



*This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail*

**CORPORATE SOCIAL RESPONSIBILITY REPORT OF PARQUES REUNIDOS  
SERVICIOS CENTRALES, S.A. FOR THE YEAR ENDED ON 30 SEPTEMBER 2017**



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## INTRODUCTION

As a result of the initial public offering of Parques Reunidos Servicios Centrales S.A. (“**Parques Reunidos**” or the “**Company**”) on 29 April 2016, the Company needed a complete transformation and it was important to provide it and its subsidiaries (the “**Group**” or the “**Parques Reunidos Group**”) with a number of policies, including the Corporate Social Responsibility Policy (“**CSR**”), to make sure that the Company strictly complies with all its obligations as a listed company.

On 7 February 2017, the Company's Board of Directors approved the CSR with the aim of continuing to foster a social responsibility culture at the Group that would contribute to creating value in the long term and in a sustainable way. The CSR contains the corporate social responsibility strategy and the Parques Reunidos Group's commitment to applying the best practices in the countries where it operates.

Notwithstanding the foregoing, the Group's corporate social responsibility activity is not limited to that established in the CSR or due to the Company's IPO. In fact, the Group had carried out diverse corporate social responsibility initiatives for many years before the IPO in the Spanish stock market. Proof of this is that the Group's Code of Conduct for Europe dates back to 31 March 2009 and that the Employee Handbook for the United States dates back to 2010. The approval of these documents had the objective of including the ethical principles and the principles of conduct guiding all the actions carried out by the Group's workers, both in their internal relations and in their relations with customers, shareholders, suppliers, sponsors, associates and, in general, any persons or organizations in the social environment of the countries where the Group companies operate.

In human resources and employment, the Company continues to adopt plans, initiatives and models to foster its commitment to job creation, equal opportunities, a work-life balance, communication with employees and workers' health and safety.

At the same time, since 2011 Fundación Parques Reunidos has actively contributed to defending the environment, biodiversity and sustainable development by saving and protecting threatened or endangered species and fostering education on these subjects.

Fundación Parques Reunidos collaborates on-site with many international organizations to protect endangered species. The work consists of reinforcing citizens' awareness and providing direct support, both financially and through specific interventions, to consolidated international projects. Nevertheless, the purpose of Fundación Parques Reunidos is not limited to defending the environment; it also includes a social and solidarity component aimed at fostering education and child protection, and defending the democratic principles of fostering tolerance and education in values, as well as volunteering and social action. Many examples of these actions are included in this report.

It is obvious that, within the framework of the Company's business strategy, corporate social responsibility is a fundamental factor in ensuring the Company's long-term sustainability and reinforcing stakeholder confidence. Parques Reunidos believes that corporate social responsibility is a commitment acquired by the Company and that is why, in the last few years, it has carried out intense activity to foster leisure that is safe, healthy, educational and committed to the environment.

In short, the IPO in April 2016 has reinforced the Company's already strong commitment to corporate social responsibility, so that every year the Company, its managers, shareholders and other stakeholders can be proud of the achievements and progress made by the Parques Reunidos Group in this area.

## **1. REPORT PROFILE**

To comply with Recommendation 55 of the Code of Good Governance for Listed Companies approved on 18 February 2015 by the CNMV (Spanish Securities Market Commission), this report describes the main activities carried out by the Company in corporate social responsibility during the year starting 1 October 2016 and ending 30 September 2017.

The Company wants to publicize the progress and challenges associated with its corporate social responsibility and those of its leisure parks, as well as the actions which have enabled the Parques Reunidos Group to contribute to our company's sustainability. This report provides an overview of the Company's ethical context as well as summarized descriptions of the activities in the various corporate social responsibility areas carried out at the leisure parks.

The data stated in this document refer to the total for the Company and its subsidiaries which form part of the Parques Reunidos Group, unless otherwise stated.

## **2. BRIEF GROUP PROFILE**

The Parques Reunidos Group is one of the leading global operators of regional leisure parks and one of the largest international operators.

With 50 years' experience, it manages a diversified portfolio of 61 leisure parks: amusement and theme parks, zoos and aquariums, water parks, family entertainment centers and other attractions.

In terms of visitors, the Group is the second-largest operator of leisure parks in Europe and the eighth-largest in the world. In terms of leisure parks, it is the biggest operator of water parks and the largest operator of zoos in Europe.

As can be seen in the next image, the Group operates on three continents; it is present in 14 countries in Europe, the Americas (US and Argentina), the Middle East (Dubai) and Asia (Vietnam).



