

Colonial

Corporate Social
Responsibility Report
2016



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Juan José Brugera Clavero
Chairman



Letter from the Chairman

The Colonial Group is very proud to present its Corporate Social Responsibility Report for the third consecutive year, which complements the information submitted in the Annual Report, the Corporate Governance Report and the Financial Statements, showing our commitment to our interest groups through our strategy and our management of Corporate Social Responsibility.

The commitment of the Colonial Group to our interest groups is based on five key pillars that are defined in our Corporate Social Responsibility Policy: i) the generation of sustainable value creation, ii) ethics and compliance, iii) personal development, iv) client satisfaction and loyalty, and v) eco-efficient management.

The implementation of the CSR Policy of the Colonial Group is structured through six fields of action, each one affecting one or various key aspects of CSR, which will be laid out in this report, showing the main developments achieved in 2016.

In the **Corporate Governance** field, big updates have been done. Likewise, within the field of the **Human Team**, it is worth highlighting the implementation of a customized language training plan.

The Colonial Group is positioned as a benchmark in the real estate sector on a European level, thanks to the trust that **Clients** have in the company. This trust is only possible through the day-to-day work and the constant search for personalized relationships and quality improvement. Accordingly, the Colonial Group bets on relationships based on listening and continual personalized attention to know the expectations and the needs of its clients and give them timely and decisive responses.

In its **Relationship with the Community**, the Colonial Group is committed to the society and the communities where it develops its activity, so that the profits obtained with its activity contribute to the general welfare and result in improvements for the cities and its inhabitants. This is reflected in the different social activities that are carried out in the Pedralbes Centre shopping centre, in its participation in the solidary world campaign Giving Tuesday in a numerous group of buildings as well as in the commitment with people with disabilities, at risk of social exclusion or with problems entering the labour market.

The Colonial Group is an organization committed to the environment and, as a result, with the **efficient use of resources**, a fact that is reflected in a decrease in fuel consumption, total energy consumption, paper consumption as well as reductions in direct emissions. It should be noted that 90% of the buildings of the Group are certified with the maximum environmental certifications (BREEAM & LEED). It is important to highlight that SFL has obtained the GRESB Green Star label.

The result of all of these advances is reflected in the field of **investors and shareholders** as the Colonial Group has been awarded, for the second consecutive year, with the “EPRA Best Practices Gold Award Financial Reporting” and the “EPRA Gold Award – Sustainability Reporting”, being the only listed Spanish company with the maximum rating in both categories. Colonial Group has also obtained the “Most Improved Award” in sustainability reporting.

Lastly, I would like to thank our shareholders and partners, as well as all of the employees of the Colonial Group, for their professionalism and daily effort to maintain the high standards that are enabling us to maximize the value creation in the company.

2. Colonial at a glance





Key Figures 2016

Colonial is a property Company that sets the benchmark in the high-quality office market, whose business model focuses on the development, remodelling and operation of properties for the lease of office space in prime locations, mainly in the Central Business District (CBD). The Group's pan-European diversification strategy has resulted in its solid consolidation in Barcelona, Madrid and Paris, in the latter city through its shareholding in Société Foncière Lyonnaise, S.A. (hereinafter SFL). The Company has more than 70 years of experience in the market and has been traded on the Spanish stock market since 1999.

The successful diversification and growth strategy has led to an excellent year for the Colonial Group during 2016 as well as for all its stakeholders as demonstrated by the key figures:

- The asset value at the end of 2016 amounted to €8,069 million, which has led to a like-for-like increase of 9.4% in the last 12 months, thanks to a combination of repositioning properties and higher occupancy rates, which have made it possible to increase yields and rental income.
- The net asset value at year-end stood at €7.25 per share, representing a growth of 18%, which represents a total return for the shareholder of 20% when considering the dividend paid in July 2016.
- Rental income amounted to €271 million, which represents a 17% increase since 2015. This growth is attributable to a like-for-like increase in income of 7% and an increase in income following the delivery of "Prime Factory" projects and new acquisitions.
- The increase in income has also resulted in a 24% rise in recurring EBITDA and a recurring net profit of €68 million, which represents an 83% increase since last year.

Distinctions in terms of Reporting

In September 2016, Colonial received the EPRA Gold Award – Financial Reporting and EPRA Gold Award – Sustainability Reporting, for its excellence and transparency in the communication of information to capital markets, being the only Spanish listed company with a maximum rating in both categories.

Furthermore, it obtained the Most Improved Award in sustainability reporting.



EPRA Best Practices Gold Award – Sustainability Reporting



EPRA Best Practices Gold Award – Financial Reporting



Most Improved Annual Report Award



Listed Company of the Year 2016, in the Property Investor Europe Award

ECONOMIC FIGURES	2016	2015
Rental income (€m)	271	231
Rental EBITDA (€m)	253	209
Recurring EBITDA (€m)	220	178
Recurring net profit (€m)	68	37
Net profit attributable to the Group (€m)	274	415
Investment in remodelling and projects (€m)	86	128
Investment in new acquisitions (€m) ⁽¹⁾	672	234
Number of assets	61	56
Assets (sq m) (above ground)	865,653	771,313
Commercial premises (sq m)	116,045	163,703
Total EPRA occupancy rate (%) ⁽²⁾	97%	94%

(1) Includes future CAPEX for ongoing projects.

Includes acquisitions of 55% shareholding in SFL and 15.1% shareholding in Axiare.

(2) EPRA occupancy rate: Financial occupancy rate according to the calculation recommended by EPRA (surfaces occupied multiplied by market rents / surfaces in operation at market rents).



TEAM FIGURES	2016	2015
Number of employees	150	139
Women	87	86
Men	63	53
Average no. of years in the Colonial Group ⁽¹⁾	12.2	12.7
Number of accidents ⁽¹⁾	3	2
Turnover (%) ⁽¹⁾	9	9

(1) Not including Finresa.

ENVIRONMENTAL FIGURES	2016	2015
Buildings awarded environmental certification	43	34
Environmental certification over the value of the portfolio (%)	90	80
Sustainable like-for-like energy consumption (MWh) (electricity and fuel for leased properties)	93,532	94,825
Energy intensity (Mwh sq m year)	248.78	252.37
CO ₂ emissions (Tn CO ₂ eq.)	19,118	17,925

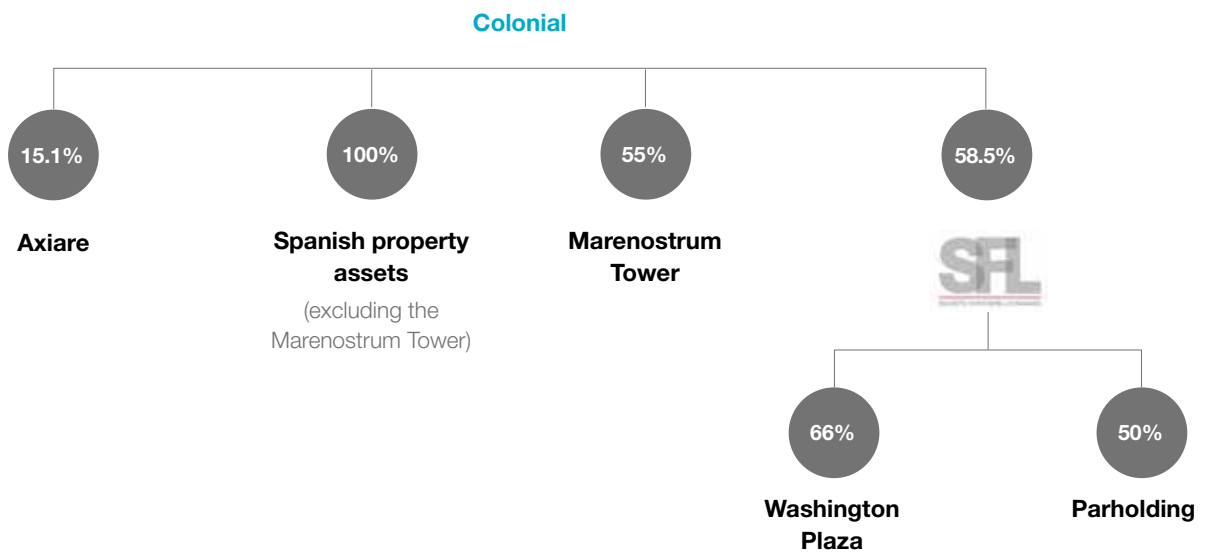
Structure of the Colonial Group

The exceptional performance of Colonial in recent years has helped the Company to consolidate its position in the European property sector. In 2016 this consolidation continued through an ambitious investment plan which made it possible to increase the Group's shareholding in SFL by 5.5%, reaching 58.5% in total in addition to

acquiring 15.1% in Axiare at a price with a significant discount on the NAV.

On the 31st of December 2016, the Group's shareholding structure was as follows:

CORPORATE STRUCTURE



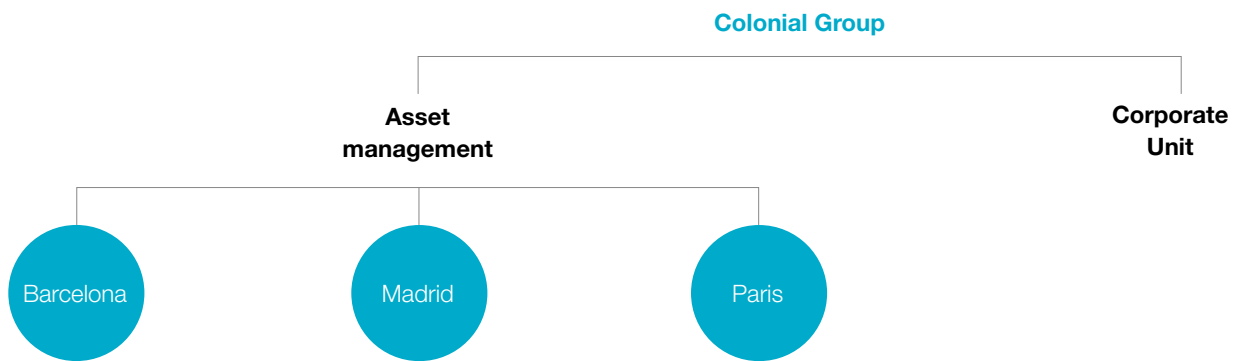
A Unique Business Model

The Colonial Group operates a portfolio of prime-location properties in Barcelona, Madrid and Paris.

The Colonial Group has a total portfolio of 1,221,117 m² (865,653 m² above ground), mostly composed of office

assets. The scope of this document encompasses all assets over which the Colonial Group has financial control that are also controlled from an operational perspective, i.e. all Colonial Group assets.

BUSINESS STRUCTURE



The asset value of the Colonial Group amounted to €8,069m at the end of 2016 (€8,478m including transfer costs), which represents a like-for-like increase of 9% over the previous year.

Strategic pillars

- Diversified pan-European business model focusing on the transformation and creation of high-quality offices.
- Creation of offices that meet the most demanding market requirements, with particular emphasis on efficiency and sustainability.
- Investment strategy combining "Core" acquisitions and "Prime Factory" acquisitions with "Value Added" components.
- Industrial real estate approach with value creation that exceeds the market average.
- Solid capital structure and high credit rating standards (investment grade).
- Attractive returns for shareholders.

Property portfolio

ACQUISITIONS ALPHA I PROJECT

In 2016, the Colonial Group successfully completed its acquisition programme within the framework of the Alpha I project, acquiring three prime assets in Madrid and a project in Barcelona.

Furthermore, Colonial Group has acquired a shareholding of 5.5% in SFL (4.4% in June 2016 and 1.1% in August 2016), and in November 2016 the Group acquired 15.1% of the shares in Axiare.

Acquisitions in Madrid

- José Abascal 45 – Madrid Prime CBD
- Serrano 73 – Madrid Prime CBD
- Corporate HQ Santa Hortensia 26-28 – Madrid BD

Acquisitions in Barcelona

- Parc Glòries Project – Barcelona 22@ Area
-

ACQUISITIONS ALPHA II PROJECT

Accelerating the fulfilment of growth objectives in the strategic plan, Colonial began 2017 by executing the Alpha II project, which includes the acquisition of three development projects, one in each of the markets in which the Colonial Group is present: Barcelona, Madrid and Paris, as well as the Spanish headquarters of the Bertelsmann Group, located in Barcelona's CBD.

The purchases of the Paseo de la Castellana, 163 and the Travessera de Gràcia, 47-49 buildings were formalized at the end of December 2016.

Acquisitions in Madrid

- Paseo de la Castellana, 163 - Madrid Prime CBD

Acquisitions in Barcelona

- Travessera de Gràcia, 47-49 - Barcelona Prime CBD
- Plaza Europa, 46-48 - Barcelona BD

Acquisitions in Paris

- 112-122 Av. Emile Zola - Paris South Center
-



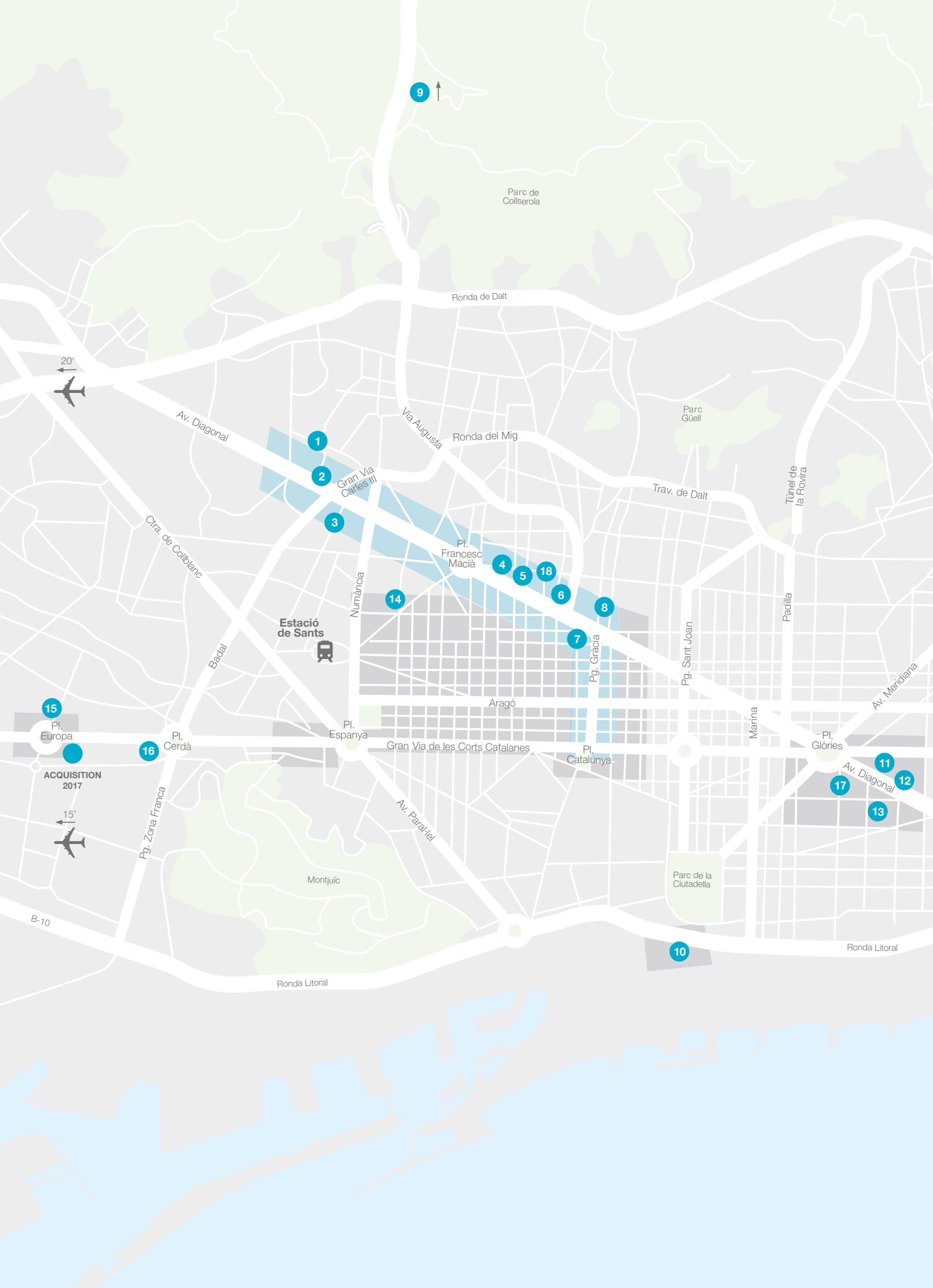
Barcelona
 18 buildings⁽¹⁾
 228,838 sq m above ground

- 1 Paseo de los Tilos, 2-6 / 5,143 sq m
- 2 Av. Diagonal, 682 / 8,622 sq m
- 3 Av. Diagonal, 609-615 / 21,996 sq m
- 4 Travessera de Gràcia, 11 / 4,515 sq m
- 5 Amigó, 11-17 / 3,580 sq m
- 6 Av. Diagonal, 530-532 / 11,783 sq m
- 7 Av. Diagonal, 409 / 4,531 sq m
- 8 Via Augusta, 21-23 / 4,838 sq m
- 9 Office complex in Sant Cugat Nord / 27,904 sq m
- 10 Marenostrum Tower / 22,394 sq m
- 11 Diagonal Glòries / 11,672 sq m
- 12 Office complex - Parc Central 22@ / 14,737 sq m
- 13 Office complex - Illacuna / 20,451 sq m
- 14 Berlín, 38-48 / Numància, 46 / 12,817 sq m
- 15 Plaza Europa, 42-44 / 4,869 sq m
- 16 BCN Tower / 9,835 sq m
- 17 Parc Glòries / 24,551 sq m
- 18 Travessera de Gràcia, 47-49 / 8,939 sq m

● Plaza Europa (acq. 2017)

- Prime Central Business District
- Business District

(1) Small non-strategic assets not included.



9

Parc de Collserola

Ronda de Dalt

Parc Güell

Av. Diagonal

1

Via Augusta

Ronda del Mig

2

Gran Via Carles III

Trav. de Dalt

Túnel de la Rovira

Ctra. de Collblanc

3

Pl. Francesc Macià

4

5

18

Estació de Sants

14

6

8

Badal

Numància

7

Pg. Gràcia

Pg. Sant Joan

Pacifia

15

Pl. Europa

ACQUISITION 2017

16

Pl. Cerdà

Pl. Espanya

Gran Via de les Corts Catalanes

Pl. Catalunya

Marina

Pl. Glòries

11

12

17

13

Av. Meridiana



Montjuïc

Parc de la Ciutadella

B-10

Pg. Zona Franca

Av. Paral·lel

Ronda Litoral

10

Ronda Litoral

Madrid

23 buildings⁽¹⁾

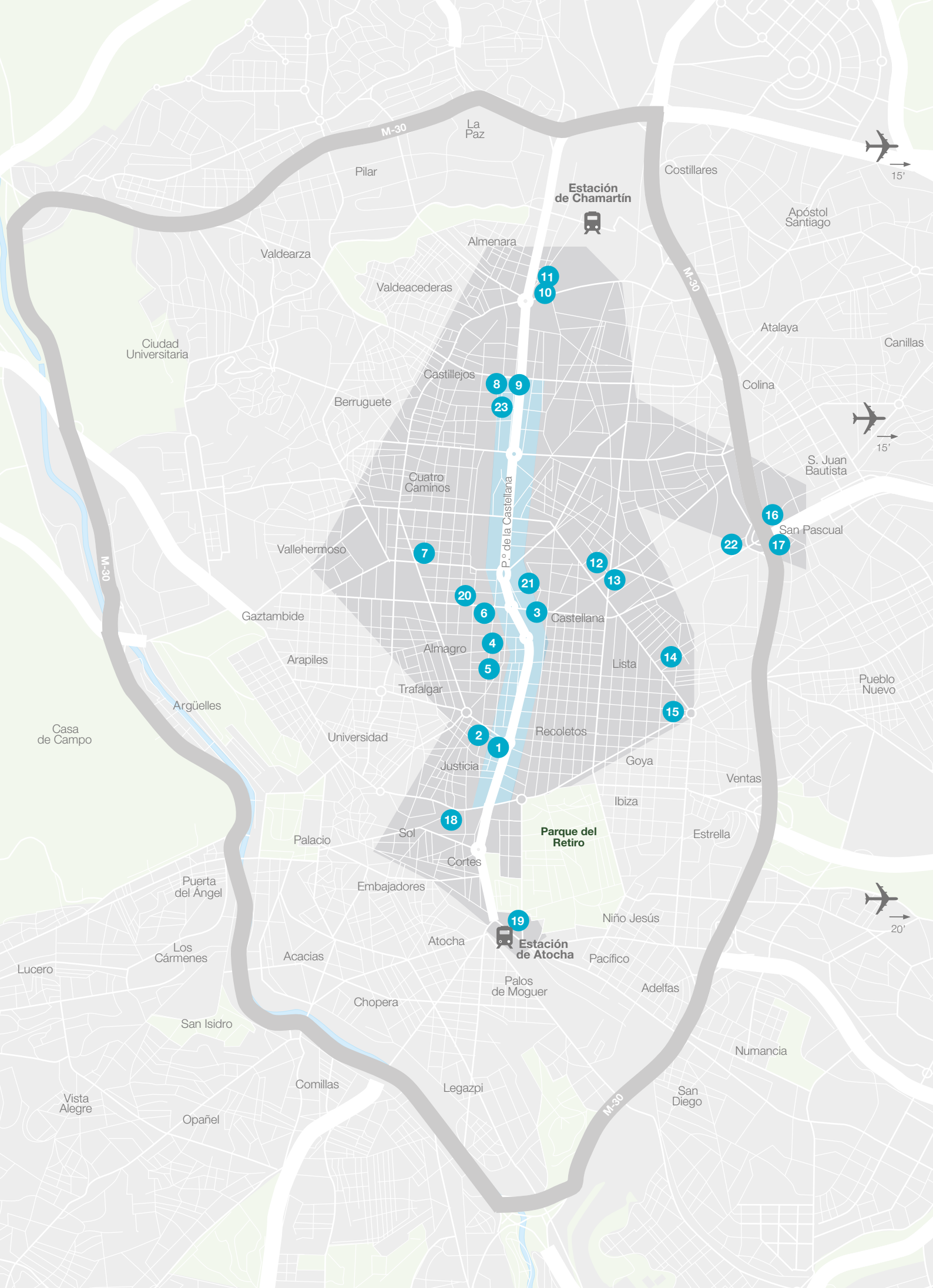
278,468 sq m above ground

- 1 Paseo de Recoletos, 37-41 / 17,202 sq m
- 2 Génova, 17 / 4,676 sq m
- 3 Paseo de la Castellana, 52 / 7,523 sq m
- 4 Paseo de la Castellana, 43 / 5,998 sq m
- 5 Miguel Ángel, 11 / 6,300 sq m
- 6 José Abascal, 56 / 12,337 sq m
- 7 Santa Engracia / 13,664 sq m
- 8 Capitán Haya, 53 / 16,015 sq m
- 9 Estébanez Calderón, 3-5 / 10,152 sq m
- 10 Agustín de Foxá, 29 / 7,275 sq m
- 11 Hotel Tryp Chamartín / 8,458 sq m
- 12 López de Hoyos, 35 / 7,140 sq m
- 13 Príncipe de Vergara, 112 / 11,368 sq m
- 14 Francisco Silvela, 42 / 5,393 sq m
- 15 Ortega y Gasset, 100 / 7,792 sq m
- 16 Ramírez de Arellano, 37 / 5,988 sq m
- 17 MV 49 Business Park / 24,135 sq m
- 18 Alcalá, 30-32 / 9,088 sq m
- 19 Alfonso XII, 62 / 13,135 sq m
- 20 José Abascal, 45 / 5,354 sq m
- 21 Serrano, 73 / 4,242 sq m
- 22 Santa Hortensia, 26-28 / 46,928 sq m
- 23 Paseo de la Castellana, 163 / 10,910 sq m

 Prime Central Business District

 Business District

(1) Small non-strategic assets not included.



