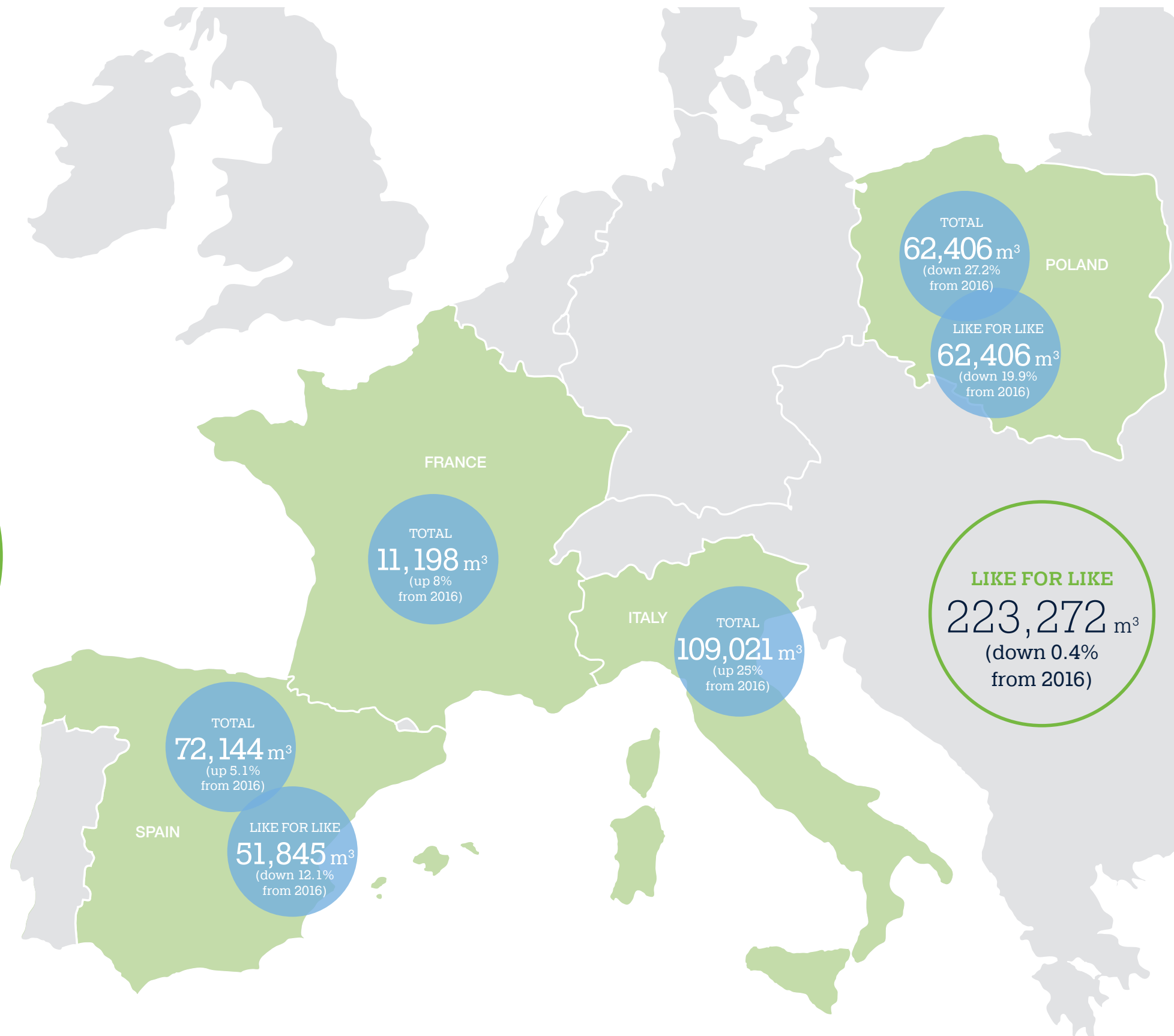
GREENHOUSE GAS EMISSIONS