## ETHICS AND INTEGRITY

### 1. MISSION, VISION AND VALUES

#### 1.1 Mission

The mission of Parques Reunidos and its Group companies is to offer a safe, healthy and educational leisure experience for all our visitors, as well as one that is committed to the environment. We want to bring happiness to our community, contributing to the professional and personal development of our employees.

Last but not least, our goal is to generate value for our shareholders and investors.

#### 1.2 Vision

Parques Reunidos aspires to maintain its condition as a reference in the leisure sector in which we stand out for offering not only a safe but also an educational and sustainable leisure experience.

#### 1.3 Values

The main values of the Group can be summed up in our “5 S” policy:

- ✓ **SAFETY:** Our basic priority is to take care of our customers, employees and the environment. This priority will not be reduced under any circumstance, for either economic or operational reasons.
- ✓ **SERVICE:** Our constant challenge is to fully satisfy our customers’ expectations. One of our tasks, particularly in the case of persons in positions of responsibility, is to assess the reactions of our customers and proactively to identify possible areas for improvement, as well as new opportunities. These actions will always be implemented while respecting ethical principles and the values of the society in which we operate, within the framework of sustainability.
- ✓ **SALES:** We are always developing new products and services that we consider are very valuable for our customers. Our main objective is for our customers to be fully informed at all times of all the terms and conditions of our products and services before they buy them. That is why we focus our efforts on providing flexible communication and information channels. In addition, we aim to create tailored offers that allow the most disadvantaged groups or groups at risk of social exclusion to enjoy our facilities. These initiatives are channeled in Spain mainly through our foundation (Fundación Parques Reunidos), which permanently collaborates with other non-profit organizations, and, at the rest of the Group, through the leisure parks themselves.
- ✓ **SAVINGS:** We make the best use of the resources we manage, contributing greater value efficiently to our customers, employees and investors. Cost savings and control are essential in all the areas to try to achieve the greatest economic efficiency at global level. Although this is a fundamental cornerstone, it will always be subject to compliance with the rest of the features that make up our policy, based on ethical and upstanding behavior. The savings policy allows not only more sustainable daily operations (avoiding waste of resources), but also facilitates investment in the most advanced technologies that respect the environment.

- ✓ **SMILE:** We want our customers and staff to feel satisfied, happy and committed to our objectives and values. The aim is for employees and visitors to participate in the improvement of our products and services while insisting on the creation of a respectful, integrating and discrimination-free environment in which our employees can find space for professional and human development and our visitors can enjoy leisure with their family.

## 2. ETHICAL FRAMEWORK

To ensure that the Group's values are perceived and assimilated by our employees and customers, the Company has a Crime Prevention Program (the "CPP") in place. It was prepared and certified by *Deloitte Legal*, member of the group *Deloitte Touche Tohmatsu Limited ("Deloitte")*, and approved by the Board of Directors, with the aim that all the interactions between employees, management, customers and investors are governed by ethics and good practices. The CPP defines the main risks of unethical conduct in our activity and proposes a number of controls to detect and prevent this conduct.

One of the cornerstones of the CPP is the Code of Conduct, approved on 31 March 2009, which is mandatory for all the Group employees in Europe and Asia (in parallel, in the United States the equivalent program in force is based on the Employee Handbook). A copy of the Code of Conduct (or, where applicable, of the Employee Handbook) is delivered to each employee before the employment contract is signed. All employees must sign a receipt that it has been received, read, understood and accepted. A digital copy is available for employees on the Group's intranet, and there are hard copies in the human resources department. Periodic training and information actions are also carried out. In this way, the Group makes the necessary tools and guides available for all employees so that their behavior is adapted to the ethical demands that have been set. This ensures responsible operations with the Company in which they engage in their activity.

Another major cornerstone of the CPP is the internal whistle-blowing channel, which allows the prevention and detection of unethical or illegal conduct, to which we will refer later on (in the United States, our companies have their own whistle-blowing channel through the Team Member Hotline, whose telephone number is toll-free).

Moreover, with a view to the coming year, the Company will continue to work on the implementation and integration of the CPP and its gradual adaptation to the various laws of the countries where the Parques Reunidos Group operates. All the procedure will be centralized and coordinated in Spain, with the participation from local advisors and the use of a computer tool whose implementation is currently being worked on. That Risk Management System (RMS) tool will provide a greater degree of automation to the procedure for obtaining evidence of the compliance controls made, a better analysis of the potential weaknesses that the CPP may show and, consequently, better implementation of the Company's ethical principles since employees' engagement in good practices will reduce the risk of crimes being committed. The tests are expected to begin at the start of 2018.