M-30

La Paz

Pilar

Estación de Chamartín

Costillares

Apóstol Santiago

Valdearza

Almenara

Atalaya

Ciudad Universitaria

Valdeacederas

Canillas

Castillejos

Colina

Berruguete

Cuatro Caminos

S. Juan Bautista

Vallehermoso

7

Gaztambide

20

21

Arapiles

6

4

Argüelles

Universidad

5

Casa de Campo

Trafalgar

2

Recoletos

14

Argüelles

Universidad

1

Recoletos

15

Universidad

Justicia

Recoletos

Ventas

Palacio

18

Parque del Retiro

Estrella

Puerta del Ángel

Embajadores

Niño Jesús

Los Cármenes

Acacias

Atocha

Estación de Atocha

Pacífico

Lucero

Chopera

Palos de Moguer

Adelfas

San Isidro

Comillas

Legazpi

San Diego

Vista Alegre

Opañel

Numancia

M-30



Paris

20 buildings⁽¹⁾

358.347 sq m above ground

- 1 Louvre Saint-Honoré / 37,318 sq m
- 2 Washington Plaza / 42,294 sq m
- 3 Galerie des Champs-Élysées / 4,718 sq m
- 4 90 Champs-Élysées / 8,844 sq m
- 5 92 Champs-Élysées Ozone / 7,199 sq m
- 6 Cézanne Saint-Honoré / 26,287 sq m
- 7 Édouard VII / 52,474 sq m
- 8 176 Charles de-Gaulle / 6,138 sq m
- 9 Rives de Seine / 22,030 sq m
- 10 In/Out / 32,614 sq m
- 11 96 Iéna / 7,505 sq m
- 12 131 Wagram / 7,549 sq m
- 13 103 Grenelle / 16,895 sq m
- 14 104-110 Haussmann Saint-Augustin / 12,474 sq m
- 15 6 Hanovre / 3,325 sq m
- 16 #Cloud / 30,051 sq m
- 17 Le Vaisseau / 6,026 sq m
- 18 112 Wagram / 5,362 sq m
- 19 4-8 Rue Condorcet / 23,239 sq m
- 20 9 Avenue Percier / 5,945 sq m

● 112-122 Av. Emile Zola (acq. 2017)

● Prime Central Business District

(1) Small non-strategic assets not included.

Corporate Social Responsibility Model of the Colonial Group

The Colonial Group's commitment to its stakeholders is defined by its strategy and system for managing its Corporate Social Responsibility. The Board of Directors approved the CSR policy, which features the Group's strategy and establishes the obligation of the Company to dedicate the necessary resources to improve the Group's performance in social, economic and environmental matters.



Personal development

The Colonial Group's culture is based on commitment, teamwork and cooperation amongst people that make up the Group. With the objective of transforming this culture into a competitive advantage, the Group seeks to develop its talent through seven priorities (Chapter 5).



Eco-efficient management

The management of the Group's property portfolio must be aligned with its values and commitments, in order to actively contribute to a more sustainable world. By incorporating eco-efficient processes and actions, the Group seeks to reduce its environmental impact in the markets where it is present, with nine priorities (Chapter 7).



Ethics and compliance

The Colonial Group is committed, both with its investors and its different stakeholders, to carry out its activities in an ethical, transparent manner and in keeping up with regulatory requirements. In this sense, by means of instruments such as the Code of Ethics and the Compliance Unit, the Group seeks to have a positive social impact in this area by following four priorities (Chapter 3).

In order to facilitate the monitoring of the commitments defined in the CSR policy, the Colonial Group has divided the areas to be implemented into five action plans:



Client satisfaction and loyalty

Ensuring the satisfaction, trust and loyalty of its clients is critical to ensuring the sustainability of the Colonial Group. Through active dialogue, the Group seeks to seize opportunities for growth, meet the needs of its client network and respond to six specific priorities (Chapter 6).



Sustainable value creation

The integrated management of financial, social and environmental aspects is incorporated into the Colonial Group's policies and processes. In this respect, all of the Group's practices shall set a standard for corporate behaviour and must be geared towards having a positive social impact through value creation for stakeholders abiding by eight priorities (Chapter 2).

Through these plans, the Corporate Social Responsibility Model has defined the following priorities to consistently create sustainable value:

Priorities in sustainable value creation:

- To foster a Corporate Social Responsibility culture across the organisation.
- To maximise the cash flow generation strategy through proactive asset management.
- To improve the relationship with the society by providing value to stakeholders.
- To increase the transparency of information disclosed to stakeholders.
- To promote the integrated management of financial, social and environmental aspects in the organisation's culture and in all of its processes.
- To continue to make progress in generating and consolidating the Group's non-financial information.
- To actively manage our real estate portfolio in order to reposition properties and maximize added value.
- To integrate and standardise the processes of the various Group companies.

Progress to date:

- For the second consecutive year, the Group received the "EPRA Best Practices Gold Award – Financial Reporting" and the "EPRA Gold – Sustainability Reporting", as the only Spanish listed company to achieve the maximum score in both categories.
- Furthermore, the Company has obtained the "Most Improved Award" in sustainability reporting.
- The Company is included in two EPRA indexes: the FTSE EPRA/NAREIT Developed Europe and the FTSE EPRA/NAREIT Developed Eurozone.
- It is also a member of the Global Property Index 250 (GPI 250 Index) and the Ibex Medium Cap Index, which serve as benchmarks for international listed property companies.
- The Company is included in the Morgan Stanley Capital International (MSCI) Index.
- In France, CSR breakfast meetings have been held, which employees participate in and are invited to speak on sustainability-related issues (e.g. eco-mobility, circular economy and the Climate Change Summit).

The Colonial Group's Value Chain

Sustainability benchmark

Companies are increasingly aware that they must fulfil the expectations of their stakeholders and include these expectations in their strategies to earn and maintain stakeholder trust. To this end, investors and other stakeholders are increasingly likely to seek out entities with strong sustainability ratings.

In terms of CSR, one of the reference organisations in the property sector is GRESB (Global Real Estate Sustainability Benchmark). One of the goals of this organisation is to assess the CSR strategies and performance of property companies worldwide in terms of the following aspects:






- Governance Model
- Policies and transparency
- Risks and opportunities
- Monitoring
- Performance indicators
- Certifications
- Commitment to stakeholders
- Sustainability in construction and remodelling

In 2015, Colonial participated in the benchmark performed by GRESB for the first time, which allowed the Group to contrast the CSR areas that its action plan should focus on. Colonial intends to participate in this assessment again in order to evaluate its progress, which has already received recognition from EPRA by granting them the "Most Improved Annual Report Award", in addition to the "EPRA Best Practices Gold Award – Sustainability Reporting" distinction.

By analysing its activity value chain, the Colonial Group has identified aspects that are key for its stakeholders, as well as the impacts of its own activities both within and outside the organisation. This analysis is of great importance when it comes to aligning the Company's sustainability objectives with business processes and the expectations of investors, financiers, clients, professionals, suppliers and society in general.



KEY ASPECTS FOR THE COLONIAL GROUP

	 Acquisition of property and land	 Investment in property	 Real estate management	 Property rental	 Business Support services
1. Location and security	●	●	●	●	
2. Company service efficiency		●	●	●	●
3. Client satisfaction and communication			●	●	●
4. Certification and labelling		●	●	●	
5. Generating value for shareholders	●	●	●	●	●
6. Relevance of CSR investment (CAPEX/OPEX)	●	●	●	●	
7. Responsible consumption (energy, raw materials, water and waste)		●	●	●	●
8. Emissions management and eco-efficiency	●	●	●	●	●
9. Safety and environmental risk management	●	●	●	●	●
10. Procurement and supplier relationships		●	●	●	●
11. Attracting talent and training					●
12. Diversity and equal opportunities			●		●
13. Health and safety		●	●	●	●
14. Quality of life		●	●		●
15. Governance and transparency	●	●	●	●	●
16. Corporate ethics	●	●	●	●	●
17. Commitment to the local community	●	●	●	●	●

Corporate culture

The Colonial Group’s corporate culture seeks to uphold the commitments the Colonial Group voluntarily maintains with its stakeholders. The Group’s CSR policy seeks to

help the organisation to develop the mission and vision of the Colonial Group through the values set out in the organisation’s Code of Ethics.

Mission, Vision and Values

Mission

“To create long-term value for shareholders, investors, employees and all stakeholders by investing in and managing office buildings that allow our clients to reach their full potential”

Vision

“To be leaders in the European office market, recognised for our experience and professionalism, for our solidity and profitability, providing excellent, sustainable real estate solutions tailored to our clients’ needs”

Values

- Excellence
- Professionalism
- Leadership
- Commitment
- Rigour
- Transparency

Colonial Group’s Stakeholders

The trust of all stakeholders is of the utmost importance to the Colonial Group; to this effect, it maintains a range of communication channels with them, which are as bidirectional as possible.

STAKEHOLDERS

COMMUNICATION CHANNELS



Shareholders and investors

Investor groups, institutional shareholders and other shareholders.

Shareholder Office (email and phone), Investor Office (email and phone) and corporate website (“Shareholders and Investors” tab).



Clients

Leaders in various industries and official agencies.

Building manager, Colonial Group Client homepage (Colonial intranet and ServicebySFL) and client points of contact (telephone, mail and online).



Financial backers

Funds, insurance companies, financial institutions and other financial services groups.

Points of contact with management (telephone, mail and online).



Employees

Employees at Colonial, Société Foncière Lyonnaise (SFL) and their labour union representatives.

Intranet, points of contact (telephone, mail and online) and informal horizontal and vertical channels of communication (in situ).



Suppliers

Asset suppliers, building service providers, appraisers, contractors and other external partners.

Supplier management platform and points of contact with procurement managers (telephone, mail and online).



Society

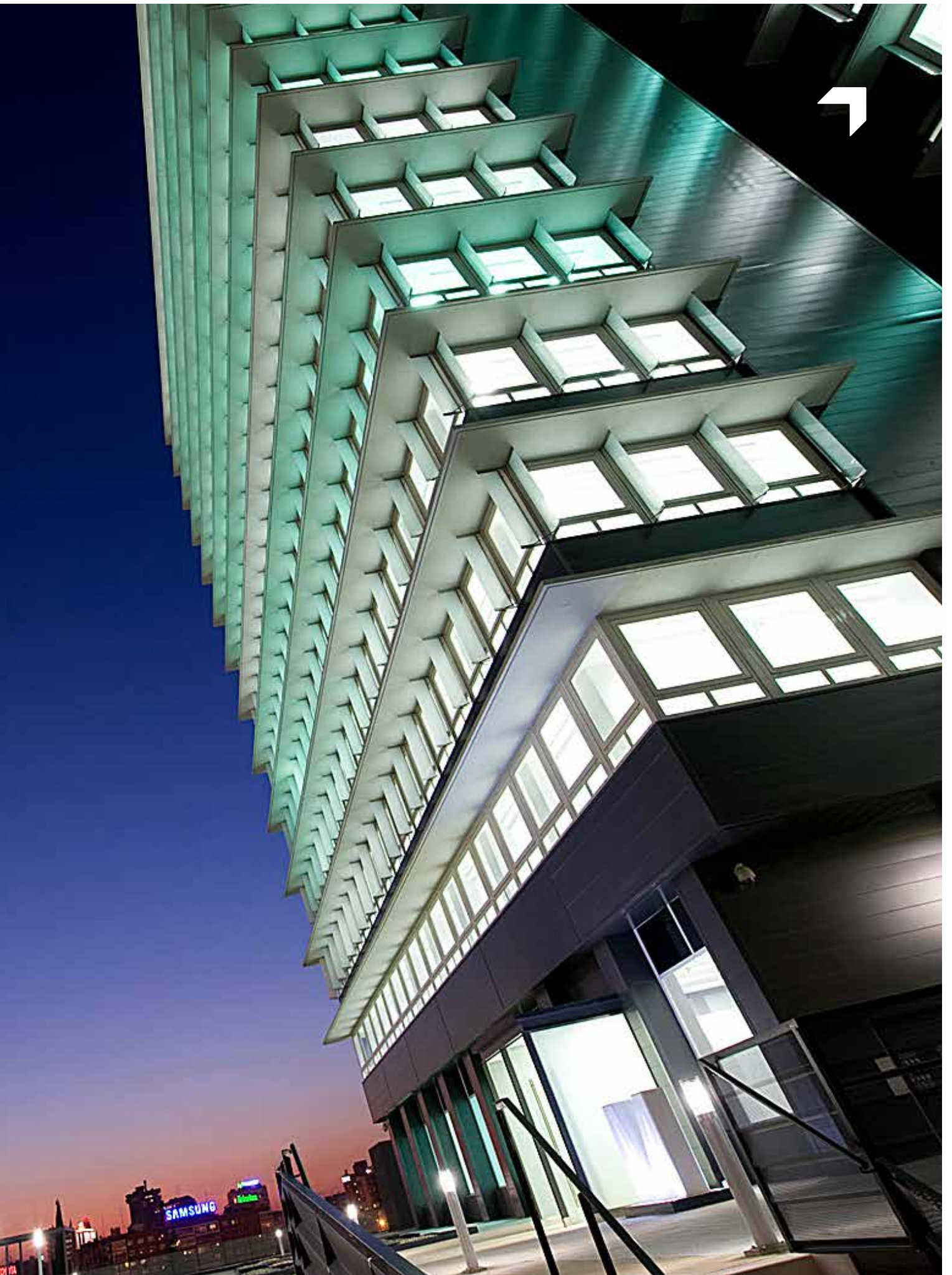
Industry-specific associations, public authorities, the media, local communities, NGOs and the general public.

General points of contact (telephone, mail and online).



3. Corporate Governance Model





Board of Directors

In 2016, Colonial continued making progress on ensuring that the Company's corporate governance remained aligned with the best national and international practices. As a result, in July 2016, Colonial's Nomination and Remuneration Committee created the Corporate Governance Unit with the objective of implementing best corporate governance practices.

As in previous years, Colonial maintains its commitment to moving forward in the development of a governance model based on the principles of efficiency, regulatory compliance and transparency, in line with the main international standards. On the 31st of December 2016, the Company was in compliance with 58 of the 64 recommendations set out in the Code of Good Governance for Listed Companies (4 are not applicable) approved by the Spanish Securities Market Commission (CNMV) on the 18th of February 2015. Furthermore, work is being undertaken to ensure that during 2017, the Group complies with all of the applicable recommendations.

With respect to the amendments made to corporate texts, in 2016 Regulations from the Board of Directors, the Company Bylaws and the Internal Code of Conduct have been amended in terms of the Securities Market.

The Board of Directors is endowed with the broadest powers with respect to the administration, representation and management of the Company. On the 31st of December 2016 it is comprised of 11 members, two of which are executive directors. From the non-executive directors, five are considered proprietary directors and four independent directors, one of whom also serves as the lead director.

According to corporate texts, the Board of Directors has created an Executive Committee; an Audit and Control Committee and a Nomination and Remuneration Committee.

On the 31st of December 2016, the Audit and Control Committee comprises five directors, all of whom are non-executive directors. Specifically, four are considered independent directors, including the Chairman, and one proprietary director.







The 31st of December 2016 the Nomination and Remuneration Committee comprises five directors, all of which are non-executive directors. Specifically, three are considered independent directors, including the Chairman, and two proprietary directors.

The Secretary and Vice-Secretary of all committees are the same as the ones on the Board of Directors. The functions of the lead independent director are carried out by Mr. Carlos Fernández-Lerga Garralda.

In 2016, the Board of Directors met on 11 occasions, whilst the Nomination and Remuneration Committee met on 7 occasions and the Audit and Control Committee on 10 occasions.

The detailed composition of the Board of Directors and its committees as of December, 31st 2016 is as follows:

Board of Directors

NAME OF DIRECTOR	TITLE		COMMITTEE ROLE
Juan José Brugera Clavero	Chairman		Chairman ●
Pere Viñolas Serra	Chief Executive Officer		Member ●
Juan Villar-Mir de Fuentes	Director		Member ●
Sheikh Ali Jassim M. J. Al-Thani	Director		Member ●
Adnane Moussanif	Director		Member ●
Juan Carlos García Cañizares	Director	Aguila LTD (Santo Domingo)	Member ● ●
Carlos Fernández González	Director		Member ●
Ana Sainz de Vicuña	Independent Director		Chairman ●
Carlos Fernández-Lerga Garralda	Independent Director		Member ● ●
			Chairman ●
Javier Iglesias de Ussel Ordís	Independent Director		Member ● ●
Luis Maluquer Trepát	Independent Director		Member ● ●
Francisco Palá Laguna	Secretary - Non-Director		Secretary ● ● ●
Nuria Oferil Coll	Vice-Secretary - Non-Director		Vice-secretary ● ● ●

(1)Through Inmobiliaria Espacio, S.A.

● Executive Committee

● Nominations and Remuneration Committee

● Audit and Control Committee

The main changes to the Board of Directors in 2016 were the inclusion of two new proprietary directors Mr. Carlos Fernández González and Mr. Adnane Mousannif, the departures of Mr. Francesc Mora Sagués and Grupo Villar Mir, S.A.U. and the change in category from “other external” to “independent” of Mr. Luis Maluquer Trepát.

Detailed information on the corporate governance model can be found in the Inmobiliaria Colonial, S.A. 2016 Annual Corporate Governance Report.

Executive Committee

In 2016, the management team comprised the following members:

- Chairman: Juan José Brugera Clavero.
- Chief Executive Officer: Pere Viñolas Serra.
- Corporate Managing Director: Carmina Ganyet i Cirera.
- Chief Operating Officer: Albert Alcober Teixidó.
- Chief Financial Officer: Àngels Arderiu Ibars.
- Chief Corporate Development Officer: Carlos Krohmer.
- Chief Legal Officer: Núria Oferil Coll.
- Chief Investment Officer: Juan Manuel Ortega Moreno.

Risk Management

Colonial's goal is to create sustainable value by optimising the relationship between profitability and risk in its business activity, helping to strengthen its leadership in the property sector and consolidate its long-term position. To this end, it boasts a solid corporate governance system and an efficient risk management and control system that is aligned to its business model, stakeholder expectations and best national and international practices.

Therefore, risk management is a key aspect of Colonial's organisational culture, ensuring that the risks to which the Group is exposed are identified, analysed, assessed, managed, controlled and updated.

Effective risk management is coordinated at the Internal Audit Division with a view to mitigating the impact of risks related to the macroeconomic environment of countries and markets in which the Group operates, in addition to those inherent to its activities, such as efficient property management, asset value, ability to attract capital, level of service and image and reputation.

In order to meet its corporate objectives, Colonial has developed an Internal Risk Management and Control System (hereinafter, IRMCS), which defines the bases for the efficient and effective management of risks throughout the Company. The IRMCS divides risks into the following categories:

RISKS	AREA
Corporate risks	Relative to the organisational structure, corporate culture, corporate policies and key decision-making processes by the governing bodies.
Strategic risks	Relative to the development of the strategy in the property sector.
Operational risks	Relative to losses due to failures or to inadequate management of operations.
Reporting risks	Relative to compiling relevant and complete information to generate internal and external reports.
Compliance risks	Arising from the failure to comply with contractual and regulatory obligations.

The Board of Directors is responsible for determining the Company's risk management and control policy, including tax risks, by identifying its main risks and implementing and supervising the IRMCS. The Board makes the most relevant decisions regarding the development of the Company, with the objectives of ensuring the future viability and competitiveness of the Colonial Group. The Board of Directors is assisted in managing this policy by the Audit and Control Committee.

Each year, the Audit and Control Committee creates a monitoring report concerning Colonial's risk management and control policy. Furthermore, risk management at Colonial is structured into a corporate risk map that graphically represents the assessment of risks according to their impact, their effect on Colonial measured in economic, operational, reputational and compliance terms, and the likelihood and probability of the risk occurring over time. Colonial reviews and updates the risk map every two years, in collaboration with Group companies. Furthermore, it monitors and reviews risks with a view to assessing the effectiveness and efficiency of the controls implemented.

In 2016, Colonial carried out the following specific risk management activities:

- The Regulatory Compliance Unit (RCU) updated Colonial's regulatory risk matrix and informed the different heads of department about the regulatory updates affecting their corresponding departments.
- The RCU held specific training on risk management across the different levels of the Company:
 - On corporate governance policy
 - Criminal risk prevention
 - Anti-money laundering and counter terrorism financing
- The Finance Department produced a tax report, which was escalated to the Audit and Control Committee and the Board of Directors, featuring an analysis of the Group's tax contributions in addition to the Group's main figures in this aspect.
- The Internal Audit Unit, with a view to strengthening the control environment, was responsible for implementing the Governance Risk and Compliance *GRC Suite* application, which makes it possible to monitor the controls established for the Internal Control over Financial Reporting (ICFR) system. Additionally, the Internal Audit Unit reviewed ICFR procedures and updated them in line with internal organisational changes.
- The digital revolution has offered huge benefits in terms of innovation and growth, but also exposes companies to new threats. In 2016, Colonial, aware of the risks entailed when using new technologies, organised an informational session to raise awareness on cyber security among members of the Audit and Control Committee. Colonial, aware of those growing threats in this area, has reviewed the control measures to mitigate this risk.

Ethics and integrity

Priorities in ethics and compliance:

- To continue developing instruments to monitor and follow up on compliance with legal requirements.
- To enhance the visibility and transparency of the practices carried out by the team.
- To follow good corporate governance practices.
- To foster the principles of the Colonial Group's Code of Ethics among the various stakeholders.

Progress to date:

- Update of the Internal Code of Conduct (ICC) concerning the Securities Market.
- Communication of the Company's Code of Ethics and Internal Regulations to new hires.
- Update the Anti-Money Laundering and Counter Terrorism Financing Manual and related training for employees.
- Update the regulatory risks matrix.
- Update the prevention of criminal risks model and related training.



The governing bodies at Colonial are committed to safeguarding ethical, integral and transparent conduct throughout the organisation. In this regard, the Board of Directors is responsible for defining the crime prevention policy, including the anti-corruption policy. The Audit and Control Committee is responsible for supervising the development of crime prevention policy. In turn, the ACC delegates the implementation and dissemination of the crime prevention manual to the Regulatory Compliance Unit. According to the Board Regulations, the Audit and Control Committee is also responsible for supervising compliance with internal codes of conduct and the CSR policy, in addition to ensuring that they are updated using the means deemed most effective, with a view to maintaining the excellent reputation of the Colonial name.

All Group employees, both in Spain and France, are required to respect and abide by the corresponding codes of ethics (Colonial Group Code of Ethics and the Charte de Déontologie Groupe Société Foncière Lyonnaise).

Given that the activities undertaken by suppliers and partners may affect the Company's reputation, only potential suppliers that meet ethical standards equivalent to those applied by the Colonial Group are invited to participate in calls for tenders.

CONTENTS OF COLONIAL'S CODE OF ETHICS

1. Objective

2. Scope of application

3. Colonial's vision and values

4. Guidelines:

- Respect for the law
- Professional integrity
- Respect for the environment

5. Relationship with and among the Group's employees

- Non-discrimination, mutual respect and equal treatment
- Equal opportunities
- Work/life balance
- Right to privacy
- Occupational health and safety

6. Commitment to third parties and to the market

- Free competition
- Integrity in management
- Client relations
- Relations with suppliers and contractors
- Relations with shareholders
- Privileged and confidential information
- Safeguarding corporate assets
- Avoidance of conflicts of interest
- Neutrality
- Social commitment
- External activities

7. Code of Ethics development and compliance

In summary, Colonial is committed to the principles of business ethics and transparency in all areas of business. The Colonial Group not only pursues social interests, pursuant to the provisions of the legislation in force and Corporate Governance standards, but it also works to establish strong and permanent links with its stakeholders based on exemplary conduct.

In terms of the Internal Code of Conduct (ICC) concerning the Securities Market, in June 2016 the Board of Directors approved an updated version with a view to adapting it to the new European regulations on market abuse.