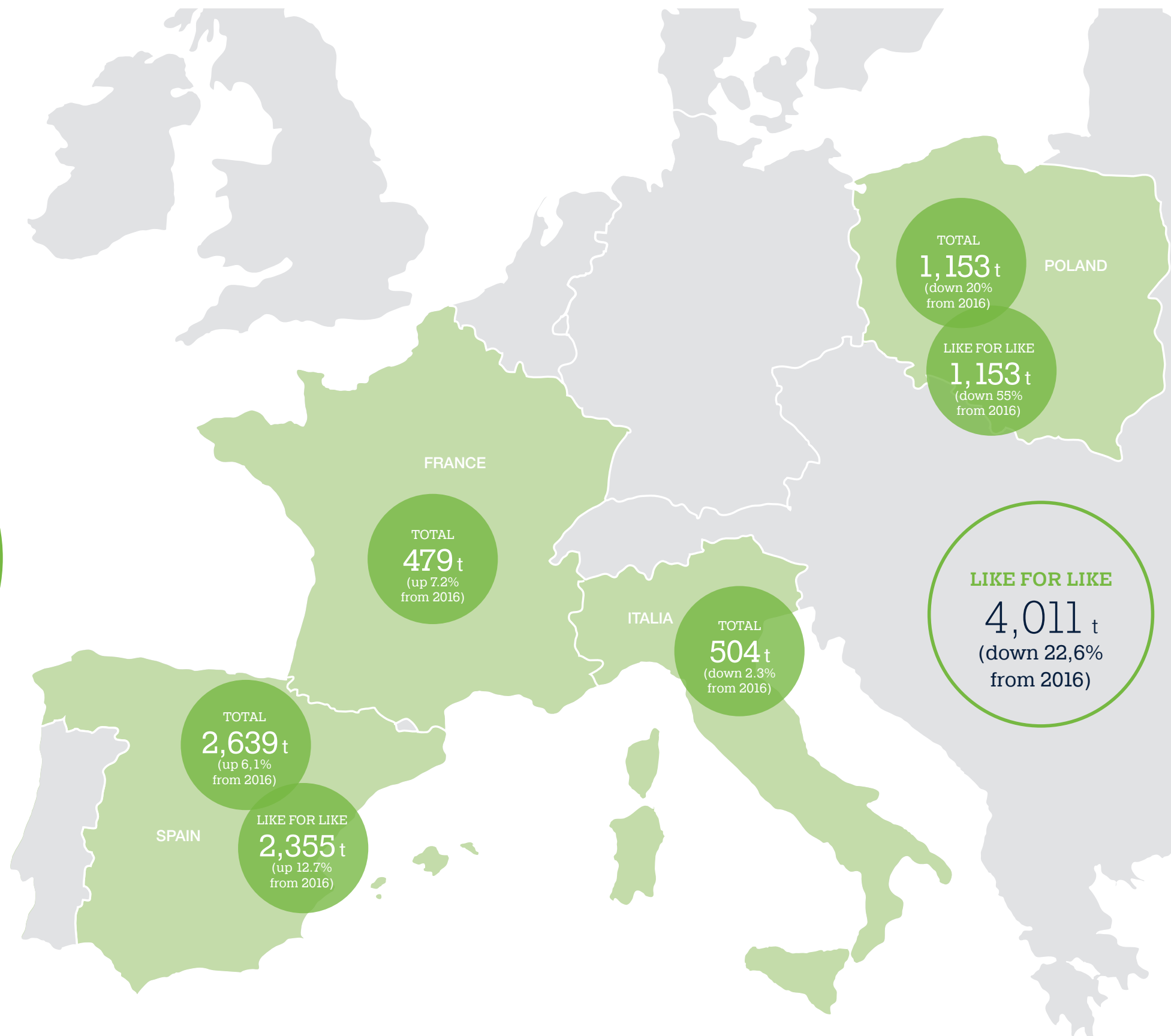
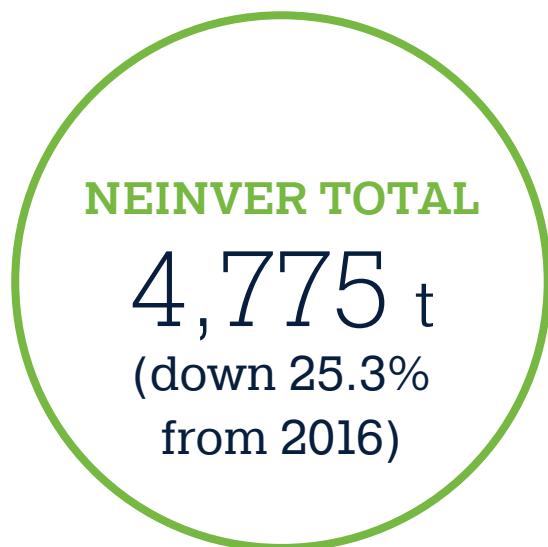
WATER CONSUMPTION