In that way, the Company maintains and continues to reinforce its commitment to ethical behavior in all the countries where it operates. Although significant harmonization has currently been achieved regarding the policies applicable to the various locations where the

Group operates, we will now separately detail the specific features in (i) Spain, Europe and Asia; and (ii) the United States.

### **Spain, Europe and Asia**

Within the framework of the ethical behavior established by the Company, formed by several policies and the CPP (created in Spain and whose global integration is being worked on), it is of major importance to minimize the risk of conduct which may constitute a crime related to corruption, in terms of both the public sector (bribery) and private sector.

Specifically, since the creation of the CPP and its implementation in 2012, as well as its update during the year ending 30 September 2017, the crimes of private corruption and bribery have been identified as those with a greater impact and probability of occurrence. That classification is due to the activity performed by Parques Reunidos and the nature of its relations with third parties.

Since the Group has a high degree of relocation, as it has various work centers with a high degree of autonomy and geographic dispersion, it is sometimes complicated or inadvisable to centralize certain operations.

Moreover, those centers carry out very specific activities (the Group has amusement and theme parks, water parks, animal parks -both sea and land animals-, cable cars, indoor leisure centers, etc.) which have very different needs and legal frameworks.

At the same time, all the leisure parks require, to a greater or lesser extent, authorizations granted by the public authorities for their construction or expansion or merely to carry out their activity. Moreover, many of them are government-owned or located in specially protected areas for historical or environmental reasons. In that way, the contact with the public authorities is constant and especially important for appropriately carrying out the business.

After conducting the corresponding analysis based on the impact and probability of occurrence in accordance with the activity and location, Parques Reunidos has reviewed and implemented the policies aimed at (i) providing training on ethical behavior to employees; (ii) establishing procedures to prevent the occurrence of unethical behavior; and (iii) establishing ways to discover that illegal conduct has taken place and adopting the necessary measures to ensure that this ceases.

In that sense, the Code of Conduct expressly refers to conflicts of interest<sup>1</sup>, corruption and bribery.<sup>2</sup> Furthermore, there are specific policies such as the Institutional Relations Policy, the Rules for Managing Invitations, the Rules for Managing VIP Passes and the Purchasing Policy,

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<sup>1</sup> Article 7 of the Code of Conduct states that any employees of Parques Reunidos must notify any situations, negotiations and agreements where there may be a conflict of interest to their immediate superior, who will study the situation with the employee to determine whether there is a conflict of interest and decide the best way to resolve this. Although employees in a potential conflict of interest are not automatically forbidden to participate, their immediate superior must know this beforehand and make the appropriate decision in each case. When the managers of Parques Reunidos or members of the Steering Committee may be in a conflict of interest, formal authorization must be obtained from the Chief Executive Officer, the Company Chairperson or, where applicable, the Board Chairperson.

<sup>2</sup> Article 7 of the Code of Conduct also states that no employees or managers of Parques Reunidos can directly or indirectly request or accept, offer or give, any type of bribe, blackmail or covert payment in cash or in kind, or any other illegal or unethical benefit to public authorities or civil servants, employees or other representatives or associates of Parques Reunidos or to the managers, directors, employees or collaborators of a trading company, society, association, foundation or organisation. In any case, any such offer or proposed arrangement must be reported immediately to Group management. Likewise, no employees or managers of Parques Reunidos can use their personal relationship with any public authorities or civil servants to obtain a resolution which directly or indirectly generates an economic benefit for themselves, for a third party or for the Parques Reunidos Group.

among others, which establish the procedures and protocols aimed at preventing conflicts of interest, risk of private corruption acts and bribery.

As stated previously, those policies are integrated in the CPP which, although it was designed based on Spanish regulations, is currently being adapted to the various laws of the countries where the Parques Reunidos Group operates.

All those policies have been made available to all the employees and can be accessed through the intranet. Moreover, and closely related to the CPP, training is provided every year to the Company staff on crime risk prevention. That training is provided to all the managers and to a large number of employees of Parques Reunidos.

Within the framework of the CPP, and from the day it was implemented, an internal whistle-blowing channel was created, which has been made available to all the employees and to the third parties who collaborate with Parques Reunidos. Complaints about illegal behavior or behavior which contravenes the Code of Conduct can be reported through the whistle-blowing channel. That complaint, which can be anonymous, is received by all the members of the Monitoring Unit, which is the ultimate body responsible for the CPP and comprises the managers of the Finance, Legal Advice, Human Resources and Internal Audit areas. That Unit is in charge of deciding how to process the complaints depending on the content.

The effectiveness of such measures can be seen in the fact that, unlike what occurred in previous years, when two relevant cases of corruption or fraud were detected, no cases were processed regarding corruption.