Monitoring

To ensure that the regulation is fulfilled adequately, both within and outside Colonial, and that the Code of Ethics is applied correctly, in 2011 the Company created the Regulatory Compliance Unit, which reports to the Audit and Control Committee. This unit ensures that the regulations applicable to the Company are adhered to accordingly. Its most noteworthy activities include the management and supervision of the criminal risk prevention model, the management and supervision of regulatory risks, responsibility for the whistle-blowing channel and the management and supervision of the correct application of the Internal Code of Conduct concerning the Securities Market, in addition to the Code of Ethics.

In 2016, the Regulatory Compliance Unit, despite not having received any reports via the whistle-blowing channel, has continued to raise awareness of the existence and purpose of the feature amongst Colonial employees. The unit has also undertaken a process to assess the tools that can help improve transparency and confidentiality in terms of management of non-compliance.

Anti-corruption

The Company's Code of Ethics specifically prohibits all forms of corruption and bribery. Furthermore, a criminal risk prevention model is in place at Colonial, and must be adhered to by all staff at the Company.

As part of its commitment to good governance guidelines, Colonial has established claw-back clauses in the employment contracts of some of its directors.

In 2016, the Regulatory Compliance Unit offered specific training on criminal risk prevention matters for directors

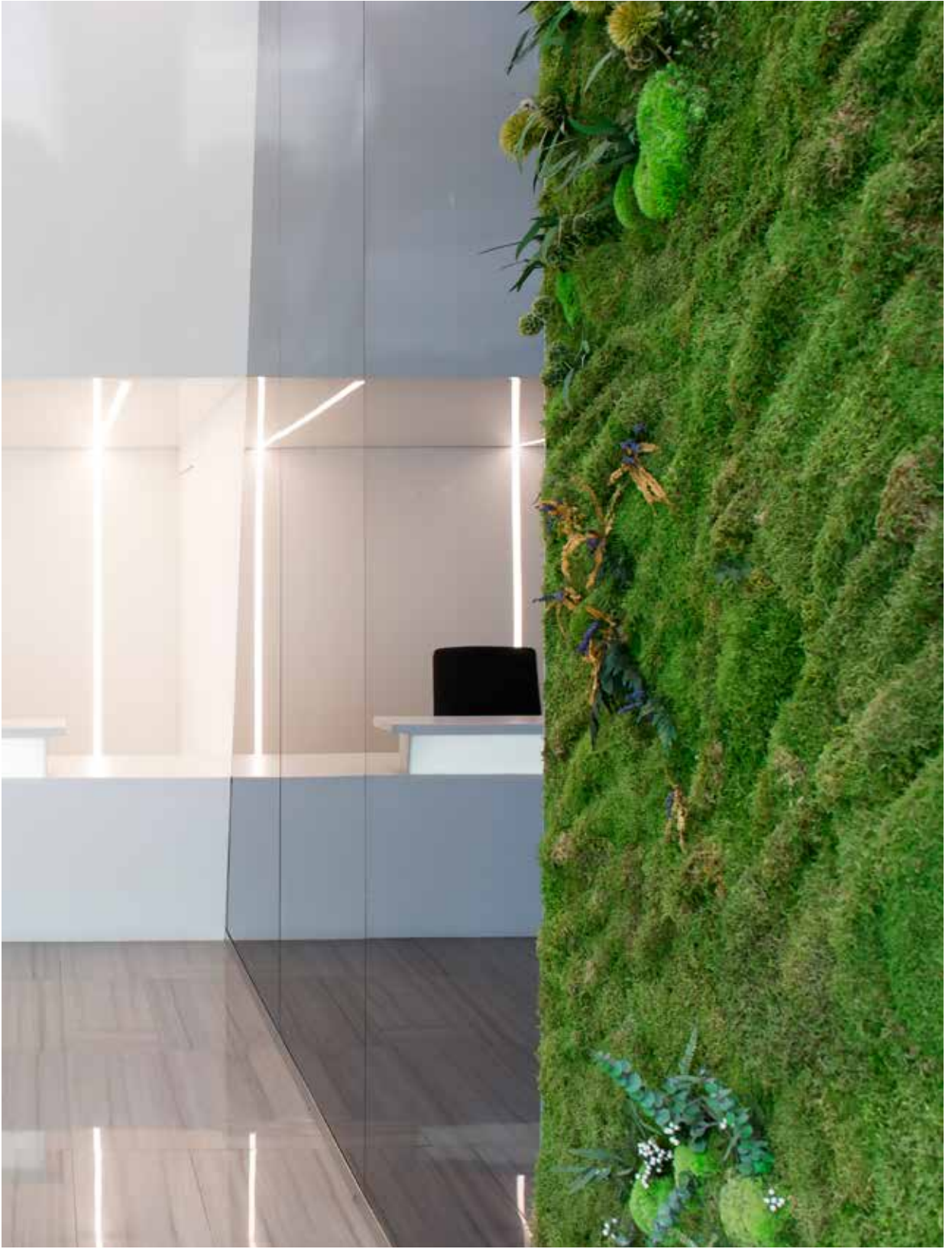
and heads of department, providing examples of criminal behaviour, such as corruption. Furthermore, in terms of anti-money laundering and counter terrorism financing measures (hereinafter AML/CFT), significant progress has been made during 2016, including:

- In May 2016, the Board of Directors approved the update to the AML/CFT Manual.
- The new composition of the Internal Control and Communication Body (ICCB) was approved. This body is responsible for applying anti-money laundering and counter terrorism financing procedures. A technical unit has also been appointed.
- Training on AML/CFT has been offered to employees in the Treasury and Business Administration departments, and subsequently to all employees via the intranet.
- In 2016, an independent AML/CFT expert issued a report on the measures implemented by the Company in 2015 in this regard.

Furthermore, contracts on the discretionary management and liquidity of Company shares have been updated in light of the new circumstances.

Moreover, Colonial has formalized a crime prevention model that, among other things, identifies, assesses and prioritises the risk of corruption, and regularly, reviews and updates the controls and procedures that the Company has put in place to prevent and detect this risk.

Lastly, during 2016, work was undertaken to update the regulatory risk matrix. As part of these efforts, the Regulatory Compliance Unit, in addition to other activities, conducted interviews with the different heads of departments throughout the organisation to raise awareness of the new regulatory aspects that affect each department, in order to analyse potential opportunities for improvement to ensure compliance with regulations.



4. Investors and shareholders





Shareholder's Return

The total shareholder's return, understood as the growth in NAV per share plus the dividend paid out in July 2016, amounted to 20%⁽¹⁾, one of the highest returns among listed sector companies in both Spain and Europe.

This high shareholder's return is a result of the Colonial Group's industrial strategy, focused on the transformation and creation of prime offices in the centres of Barcelona, Madrid and Paris, which has made it possible for the Company to create value superior to that of the market average.

The return was obtained by maintaining a solid capital structure with an LTV close to 40%, along with an Investment Grade credit rating.

In this regard, Colonial offers its shareholders a very attractive risk-adjusted return.

TOTAL SHAREHOLDER'S RETURN⁽²⁾

Growth of NAV per share

+18%

Dividend paid per share

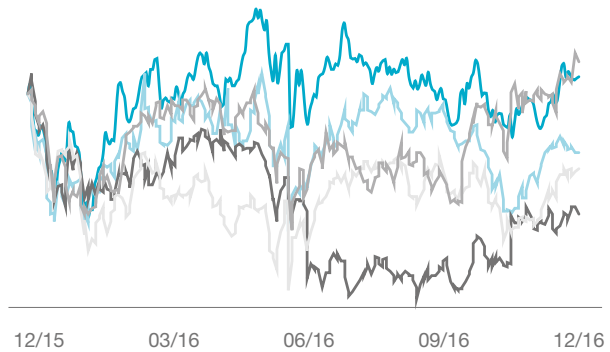
+2%

Total return per share

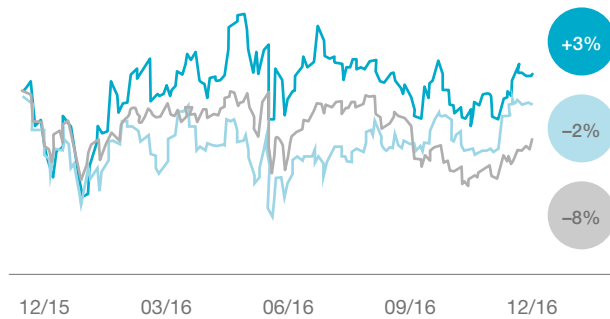
+20%

Stock Market Performance

Volatility in capital markets rose in 2016, particularly after the Brexit vote. Against this backdrop, Colonial shares outperformed benchmark indices (such as IBEX and the EPRA index) as well as its main competitors, gaining 3% during the year.



- Colonial +3
- Peer 2-8%
- Peer 4-17%
- Peer 3+5%
- Peer 1-11%



- Colonial +3%
- IBEX - 35 -2%
- EPRA -8%

(1) Dividends paid and other effects.

(2) Total returns understood as NAV growth per share + dividends.

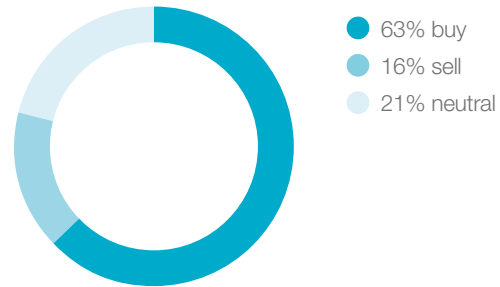
The average volume traded stands at €6.3m, reflected in an attractive volume of liquidity compared to the Group's sector in Europe and particularly in Spain.

Furthermore, Colonial shares enjoy ample coverage in the analysis market. Currently, 19 analysts follow the Company.

In terms of total recommendations, 63% of analysts issued a Buy recommendation, with the average target price standing at €7.30/share. The maximum target price was €8.80/share.

Colonial is a member of two EPRA indices: the FTSE EPRA/NAREIT Developed Europe and the FTSE EPRA/NAREIT Developed Eurozone. In addition, it is a member of the Global Property Index 250 (GPR 250 Index), as well as the Ibox Medium Cap index. These indices are benchmarks for international listed property companies.

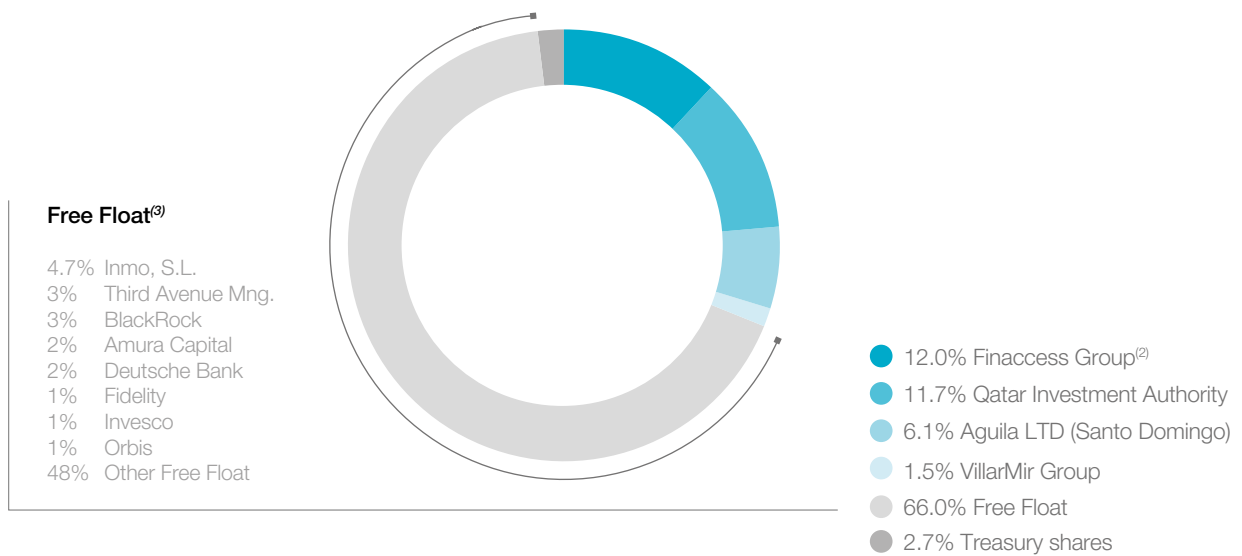
In addition, Colonial is a member of the Morgan Stanley Capital International (MSCI), a global property benchmark index for profitability.



Shareholder Structure

Colonial's shareholder structure is as follows:

COLONIAL SHAREHOLDER STRUCTURE AS OF 26/04/2017⁽¹⁾



(1) According to reports in the CNMV and notifications received by the Company.

(2) Through Hofinac BV.

(3) Free float: shareholders with minority stakes and without representation on the Board of Directors.

SFL shareholder structure and corporate governance

SFL SHAREHOLDER STRUCTURE AT 31/12/2016



(1) Interest held through Qatar Investment Authority (13.6%) and DIC Holding (8.6%).

Investor and Shareholder Relations

In accordance with its internal regulations, Colonial provides its investors with transparent information, offering them frequent first-hand details on the Group's financial position and results.

Colonial also has direct communication channels available via the Investor Relations Division and the Shareholder Relations Office, to provide support and assistance to shareholders and investors and to allow them to voice their suggestions, concerns and queries.

Shareholder Relations Office

E-mail:
accionistas@inmocolonial.com
 Telephone: 93 404 79 10

Investor Relations Division

E-mail:
inversores@inmocolonial.com
 Telephone: 93 404 78 98
 Address: Av. Diagonal, 532
 08006 Barcelona

Another main channel for communicating with these stakeholders are the roadshows organised by Colonial. Specifically, in 2016, 43 presentations were held at 15 different locations, not only in Spain and Europe, but also in the US and Asia.

Investor Day, 17th of October 2016, Paris

Colonial held its second Investor Day in Paris on October 17, 2016. Attendance was up 18% year-on-year, with a strong presence among institutional investors (58%) and analysts (42%). Furthermore, 58% of those attending the event were from abroad.

As part of the event, seven speeches were made on Colonial and the market, in addition to an asset tour.

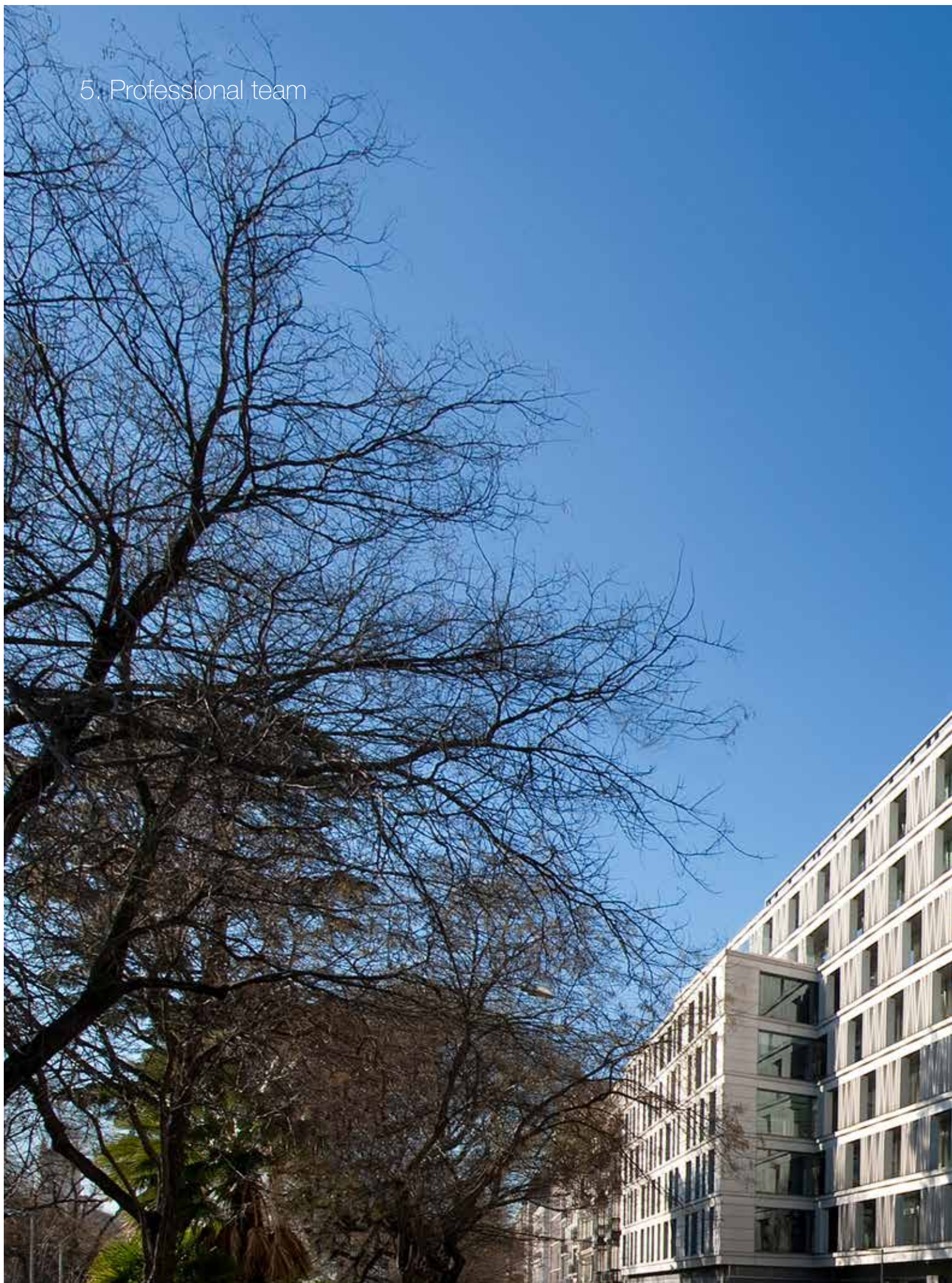
Attendees expressed their satisfaction after the presentation, particularly in terms of event organisation, speeches and content of the presentations.

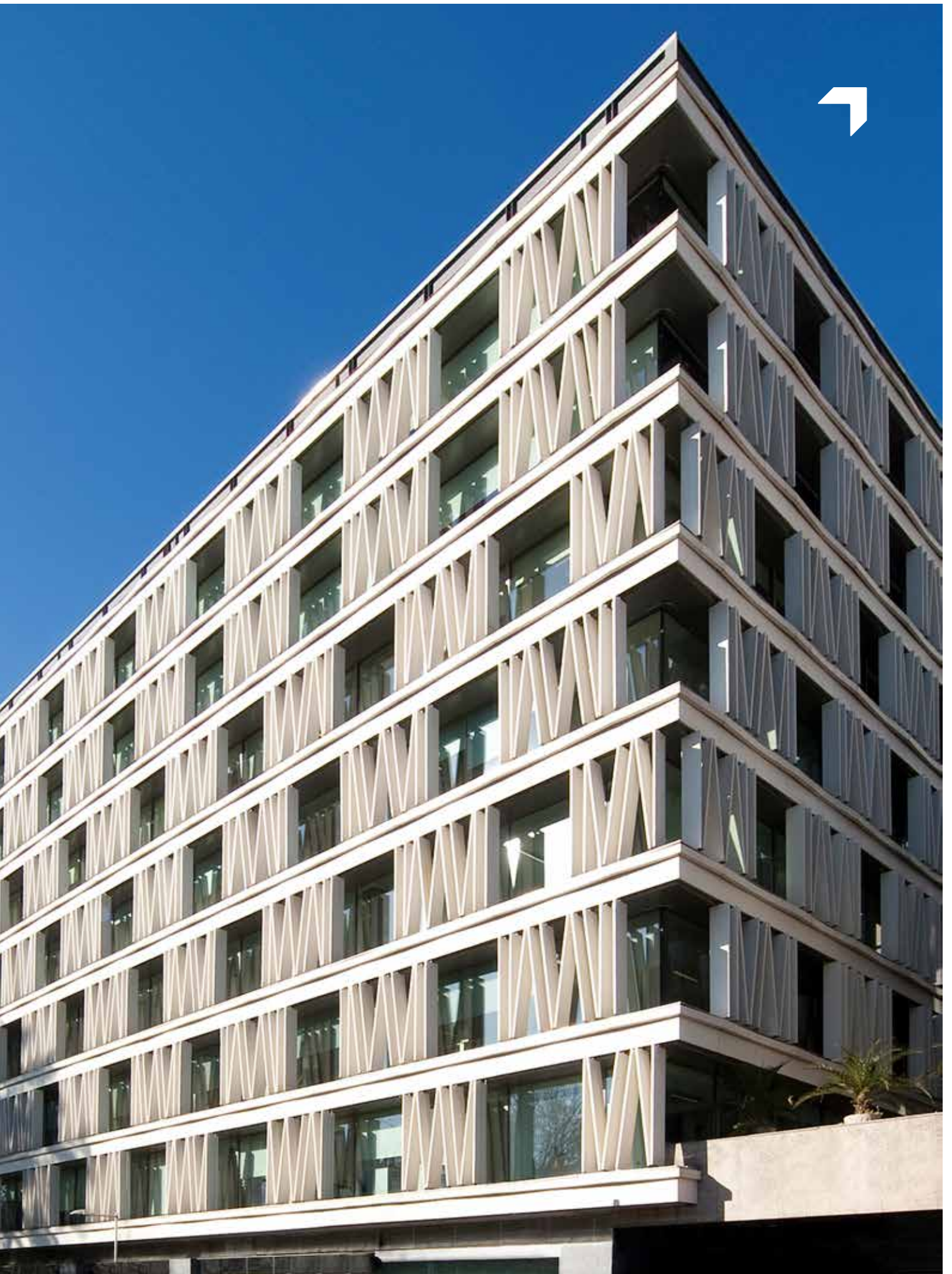


The Colonial Group also provides financial information on its website under the “Shareholders and investors” tab.

<https://www.inmocolonial.com/accionistas-inversores/home-accionistas-inversores>

5. Professional team





Having an experienced team of professionals in place is one of the basic pillars and most important resources when it comes to ensuring the correct functioning of the Company and its ability to create sustainable value.

Priorities in personnel development and recruitment:

- To create a pleasant working environment, allowing employees to apply their skills and develop both personally and professionally.
- To facilitate a balance with personal/family life and promote flexibility in the workplace.
- To ensure equality and equal opportunities and to foster employee's welfare and health.
- To foster training and knowledge management by implementing training plans adapted to the needs of each employee.
- To encourage the identification, attraction, development and retention of talent.
- To promote mechanisms that improve internal communication by using new technologies and continually updating the corporate Intranet. Employee satisfaction surveys are of particular importance in this regard.
- To work in an environment that is safe and that guarantees employee health and well-being.

The Colonial Group bases its personnel management policy on respect for equal opportunities, diversity and non-discrimination on the basis of gender, age, disability or any other condition. The Company believes that the social aspect and development of employees is a key component. To this end, it maintains its commitment to the personal and professional development of all employees. Furthermore, the Company seeks to offer stable, high-quality employment that ensures the satisfaction of all employees.

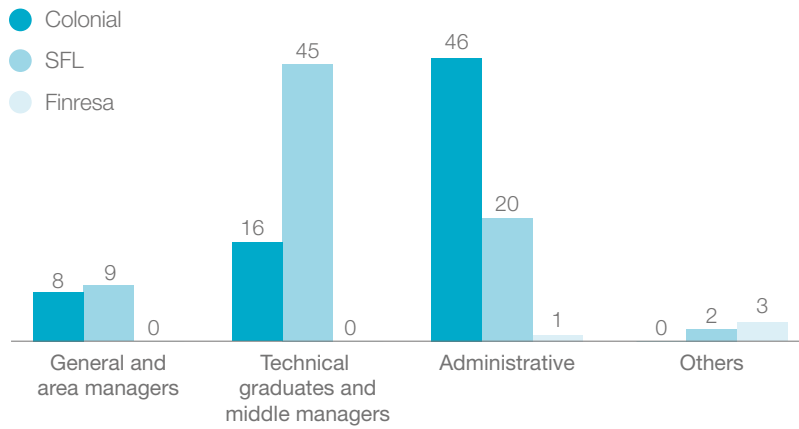
Progress to date:

- The 2016 training plan promoted language training, with a view to enhance the confidence of employees in the performance of their duties and functions in a language that is not their mother tongue. All employees had the opportunity to participate in English and French language courses appropriate for their level in the language and their job position.
- A psychosocial study was carried out.
- A workplace harassment protocol was created and published on the Company's intranet available for all employees.
- A project was rolled out to improve the intranet, which will be consolidated in 2017. This initiative also seeks to improve internal communication and enhance the level of dynamism and dialogue within teams.
- SFL secured a collective agreement concerning workplace equality between men and women.