NEINVER TOTAL
254,769 m³
 (down 6% f
 from 2016)





WASTE PRODUCTION



APPENDIXES

ECONOMIC PERFORMANCE

Direct economic value generated and distributed. (201-1)

In thousands of euros	2017	2016
Economic value generated	93,005	65,237
(Clients) Net receipts	88,609	65,266
Sale of (fixed) assets	4364	-33
Sale of financial assets	32	4
Other items (Specify)	0	-
Economic value distributed	-67,290	-65,760
Suppliers (Operating costs)	-41,050	-32,180
Employees (Salaries/Benefits)	-17,400	-18,351
Financial Institutions (Payments to providers of capital)	-16,368	-7,411
Public Agencies (Payment to governments)	7,528	-7,819
Shareholders (Dividends)	0	-
Other items (Specify)	0	-
Economic value retained	25715	-524

EMPLOYEES

Employee turnover. (401-1)

Age	Male						Female					
	Hires		Departures		Ratio		Hires		Departures		Ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<30	8	6	1	3	1.64	1.45	17	20	10	8	4.91	5.09
30-50	17	8	13	17	5.45	4.55	24	32	34	28	10.55	10.91
>50	1	1	4	3	0.91	0.73	3	2	2	2	0.91	0.71
TOTAL	26	14	18	23	8.00	6.73	44	54	46	38	16.36	16.73

Breakdown by contract type.

Breakdown by contract type, employees covered by collective bargaining agreements, and number of voluntary departures	2017	2016	% VARIACIÓN
Percentage of employees who are full time	90%	90%	0%
Percentage of employees with open-ended contracts	93%	94%	-1%
Percentage of employees covered by collective bargaining agreements	61%	58%	5%
Voluntary departures	9%	14%	-35%

Breakdown of staff by employee category, gender, and age range (405-1)

Employment category	2017				2016			
	Age	Male	Female	Total	Age	Male	Female	Total
GOVERNANCE TEAM	30-50			0	30-50			
		1	0	1		1	0	1
	>50	1	0	1	>50	1	0	1
	Total	2	0	2	Total	2	0	2
SENIOR MANAGEMENT	30-50			0	30-50			
		6	3	9		7	4	11
	>50	2	1	3	>50	3	1	4
	Total	8	4	12	Total	10	5	15
MIDDLE MANAGEMENT	30-50			0	30-50			
		14	25	39		13	22	35
	>50	1	4	5	>50	2	3	5
	Total	15	29	44	Total	15	25	40
TECHNICIANS	<30	1	2	3	<30		2	2
	30-50	20	21	41	30-50	18	29	47
	>50	3	2	5	>50	3	2	5
	Total	24	25	49	Total	21	33	54
ADMINISTRATIVE STAFF	<30	10	41	51	<30	5	39	44
	30-50	27	89	116	30-50	19	94	113
	>50	1	6	7	>50	2	5	7
	Total	38	136	174	Total	26	138	164

Employee training by gender, category and country. (404-1)

HOURS OF TRAINING BY GENDER, COMPARED TO THE AVERAGE	2017	2016	% variation
MALE	46.26	83.93	-45%
FEMALE	66.09	75.79	-13%
AVERAGE	5.57	77.9	-24%

HOURS OF TRAINING BY EMPLOYEE CATEGORY, COMPARED TO THE AVERAGE	2017	2016	% variation
GOVERNANCE TEAM	21.00	1.5	1300%
SENIOR MANAGEMENT	40.73	26.08	56%
MIDDLE MANAGEMENT	53.68	68.78	-22%
TECHNICIANS	59.46	64.79	-8%
ADMINISTRATIVE STAFF	62.73	90.12	-30%