### **United States**

In line with that stated for Europe, Asia and the rest of the world, the Company drafted an Employee Handbook for the United States, which includes sections on regulatory compliance and ethical conduct as well as information about the internal whistle-blowing channel. That document, which was revised during the year, has been digitally signed by all the employees.

With the purpose of implementing a regulatory compliance and ethical conduct policy, all the members of the headquarters as well as the general managers and human resources managers of the leisure parks receive periodic training every year regarding the conduct which is considered to be a crime and the policies devoted to regulatory compliance. During the year addressed by this report, that training was provided in July.

There are also on-line and on-site training programs for new employees regarding the regulatory compliance policies. Moreover, with the purpose of making sure that the employees have the necessary information to comply with the policies, they periodically receive bulletins on subjects related to ethical behavior and the content of the policies.

After conducting an in-depth analysis of the main risks which can take place at the Group as a result of the nature, impact and probability of occurrence, the General Management in the United States has decided to focus its efforts on implementing and controlling the policies regarding fraud, embezzlement and conflicts of interest with suppliers. As a result, it has not only implemented fund management policies but it has also established control mechanisms such as surveillance cameras in the cash areas, random audits and cash reconciliation analyses for each employee with access to them. Such audit and control tasks are carried out by members of the legal advice and human resource teams, the Chief Financial Officer and its

team, the Chief Operations Officers, the managers, etc. This means that top-level multidisciplinary staff is involved in executing such mechanisms.

Whenever some form of misconduct is suspected, the person must inform the party responsible for the Group's legal advice in the United States (General Counsel) so that the latter can start the pertinent investigation and adopt the necessary measures. Such conduct can also be reported through the internal whistle-blowing channel, where all the employees can notify the General Counsel anonymously. In the event that criminal behavior is detected, the measures to be adopted are shared with the managers with the aim of identifying vulnerabilities and improving processes and, therefore, they can (i) detect similar conduct which may be taking place at other leisure parks; (ii) detect vulnerabilities; and (i) share potential actions for improvement and reinforcement.

In the last few years, as a result of the numerous scandals in which charity donations were diverted, in the United States the Company has established a policy which, as a general rule, forbids making direct financial donations to charity work (in this way, any exceptions must be expressly authorized and made with the pertinent guarantees). For such purposes, very strict rules have been established regarding the possibility of the Company being used as a platform for charity campaigns in the United States. Specifically, that policy forbids collecting cash donations inside the leisure parks and only allows this to be made through the digital platform controlled by the IT department, which is answerable to the headquarters, after prior control from the Group's central services in the US regarding the beneficiary organizations and the activities that they foster.

## **THE CORPORATE SOCIAL RESPONSIBILITY POLICY: SPECIFIC PRACTICES WITH STAKEHOLDERS**

Within the business strategy of the Parques Reunidos Group, corporate social responsibility is a fundamental factor in ensuring its long-term sustainability and reinforcing stakeholder confidence.

As stated above, Parques Reunidos believes that corporate social responsibility is a commitment acquired by the Company and that is why it has carried out intense activity to guarantee leisure that is safe, healthy, educational and committed to the environment.

The CSRP approved by the Company's Board of Directors on 7 February 2017 shows the Group's commitment to ethical management and transparency and it establishes the following objectives and basic principles:

### **1. OBJECTIVES OF THE CSRP**

The Company and other companies in the Group engage in their business with the aim of creating sustainable value, taking into consideration the interests of their shareholders, investors, employees, customers and, in general, all the groups affected by the activities of the Company or the Group (“**Stakeholders**”). The goals of the CSRP are as follows:

- ✓ Foster the achievement of the Group’s strategic objectives, guaranteeing the provision of quality, safe and sustainable services.
- ✓ Foster an ethical culture and increase transparency.
- ✓ Enhance the reputation and recognition of the Company and the Group.
- ✓ Guarantee responsible management of the business opportunities and risks with the aim of maximizing the positive impacts and minimizing the negative ones deriving from the Group’s activities.
- ✓ Foster the protection of the environment and biodiversity, sustainable development and sustainable use of resources, conservation of the natural heritage and social awareness of these issues.
- ✓ Foster knowledge of the different animal species and ecosystems and their conservation, as well as the conservation and protection of threatened or endangered species, by favoring the reproduction of threatened animals. To this end, the Group has adopted a didactic/educational approach that can contribute to people’s social awareness of the environment.
- ✓ Foster the protection of childhood and the defense of the democratic principles of fostering tolerance and education in values.
- ✓ Create incentives for education in the matters specified above.