Communication and dialogue are key pillars in the relationship with these stakeholders. The Colonial Group offers employees permanent communication channels and encourages interpersonal relationships amongst all team members.

In 2016, the assessment of psychosocial risks in the workplace was concluded in Spain. The purpose of this study was to identify the corresponding risks in the Company's work environment in order to design preventive and management measures to mitigate these risks and ensure that all employees have access to a healthy work environment.

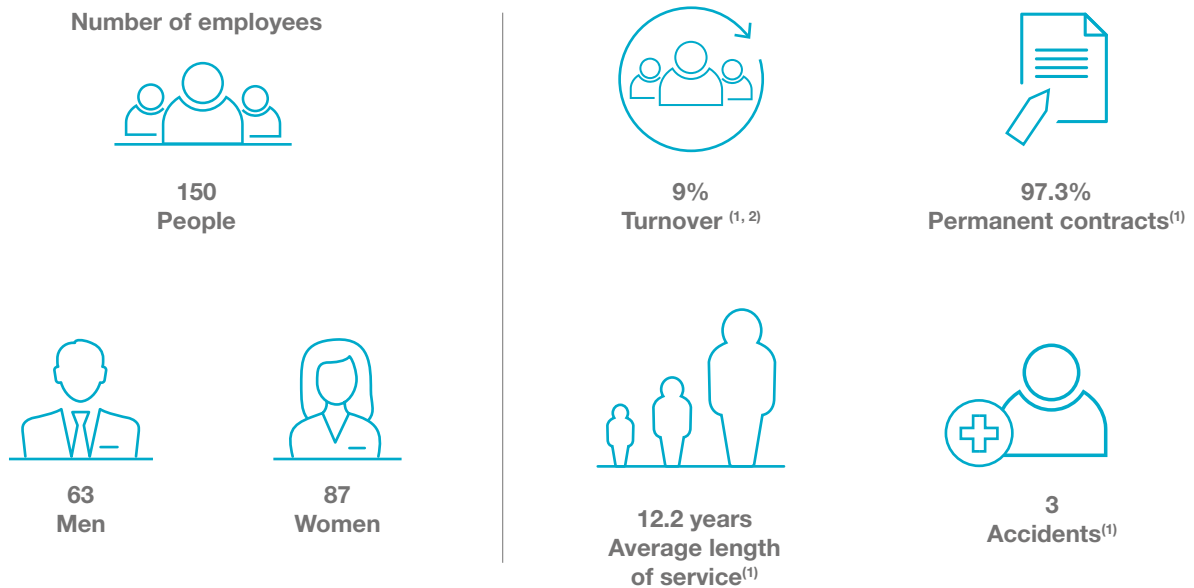
COLONIAL GROUP HEADCOUNT, BY PROFESSIONAL CATEGORY



At the end of 2016, the Colonial Group's workforce comprised 150 employees, 49% of which worked in Spain and 51% in France.

The Colonial Group's Team

The Colonial Group is firmly committed to its employees and considers employee satisfaction, a positive work environment and motivated, committed teams as essential factors.



(1) Not including information on Finresa.

(2) Rotation calculated considering ((new hires + departures)/2x100/total employees).

The Colonial Group is the first Company in the Spanish property sector to have successfully embarked upon an internationalisation process. At the end of 2016, the Group's team comprised 150 employees distributed across offices in Barcelona, Madrid and Paris, thus forming a stable team with an international, multicultural and multidisciplinary presence. A total of 97.3% of the company contracts are permanent employment contracts, thus promoting employee stability and ensuring high-quality employment and good working conditions, from the very moment they join the Company.

One of the Colonial Group's priorities is to ensure equal opportunities among employees and the diversity of its workforce. In this regard, the organisation is comprised of 87 women and 63 men, with 63% of the workforce aged between 30 and 50.

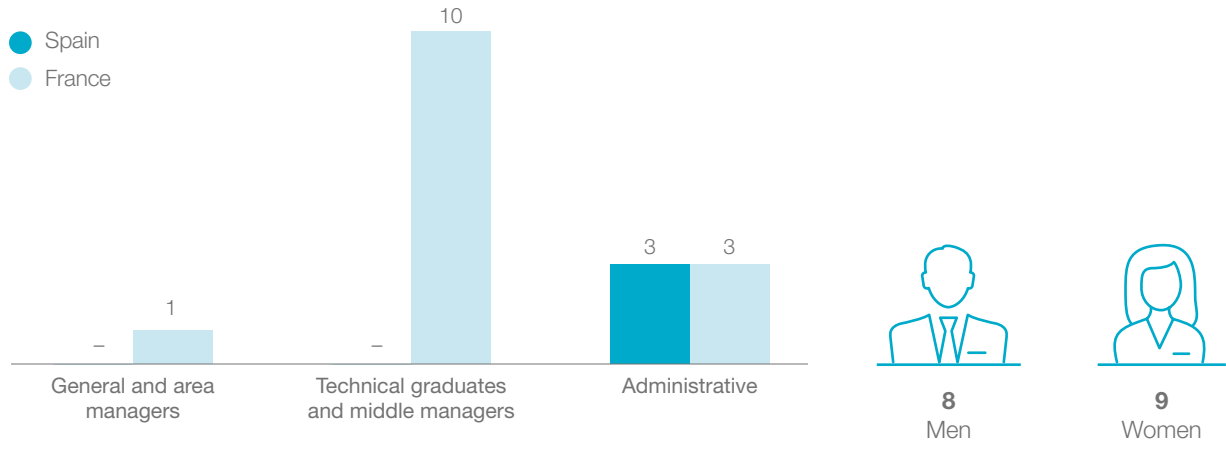
In 2016, the Colonial Group had a very low turnover. This, combined with the average length of service, demonstrates that the Group has achieved its objective of offering stable, high-quality employment.

The Colonial Group works to have the best profile and structure of its workforce to offer the best possible service to its clients. To this end, in 2016, 10 people left the Group, whilst 17 people were recruited. Furthermore, in Spain, Finresa and its four employees were absorbed into the Company.

COLONIAL GROUP WORKFORCE AS OF 31/12/2016

	2016		2015	
	Men	Women	Men	Women
Employment category				
General and area managers	12	5	11	5
Technical graduates and middle managers	29	32	27	27
Administrative staff	18	49	14	53
Others	4	1	1	1
Age (years)				
Under 30	4	6	4	3
30-50	43	51	35	57
Over 50	16	30	14	26
Total	150		139	
Employees included in the industry-specific Collective Labour Agreement	147		136	
% of employees included in the Collective Labour Agreement in proportion to the total headcount	98%		98%	

NEW HIRES BY EMPLOYMENT CATEGORY



Commitment to Training

The Colonial Group places great focus on shoring up its merit-based culture and ensuring that its team boasts the best-trained and qualified individuals, thus enhancing the skills of its employees. To this end, the Company remains committed to its efforts in terms of training and developing the skills of its employees. Human capital and talent are one of the keys to creating value at the Company. To this end, the Group makes significant efforts in terms of organising training, specific professional development and management development courses.

Each year, company department heads submit proposals to the Human Resources department on different training programmes for their employees, which the Group's annual training plan is then based upon. The purpose of the plan is to ensure that all employees have access to constant, high-quality training, offering them the knowledge and tools required to effectively carry out their functions.

Specifically, in 2016, as a counterpart of the professional development model in place for the Colonial Group's team, a training plan was defined focusing on the role and position of each employee.

TOTAL TRAINING IN 2016

	2016			
	Spain		France	
	Participants	Hours	Participants	Hours
Category				
General and area managers	5	175	9	232
Technical graduates and middle managers	16	969	34	967
Administrative staff	61	2,274	17	477
Gender				
Men	36	1,590	26	744
Women	46	1,828	34	932
Total	82	3,418	60	1,676
	2016		2015	
	Total Colonial Group		Total Colonial Group	
	Participants	Hours	Participants	Hours
Total	142	5,094	114	5,203

In 2016, a total of 5,094 hours of training were offered (3,418 hours in Spain and 1,676 hours in France), which translates into an average of 35.9 hours of training per employee. In this sense training hours have reduced 2% in comparison to last year.

The investment allocated to external training in 2016 amounted to €303,243 (€95,740 in Spain and €207,503 in France), which represents a year-on-year increase of 24%. External training relates to miscellaneous courses imparted by specialists from outside the Group.



2016 Training Plan

The training plan offered by the Colonial Group to its employees is structured around four pillars, defined on the basis of the training needs identified within the organisation:

Area training:

Area training focuses on teaching the knowledge and skills needed to perform a job, including updates and improvements that are required to perform the job.

In 2016, a total of 708 hours of specific training were imparted at Colonial, for directors, middle managers and administrative staff.

Skills training:

Skills training focuses on goal-oriented actions and initiatives to achieve personal objectives as well as team objectives and is tailored to the individual ability of the employees that hold the post.

In 2017, the training plan will seek to enhance skills training through masters and other courses associated with the career development of Colonial employees, in addition to other aspects.

Motivational training:

Motivational training targets key positions in the Company, and is associated to individual career plans. In the coming year, this type of training will be imparted to support the professional development of employees.

Language training:

In 2016, Colonial promoted language training, understanding the importance of investing in languages when it comes to the performance of both the Company as a whole and of employees at a personal level. In 2016, 2,608 hours of language training were offered, with 10 training groups created in Barcelona and 2 in Madrid, for a total of 40 participants.

Safety, corruption and sustainability training

This year, a total of 102 hours of safety training were provided to seven employees who work for the Company in Spain. This time is divided into 90 hours for on-the-job safety training and 12 hours for training on corruption issues. These courses are held once every two years to offer employees a periodic reminder of training on occupational health and safety matters.

In France, a total of 287 hours of first aid training were imparted, in which 14 employees participated. Furthermore, as a follow-up to the psychosocial impact study, a total of 161 hours of sustainability training were provided to 23 managers, in addition to the other training imparted on this topic.

SPECIFIC TRAINING

Concept	Colonial 2016	SFL 2016	Total 2016	Colonial 2015	SFL 2015	Total 2015
Safety training (hours)	90	287	377	110	71	181
Corruption training (hours)	12	–	12	–	–	–
Sustainability training (hours)	–	196	196	–	35	35
Total	102	483	585	110	106	216



Diversity, Equality and Equal Opportunities

One of the Colonial Group's commitments to its employees is the promotion of diversity, equality and equal opportunities, in order to ensure an ethical and non-discriminatory environment. The Colonial Group also ensures compliance with both prevailing legislation and human rights regulations.

To this end, the Company promotes a merit-based environment and guarantees transparency as part of the internal selection and promotion of staff. All employees have the same career development opportunities and are provided with the training required to progress within the Company. Promotion decisions are always based on objective circumstances and assessments.

In France, SFL has reaffirmed the principle of non-discrimination and the promotion of equal opportunities and diversity in the workplace. The companies with which SFL works on a regular basis must satisfy this principle in terms of the selection and identification of candidates.

In its Code of Ethics, Colonial commits to respecting the personal and family life of its employees and to supporting a balance between their personal and family lives, with a view to their comprehensive development.

The Code of Ethics includes criteria on employment standards and has been provided to and communicated to all employees.

Colonial also creates policies to ensure that both employees and suppliers respect the agreements defined by the International Labour Organization (ILO) in terms of:

- Freedom of association and collective bargaining.
- Elimination of all forms of discrimination regarding access to work and employment.
- Elimination of forced and/or mandatory labour.
- Effectively eliminating child labour.

In order to promote a balance between professional life and personal life, in Spain employees are offered flexibility in their work schedules, so as to reconcile their personal needs with their work life.

Health and Safety

One of the most important aspects of personnel management at the Colonial Group is the quality and safety of its installations, providing a safe working environment that ensures appropriate professional and personal development. The Group also seeks to ensure that employees have received the necessary occupational health and safety training.

Health and safety objectives and performance form part of the CSR policy. The Audit and Control Committee is responsible for supervising this aspect, as established in the Regulations of the Board of Directors.

The Colonial Group also has a Health and Safety Committee, which oversees the correct implementation of security measures and the prevention of occupational hazards, while ensuring a healthy work environment. Seven members sit on the committee (four from Spain and three from France), which are two more in Spain than there was in 2015. In total, the committee has met on seven occasions. The main topics addressed were as follows:

- In Spain, decisions were taken to update the emergency plans and prevention plan, organise a first-aid and emergency course and review office equipment to ensure that it complies with occupational health and safety regulations.
- In France, topics concerning occupational accidents, psychosocial risks and the reorganisation of offices were discussed.

Health and Safety Committee members received appropriate training on workplace harassment.

In Spain, the Health and Safety Committee also assessed the findings of the psychosocial study that was completed in early 2016. The degree of participation in the study was high, largely thanks to Management's involvement in its completion. The study findings were published on the intranet.

Quality of life in the workplace

This year, based on the psychosocial study carried out in France in 2015, SFL prepared a report that sought to develop and improve the Company's internal management and communication culture. In this regard, an action plan was defined, involving the following main actions:

- October 2016: specific training for managers on psychosocial risk prevention.
- November 2016: seminar on communication and collaboration, for all employees.
- December 2016: creation of a work group tasked with undertaking an overall appraisal of improving the quality of life in the workplace.

SFL's ultimate objective is to continuously assess occupational risks and constantly improve the quality of life of its employees.

Safety in the workplace

In 2016, the Company's commitment to occupational health and safety was reflected in particularly low accident rates, with just one occupational accident involving in-house staff.

Furthermore, in 2016, with a view to improving prevention, a workplace harassment protocol was created in Spain and made available to all employees on the Company intranet.

In addition, the Colonial Group maintains relatively low accident and absenteeism rates:

		2016 ⁽¹⁾			2015		
		Loss of working time at Colonial	Loss of working time at SFL	Total	Loss of working time at Colonial	Loss of working time at SFL	Total
No. of occupational accidents	Men	–	–	–	–	–	–
	Women	1	–	1	–	–	–
No. of accidents to and from the workplace	Men	1	–	1	–	–	–
	Women	–	1	1	–	–	–
No. of accidents among construction workers	Men	–	–	–	–	–	–
	Women	–	–	–	–	–	–
No. of days absent from work due to occupational accident	Men	–	–	–	–	–	–
	Women	11	–	11	–	–	–
No. of days absent from work due to accidents to and from the workplace	Men	270	–	270	–	–	–
	Women	–	7	7	–	–	–
No. of days absent from work due to absenteeism	Men	20	57	77	409	409	818
	Women	664	947	1,611	9	–	9
No. of days absent from work amongst construction workers	Men	–	–	–	–	–	–
	Women	–	–	–	–	–	–
Days absent from work per employee		10	13	23	6	6	12

(1) Not including information on Finresa.

In Spain, this year there has been an occupational accident involving a worker that implied 11 days of absence, in addition to an accident to and from the workplace from another worker that required 270 days of leave. On the other hand, the increase of absenteeism in Spain is due to a worker who has been on sick leave for 545 days.

Furthermore, in France this year there has been an accident to and from the workplace that has caused 7 days of absence from work. Additionally, one worker has been on maternity leave for 209 days, and another two workers have had long-term illnesses that have meant 371 days of leave.



Compensation and remuneration

The Colonial Group's remuneration policy is based, primarily, on strict compliance with equal opportunities, and secondly, on competitiveness in comparison to the market.

The remuneration system comprises a fixed portion and a variable portion for all Company employees, weighted depending on the employee's job position and professional category. There is also a third remuneration component, which consists in the provision of employee benefits to the entire workforce. The Colonial Group seeks to offer competitive remuneration to its employees and therefore updates its salary brackets for the entire workforce on an annual basis.

Remuneration map

With the aim of ensuring fair and equal pay amongst all employees and maintaining competitive salaries compared to the market, the Colonial Group draws up a remuneration map, distinguishing between three wage brackets in terms of development, skills and proficiency. This exercise has been carried out by the Human Resources team since 2002 and covers all Company staff.

The map is updated each year, taking into account:

- Comparison of responsibilities among the various positions;
- Equal pay for men and women; and
- Market wages data from national surveys or the industry itself.

Employee benefits

The entire workforce has access to the employee benefits offered by the Company, including health insurance not only for each employee but also their family members, and the possibility of joining another life insurance scheme, with substantial advantages compared to the mandatory scheme stipulated in the Collective Labour Agreement.

General employee benefits⁽¹⁾	No. of employees in the scheme	Cost of the programme (€ thousand)
Health insurance	201	213
Life and accidental death insurance	153	116
Meal vouchers	138	109

Employee benefits in France	No. of employees in the scheme	Cost of the programme (€ thousand)
Business savings benefit	50	–
Pension plan	–	–

Employee benefits in Spain⁽¹⁾	No. of employees in the scheme	Cost of the programme (€ thousand)
Car park	70	14
Christmas gifts	70	7
Christmas meal	70	12
Christmas hamper	1	0.3

(1) Not including information on Finresa.

Communication channels

Creating effective communication channels is a key aspect in supporting employees and establishing shared values with them, in addition to creating fluid communications between departments and areas with a view to ensuring that everybody pursues a goal shared across the Company.

By promoting communication channels, it is possible to achieve a proactive working environment and facilitate the communication of new ideas. To this end, the Company offers a range of communication channels to its employees, such as the intranet, along with standard means of contact, such as e-mail, telephone and the company website.

In this regard, a project is currently underway to improve the Colonial Intranet in 2017, with a view to enhancing internal communication between employees and boosting dialogue at the Company.

Union representatives

Creating constructive dialogue between employees and the Company is essential for creating a climate of mutual understanding and collaboration. To this end, works committees have been created at both Colonial and SFL.

The Works Committee boasts the presence of Colonial's union representatives and comprises 5 members from the Barcelona site and 1 from Madrid, who together represent all the Company's employees. In total, 10 ordinary work meetings and 4 meetings with the Human Resources Division were held. The main topics addressed, in addition to the ordinary operation of the Company and the committee, were the new offices and the analysis of the psychosocial study undertaken by the Company.

The SFL representative is the Unified Delegation of Employees. Its members are regularly updated and consulted on matters of interest relating to the Group's structure and operations.



Innovation

In 2015, two work groups were set up in France (SFL_le_lab and SFL_le_studio) to encourage innovation, both in the services offered to clients and in corporate social responsibility. Initiatives worked on by these two work groups in 2016 include the following:

- Siège Vertueux – investigation and improvement of the services offered at the SFL headquarters.
- CSR breakfasts - sessions at which all the Company's staff are encouraged to participate.
- Operations teams' visits to innovative sites – Les Grands Voisins.
- First lifecycle analysis of the Percier project.
- Studies on underground valuation.

Supplier relationship management

The Colonial Group takes a proactive stance in strengthening its relations with suppliers and partners in general, given that these parties are of great importance within the value chain. The ultimate goal is collaboration by means of shared improvement.

Colonial Group suppliers

The Colonial Group categorises its suppliers in two groups, depending on the type of services and goods provided:

- Maintenance service providers.
- Construction service providers during remodelling and refurbishment projects and other improvements to buildings.

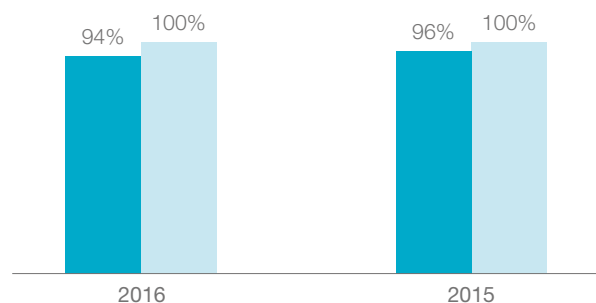
Over the course of the year, the Colonial Group worked with a total of 954 suppliers in Spain, of which 93.7% are tax residents in Spain. The Group also worked with a total of 336 suppliers in France, of which 99.7% are local.

The Company aims to work mainly with local suppliers with the primary goal of contributing value to the local community.

Furthermore, SFL seeks to safeguard against excess reliance on any one supplier. Accordingly, 97% of the Company's suppliers have a purchase volume of less than 10% of all billings.

ORIGIN OF THE GROUP'S SUPPLIERS

- % local suppliers Colonial
- % local suppliers SFL



Supplier approval processes

To ensure that the Colonial Group's supply of professional services is of high quality, the Company has established approval processes whereby its suppliers adhere to standards set by the United Nations' International Labour Organization.

These approval processes have the following features in common:

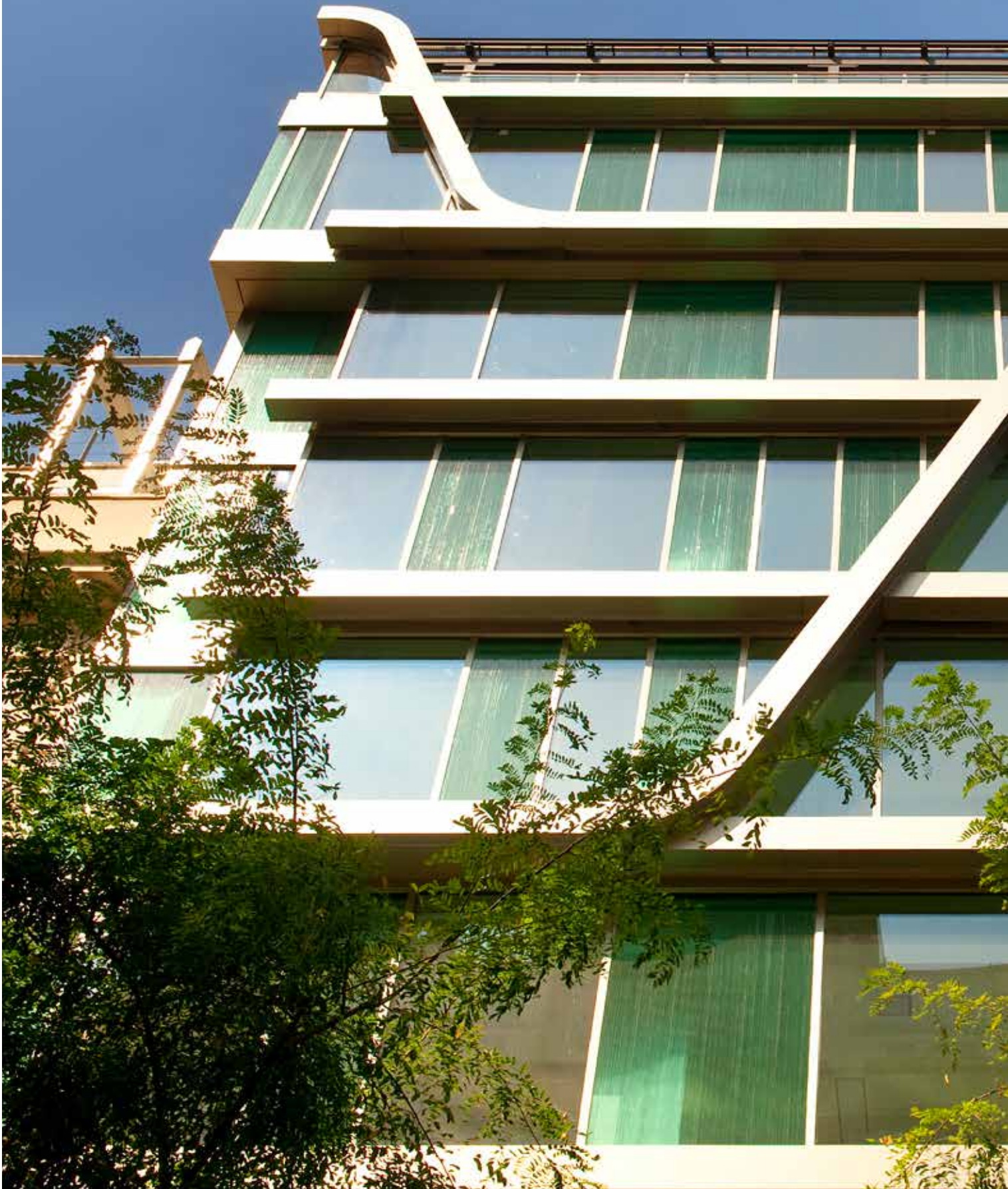
- Definition of initial criteria.
- Pre-contract meetings.
- Delivery of contracting conditions.
- Contracting.
- Follow-up assessments.