HOURS OF TRAINING BY COUNTRY, COMPARED TO THE AVERAGE	2017	2016	% variation
GERMANY	8.50	6.96	22%
SPAIN	35.66	32.74	9%
FRANCE	29.82	2.36	1,164%
ITALY	33.70	12.83	163%
POLAND	128.21	214.63	-40%

Detailed information on parental leave. (401-3)

	2017				2016			
	Took leave		Returned		Took leave		Returned	
BAJAS	M	F	M	F	M	F	M	F
GERMANY	1	0	1	0	0	1	0	2
SPAIN	1	8	1	4	1	5	1	5
FRANCE	0	0	0	0	0	0	0	0
ITALY	0	0	0	2	0	3	0	1
POLAND	1	11	1	2	0	9	0	5
CZECH REP.	0	0	0	0	-	-	-	-
TOTAL	3	19	3	8	1	18	1	13

APPENDIX OF ENVIRONMENTAL INDICATORS

	POLAND			ITALY			FRANCE			SPAIN		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
ENERGY												
Energy consumption												
Total energy (GJ)	159,704	75,958	65,930	3,710	4,757	4,352	2,020	1,959	2,137	42,370	47,639	46,432
Electricity (GJ)	144,246	62,693	57,772	2,525	3,774	3,501	2,020	1,959	2,137	38,224	42,436	41,656
Thermal energy (GJ)	11,899	9,688	5,032	-	-	-	-	-	-	-	-	-
Natural gas (GJ)	3,558	3,576	3,126	1,185	983	851	-	-	-	4,146	5,203	4,776
Energy intensity												
Energy intensity (GJ/visitor)	0.00438	0.00250	0.00265	0.00062	0.00071	0.00067	0.00133	0.00111	0.00115	0.00202	0.00166	0.00148
Energy intensity (GJ/hour of operation)	5.65484	2.72783	2.76294	0.50823	0.65144	0.59606	0.73145	0.63332	0.69066	1.34204	1.33042	1.27650
GREENHOUSE GAS EMISSIONS												
Emisiones de gases de efecto invernadero												
Scope 1 and Scope 2 emissions (tCO ₂ eq)	29,708	8,551	7,363	61	50	44	17	0	0	212	676	325
Scope 1 emissions (tCO ₂ eq)	2,650	2,025	995	61	50	44	0	0	0	212	267	325
Scope 2 emissions (tCO ₂ eq)	27,058	6,526	6,368	0	0	0	17	0	0	0	409	0
Emissions intensity												
Emissions intensity (kg/visitor)	0.000716	0.000202	0.000284	0.000009	0.000007	0.000006	0.000011	-	-	0.000006	0.000008	0.000009
Emissions intensity (kg/hour of operation)	1.04208	0.29330	0.29435	0.00832	0.00691	0.00598	0.00604	-	-	0.00514	0.01471	0.01806
WATER												
Water consumption												
Water consumption (m ³)	96,865	85,760	62,406	73,964	87,203	109,021	10,287	10,361	11,198	53,722	68,460	72,144
Water intensity												
Water intensity (m ³ /visitor)	0.00361	0.00287	0.00267	0.01165	0.01284	0.01644	0.00676	0.00588	0.00604	0.00279	0.00268	0.00287
Water intensity (m ³ /hour of operation)	3.51327	3.10306	2.66784	10.13642	11.94971	14.94169	3.72448	3.34874	3.61926	1.86907	2.20526	2.17319
WASTE												
Waste production												
Total waste production (t)	1,358	1,454	1,153	1,158	975	504	382	447	479	2,011	2,477	2,639
Waste production intensity												
Waste production intensity (kg/visitor)	0.0001	0.0000	0.0000	0.0002	0.0002	0.0001	0.0000	0.0000	0.0000	0.0001	0.0001	0.0001
Waste production intensity (kg/hour of operation)	0.0499	0.0537	0.0570	0.1585	0.1333	0.0684	0.0068	0.0140	0.0166	0.0627	0.0738	0.0716