In this regard, the Colonial Group is promoting a corporate social responsibility integration process in all areas of the business, including the supplier selection and approval process. In line with this commitment, the Technical Department has rolled out a process of reflection to include environmental, social and corporate governance (ESG) aspects in its supplier selection criteria.

SFL also continues to work on the e-Attestation tool with a view to monitoring supplier compliance and detecting improper practices.



6. Client satisfaction





The Colonial Group has positioned itself as a benchmark in the European property market, thanks to the trust placed in the Company by its clients.

This trust is made possible by day-to-day efforts, combined with the pursuit of personal relationships and the constant improvement of quality. In this regard, the Colonial Group is committed to truly listening to its clients and constantly offering a personal service, ascertaining the expectations and needs of clients and offering a prompt and appropriate response.

Priorities in client satisfaction and loyalty:

- To guarantee the quality and security of the buildings that make up the Colonial Group's portfolio.
- Fostering innovation and being at the cutting edge in the range of services available in common areas.
- Actively promoting accessibility at the different buildings that make up the portfolio, thereby ensuring the quality of the service provided.
- To ensure a proactive, transparent two-way communications channel with all clients.
- To encourage the inclusion of environmental and social dimensions in satisfaction surveys and to conduct surveys on specific elements that may concern clients (e.g. environment, accessibility, services).
- To promote social or volunteer initiatives with clients in order to raise awareness of the Colonial Group's work and boost client satisfaction.

Progress to date:

- Works to improve properties and bring them in line with the highest-quality service proposal.
- Renovations and upgrades to heating, air-conditioning and water systems to improve eco-efficiency.
- Progress with building certifications.
- Client satisfaction surveys to establish their needs and satisfaction with the services offered by the Colonial Group.
- 4th edition of the "A Coffee with the Building Manager" initiative.
- Improvement of the client intranet.

Health and safety in buildings

The Colonial Group is committed to ensuring security for, and the management of, the users of its buildings. Therefore, it seeks not only to comply with the corresponding regulations, but also to follow the best market practices.

Spain

Amongst the management measures and activities to improve health and safety in buildings, each year the Business Activity Coordination Division meets in Spain with the different building suppliers in order to ensure the effective control of property security, health and risk procedures.

France

With a view to assuming a leadership in the market, SFL has undertaken initiatives that go beyond merely complying with health and safety regulations.

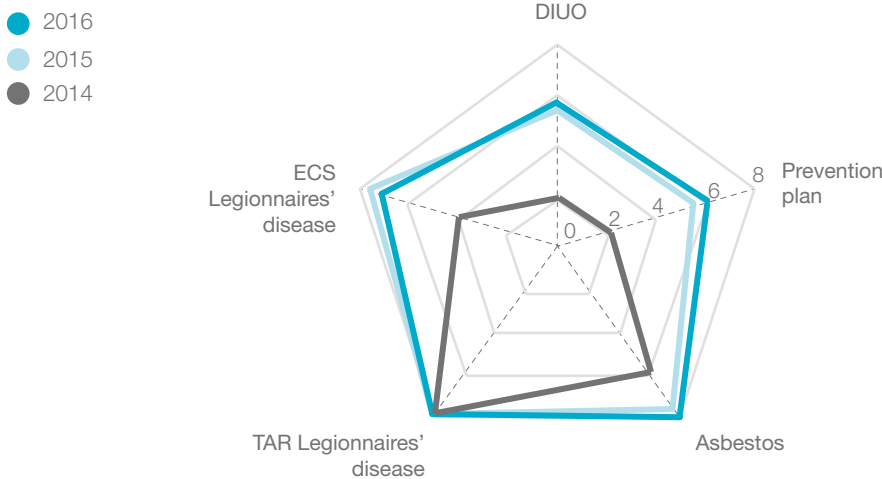
Firstly, it continued to make progress with the rollout of MEX (Maîtrise de l'Exploitation), a virtual platform that makes it possible to manage health and safety risks in addition to client satisfaction. This platform is available at all SFL properties.

Furthermore, the 2016 ParisWorkPlace study was carried out, providing an insight into client satisfaction and concerns. The study is available at <http://www.parisworkplace.fr/>.

SFL also created welcome books for tenants, featuring a range of useful information on leased buildings and their functionality. The brochures include information on the history of the building, office hours, access, security, supply management and catering services, among other aspects.

Lastly, significant progress has been made on identifying and preventing risks at properties in SFL's portfolio, as demonstrated below:

HEALTH AND SAFETY RISK CONTROL MATRIX FOR SFL PROPERTIES 2014 - 2015 - 2016



Satisfaction Management

The Colonial Group spares no efforts in maintaining an up-close relationship with its clients and satisfying their needs and expectations. To improve communications with its clients, the Company conducts satisfaction

surveys every three years in Spain and every two years in France, in order to detect and respond to client expectations.

Satisfaction survey in Spain

In 2015, the second quality survey was carried out in Spain. The questions primarily concerned corporate image, trends in the real estate market, facilities and services at buildings, corporate social responsibility and environmental policy.

Date: 2015

Scope: 162 clients

Participation: 93 clients

Findings:

The survey findings were used to carry out a strengths, weaknesses, opportunities and threats (SWOT) analysis and to draw up an action plan. The main lines of action resulting from this plan have been carried out, placing a priority on those deemed most technically and economically feasible:

ACTION PLAN

OUTCOME

Escalate to corporate management the possibility of Colonial's participation in social actions.

The initiative has been escalated to the Management Committee and progress is being made on ensuring that Colonial is more involved in both social and humanitarian actions.

Analyse the existence of breakdowns in HVAC services that received the lowest evaluations and make changes to increase the degree of satisfaction and comfort.

An investment plan is in place to improve facilities, part of which was implemented in 2016 with the remainder to be rolled out in 2017.

Study to resolve incidents and requests from certain clients more quickly, and implement the appropriate measures to bring this about.

Based on the survey, the decision was taken to contract two multiservice companies so that a speedier response can be provided to these incidents and requests.

Determine if universal computer cables exist in the market, and if such cables do exist, evaluate the cost of implementing them in vacant offices.

As a result of the study, it has been identified that this type of product was not being offered in the market and, also taking into account that each client has its own demands, the decision was taken to disregard this initiative.

Analyse the nature of the new services and installations requested, and proceed to implement those that generate value.

A benchmark is in place to assess additional services that could be offered by Colonial. The results of the study will be included in a service innovation plan for Colonial's properties.

Draw up a master plan to improve parking places and elevators that received the lowest evaluations.

A master plan has been implemented to improve car parks and lobbies and remodelling work has been undertaken at different buildings in Colonial's portfolio. Furthermore, a commitment is in place to make further investments throughout 2017 and 2018. This remodelling work includes, for example, repainting walls and ceilings, new lighting and a new staircase access signage.

Satisfaction survey in France

A satisfaction survey was also carried out for all clients in France in 2015, with workplace well-being scoring 7.1 out of 10. In total, 96.4% of clients were satisfied or very satisfied with the building they work in.

The order of priorities established by clients was as follows:

- Location of the building.
- Quality of the workspaces.
- Quality of the architecture and facilities of the buildings.

As a result of the 2016 ParisWorkPlace study and the satisfaction survey carried out in 2015, progress has continued with the MEX platform, with to the aim of improving the way in which client satisfaction is monitored.

Management and communication channels

The Colonial Group enjoys a fluid and proactive relationship and is in constant communication with its clients in order to improve their satisfaction and strengthen long-term relationships. In addition to carrying out satisfaction surveys, the Colonial Group has implemented the following communication channels in order to enhance client relationships and listen to their opinions:

Building manager

Building managers offer high-quality, on-site services to the Colonial Group's clients, with each building having a single point of contact. Building managers primarily carry out three functions:

- Tenant service, serving as the direct liaison between clients and the Colonial Group.
- Control of operating activities, to analyse the profitability of the property and monitor its economic feasibility.
- Maintenance and conservation, thus offering clients a more proactive service adapted to market needs.

Client intranet

The client intranet has been available at all Colonial's multiuse properties since 2014. In 2016, the service was also rolled out to single-user buildings. Thus, the intranet has consolidated its position as a two-way communication tool between the Company and its tenants, and has been customised for each building.

In 2016, the intranet was converted into a web format and is expected to operate under this form starting from early 2017. In this regard, its operability and autonomy have been enhanced with a view to improving client satisfaction.

The range of services currently offered on the Colonial Group intranet is as follows:

- Notification management (Colonial).
- Correspondence (Colonial).
- Property services (Colonial and SFL).
- Shared space bookings (Colonial).
- Newsletters (Colonial and SFL).
- Surveys (Colonial).
- Documents and manuals (Colonial and SFL).
- Information on accessibility and transport (SFL).
- App (SFL).
- Responsive web design (Colonial).

“A Coffee with the Building Manager”

In 2016, the fourth edition of the “A Coffee with the Building Manager” initiative was held. This successful programme enhances dialogue with clients and brings Colonial closer to these stakeholders, actively listening to their opinions and expectations about the buildings. The initiative also makes it possible to anticipate market trends, analysing what clients seek and expect from the property market.

As was the case last year, all clients were invited to participate in this initiative (with the exception of those

who have not operated from the building for more than six months), with a total of 93 interviews held in 2016.

During the meetings, participants discussed their expectations in the following areas:

- Building services and facilities;
- Building services and facilities provided by Colonial;
- Corporate scent in the main lobby; and
- The remodelling of shared spaces.

After studying clients’ responses, the conclusions were as follows:



The degree of client acceptance remains very high.



The score awarded by clients to the range of services and facilities at Colonial properties has been high for the fourth consecutive year.



Incidents reported by clients in terms of services or facilities have dropped compared to 2015. On a similar note, the number of requests for new services or improvements has also dropped year-on-year.

In order to continue making headway in terms of client management and dialogue, Colonial has added two new indicators of success to evaluate the initiative: the professional category of the interlocutor and the location in which interviews are held.

CATEGORY OF THE INTERLOCUTOR AND LOCATION OF FOUR ANNUAL MEETINGS UNDER THE “A COFFEE WITH THE BUILDING MANAGER” SCHEME

Year	Category of the interlocutor				Location	
	Partners and CEO's	Directors	Managers and supervisors	Office manager and assistants	Bars and restaurants	Client offices
2013 ⁽¹⁾	–	–	–	–	–	–
2014	3%	31%	29%	38%	54%	46%
2015	4%	29%	19%	49%	53%	47%
2016	6%	28%	24%	42%	46%	54%

(1) Data not gathered by management.

Two trends can be identified from this data:

- The bulk of regular management contacts are executives entrusted with positions of responsibility and leadership at their companies (63% in 2014, 51% in 2015 and 58% in 2016). Therefore, the opinions, requests or complaints made bear considerable weight in Colonial's corporate interactions.

- Companies are gradually more willing to hold meetings at their offices.

However, both indicators demonstrate that this programme is becoming increasingly important to clients, who regard it as a relevant initiative undertaken by Colonial to satisfy their needs.

Services offered and accessibility of properties

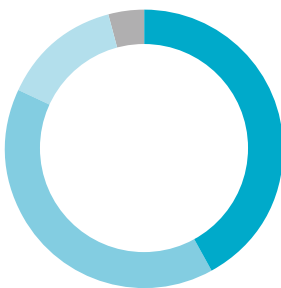
With a view to attaining maximum client satisfaction, the Colonial Group offers exclusive services at its properties, such as:

- 24-hour concierge service, CCTV.
- Electric vehicle charging stations.
- Bicycle parking.
- On-site restaurant.
- Dry cleaning service.
- Loading and unloading bay.
- Auditorium.
- Fitness centre.
- Paddle courts and golf sets.

Furthermore, all the Group's buildings are very well located and boast excellent access in the prime districts of Barcelona, Madrid and Paris. The Group's main buildings in Spain are linked to the main forms of public transport:

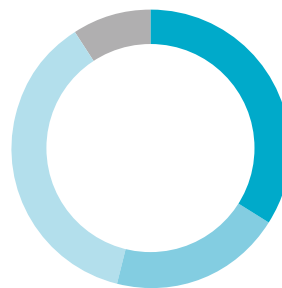
Furthermore, all properties in SFL's portfolio have excellent connections and are accessible using public transport. In fact, all of them are located less than 10 minutes from a metro station and 80% are located within the central business district.

ACCESS TO PUBLIC TRANSPORT FROM PROPERTIES IN THE SPANISH PORTFOLIO



- 42% access to bus
- 40% access to metro
- 14% access to train
- 4% access to tram

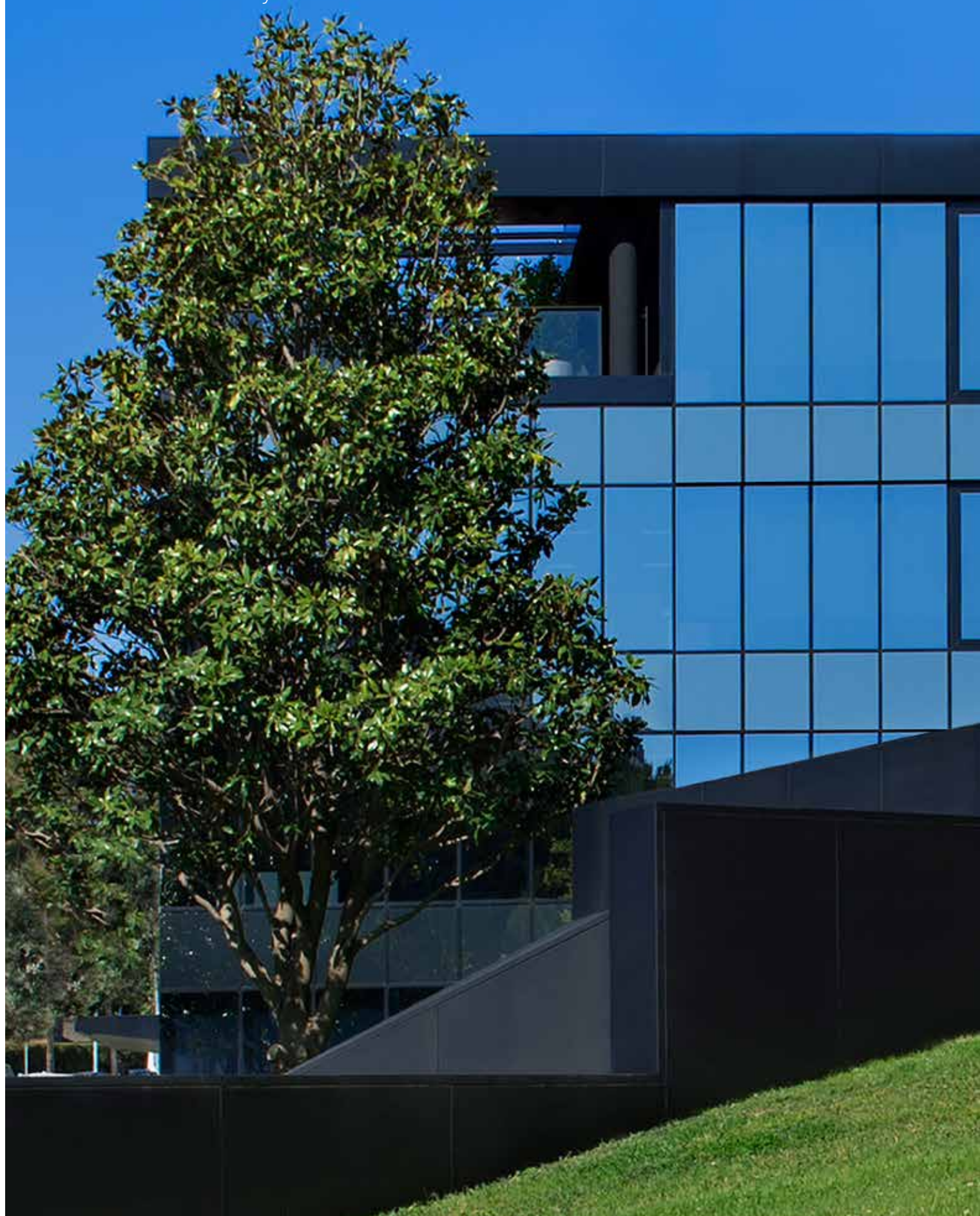
DISTANCE FROM PUBLIC TRANSPORT OF PROPERTIES IN FRENCH PORTFOLIO



- 34% less than 100 metres
- 20% between 101 and 250 metres
- 37% between 251 and 500 metres
- 9% more than 500 metres



7. Eco-efficiency





Priorities in eco-efficient management:

- To continue making progress in the certification of buildings in the Colonial Group's portfolio.
- To improve the technical environmental level of facilities through specific actions required at existing buildings.
- To promote the efficient use of resources, as well as the reduction of waste.
- To encourage sustainable building practices at the new assets acquired by the Group.
- To ensure the availability of information on consumption at the various buildings, as well as the quality of that information.
- To encourage the development of tools to monitor consumption, making it possible to detect changes.
- To develop programmes for the continual improvement of environmental and energy performance.
- To standardise and uniformly implement the sustainable procurement strategy across the various companies in the Group.
- To optimise management processes under an integrated system.

Progress in 2016:

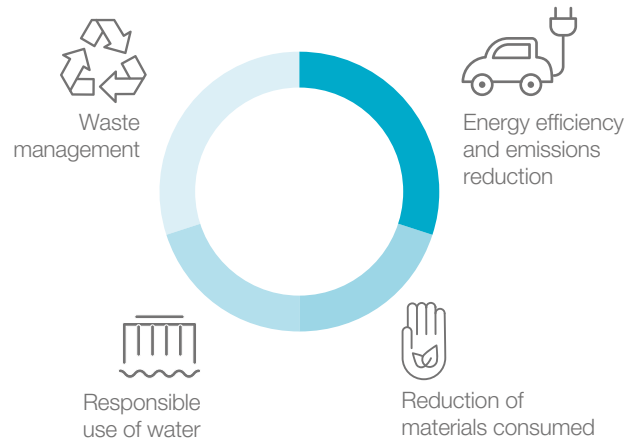
- In total, 90% of the Group's properties have received environmental certification.
- In Spain, the 2016 certifications targets were fulfilled: at year-end, a total of 23 properties had been certified (18 BREEAM and 5 LEED).
- In France, the entire portfolio enjoys BREEAM In-Use certification, while two buildings are also LEED-certified.
- During the year, the Colonial Group engaged an external Company to carry out a project to reduce water consumption at the MV Business Park in Madrid.

The Colonial Group is committed to the environment and society and, therefore, to the efficient use of resources. The Group is constantly seeking to employ the best energy and environment management practices, thereby securing high levels of efficiency at its buildings and reducing the environmental impact of its activities.

Year after year, the Group strives to obtain the highest energy and environmental ratings for its buildings, increasing the number of properties to have received certification under the most highly valued standards, in addition to improving its score as part of said certifications. As a testament to these efforts, in 2016, new certifications were obtained for 14 properties in Spain and 2 in France.

Both Colonial and SFL have established the goal of satisfying clients' energy needs at the lowest possible environmental and economic cost. Currently, 90% of the Group's properties have received some form of certification in this regard.

MOST SIGNIFICANT IMPACTS IN TERMS OF SUSTAINABILITY



SUPPLY MANAGEMENT⁽¹⁾

Building name	Location	Energy 2016	Fuel 2016	Water 2016	Dexcell ⁽²⁾ 2016	Materials 2016	Like-for-Like 2016
1. Av. Diagonal, 530-532	Barcelona	● T	●	●	●	●	●
2. Av. Diagonal, 682	Barcelona	● NG	●	●	●		●
3. Av. Diagonal, 409	Barcelona	●		●	●		●
4. Av. Diagonal, 609-615 (DAU)	Barcelona	●		●	●		●
5. Vía Augusta, 21-23	Barcelona	●		●	●		●
6. Paseo de los Tilos, 2-6	Barcelona						
7. Travessera Gràcia, 11	Barcelona	● T		●	●		●
8. Travessera Gràcia, 47-49	Barcelona (N)						
9. Amigó, 11-17	Barcelona	●		●	●		
10. Berlín, 38-48 / Numància, 46	Barcelona	●		●	●		●
11. Av. Diagonal, 220-240 (Glòries)	Barcelona						
12. BCN Tower	Barcelona	● T NG	●	●	●		●
13. Illacuna	Barcelona	●	● HC	●	●		●
14. Marenostrum Tower	Barcelona						
15. Plaça Europa, 42-44	Barcelona						
16. Sant Cugat Nord	Barcelona	● T		●	●		●
17. Solar Parc Central 22@	Barcelona						
18. Parc Glòries	Barcelona (N)						
19. P. Castellana, 52	Madrid	● T NG	●	●	●		●
20. P. Castellana, 163	Madrid (N)						
21. P. Castellana, 43	Madrid						
22. Recoletos, 37-41	Madrid	● T		●	●		●
23. Miguel Ángel, 11	Madrid	● T		●	●		●
24. José Abascal, 56	Madrid	● NG	●	●	●		●
25. José Abascal, 45	Madrid (N)						
26. Estébanez Calderón, 3-5	Madrid						
27. Génova, 17	Madrid				●		
28. Serrano, 73	Madrid (N)						
29. Santa Engracia	Madrid						
30. Príncipe de Vergara, 112-114	Madrid						
31. Alcalá, 30-32	Madrid						
32. Alfonso XII, 62	Madrid	● T		●	●		●
33. Capitán Haya, 53	Madrid	● T NG	●	●	●		●
34. López de Hoyos, 35	Madrid	● NG	●	●	●		●
35. Francisco de Silvela, 42	Madrid	●		●	●		●
36. Ramírez de Arellano, 37	Madrid						

SUPPLY MANAGEMENT⁽¹⁾

Building name	Location	Energy 2016	Fuel 2016	Water 2016	Dexcell ⁽²⁾ 2016	Materials 2016	Like-for-Like 2016
37. Ortega y Gasset, 100	Madrid						
38. MV Business Park	Madrid	● T		●	●		●
39. Santa Hortensia, 26-28	Madrid (N)						
40. Agustín de Foxá, 29	Madrid	● NG	●		●		●
41. Hotel Tryp Chamartín	Madrid						
42. 96 léna	Paris	● T NG	●	●			●
43. 176 Charles de Gaulle	Paris	● T	●	●			●
44. Washington Plaza	Paris	● T		●			●
45. Edouard VII	Paris	● T NG	● HC	●			●
46. Rives de Seine	Paris	● T		●			●
47. Cézanne Saint-Honoré	Paris	● T NG	● HC	●			●
48. Louvre Saint-Honoré	Paris	● T NG	●	●			●
49. 103 Grenelle	Paris	● T NG	●	●			●
50. 112 Wagram	Paris	● T NG	●	●			●
51. 92 Champs-Élysées	Paris	● T NG	● HC	●			●
52. Galerie des Champs-Élysées	Paris	● T NG	● HC	●			●
53. #cloud.paris	Paris	● T NG	● HC	●			
54. 90 CE	Paris	● T NG	● HC	●			
55. 9 Percier	Paris	● T NG	●	●			
56. IN / OUT	Paris	● T					
57. 131 Wagram	Paris	● T					
58. 6 Hanovre	Paris	● T NG	● HC				
59. 104/110 Haussmann	Paris	● T NG	● HC	●			
60. Le Vaisseau	Paris						
61. Condorcet	Paris						

(1) Not including small non-core assets.

(2) DEXCELL: Colonial's energy consumption management/supervision system (does not apply to SFL buildings). See section on certifications for details and descriptions.

N: New properties in the portfolio.

NG: Consumption of natural gas in the building.

T: Buildings where Colonial controls the total level of energy consumed in the building.

HC: Buildings with separate electricity consumption for heating and cooling purposes.

CERTIFICATIONS (EPRA CERT-TOT)

Building name	Location	HQE	ISO 50001 (certified)	ISO 50001 (implemented)	BREEAM	LEED ⁽¹⁾	ISO 14001
1. Av. Diagonal, 530-532	Barcelona		●				●
2. Av. Diagonal, 682	Barcelona			●			
3. Av. Diagonal, 409	Barcelona				2017	Gold	
4. Av. Diagonal, 609-615 (DAU)	Barcelona			●			
5. Vía Augusta, 21-23	Barcelona			●			
6. Paseo de los Tilos, 2-6	Barcelona				2017	Gold	
7. Travessera Gràcia, 11	Barcelona				2017	Gold	
8. Travessera Gràcia, 47-49	Barcelona (N)						
9. Amigó, 11-17	Barcelona				2017	Gold	
10. Berlín, 38-48 / Numància, 46	Barcelona			●			
11. Av. Diagonal, 220-240 (Glòries)	Barcelona						
12. BCN Tower	Barcelona			●			
13. Illacuna	Barcelona			●			
14. Mareostrum Tower	Barcelona						
15. Plaça Europa, 42-44	Barcelona						
16. Sant Cugat Nord	Barcelona			●			
17. Solar Parc Central 22@	Barcelona						
18. Parc Glòries	Barcelona (N)						
19. P. Castellana, 52	Madrid		●				●
20. P. Castellana, 163	Madrid (N)						
21. P. Castellana, 43	Madrid				2017	Gold	
22. Recoletos, 37-41	Madrid			●			
23. Miguel Ángel, 11	Madrid			●			
24. José Abascal, 56	Madrid			●			
25. José Abascal, 45	Madrid (N)						
26. Estébanez Calderón, 3-5	Madrid						
27. Génova, 17	Madrid				● (Commercial)		
28. Serrano, 73	Madrid (N)				2017		
29. Santa Engracia	Madrid				2018		
30. Príncipe de Vergara, 112-114	Madrid						
31. Alcalá, 30-32	Madrid						
32. Alfonso XII, 62	Madrid						
33. Capitán Haya, 53	Madrid				2017		
34. López de Hoyos, 35	Madrid				2018		
35. Francisco de Silvela, 42	Madrid						
36. Ramírez de Arellano, 37	Madrid				2017		

CERTIFICATIONS (EPRA CERT-TOT)

Building name	Location	HQE	ISO 50001 (certified)	ISO 50001 (implemented)	BREEAM	LEED ⁽¹⁾	ISO 14001
37. Ortega y Gasset, 100	Madrid				2018		
38. MV Business Park	Madrid				● ⁽²⁾		
39. Santa Hortensia, 26-28	Madrid (N)						
40. Agustín de Foxá, 29	Madrid				●		
41. Hotel Tryp Chamartín	Madrid						
42. 96 léna	Paris				●		
43. 176 Charles de Gaulle	Paris				●		
44. Washington Plaza	Paris				●		
45. Edouard VII	Paris				●		
46. Rives de Seine	Paris				●		
47. Cézanne Saint-Honoré	Paris				●		
48. Louvre Saint-Honoré	Paris				●		
49. 103 Grenelle	Paris	●			●		
50. 112 Wagram	Paris	●			●		
51. 92 Champs-Élysées	Paris				●		
52. Galerie des Champs-Élysées	Paris				●		
53. #cloud.paris	Paris	●			●	Gold	
54. 90 CE	Paris	●			●		
55. 9 Percier	Paris				In progress		
56. IN / OUT	Paris	●			●	Platinum	
57. 131 Wagram	Paris				●		
58. 6 Hanovre	Paris				●		
59. 104/110 Haussmann	Paris				●		
60. Le Vaisseau	Paris				●		
61. Condorcet	Paris				●		

(1) Not including small non-core assets.

(2) The MV Business Park property has two BREEAM certificates.

N: New properties in the portfolio.

The information presented in this chapter, as well as throughout the report, encompasses all assets over which the Colonial Group has financial as well as operational control.

Sustainable Resource Management

In 2014, the general environmental policy was approved as part of the strategy to constantly improve the handling of environmental issues and the management of energy efficiency in the Group's buildings. The policy sets out the Group's environmental commitments.

The policy is posted on the Company's intranet for all employees, with a view to ensuring that all personnel help to reduce energy consumption and mitigate environmental risks.

In implementing this policy, both Colonial and SFL drew up improvement action plans for their buildings, which have had excellent results.

Improvements in Spain

In 2016, certification targets were fulfilled, with a total of 23 properties holding certifications at year end (18 BREEAM and 5 LEED):

- The Recoletos 37 building obtained the rating BREEAM *Very Good*.
- The Ramírez de Arellano 37 building is pending final approval to obtain its certification.
- The López de Hoyos 35 building will obtain its certification in 2018.
- The Ausiàs March 148 building was BREEAM certified in 2016 prior to its sale.

Moreover, work is ongoing to obtain LEED Gold certification for the Príncipe de Vergara 112-114 building and the Estébanez Calderón "Discovery Building", in addition to LEED Platinum certification for the Ciudad de Granada building in 2018.

In terms of the business management system, work was completed on the projects at Berlín 38-48 / Numància 46 and Sant Cugat Nord, in Barcelona. In Madrid, the business management system was overhauled, affecting José Abascal 56 and Santa Hortensia buildings.

Additionally, the scope of the consumption supervision system (DEXCELL) was expanded at the Génova 17 building.

Another significant initiative in 2016 was the outsourcing of a project to reduce water consumption at the MV Business Park in Madrid.

Furthermore, a range of remodelling work was carried out in order to improve energy figures:

- At Santa Engracia building, remodelling work was proposed to improve the building's air conditioning.
- At Serrano 73 building, a complete overhaul has been planned on the building to make numerous environmental and accessibility improvements.
- Remodelling work is also underway for the building at José Abascal 56, and the modernisation of lifts has been proposed to optimise energy efficiency.
- At López de Hoyos 35 building the boilers have been modernised and the primary air circuit improved in order to lock in energy savings.

Improvements in France

The comfort and efficiency of its buildings are also a priority for SFL. To this end, SFL regularly undertakes remodelling work at its properties to ensure that they continuously improve. This remodelling work is led by SFL's Design Committee, which is tasked with defining the Company's products and operations.

The actions undertaken in 2016 were mainly related to the following initiatives:

- Removing asbestos from certain properties.
- Work to improve central equipment (air treatment, thermal and acoustic insulation, improved security).
- Modernisation of heating, air-conditioning and lift systems.
- Improvement of green spaces.

Furthermore, other actions began in 2016 and will continue to be implemented throughout 2017, including:

- Replacing boiler fuel with heat pump cooling at 176 Charles de Gaulle.
- Air conditioning optimisation strategy at #cloud.paris.
- At Washington Plaza, a plan was rolled out to combat peaks in consumption and to use storage to optimise energy consumption and reduce costs at peak times.

Lastly, the following initiatives have been planned for 2017:

- Improve consumption ratios.
- Optimise air circuits.
- Improve lighting in car parks.
- Organise awareness-raising campaigns amongst the occupants of properties.

These actions are being rolled out with a view to making these properties more competitive, reducing consumption and improving the results of energy audits and certification levels.

In 2016, the significant efforts made in terms of recycling waste has also been noteworthy, with over 63% of waste being recycled. The improvement in industrial waste treatment models has boosted the Company's recycling rate and underscored its environmental commitment.

Biodiversity initiatives

The Colonial Group is aware that vegetation and biodiversity are key aspects of our society. However, they often struggle because of a lack of green spaces in which to thrive. The landscaping of buildings is one of the best options to allow the flora and fauna in our surroundings to flourish in urban spaces. To this end, since 2015 Colonial has worked on a unique biodiversity initiative in terms of landscaping, resulting in the creation of a butterfly reserve at the Sant Cugat del Vallés building.

Furthermore, SFL has undertaken a range of initiatives to improve the biodiversity of its properties, including the following activities and projects:

- The Company continues to contribute to OJEVE (*Observatoire des Jardins et Espaces Verts d'Enterprises*), helping the organisation to monitor the presence of wild pollinators.
- Green space operating agreements have a pesticide-free focus, to reduce the use of these chemicals.
- This year, a plant and aquatic landscape was created around the Le Vaisseau property, including large terraces with views over the Seine, a stunning garden with the soothing presence of water.
- The mosaics and original decoration of the courtyards at the Percier property were redecorated and the large fountain in the central courtyard was restored. Tenants can access all the property's courtyards, which feature outdoor furniture and lush vegetation.
- Studies are ongoing to install hives at two properties, bringing the total number of buildings to four (Condorcet, WP, In Out, Cézanne), in addition to adding more plants inside certain properties (Cézanne, Édouard VII).

SFL prioritises as much as possible large green spaces in its buildings. In total, the surface area occupied by vegetation came to 9,619 m² this year, an increase of 7.6% compared to the previous year.

Energy Efficiency and Emissions Reduction

Energy and emissions

The Colonial Group adapts efficiency management at its properties depending on the amount of control exercised in each building. Thus, there are three different scenarios in its portfolio:

- a) **Wholly-owned offices.** The Company directly manages energy consumption at its facilities. This is the case of offices located in Barcelona (Avenida Diagonal 530), Madrid (Castellana 52) and Paris (Washington Plaza).
- b) **Leased offices, with control over the management of energy consumption throughout the building.** The Colonial Group has full control over consumption at some buildings in the portfolio, such as buildings included in the sustainability like-for-like category.
- c) **Leased offices with partial or no control of the building.** At certain buildings in its portfolio, the Company only manages the consumption of some of the facilities or shared spaces. Therefore, at some properties over which it has control, it does not manage the entirety of consumption for the properties. In these cases, lessees are responsible for managing and controlling consumption.

Following the criteria in terms of the scope of management and type of consumptions established by the GRI (Global Reporting Initiative), Scope 1 emissions for the offices in Madrid and Barcelona are shown below, as well as the energy consumption and Scope 2 and 3 with their intensity. The adjusted intensity indicated in the following tables refers to the average annual office occupancy in 2016 for the building in Colonial's and SFL's property portfolio. Regarding the type of energy source consumption, electricity is used for general purposes, and fuels (natural gas and diesel) and gases for the heating and cooling systems.

This year, Colonial will join the Carbon Disclosure Project (CDP) initiative to align itself with best practices in terms of measuring its carbon footprint and the fight against climate change. Furthermore, the Group is implementing an action plan to ascertain its most significant Scope 3 emissions.

Sustainable Like-For-Like (EPRA sBPR)

The table below shows the levels consumed and emissions generated at Company buildings following the recommendations of the EPRA Best Practices on Sustainability Reporting (EPRA BPR's Guidance). Buildings included in the Sustainable Like for Like category represent properties in the Group's portfolio in 2015 and 2016 for which there is a high level of certainty in terms of consumption in both years. This category enables a historical and comparable record of emissions and levels of resources consumed at buildings, making it possible to compare, on a year-to-year basis, the Company's performance in terms of emissions and levels of resources consumed.

In both 2015 and 2016, the Group increased consumption control at its properties and will continue to increase in coming years, until it has full knowledge of this factor.

With respect to the set of buildings included, no consumption details have been provided for Ausià March 148 this year, as the property was sold in 2016.

Given that the scope of the Like for Like portfolio is the same as the scope for total invoiced, the period is comprehensive and covers 100% of the buildings.



ENERGY CONSUMPTION AND EMISSIONS AT OFFICES FOR OWN USE

Sustainability indicators	Measurement unit	Coverage	Consumption/ emissions 2016	Consumption/ emissions 2015	Change	Square metres	Unit of measurement	Intensity 2016	Intensity 2015	Change
Electricity consumption (Elec-Abs, Elec-LfL) (G4-EN4, EN5, CRE1)	mWh	3 of 3	610.32	654.82	-7%	4,575	mWh/m ²	133.40	143.13	-7%
Fuel consumption ⁽¹⁾ (Fuels-Abs, Fuels-LfL) (G4-EN3, EN5, CRE1)	mWh	2 of 2	77.98	92.98	-16%	2,775	mWh/m ²	28.10	33.51	-16%
Total energy consumed (Energy-Int)	mWh	3 of 3	688.30	747.79	-8%	4,575	mWh/m²	150.45	163.45	-8%
Direct Emissions ⁽²⁾ CO ₂ (GHGDir-Abs, GHGDir-LfL, GHG-Int) (G4-EN15, CRE3, G4-EN18)	TeqCO ₂	2 of 2	14.94	17.45	-14%	2,775	TeqCO ₂ /m ²	5.38	6.29	-14%
Indirect emissions ⁽²⁾ CO ₂ (GHG-Indir-Abs, GHG-Indir-LfL, GHG-Int) (G4-EN16, CRE3, G4-EN18)	TeqCO ₂	3 of 3	195.98	190.74	3%	4,575	TeqCO ₂ /m ²	42.84	41.69	3%
Total emissions CO₂ (G4-EN15, CRE3, G4-EN16, G4-EN18)	TeqCO₂	3 of 3	210.92	208.20	1%	4,575	TeqCO₂/m²	46.10	45.51	1%

Consumption at the offices for own use at Diagonal 530 and Washington Plaza was estimated on the basis of the surface area of the own-use office as a percentage of the total building, by applying it to the total amount consumed in 2016. The calculation of intensity at Castellana 52 took into consideration the office's surface area, because energy consumed by the offices is controlled by the lessees. Communal surface areas were not taken into consideration in the intensity data.

Given that the occupation of offices for own use is 100%, the sum of the square meters coincides with that of the adjusted square meters, same as the intensity and the adjusted intensity. Given that practically the entire Colonial Group property portfolio relates to the prime office market, the consumption by property segment has not been analysed.

District heating and cooling is not reported, as we do not use any at our offices.

(1) The remaining information in terms of data included in the table are consumption bills received by the Colonial Group; therefore, no estimates are included.

(2) See sources of emission factors in Chapter 9, Characteristics section of the Report.

ENERGY CONSUMED AND EMISSIONS AT LEASED OFFICES WITH CONTROL OF TOTAL ENERGY CONSUMED IN THE BUILDINGS

Sustainability indicators	Measur. unit	Cover.	Consump/ emissions 2016	Consump/ emissions 2015	Change	sq m	sq m adjust.	Unit of measur.	Intens. 2016	Adjust. intens. 2016	Intens. 2015	Adjust. intens. 2015	Change	Adjust. var.
Electricity consumption (Elec-Abs, Elec-Lf) (G4-EN4, EN5)	mWh	31 of 31	70,752	70,771	0%	375,966	344,194	mWh/m ²	188.19	205.56	188.35	209.62	0%	-2%
Fuel consumption ⁽¹⁾ (Fuels-Abs, Fuels-Lf) (G4-EN4, EN5)	mWh	17 of 17	13,377	13,653	-2%	204,128	182,695	mWh/m ²	65.53	73.22	67.07	75.54	-2%	-3%
Heating and cooling consumption ⁽²⁾ (DH&C-Abs, DH&C-Lf) (G4-EN4, EN5)	mWh	5 of 5	9,403	10,401	-10%	93,921	88,213	mWh/m ²	100.11	106.59	114.89	120.21	-13%	-11%
Total energy consumed (Energy-Int) (G4-EN4, EN5)	mWh	31 of 31	93,532	94,825	-1%	375,966	344,194	mWh/m²	248.78	271.74	252.37	280.87	-1%	-3%
Direct emissions CO ₂ (GHGDir-Abs, GHG-Dir-Lf, GHG-Int) (G4-EN15, CRE3, G4-EN18)	TeqCO ₂	17 of 17	2,725	2,737	0%	207,370	185,633	TeqCO ₂ /m ²	13.14	14.68	13.45	15.14	-2%	-3%
Indirect CO ₂ emissions (GHG-Int, GHG-Indir-Abs, GHG-Indir-Lf) (G4-EN16, G4-EN16, G4-EN18)	TeqCO ₂	31 of 31	16,394	15,188	8%	375,966	344,194	TeqCO ₂ /m ²	43.60	47.63	40.42	44.99	8%	6%
Total emissions CO₂ (G4-EN15, CRE3, G4-EN16, G4-EN18)	TeqCO₂	31 of 31	19,118	17,925	7%	374,966	244,194	TeqCO₂/m²	50.85	55.54	47.71	53.09	7%	5%

See sources of emission factors in Chapter 9, Characteristics section of the Report.

Given that practically the entire Colonial Group property portfolio relates to the prime office market, the consumption by property segment has not been analysed.

In calculating the intensities, Colonial Group is aware of the mismatch between the nominator and the denominator.

(1) Fuel consumption levels and the corresponding intensities for 2015 were recalculated and corrected to make them comparable with the scope of buildings in 2016. In addition, fuel consumption levels corresponding to the leased portion of Diagonal 530 were also included.

The source of information for data included in the table are consumption bills received by the Colonial Group; therefore, no estimates or details provided by lessees are included.

Intensity has been calculated using the total square metres for buildings over which the Group has total control of property consumption and the square metres of shared spaces for buildings in which the Group only controls consumption in the aforementioned areas.

(2) The 10% variation in the consumption of heating and air conditioning reflects a change in the way this type of consumption is monitored. In 2014, the details reported were an estimate, while in 2015 and 2016, this factor was monitored and reported based on actual consumption. There are no significant changes in other data.

Monitored heating and air conditioning details are only available for 5 of the 61 properties in the scope. This consumption is not applicable to other properties.

As part of the comparative analysis of the intensities corresponding to Spain (Colonial) and France (SFL), there was a significant difference between the data: 108.25 and 30.03, respectively. This difference is mainly attributable to the energy mix of each country, which ultimately affects the conversion factors used to convert consumption to country emissions. The fact that the most commonly used sources of energy in Spain have a more intensive emission component than in France (diesel vs nuclear) is reflected in the Spanish energy mix, meaning that the emission factor used in Spain is significantly higher than the figure for France.

Colonial

In 2016, the Company created an action plan to reduce emissions and the resulting impact on its carbon footprint. The main initiatives include:

- Greater control and monitoring over consumption at properties.
- Improvement initiatives and projects to reduce energy consumption requirements and increase efficiency.
- Progress in expanding the scope of the consumption supervision system (DEXCELL).

Furthermore, a series of initiatives were carried out at certain properties in order to improve energy efficiency. There was an across-the-board switchover to LED lighting, making it possible to improve the energy efficiency of all buildings. Specifically, broken down by building, actions undertaken consisted of the following projects:

- At the Diagonal 530 offices, the presence detection system for lighting in shared spaces was expanded, making it possible to record energy savings amounting to 1,453 kw/h. A water leak detection system was also installed.
- At the Sant Cugat building, the rooftop equipment was replaced with a *freecooling* system and a water leak detection system was installed.
- A telemetering consumption control system was installed at the Agustín de Foxá 29 and Génova 17 buildings.

- The existing boilers were replaced with condensing boilers at the López de Hoyos 35 building.
- Furthermore, solar control strips were installed on the 7th floor of the building at Miguel Ángel 11.
- At the José Abascal 56 property, the floor-mounted fan coil controllers and communication buses were replaced and at the offices at Santa Hortensia 26-28, the communication bus and BMS vertical 7 controllers were replaced.
- Lastly, heat/cooling batteries were installed on the building's air treatment units at Martínez Villergas 49.

SFL

One of the main developments this year was the rollout of a system to monitor consumption at the buildings listed below. As a result, it is possible to control consumption more exhaustively and implement measures with a greater focus on the specific nature of each property.

- #cloud.paris
- 90 CE
- 9 Percier
- IN / OUT
- 131 Wagram
- 6 Hanovre
- 104/110 Haussmann

SFL also reinforced its commitment to offering properties with the smallest possible impact on its carbon footprint, and has action plans in place to reduce the energy consumption of its buildings.

In this regard, in terms of its commitment to promoting eco-efficient management practices, 71% of leased spaces are considered "green leases" (69% in 2015). This type of initiative seeks to encourage both the owner and lessee to create joint synergies in an attempt to reduce energy consumption at leased buildings.

Reduction in Materials Consumed

In line with the commitment to client satisfaction that defines the Colonial Group, clients are permitted to choose between the building manager assuming responsibility for managing materials consumed or to monitor this consumption themselves.

The consumption of materials monitored at offices can be found below.

MATERIALS CONSUMED IN 2016

Consumption					
Sustainability indicators	Unit of measurement	Number of buildings	Consumption 2016	Consumption 2015	Change
Paper (G4-EN1)	Kg	2 (Diagonal 530 and Castellana 52)	2,286	2,983	-23%
Toner (G4-EN1)	Units	2 (Diagonal 530 and Castellana 52)	43	44	-2%
Fluorescent tube bulbs (G4-EN1)	Units	1 (Diagonal 530)	106	105	1%
PL bulbs (G4-EN1)	Units	1 (Diagonal 530)	96	87	10%
Furniture (G4-EN1)	Kg	1 (Diagonal 530)	3,240	–	N/A

This year, the scope of paper and toner reporting has been expanded and now includes the offices at Castellana 52.

Intensity					
Sustainability indicators	Unit of measurement	Number of people	Intensity 2016	Intensity 2015	Change
Paper (G4-EN1)	Kg/person	70	32.66	47.35	-31%
Toner (G4-EN1)	Units/person	70	0.61	0.70	-12%
Fluorescent tube bulbs (G4-EN1)	Units/person	280 ⁽¹⁾	0.70	0.27	159%
PL bulbs (G4-EN1)	Units/person	280 ⁽¹⁾	0.34	0.22	56%
Furniture (G4-EN1)	Kg/person	280 ⁽¹⁾	11.57	–	N/A

(1) The number of people considered for the purposes of this calculation refers to employees at own-use offices and employees at other offices in the building at Diagonal 530.

This year, the scope of paper and toner reporting has been expanded and now includes the offices at Castellana 52.

Waste Management

During the year, the Company spared no efforts to reduce the consumption of paper at its offices. Furthermore, there was a drop in the consumption of toner, which can primarily be attributed to the substitution of desktop printers for multifunctional printers. In addition to the Barcelona office, which has reported on toner consumption in previous years, the Madrid office now reports the use of this material as well.

In 2016, the type of materials and waste will be expanded to include furniture, given the remodelling projects undertaken at the head offices in Barcelona (Av. Diagonal 530).

Colonial's waste management is outsourced to waste management and recycling specialists. We do not report on EPRA's performance measure regarding waste at our portfolio as we do not receive a detailed breakdown of our waste data at these assets. The table below shows the waste produced and managed at own-use offices in 2016.

Colonial does not have any data on non-recycled waste.

CONSUMPTION

Sustainability indicators	Unit of measurement	No. of properties	Consumption 2016	Consumption 2015	Change
Paper (G4-EN23) (EPRA Waste-Abs, Waste-LfL)	Kg	3 (Diagonal 530, Castellana 52, Washington Plaza)	5,298	4,011	32%
Toner (G4-EN23) (EPRA Waste-Abs, Waste-LfL)	Kg	3 (Diagonal 530, Castellana 52, Washington Plaza)	91	13	598%
Batteries (G4-EN23) (EPRA Waste-Abs, Waste-LfL)	Kg	1 (Washington Plaza)	–	22	–100%
Furniture (G4-EN23) (EPRA Waste-Abs, Waste-LfL)	Kg	1 (Diagonal 530)	3,240	–	N/A

This year, the scope of paper and toner reporting was expanded and now includes Castellana 52.