LIKE-FOR-LIKE ENVIRONMENTAL INDICATORS IN THE CENTRES

	POLAND		ITALY		SPAIN		TOTAL	
	2016	2017	2016	2017	2016	2017	2016	2017
ENERGY								
Energy consumption								
Total energy (GJ)	18.176	18.326	4.757	4.352	17.226	17.660	40.159	40.338
Electricity (GJ)	16.181	16.199	3.774	3.501	17.042	17.477	36.998	37.177
Thermal energy (GJ)	1.752	1.633	-	-	-	-	1.752	1.633
Natural gas (GJ)	243	494	983	851	183	183	1.409	1.528
GREENHOUSE GAS EMISSIONS								
Greenhouse gas emissions								
Scope 1 and Scope 2 emissions (tCO ₂ eq)	389	376	50	44	9	10	449	430
Scope 1 emissions (tCO ₂ eq)	389	376	50	44	9	10	449	430
Scope 2 emissions (tCO ₂ eq)	0	0	0	0	0	0	0	0
WATER								
Water consumption								
Water consumption (m ³)	25.422	23.257	87.203	109.021	32.474	30.450	145.099	162.727
WASTE								
Waste production								
Total waste production (t)	670	718	975	504	559	682	2.205	1.904

NEINVER CERTIFICATIONS

	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001 / ISO 45001	BREEAM IN USE	BREEAM OBRA NUEVA
POLAND						
FACTORY Poznan	x	x	x	2019	x	
Galeria Malta	x	x	x		x	
Futura Park Wroclaw	x	x	x		x	
FACTORY Warsaw Ursus	x	x	x	2019	x	
FACTORY Krakow	x	x	x	2019	x	x
Futura Park Krakow	x	x	x	2019		
FACTORY Warsaw Annapol	x	x	x	2019	x	x
Poland Office	x	x	x	2019		
GERMANY						
Halle Leipzig The Style Outlets	2019	2019	2019	2019		
Montabaur The Style Outlets	2019	2019	2019	2019		
CZECH REPUBLIC						
Prague The Style Outlets	2019	2019	2019	2019		
ITALY						
Castel Guelfo The Style Outlets	x	x	x	2019	x	
Vicolungo The Style Outlets	x	x	x	2019	x	
FRANCE						
Roppenheim The Style Outlets	x	x	x	2019	x	
SPAIN						
San Sebastián de los Reyes The Style Outlets	x	x	x	x	x	
Alegria Shopping and Leisure Centre	x	x	x	x		
Getafe The Style Outlets	x	x	x	x	x	
Las Rozas The Style Outlets	x	x	x	x	x	
Coruña The Style Outlets	x	x	x	x	x	x
Nassica Getafe	x	x	x	x	x	
Viladecans The Style Outlets	x	x	x	x	2019	x
Fashion Outlet Barakaldo	2018	2018	2018	2018	x	
Megapark Barakaldo	2018	2018	2018	2018		
Spain Head Office	x	x	x	x		2018

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ABOUT THIS
REPORT



About this report

SCOPE OF INFORMATION AND THE STANDARDS USED IN THIS REPORT

(102-46, 102-47, 102-53, 102-54, 102-55 y 103-1)

This sustainability report includes information from 2017 for all of NEINVER's operations and services. Where appropriate, it also includes information from previous years as a point of comparison.

It was prepared in keeping with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), Essential option, as detailed in item 102-54 of the GRI Content Index.

This document was created in compliance with the reporting principles collected in Global Reporting Initiative (GRI) Standard 101. Following these guidelines ensures that the information in this report is reliable, complete, balanced and clear.

It also includes additional content for the GRI industry-specific supplement for the Construction and Real Estate sector.