In terms of recycled waste, the volume processed by SFL increased to 493 tonnes this year (63%), compared to 301 tonnes in 2015 (39%). Industrial waste accounts for the bulk of this figure (508 tonnes), whilst the rest is made

up by paper, cardboard and plastic (270 tonnes). As part of this calculation, 8 out of a total of 12 properties were taken into consideration (covering 87% of the surface area in m²), whilst in 2015, the calculation was performed on 7 out of a total of 11 properties (thus covering 87% of the surface area in m²).

Responsible use of water

The Colonial Group is aware of the finite nature of water and the need to manage the resource responsibly and efficiently. Water management represents one of the foundations of Colonial's responsible property management objectives. To that end, actions have been taken with the aim of recording significant savings in its consumption.

One of the main actions to save water is improving the control and monitoring over consumption. Currently, 32 of the Group's properties are subject to control and monitoring.

WATER CONSUMPTION AT OFFICES FOR OWN USE

Sustainability indicators	Unit of measur.	Cover.	Consum. 2016	Consum. 2015	Change	sq m	Unit of measure	Intens. 2016	Intens. 2015	Change
Water consumed (Water-Abs, Water-Int, Water-LfL) (G4-EN8, CRE2)	m ³	3 of 3	1,852	1,359	36%	4,575	m ³ /m ²	0.40	0.30	36%

The source of information for data included in the table are consumption bills received by the Colonial Group; therefore, no estimates are included. This year, the scope has been expanded and details on water consumption is now published for Washington Plaza.

Given that the occupation of offices for own use is 100%, the sum of the square meters coincides with that of the adjusted square meters, same as the intensity and the adjusted intensity.

WATER CONSUMED AT LEASED OFFICES WITH CONTROL OF TOTAL WATER CONSUMED IN THE BUILDINGS

Sustainability indicators	Unit of measur.	Coverage	Consumption 2016	Consumption 2015	Change	sq m	Unit of measure.
Water (Water-Abs, Water-Int, Water-LfL) (G4-EN8, CRE2)	m ³	32 of 32	240,023	245,685	-2%	379,546	m ³ /m ²

Sustainability indicators	Intensity 2016	Adjusted intensity 2016	Intensity 2015	Adjusted intensity 2015	Change	Adjusted variation
Water (Water-Abs, Water-Int, Water-LfL) (G4-EN8, CRE2)	0.63	0.69	0.65	0.68	-2%	-4%

Intensity has been calculated using the total metres squared for buildings over which Colonial has total control of property consumption and the square metres of shared spaces for buildings in which the Group only controls consumption in the aforementioned areas.

The source of information for data included in the table are consumption bills received by Colonial; therefore, no estimates or details provided by lessees are included.

Given that practically the entire Colonial Group property portfolio relates to the prime office market, the consumption by property segment has not been analysed.

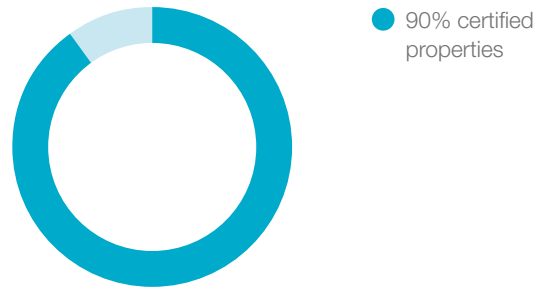
With respect to the set of buildings included, no consumption details have been provided for Ausiàs March 148 this year, as the property was sold in 2016.

At leased properties for which the Group controls consumption, there has been a significant reduction in

water consumption as a result of the work undertaken by the Company. Furthermore, during 2016, an external company was tasked with producing a project with the specific goal of reducing water consumption requirements at the MV Business Park in Madrid.

Certification

In line with one of the priorities established in the Company’s corporate social responsibility policy, the Group continues making progress with the continuous improvement of energy efficiency at its buildings, year after year. In this regard, more properties have obtained certification from the top five internationally recognised standards: ISO 50001, ISO 14001, BREEAM, LEED and HQE, as well as mandatory energy efficiency certification in Spain.



Energy certification in Spain

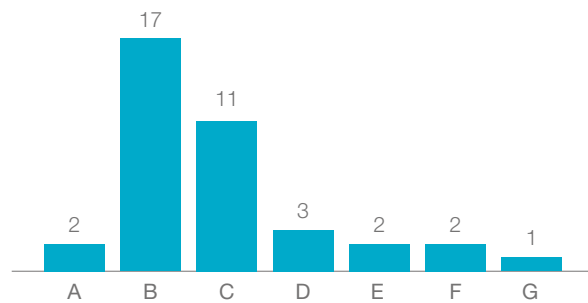
In Spain, energy certification is regulated by Royal Decree 235/2013, of 5 April, approving the basic procedures for certifying the energy efficiency of buildings. Following the applicable regulations in Spain, Colonial has energy efficiency labels at the vast majority of its buildings:

In 2016, the following three additional energy certifications were obtained:

- C certification for Serrano 73 building.
- E certification at José Abascal 45 building.
- F certification at Santa Hortensia 26-28 building.

PROPERTIES WITH ENERGY CERTIFICATION IN SPAIN

Certification	2016
Category A	2
Category B	17
Category C	11
Category D	3
Category E	2
Category F	1
Category G	1
Total	36



BREEAM

The Group also continued to make progress with international certifications, such as BREEAM (*BRE Environmental Assessment Method*), which establishes the best sustainable design quality standards and the benchmark for measuring the environmental performance of buildings.

In terms of properties in Spain, in 2016, the certification targets for the year were fulfilled: at year-end, a total of 18 buildings were BREEAM-certified. The building at Recoletos 37 obtained a *Very Good* rating, whilst final approval is pending on the Ramírez de Arellano building, prior to the confirmation of its rating. The building at López de Hoyos 35 will obtain certification in 2018. The building at Ausiàs March 148 was BREEAM-certified in 2016, before its retirement from the portfolio.

The 15 buildings planned for certification in 2016 increased certified surface area by 200,713 m².

In the coming years, in terms of the Spanish property portfolio, four properties are expected to receive certification in 2018 (Ortega y Gasset 100, López de Hoyos 35, Santa Engracia and José Abascal 45), with one further certification expected in 2019 (Alcalá 30-32):

2017: 10 properties planned for certification

2018: 4 properties planned for certification

2019: 1 property planned for certification

In terms of properties in Paris, all were BREEAM-certified in 2016, and work is underway to obtain certification for 9 Percier. Moreover, all BREEAM-certified properties obtained a *Very Good, Excellent or Outstanding* rating in Parts 1 and 2.

LEED

A number of the Colonial Group's buildings also have LEED (*Leadership in Energy and Environmental Design*) sustainable construction certification. This voluntary certification was created by the US Green Building Council. It comprises a series of standards concerning the usage of strategies that seek to enhance the sustainability of all types of buildings, by including the following criteria in designs:

- Sustainable location.
- Water savings.
- Energy efficiency.
- Selection of materials and resources.
- Indoor environmental quality.
- Innovation and design.

There are four levels of certification depending on the degree to which the building's specifications and materials meet the highest standards of product quality, management and sustainability. The rating is as follows:

- Certification: 40-49 points
- Silver: 50-59 points
- Gold: 60-79 points
- Platinum: +80 points

The Group's certified properties are as follows:

COLONIAL'S PROPERTIES	LEED CATEGORY
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Castellana, 43	Gold
Amigó, 11-17	Gold
Travessera de Gràcia, 11	Gold
Paseo de los Tilos, 2-6	Gold
Av. Diagonal, 409	Gold

SFL PROPERTIES	LEED CATEGORY
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In/Out	Platinum
Cloud	Gold

HQE

The HQE (*Haute Qualité Environnementale*) building certification system was created by WAS (a non-governmental HQE association), based in Paris, France. The association is dedicated to research and develop, as well as to a range of promotion activities.

The categories considered during the certification process are as follows: energy, environment, health and comfort, which are structured around a series of 14 specific objectives.

Currently, five SFL properties have obtained this certification, which is equivalent to 24% of the Paris portfolio.

AWARDS AND DISTINCTIONS

On the 7th March 2017, SFL received the “Corporate Investment in Responsible Real Estate” award in the “Breem Award 2017” ceremony. SFL is recognized by BREEAM and GRESB, the main social corporate responsibility agency, for its long-term commitment to the responsible management of its portfolio.



Progress with property sustainability

As part of its commitment to improving the sustainability of its portfolio properties, the Colonial Group has taken large steps forward in terms of sustainability, with a

view to reducing consumption requirements. The main sustainability management systems in place for Group properties are as follows:

CONSUMPTION MANAGEMENT SYSTEMS



Facility management system via the Building Management System, helping to reduce energy costs

- Av. Diagonal, 530-532
- Av. Diagonal, 409
- Av. Diagonal, 609-615 (DAU)
- Av. Diagonal, 220-240 (Glòries)
- Marenostrum Tower
- Plaça Europa, 42-44
- Sant Cugat Nord
- Av. Diagonal, 682
- Berlín, 38-48 / Numància, 46
- BCN Tower
- Vía Augusta, 21-23
- Paseo de los Tilos, 2-6
- Travessera Gràcia, 11
- Amigó, 11-17
- Illacuna
- Recoletos, 37-41
- P. Castellana, 52
- P. Castellana, 43
- Miguel Ángel, 11
- Génova, 17
- Alcalá, 30-32
- Capitán Haya, 53
- Francisco de Silvela, 42
- Ramírez de Arellano, 37
- Ortega y Gasset, 100
- Agustín de Foxá, 29
- José Abascal, 56
- Alfonso XII, 62
- López de Hoyos, 35
- MV Business Park

IMPROVEMENTS IN WATER CONSUMPTION MANAGEMENT



Grey water recycling and recovery systems

- Paseo de los Tilos, 2-6
- Diagonal, 409

Reuse of rainwater to obtain savings in the property's internal network

- Alfonso XII, 62

IMPROVEMENTS IN MANAGEMENT OF HEATING AND COOLING CONSUMPTION



Installation of centrally-controlled air conditioning using highly efficient equipment

- Av. Diagonal, 682
- Berlín, 38-48 / Numància, 46
- BCN Tower
- Vía Augusta, 21-23
- López de Hoyos, 35

Air conditioning via VRV systems

- Paseo de los Tilos, 2-6
- Travessera Gràcia, 11
- Amigó, 11-17
- José Abascal, 56
- MV Business Park

DISTRICLIMA system for pneumatic collection, cold water and hot water distribution

- Illacuna

OTHER IMPROVEMENTS



Inclusion of quiet machines to reduce environmental noise

- Alfonso XII, 62

Cutting-edge lifts and service lifts with a management system to reduce downtime and consumption

- MV Business Park

Inclusion of CO probes in ducts to ensure the property is properly ventilated

- Alfonso XII, 62

Photovoltaic solar installation

- Illacuna

Light control system

- Paseo de los Tilos, 2-6
- Travessera Gràcia, 11
- Amigó, 11-17
- Alfonso XII, 62

Lastly, Colonial's strategic focus based on properties in prime locations is worth particular mention: all the Company's properties are located in Barcelona, Madrid

and Paris, meaning there is no need to embark upon urban regeneration projects.

PASEO DE LOS TILOS, 2-6

This building features an innovative lighting system that has helped optimise light-based energy consumption to theoretic levels of less than 6 W/ m². The automatic light control system allows lighting needs to be adapted more effectively to hours of available sunlight and, therefore, harnesses natural light to the maximum.

The building has a grey water recycling and recovery system, helping to reduce the building's water consumption by 30%. Water is recycled, treated and reused in flushing systems. Air conditioning is distributed by means of VRV systems featuring heat recovery that ensure very high energy performance for this fully-exposed building with a curtain wall made exclusively of glass.

Furthermore, this leased office building features a facility management system via the Building Management System to reduce energy costs.

ALFONSO XII, 62

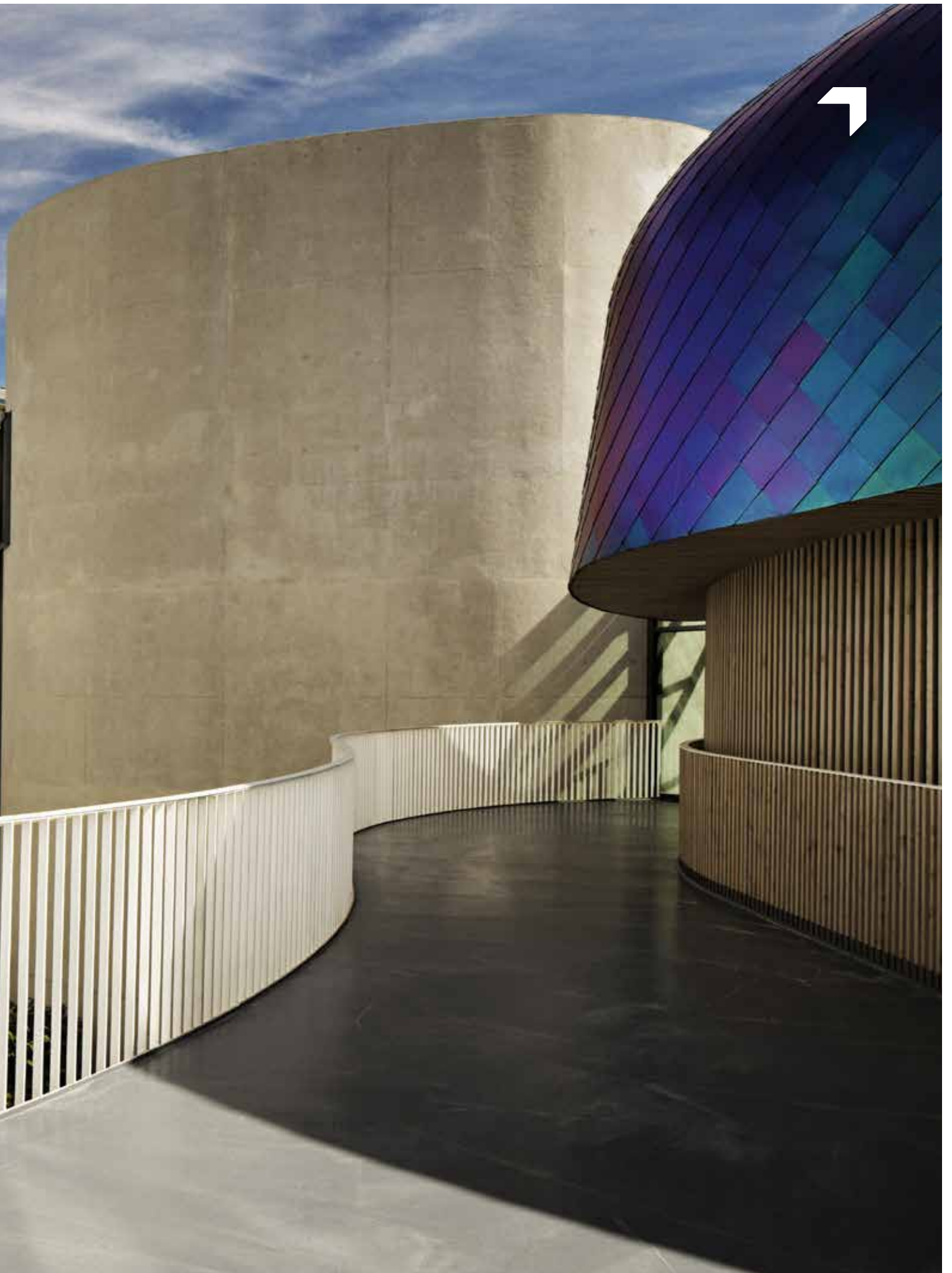
As a result of the different sustainable technology measures applied at this building, consumption has been optimised. The aforementioned measures include:

- Inclusion of quiet machines to reduce environmental noise.
- Automatic management system for all installations: automated on/off and presence detection system for lighting in shared spaces.
- Inclusion of CO probes in ducts to ensure each office is properly ventilated.
- High-efficiency lights and electronic ballast.
- Harnessing of natural light in the area surrounding the building via natural light sensors.
- Water management via dual-flush toilets, aerators in taps and water flow limiters in showers.
- Use of renewable photovoltaic energy for in-house consumption.
- Reuse of rainwater to obtain savings in the building's internal network.



8. Relationship with the community





Social commitment

Since its foundation, the Colonial Group has been committed to society and the communities in which it operates. In that vein, it seeks to ensure that the profits obtained through its activities contribute to the general well-being of the society and lead to an improvement in cities and their residents.

In addition to its main activities, the Colonial Group undertakes a range of activities in cooperation with non-profit organisations, contributing to the dissemination of culture, the integration of groups at risk of social exclusion and the promotion of entrepreneurs. Furthermore, on a one-off basis, this year the Group made a special donation to the NGO Banc d'Aliments, raising funds from selling furniture to staff as part of the remodelling process at the offices located at Diagonal 530.

The Colonial Group also cooperates with educational programmes. Its partnership with the Universidad Ramon Llull, through a framework partnership agreement and by financing the ETHOS professorship, is worth particular mention. The aforementioned

professorship began in 2001 and supports research groups focusing on applied ethics, whilst undertaking consulting work for various companies. The experience in scientific and academic research work focuses on the following aspects:

- Ethics in organisations.
- Ethics in professions.
- Bioethics.
- Media ethics.
- Corporate social responsibility.
- Educational strategies for disseminating ethics.

Furthermore, the Colonial Group has signed a collaboration agreement with ESADE to support the scholarship programme. With this agreement, Colonial is committed to engaging with institutions that promote educational and training activities, earmarking economic aid to the program of Scholarship Funds, which aims to provide the opportunity to attend university programs and MBAs to talented students with limited resources.



The moment that the collaboration agreement with ESADE to support the scholarship programme was signed.

Community projects

In 2016, the Colonial Business Division promoted the “Giving Tuesday” campaign at a large number of properties.

Giving Tuesday Campaign, the day to do good things

This initiative was held on 29 November 2016 to raise awareness of this global non-profit campaign, which seeks to encourage solidarity amongst the public. The community projects and social causes supported as part of this initiative covered the following fields:

- Education, children and youth.
- Health and research.
- Human rights.
- Animals and the environment.
- International cooperation.

In total, €558,617 were raised for community projects (€96 per person), which is 38% more than 2015. Furthermore, 1,379 blood donors participated, 40% more than in 2015. All of this was possible thanks to the 5,800 givers who participated in this initiative, associated with 321 community projects.

The initiative had a large impact on social networks, with almost 72,000 visits to the website, more than 51,000 online users and the #GivingTuesday hashtag was a trending topic from 8:30 am on the day the initiative was run. A variety of influencers joined the cause, including singers, athletes, actors and Spanish celebrities, with the initiative appearing in all media (radio, television, digital media, agencies and print media), with an estimated value of €1,456,112.

Furthermore, for nearly 20 years, the Colonial Group has taken part in community projects at the Pedralbes Centre Shopping Centre in Barcelona, which are highly regarded by the local community. The type of actions organised vary widely, but all have one aspect in common: creating value for society.

In 2016, Colonial collaborated in 15 actions/initiatives across the following categories:

• **Cultural support activities:**

- Annual show by students at the ESDI Design School.
- Maria Canals international piano competition.
- “Ciudad de Barcelona” international dance competition.
- Collserola Nature Park photo exhibition with a view to raising awareness on the fight against climate change.

• **Community projects:**

- Fundraising skating event with TV3’s “La Marató”, the “Pere Tarrés” Foundation, Acció Social Contra el Hambre and Bombay Smiles.
- “Letter to the Three Kings” campaign in collaboration with the “Soñar Despierto” Foundation.
- World Autism Day.
- International Breast Cancer Day, in cooperation with Asociación Fero.
- World AIDS Day.
- Fundraising race in support of cerebral palsy, in cooperation with the “Ipsen Pharma” Foundation and the Catalan Cerebral Palsy Foundation (FEPCCAT).
- Integration show.

• **Activities in support of new entrepreneurs:**

- Rising Stars Project.
- Collaboration with BCN Activa (Barcelona City Council).
- 4th Catalan Fundació Junior Achievement Mini-company Competition.
- Allocation of space for Fundació Vicki Bernadet stand.

Social integration

“Letter to the Three Kings” Campaign

In 2016, the fifth “Letter to the Three Kings” campaign was organised in collaboration with the “Soñar Despierto” Foundation. This year, the initiative received the Best Corporate Social Responsibility Action Award from the Spanish Association of Shopping Centres (AECC) for initiatives run in shopping centres.

“Neighbourhood Heroes” Award

In November 2016, the shopping centre’s management team was awarded the “Neighbourhood Heroes” award, issued by the Local Institute of People with Disabilities (social rights department of Barcelona City Council).

The panel placed an emphasis on the consistent support offered by the Pedralbes Centre shopping centre to all social inclusion projects proposed.

Integration show

In September 2016, Pedralbes Centre shopping centre played host to the fourth integrating and inclusive Catwalk-In Show, an initiative that seeks to enhance the visibility of professional models with disabilities within the world of fashion and advertising.

The purpose of this initiative is to demonstrate to society that these new models can showcase their talent and be fully integrated in the world of fashion. As part of this initiative, they share the catwalk with conventional models.

Colonial, in compliance with prevailing regulations, also complies with the General Disability Law. Likewise, it is committed to those groups at risk of social exclusion or with difficulties for labour insertion.

For certain services, Colonial hires special job centres, collaborating socially in the integration of the most affected groups. TRINIJOVE is one example, a special job centre dedicated to the collection of paper from offices.

Moreover, Colonial makes donations to the Multiple Sclerosis Foundation (FEM), and carries out different social activities with this Foundation. Colonial supplies information to its employees, related to the different social activities that the Foundation carries out via the corporate intranet in order to boost their collaboration at an individual level.

The policy to promote the labour insertion of individuals with disabilities has also been rolled out in France. Each year SFL donates €15,000 to promoting the organisation of ADAPT activities. Furthermore, bearing in mind that the workforce is stable and the volume of new recruits is low, in 2016, SFL donated €6,919 to AGEFIPH, an association that promotes the integration of workers with disabilities.

Accessibility

The Colonial Group is firmly committed to ensuring that all company properties can be accessed by anyone. To that end, the Company adapts all its buildings so they can be used by people with different disabilities.

Specifically, the objective is to outfit portfolio properties with services that ensure mobility for people with disabilities and that allow them to identify, with the greatest possible autonomy, the different items in the communal areas. To this end, buildings are equipped with ramps, alarms, Braille buttons in lifts and other features. In fact, since 2010, all remodelling and large-scale renovation work in France has been undertaken by a company that takes accessibility aspects into consideration.



9. About the report





Colonial's 2016 CSR represents its third publication in terms of Corporate Social Responsibility.

Characteristics of the report

Standards considered in drawing up the 2016 CSR report

The Colonial Group followed the G4 Global Reporting Initiative (GRI) and the GRI Construction and Real Estate Sector Supplement in preparing this report, to ensure that it presented matters that are truly significant to its business, that can influence the decision-making of stakeholders, and that reflect key developments within the sector. Furthermore, the Group took into account the best practices in terms of sustainability information, as recommended by the European Public Real State Association (EPRA).

The reporting process guidelines require an analysis of materiality to identify the aspects that have a material effect on the group socially, economically, environmentally and in terms of corporate governance. The objective is to share the progress made in 2016 with Colonial Group's stakeholders and the market in general, in terms of the matters most relevant to the business and to the aforementioned stakeholders, while presenting the Company's performance in aspects that have a significant social, economic and environmental effect.

As part of the creation of the report, the GRI principles laid down in the G4 GRI reporting guidelines were taken into consideration. The four main principles are:

- Materiality.
- Stakeholder contribution.
- Sustainability context.
- Completeness.

Furthermore, the principles relating to reporting quality set out in the G4 guidelines have been followed:

- Balance.
- Comparability.
- Accuracy.
- Timeliness.
- Clarity.
- Reliability.

Material issues

The table below sets out the material aspects identified and their correspondence to the GRI G4 guidelines (general and industry-specific) and the EPRA's Best Practices for Sustainability Reporting.