Of all the material aspects shown on the materiality matrix, those in the upper quadrants were taken into account when drafting this report, and are detailed below along with their boundary, inside or outside the organisation:

GSSB	Material aspect	Boundary11	
		Organisation	Outside the organisation
201	Economic performance	x	x
203	Indirect economic impacts		x
204	Procurement practices		x
205	Anti-corruption	x	x
206	Anti-competitive behaviour	x	x
302	Energy	x	
303	Water	x	
305	Emissions	x	
306	Effluents and waste	x	
307	Environmental regulatory compliance	x	
308	Supplier environmental assessment	x	x
401	Employment	x	x
403	Occupational health and safety	x	
404	Training and education	x	
405	Diversity and equal opportunity	x	
413	Local communities		x
416	Customer health and safety	x	x
417	Marketing and labelling	x	
418	Customer privacy	x	
419	Socioeconomic compliance	x	

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

GRI Content Index



CONTESNTS	PAGE	REMARKS	
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
Organisational profile			
102-1	Name of the organisation	NEINVER S.A.	
102-2	Activities, brands, products and services	12	
102-3	Location of headquarters	C/ Francisca Delgado, 11, 5ª planta. Alcobendas (Spain)	
102-4	Location of operations	18	
102-5	Ownership and legal form	NEINVER is a corporation (sociedad anónima).	
102-6	Markets served	39	
102-7	Scale of the organisation	14	
102-8	Information on employees and other workers	61	
102-9	Supply chain	80	
102-10	Significant changes to the organisation and its supply chain	49	
102-11	Precautionary principle or approach	92 and 94	
102-12	External initiatives	27	
102-13	Membership of associations	84	
Strategy			
102-14	Statement from senior decision-maker	5 and 7	
102-15	Key impacts, risks and opportunities	26	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	27	
102-17	Mechanisms for advice and concerns about ethics	27	
Governance			
102-18	Governance structure	35	
102-19	Delegating authority	35	
102-20	"Executive-level responsibility for economic, environmental and social topics"	35	The Management Committee involves all the company's top managers in issues related to economic, environmental and social topics. This Committee reports to Senior Management.

CONTENTS	PAGE	REMARKS	
102-21	"Consulting stakeholders on economic, environmental and social topics"	All members of the Management Committee stay in ongoing contact with the key stakeholder groups in their area of activity. Topics important enough to affect the company's performance are shared by the Management Committee and, when necessary, are escalated to other elements of the corporate governance structure.	
102-22	Composition of the highest governance body and its committees	35	
102-23	Chair of the highest governance body	The Chairman of the Board is not an executive officer, as Daniel Losantos was named CEO in late 2015.	
102-26	"Role of highest governance body in setting purpose, values and strategy"	35	
102-27	Collective knowledge of highest governance body	The company continually assesses the need to improve knowledge among its governance bodies, and in all cases promotes the most advisable initiatives.	
102-28	Evaluating the highest governance body's performance	There is no independent performance evaluation of NEINVER's highest governance body.	
102-29	Identifying and managing economic, environmental and social impacts	The Management Committee and other advisory bodies promptly inform the highest governance body about the most important management issues in the company, and that highest body gives its opinion and makes decisions about the most relevant issues.	
102-30	Effectiveness of risk management processes	26	The Management Committee informs the highest governance body about the main identified risks and about the steps to take to manage them.
102-31	Review of economic, environmental and social topics	At all its meetings, the highest governance body analyses any new impacts, risks and opportunities of high relevance to the company.	
102-32	"Highest governance body's role in sustainability reporting"	Management Committee.	
102-33	Communicating critical concerns	35	The Management Committee and other advisory bodies promptly inform the highest governance body about the most important management issues in the company, and that highest body gives its opinion and makes decisions about the most relevant issues.
102-36	Process for determining remuneration	64	
102-37	Stakeholders' involvement in remuneration	Stakeholders' opinions are not solicited for this section.	
Stakeholder engagement			
102-40	List of stakeholder groups	53, 55 and 78	
102-41	Collective bargaining agreements	61	
102-42	Identifying and selecting stakeholders	NEINVER defines its list of stakeholders as including all organisations/groups that are critical to the company's operations or are influenced by its operations.	
102-43	Approach to stakeholder engagement	53, 55 and 77	
102-44	Key topics and concerns raised	53, 55 and 77	

CONTENTS	PAGE	REMARKS
Reporting practice		
102-45	Entities included in the consolidated financial statements	Financial data taken from the Group's annual consolidated financial statement. Its scope includes NEINVER, S.A. and all its subsidiary companies.
102-46	Defining report content and topic Boundaries	132
102-47	List of material topics	132
102-48	Restatements of information	Water and energy consumption data and greenhouse gas emissions data for 2015 and 2016 have been revised slightly from the figures included in the 2016 Sustainability Report. These restatements reflect improvements to the data collection and processing procedures, and are not considered significant.
102-49	Changes in reporting	In 2016 the sustainability report was prepared based on G4, and the present report is based on
102-50	Reporting period	The reporting period is the year 2017, although information from previous years is included where deemed appropriate.
102-51	Date of most recent report	The most recent edition of the report was published last year, in 2017, with content corresponding to the year 2016
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	134
102-54	Claims of reporting in accordance with the GRI Standards	134 This report was prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	138
102-56	External assurance	No external assurance was obtained for the sustainability report. All indicators included in it come from the company's own annually audited management systems.
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Each chapter explains the material aspects and their boundaries
103-2	The management approach and its components	Each chapter explains the material aspects and the company's management approach to them
103-3	Evaluation of the management approach	The chapters throughout this report explain the evaluation of the management approach to the extent that it has already been developed. Some aspects are still in the implementation phase.
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	122
201-2	"Financial implications and other risks and opportunities due to climate change"	Actions related to energy are key to fighting climate change, which can have various effects on the assets the company manages: water shortages, changes in energy prices, changes in flooding patterns, and impacts on the supply chain, for example.
201-3	Defined benefit plan obligations and other retirement plans	There is no benefit plan in the organisation.

CONTENTS	PAGE	REMARKS
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	78
203-2	Significant indirect economic impacts	78
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	80
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	27
205-3	Confirmed incidents of corruption and actions taken	There were no known cases of corruption during the reporting period.
GRI 206: Anti-competitive Behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	27
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	103
302-3	Energy intensity	103
302-4	Reduction of energy consumption	103
302-5	Reductions in energy requirements of products and services	103
GRI 303: Water 2016		
303-1	Water withdrawal by source	106 All NEINVER centres use the municipal water supply.
303-2	Water sources significantly affected by withdrawal of water	No water sources were significantly affected by the company's withdrawal of water.
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	104
305-2	Energy indirect (Scope 2) GHG emissions	104
305-3	Other indirect (Scope 3) GHG emissions	104
305-4	GHG emissions intensity	104
305-5	Reduction of GHG emissions	104
GRI 306: Effluents and Waste 2016		
306-2	Waste by type and disposal method	108
306-3	Significant spills	There were no significant spills.
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	NEINVER received no such sanctions in 2017.
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	98 The company evaluates all its suppliers.

CONTENTS	PAGE	REMARKS	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	61 and 122	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64	
401-3	Parental leave	125	
GRI 403: Occupational Health and Safety 2016			
403-2	Types and frequency of accidents, occupational diseases, missed days, absenteeism and number of deaths caused by occupational accidents or diseases	65 and 68	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	63 and 124	
404-3	Percentage of employees receiving regular performance and career development reviews	64	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	123	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments and development programs	78	NEINVER conducts this type of evaluation for all properties.
413-2	Operations with significant actual and potential negative impacts on local communities		When developing new properties, none of the socio-economic impact studies found any severe negative impacts in this area.
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	75	NEINVER evaluates the health and safety impacts of all the outlet and retail centres that it manages
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no cases of non-compliance in this regard.
GRI 417: Marketing and Labelling 2016			
417-2	Incidents of non-compliance concerning product and service information and labelling		There were no cases of non-compliance in this regard.
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	To date, the company has received no complaints about non-compliance in this area or requests for data deletion.
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area		The company has not received any significant sanction in the last year.
GRI G4 construction and real estate sector			
G4-CRE1	Building energy intensity.	103	
G4-CRE2	Building water intensity.	106	
G4-CRE3	Greenhouse gas emissions intensity from buildings.	104	
G4-CRE4	Intensity of greenhouse gas emissions greenhouse for new buildings construction and renovation activities	104	

CONTENTS	PAGE	REMARKS	
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	94	
G4-CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.		The company's projects have not displaced any populations.
G4-CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	94	



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