Material issues	Stakeholder	GRI G4 Indicators	EPRA sBPR	Inside/Outside Organisation	Relevant chapter of the report
1. Location and accessibility	Clients	G4-PR1.		In and out	6. Client satisfaction
2. Company service efficiency	Clients Society	G4-EC8, G4-EC7, G4-EN29, G4-EN30.		In and out	2. Colonial at a glance 8. Relationship with the community
3. Client satisfaction and communication	Clients	G4-PR5.		In and out	6. Client satisfaction
4. Certification and labelling	Clients	G4-EN27, G4-EN7, G4-PR3, G4 CRE8.	EPRA Cert-Tot.	In and out	6. Client satisfaction 8. Relationship with the community
5. Generation of value	Clients Society	G4-EC1, G4-EC3.		In and out	2. Colonial at a glance
6. Relevance of CSR investment (capex/opex)	Clients Society Shareholders and investorss			In and out	2. Colonial at a glance
7. Responsible consumption (energy, raw materials, water and waste)	Society Clients	G4-EN1, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN23, G4-CRE1, G4-CRE2, G4-CRE3.	EPRA Elec-Abs, EPRA Elec-LfL, EPRA DH&C-Abs, EPRA DH&C-LfL, EPRA Fuels-Abs, EPRA Fuels-LfL, EPRA Energy-Int, EPRA Water-Abs, EPRA Water-LfL, EPRA Water-Int, EPRA Waste-Abs.	In	7. Eco-efficiency

Material issues	Stakeholder	GRI G4 Indicators	EPRA sBPR	Inside/Outside Organisation	Relevant chapter of the report
8. Emissions management and eco-efficiency	Society Clients	G4-EN15, G4-EN16, G4-EN19.	EPRA GHG-Dir-Abs, EPRA GHG-Dir-LfL, EPRA GHG-Indi-Abs, EPRA GHG-Indir-LfL, EPRA GHG-Int.	In	7. Eco-efficiency
9. Safety and environmental risk management	Society Clients Suppliers Employees	G4-CRE8.	EPRA Cert-Tot.	In and out	5. Professional team 7. Eco-efficiency
10. Procurement and supplier relationships	Suppliers	G4-EC9, G4-EN31, G4-EN32.		In and out	5. Professional team
11. Attracting talent and training	Employees	G4-LA1, G4-LA2, G4-LA3, G4-LA9, G4-LA10, G4-LA11, G4-LA12.		In	5. Professional team
12. Diversity and equal opportunities	Employees	G4-LA1, G4-LA2, G4-LA3, G4-LA4, G4-LA12.		In	5. Professional team
13. Health and safety	Employees	G4-LA5, G4-LA6, G6- LA8.		In and out	5. Professional team

Material issues	Stakeholder	GRI G4 Indicators	EPRA sBPR	Inside/Outside Organisation	Relevant chapter of the report
14. Quality of life	Employees Clients	G4-LA12, G4-PR1, G4-PR3, G4-PR5.		In and out	5. Professional team 6. Client satisfaction
15. Governance and transparency	Society Clients Employees Shareholders and investors	G4-SO3, G4-SO4, G4-SO5.		In	3. Corporate Governance Model
16. Corporate ethics	Society Clients Employees Shareholders and investors	G4-SO4, G4-SO5, G4-SO8, G4-EN29.		In	3. Corporate Governance Model
17. Commitment to the local community	Society	G4-EC7.		In and out	8. Relationship with the community

Corporate publications

This report forms part of the transparency exercise undertaken by the Colonial Group and is made available along with five other reports published by the Company providing information on the initiatives undertaken in 2016 in terms of the Group's economic results and Corporate Governance.

- Colonial Group 2016 Annual Report: see Shareholders and investors tab
<http://www.inmocolonial.com>
- 2016 Colonial Group Corporate Governance Report
<http://www.inmocolonial.com/>
- 2016 Annual results
<http://www.inmocolonial.com/>
- 2016 Annual results (SFL)
<http://www.fonciere-lyonnaise.com/fr>
- SFL CSR Report
<http://www.fonciere-lyonnaise.com/fr>

Calculation methodologies

The Colonial Group's CO₂ emissions were estimated using the calculation methodology and emission rates established by the International Energy Commission, the database of the French Environment & Energy Management Agency and the recommendations of the European Public Real Estate Association, version 2.0.

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10. GRI index & EPRA BPR's





General Basic Contents

General Basic Contents	Description	Page(s)	Scope
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chairman, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	5	Colonial Group
G4-2	Provide a description of key impacts, risks, and opportunities.	30-31	Colonial Group
Organizational Profile			
G4-3	Report the name of the organization.	Inmobiliaria Colonial S.A. y Sociedades Dependientes	Colonial Group
G4-4	Report the primary brands, products, and services.	12-19	Colonial Group
G4-5	Report the location of the organization's headquarters.	12/104	Colonial Group
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	12-21	Colonial Group
G4-7	Report the nature of ownership and legal form.	11	Colonial Group
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	12-21	Colonial Group
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> – Total number of employees – Total number of operations – Net sales (for private sector organizations) or net revenues (for public sector organizations) – Total capitalization broken down in terms of debt and equity (for private sector organizations) – Quantity of products or services provided 	8-10	Colonial Group

General Basic Contents	Description	Page(s)	Scope
G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>	45-47	Colonial Group
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	98% of the employees are covered by collective agreement.	Colonial Group
G4-12	Describe the organization's supply chain.	22-23, 56-57	Colonial Group
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	11, 28-30	Colonial Group
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	5	Colonial Group
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	8, 39, 86-88	Colonial Group
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <p>Holds a position on the governance body.</p> <p>Participates in projects or committees.</p> <p>Provides substantive funding beyond routine membership dues.</p> <p>Views membership as strategic.</p>	8, 39, 86-88, 94-97	Colonial Group

General Basic Contents	Description	Page(s)	Scope
Identified Material Aspects and Boundaries			
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	11-12	Colonial Group
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	100-104	Colonial Group
G4-19	List all the material Aspects identified in the process for defining report content.	101-103	Colonial Group
G4-20	Report any specific limitation regarding the Aspect Boundary within the organization.	101-103	Colonial Group
G4-21	Report any specific limitation regarding the Aspect Boundary outside the organization.	23, 101-103	Colonial Group
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Fuel consumption levels and the corresponding intensities for 2015 were recalculated and corrected to make them comparable with the scope of buildings in 2016. In addition, fuel consumption levels corresponding to the leased portion of Diagonal 530 were also included.	Colonial Group
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There have been no significant changes in the scope and coverage of the material aspects with respect to the reports of previous years.	Colonial Group

General Basic Contents	Description	Page(s)	Scope
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	24	Colonial Group
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	24	Colonial Group
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	24	Colonial Group
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	3. Corporate Governance Model 4. Investors and Shareholders 5. Professional Team 6. Client Satisfaction 7. Eco-Efficiency 8. Relationship with the Community	Colonial Group
Report Profile			
G4-28	Reporting period.	Natural Year 2016	Colonial Group
G4-29	Date of most recent previous report (if any).	Natural Year 2015	Colonial Group
G4-30	Reporting cycle.	Annual	Colonial Group
G4-31	Provide the contact point for questions regarding the report or its contents.	104	Colonial Group
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option C. Report the reference to the External Assurance Report, if the report has been externally assured.	Core	Colonial Group

General Basic Contents	Description	Page(s)	Scope
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	The CSR Report has not been assured	Colonial Group
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	28-30	Colonial Group
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	28-31	Colonial Group
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	28-31	Colonial Group
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	24, 34	Colonial Group
G4-38	<p>Report the composition of the highest governance body and its committees by:</p> <p>Executive or non-executive</p> <p>Independence</p> <p>Tenure on the governance body</p> <p>Number of each individual's other significant positions and commitments, and the nature of the commitments</p> <p>Gender</p> <p>Membership of under-represented social groups</p> <p>Competences relating to economic, environmental and social impacts</p> <p>Stakeholder representation</p>	28-30 – Chapters C.1.2 and C.1.3 of IAGC 2016	Colonial Group
G4-39	Report whether the Chairman of the highest governance body is also an executive officer. If so, describe his or her function within the organization's management and the reasons for this arrangement).	– Chapter C of IAGC 2016	Colonial Group

General Basic Contents	Description	Page(s)	Scope
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members.	– Chapter C of IAGC 2016	Colonial
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	– Chapter D.6 of IAGC 2016	Colonial
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	– Chapter C of IAGC 2016	Colonial
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	– Chapter G of IAGC 2016	Colonial
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	– Chapter C.1.20 of IAGC 2016	Colonial
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	30, 31 – Chapter C and E of IAGC 2016	Colonial Group
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	30, 31 – Chapter C and E of IAGC 2016	Colonial
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	30, 31 – Chapter C and E of IAGC 2016	Colonial
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Board of Directors	Colonial Group

General Basic Contents	Description	Page(s)	Scope
G4-49	Report the process for communicating critical concerns to the highest governance body.	– Chapter C of IAGC 2016	Colonial
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	– Chapter C of IAGC 2016	Colonial
G4-51	a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance bodies and senior executives' economic, environmental and social objectives.	– Chapter C of IAGC 2016	Colonial
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Annual Remuneration Report	Colonial Group
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	– Chapter C of IAGC 2016	Colonial
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	There are no procedures to report this information	Colonial Group
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	There are no procedures to report this information	Colonial Group
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	24, 32-33	Colonial Group
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	Not material	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	34	Colonial

Specific basic contents

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
CATEGORY – ECONOMIC				
Economic Performance				
Value generation for shareholders	Management Approach		9-10, 38-39 – Colonial Annual Report 2016	Colonial Group
	G4-EC1	Direct Economic Value generated and distributed.	9-10, 38-39	Colonial Group
	G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	There is no information available	
	G4-EC3	Limit of the liabilities of the organization due to social benefit program.	53-54 – Chapter C of IAGC 2016	Colonial Group
	G4-EC4	Economic subsidies by the government.	There has not been any significant subsidies of this nature	
Market Presence				
	G4-EC5	Relationship between the initial salary broken down by sex and the local minimum salary in places where significant operations are carried out.	Not Material	
	G4-EC6	Report the percentage of senior management at significant locations of operation that are hired from the local community.	Not Material	

**Material Aspects
identified on
the materiality
matrix**

	Indicator	Description	Page(s)	Scope
Indirect Economic Impacts				
Company service efficiency and commitment with local community	Management Approach		94-97 – Colonial's Annual Report 2016	Colonial Group
	G4-EC7	Report the extent of development of significant infrastructure investments and services supported.	76-77, 89-90	Colonial Group
	G4-EC8	Report positive and negative indirect economic impacts the organization has.	94-97 – Colonial's Annual Report 2016	Colonial Group

Procurement Practices

Purchases and supplier's relationship	Management Approach		56-57	Colonial Group
	G4-EC9	Report the percentage of the procurement budget used for significant locations of operation spent on suppliers local.	56	Colonial Group

CATEGORY – ENVIRONMENTAL

Materials

Responsible consumption (energy, raw materials, water and waste)	Management Approach		71-77, 83-84	Colonial Group
	G4-EN1	Report the total weight or volume of materials.	83	Colonial Group
	G4-EN2	Report the percentage of recycled input materials.	83-84	Colonial Group

Energy

Responsible consumption (energy, raw materials, water and waste), and Certification and labelled	Management Approach		71-77, 78-82	Colonial Group
	G4-EN3	Report total internal fuel consumption.	80	Wholly-owned offices Colonial Group

**Material Aspects
identified on
the materiality
matrix**

	Indicator	Description	Page(s)	Scope
Responsible consumption (energy, raw materials, water and waste), and Certification and labelled	EPRA - Elec-Abs	Report Total energy consumption.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA - Elec-LfL	Report Like-for-Like energy consumption.	80-81	Sustainable Like-for-Like buildings
	EPRA - DH&C-Abs	Report heat and refrigeration total consumption.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA - DH&C-LfL	Report Like-for-Like heat and refrigeration.	80-81	Sustainable Like-for-Like buildings
	EPRA - Fuels-Abs	Report total fuel consumption.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA - Fuels-LfL	Report Life-for-Like fuel consumption	80-81	Sustainable Like-for-Like buildings
	G4-EN4	Report external energy consumption	81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	G4-EN5	Report energy intensity ratio.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings and Sustainable Like-for-Like buildings

**Material Aspects
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the materiality
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	Indicator	Description	Page(s)	Scope
Responsible consumption (energy, raw materials, water and waste), and Certification and labelled	G4-EN6	Report the amount of reductions in energy consumption.	78-82	Colonial Group
	G4-EN7	Report the reductions in the energy requirements of products and services.	78-82	Colonial Group
	CRE1 / EPRA - Energy-Int	Report the energy intensity ratio of buildings.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings

Water

Responsible consumption (energy, raw materials, water and waste)	Management Approach		71-77, 85	Colonial Group
	G4-EN8 / EPRA - Water-Abs	Report the total volume of water withdrawn.	85	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA - Water-LfL	Like-for-Like water consumption.	85	Sustainable Like-for-Like buildings
	CRE2 / EPRA - Water-Int	Water intensity of buildings.	85	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	G4-EN9	Report the total number of water sources significantly affected by withdrawal.	Not material	
	G4-EN10	Report the total volume of water recycled and reused by the organization.	The Company has in some of its buildings water recycling and purification systems – not significant and not material	Colonial Group

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
Biodiversity				
	G4-EN11	Report the following information for each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not material	
	G4-EN12	Report the nature of significant direct and indirect impacts on biodiversity.	Not material	
	G4-EN13	Report the habitat protected or restored areas.	Not material	
	G4-EN14	Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization.	Not material	

Emissions

Emissions management and efficiency, and responsible consumption (energy, raw materials, water, and waste)	Management Approach		71-82	Colonial Group
	G4-EN15/ EPRA - GHG-Dir-Abs	Direct emissions of greenhouse gas (Scope 1).	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA - GHG-Dir-LfL	Report Like-for-Like direct emissions of greenhouse gas.	80-81	Sustainable Like-for-Like buildings
	G4-EN16 / EPRA - GHG-Indir-Abs	Report gross energy indirect (Scope 2) GHG emissions.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	CRE3 / EPRA - GHG-Indir-LfL/EPRA - GHG-Int	Report Like-for-Like indirect emissions of greenhouse gas.	80-81	Sustainable Like-for-Like buildings

**Material Aspects
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	Indicator	Description	Page(s)	Scope
Emissions management and efficiency, and responsible consumption (energy, raw materials, water, and waste)	G4-EN17	Report gross other indirect (Scope 3) GHG emissions.	The Group calculates the scope 3 for the CDP, and next year it will be included in the CSR Report	Colonial Group
	G4-EN18	Report the GHG emissions intensity ratio.	80-81	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	G4-EN19	Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tons of CO ₂ equivalent.	80-81	Colonial Group
	G4-EN20	Emissions that deplete ozone.	Not material	
	G4-EN21	NOX, SOX, and other significant emissions.	Not material	

Effluents and Waste

Responsible consumption (energy, raw materials, water and waste)	Management Approach		71-77, 84	Colonial Group
	G4-EN22	Report the total volume of planned and unplanned water discharges.	Not material	
	G4-EN23 / EPRA Waste-Abs	Report waste by type.	84	Wholly-owned offices and offices leased with control of energy consumed in the buildings
	EPRA Waste-LfL	Like-for-Like of different waste type	84	Sustainable Like-for-Like buildings

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
Responsible consumption (energy, raw materials, water and waste)	G4-EN24	Report the total number and volume of recorded significant spills.	Not material	
	G4-EN25	Report the total weight for each of the following considered dangerous in virtue of Appendixes I, II, III and VIII of the Basilea 2 agreement: Hazardous waste transporte. Hazardous waste imported. Hazardous waste exported. Hazardous waste treated. Report the percentage of hazardous waste shipped internationally.	Not material	
	G4-EN26	Report water bodies and related habitats that are significantly affected by water discharges coming from the organization.	Not material	

Products and Services

Certification and labelling	Management Approach		86-88	Colonial Group
	G4-EN27	Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period.	86-88	Colonial Group
	G4-EN28	Report the percentage of reclaimed products and their packaging materials for each product category.	Not material	

Compliance

Company Service efficiency, management and efficiency of emissions and business ethics	Management Approach		7. Eco-Efficiency	Colonial Group
	G4-EN29	Report significant fines and non-monetary sanctions in terms of: Total monetary value of significant fines. Total number of non-monetary sanctions.	No penalty fees had been received	

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
Transport				
Company Service efficiency, management and efficiency of emissions	Management Approach		7. Eco-Efficiency	Colonial Group
	G4-EN30	Report the significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.		There is no information related with employees displacements

Suppliers Environmental Assessment

Purchases and supplier relationship management	Management Approach		56-57	Colonial Group
	G4-EN31	Report total environmental protection expenditures.	Annual Report	Colonial Group
	G4-EN32	Report the percentage of new suppliers that were screened using environmental criteria.		There is no information
	G4-EN33	Report the significant environmental impacts real and potential in the supply chain and respective measures.		There is no information
	G4-EN34	Report the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.		There have not been any grievances

CATEGORY – SOCIAL

SUB-CATEGORY – LABOR PRACTICES AND DECENT WORK

Employment

Hiring of employees, training, diversity and equal opportunities	Management Approach		5. Professional Team	Colonial Group
	G4-LA1	a. Report the total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.	45-47	Colonial Group

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
Hiring of employees, training, diversity and equal opportunities	G4-LA2	Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation.	53-54	Colonial Group
	G4-LA3	Report the return to work and retention rates of employees who took parental leave, by gender.	The total amount of employees had been reinstated after maternity leave	Colonial Group

Labour/Management Relations

Diversity and equal opportunities	Management Approach		51, 55	Colonial Group
	G4-LA4	a. Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them and the possible inclusion in collective bargaining agreements.	51, 55	Colonial Group

Occupational Health and Safety

Health and safety	Management Approach		51-53	Colonial Group
	G4-LA5	Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.	51-53	Colonial Group
	G4-LA6	Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers) by region and by gender.	52	Colonial Group
	G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	There is no significant risks of illness	
	G4-LA8	Report whether formal agreements (either local or global) with trade unions cover health and safety.	51-53	Colonial Group

**Material Aspects
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	Indicator	Description	Page(s)	Scope
Training and Education				
Hiring and training	Management Approach		48-50	Colonial Group
	G4-LA9	Report the average hours of training that the organization's employees have undertaken during the reporting period, by: Gender. Employee category.	48-50	Colonial Group
	G4-LA10	a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills. b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	48-50	Colonial Group
	G4-LA11	a. Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period, by gender and professional category.	68 SFL staff have received performance and professional development assessments (equivalent to almost 40% of the workforce)	SFL
Diversity and Equal Opportunity				
Hiring and training, Life quality, Diversity and equal opportunities	Management Approach		44-51	Colonial Group
	G4-LA12	Report the percentage of individuals within the organization's governance bodies by professional category, gender, age, minority status or other diversity categories.	44-51	Colonial Group

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
Equal Remuneration for Women and Men				
Hiring and training, Life quality, Diversity and equal opportunities	Management Approach		51, 53	Colonial Group
	G4-LA13	Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	There is no information	

Supplier Assessment for Labour Practices

	G4-LA14	Report the percentage of new suppliers that were screened using labour practices criteria.	Not material	
	G4-LA15	Report the number of suppliers subject to impact assessments for labour practices, and the corresponding measures.	Not material	

Labour Practices Grievance Mechanisms

	G4-LA16	Report the total number of grievances about labour practices filed through formal grievance mechanisms during the reporting period.	No claims have been received on this matter	
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SUB-CATEGORY – HUMAN RIGHTS

Investment

	Management Approach			
	G4-HR1	Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Not material	
	G4-HR2	Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the number of skilled employees.	Not material	

**Material Aspects
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	Indicator	Description	Page(s)	Scope
No Discrimination				
	Management Approach			
	G4-HR3	a. Report the total number of incidents of discrimination during the reporting period. b. Report the status of the incidents and the actions taken with reference	Not material	
Freedom of Association and Collective Bargaining				
	Management Approach			
	G4-HR4	Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to defend these rights.	Not material	
Child Labour				
	Management Approach			
	G4-HR5	Report operations and suppliers considered to have significant risk for incidents of the exploitation of children, and measures taken to contribute to abolishment of these practices.	Not material	
Forced or Compulsory Labour				
	Management Approach			
	G4-HR6	a. Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labour. b. Report measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour.	Not material	

Material Aspects identified on the materiality matrix

Indicator	Description	Page(s)	Scope
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Security Practices

Management Approach			
G4-HR7	Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.	Not material	

Indigenous Rights

Management Approach			
G4-HR8	Report the total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period, and the measures adopted.	Not material	

Assessment

Management Approach			
G4-HR9	Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments.	Not material	

Suppliers Human Rights Assessment

Management Approach			
G4-HR10	Report the percentage of new suppliers that were screened using human rights criteria.	Not material	
G4-HR11	Report the number of suppliers identified as having significant actual and potential negative impacts on human rights.	Not material	

**Material Aspects
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	Indicator	Description	Page(s)	Scope
Human Rights Grievance Mechanisms				
	Management Approach			
	G4-HR12	Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.	Not material	
SUB-CATEGORY – SOCIETY				
Local Communities				
	Management Approach			
	G4-SO1	Report the percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not material	
	G4-SO2	Report operations with significant actual and potential negative impacts on local communities.	Not material	
Anti-corruption				
Governance, transparency and ethics in business	Management Approach		30-34	Colonial Group
	G4-SO3	a. Report the total number and percentage of operations assessed for risks related to corruption. b. Report the significant risks related to corruption identified through the risk assessment.	30-31, 34	Colonial Group
	G4-SO4	Report the organization's anti-corruption policies and procedures.	30-34	Colonial Group
	G4-SO5	Report the total number and nature of confirmed incidents of corruption and adopted measures.	There have been no corruption cases	Colonial Group

Material Aspects identified on the materiality matrix

	Indicator	Description	Page(s)	Scope
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Public Policy

	Management Approach			
	G4-SO6	Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.	Not material	

Anti-competitive Behaviour

	Management Approach			
	G4-SO7	a. Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Report the main outcomes of completed legal actions, including any decisions or judgments.	Not material	

Compliance

Business Ethics	Management Approach		32-33	Colonial Group
	G4-SO8	Report significant fines and non-monetary sanctions for in-compliance with legislation.	There have not been any sanctions of this nature	Colonial Group

Suppliers Assessment for Impacts on Society

	Management Approach			
	G4-SO9	Report the percentage of new suppliers that were screened using criteria for impacts on society.	Not material	
	G4-SO10	Report the number of suppliers identified as having significant actual and potential negative impacts on society.	Not material	

**Material Aspects
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matrix**

	Indicator	Description	Page(s)	Scope
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Grievance Mechanisms for Impacts on Society

	Management Approach			
	G4-SO11	Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.	Not material	

SUB-CATEGORY – PRODUCT RESPONSIBILITY

Customer Health and Safety

Location and accessibility, life quality	Management Approach		61, 66	Colonial Group
	G4-PR1	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	61, 66	Colonial Group
	G4-PR2	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period.	There have not been any incident of this nature	

Product and Service Labelling

Communication and client satisfaction, Certification and labelling, life quality and security, environmental risks management	Management Approach		61-66	Colonial Group
	G4-PR3	Report whether the following product and service information is required by the organization's procedures for product and service information and labelling.	Not material	
	G4-PR4	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.	There have not been any incident of this nature	
	G4-PR5	Report the results or key conclusions of customer satisfaction.	61-66	Colonial Group
	CRE8 / Cert-Tot	Report type and number of schemes of sustainable certifications, new construction, management and occupancy.	61-66	Colonial Group

Material Aspects identified on the materiality matrix

Indicator	Description	Page(s)	Scope
Marketing Communications			
Management Approach			
G4-PR6	Report whether the organization sells products that are: Banned in certain markets. The subject of stakeholder questions or public debate.	Not material	
G4-PR7	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	Not material	
Customer Privacy			
Management Approach			
G4-PR8	Report the total number of substantiated complaints received concerning breaches of customer privacy.	Not material	
Compliance			
Management Approach			
G4-PR9	Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not material	



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