### **2. BASIC PRINCIPLES OF THE CSRP**

With the aim of complying with the corporate social responsibility objectives, Parques Reunidos acknowledges and adopts the following basic principles applicable throughout all our lines of action:

- ✓ Comply with the law in the countries and territories in which it operates, voluntarily adopting supplementary international commitments, rules and guidelines where there is no adequate or sufficient local legal provision.
- ✓ Ensure protection and respect for universally recognized fundamental Human Rights, within the scope of influence of the Group, and guarantee that it is not involved in the violation of these rights and, where appropriate, remedy any damage caused.
- ✓ Ensure the health and safety of the Group's employees and customers.
- ✓ Encourage free market practices, rejecting any type of illegal or fraudulent practice, implementing effective preventive mechanisms, monitoring and sanctions against irregularities. In particular, the CSRP undertakes the commitment to report any practice of corruption that is discovered within the Group in any of the territories where it operates. The Group has a Risk Control and Management Policy (RSM) that covers all types of risks (strategic, operational, reporting and compliance, including civil and criminal), as well as a corporate compliance program (PPD).
- ✓ Foster channels for communication and dialogue and foster the Group's relations with its shareholders, investors, employees, customers and, in general, all its Stakeholders.
- ✓ Adopt advanced corporate governance practices in line with the generally accepted good governance recommendations on international markets.
- ✓ The Group approved an Code of Ethics and Conduct on 31 March 2009, by virtue of which the Group's companies undertake actions that include sustainable development of the business model, responsible activity with respect to Stakeholders, compliance with current law and protection of the environment. In the United States, since 2010, our companies have a document equivalent to the Code of Conduct which is called the Employee Handbook that includes the same principles and objectives.

### **3. SPECIFIC PRACTICES WITH STAKEHOLDERS**

#### **3.1 Shareholders and investors**

Since the initial public offering in April 2016, Parques Reunidos has maintained a commitment to transparency with its shareholders. It informs them regularly of its activities through the Significant Events published on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)) and on the Company's corporate website ([www.parquesreunidos.com](http://www.parquesreunidos.com)). In that sense, the CSRP establishes a number of principles guiding the Company's actions with respect to its shareholders and investors.

Through its website, Parques Reunidos provides updated information in both Spanish and English about the Significant Events notified to the CNMV, the documents related to the convening and holding of the annual general meeting and the press releases of interest to shareholders and investors. All the Group's relevant information, presentations and legal, economic and financial and corporate governance documents are available to the public on the corporate website.

In addition, the Company has made available to its shareholders, institutional investors and the markets in general a direct communication channel via e-mail ([investor@parquesreunidos.com](mailto:investor@parquesreunidos.com)) with the main objective of serving as an open, permanent and transparent communication channel with all the Company's shareholders and investors.

During the year, the Investor Relations department at Parques Reunidos channeled the communication with shareholders, institutional investors, proxy advisors and the markets in general, enabling them to exercise their rights and ensuring equal treatment among them to avoid discriminatory situations. The information was provided continuously and not only as a result of holding the annual general meeting.

Parques Reunidos also organized road shows with analysts and institutional investors to inform about its business performance. The Company also attended events organized by investment banks to meet with institutional investors. During the year addressed by this report, Parques Reunidos also organized quarterly telephone meetings in which its management team told analysts and institutional investors about the main features of its financial results and provided them with a trading update. At those meetings, Parques Reunidos dealt with the requests for information, particularly taking into account the rules on how to treat inside information and market abuse, the relations with shareholders and the markets, and the other rules envisaged in the applicable regulations and in the Company's internal regulations.

#### **3.2 Customers**

##### **3.2.1 Safety**

As mentioned above, the mission of Parques Reunidos is to work to offer a safe, responsible and healthy leisure experience for all our visitors. For this purpose, as well as complying with the applicable legislation, the companies in the Group have implemented a number of health and safety policies. Such policies guarantee that the attractions are subject to regular internal and external inspections, that there are adequate response mechanisms in case of incidents, and that the customers have communication channels where they can submit their complaints and suggestions.

At a global level, the safety department issues reports that include the incidents related to the leisure parks' sectors. In addition, periodic training actions and thematic meetings are held to make progress towards an increasingly safe leisure experience for our customers.

With the aim of verifying the functioning of the existing risk management system in relation to safety, several internal global safety audits have been carried out. In Europe, they were conducted on nine zoos, two cable cars, eight amusement parks and twelve water parks. In the United States, they were conducted on two zoos, five family entertainment centers, six amusement parks and seven water parks. Therefore, audits were conducted on a total of fifty-one centers during the year. All those leisure parks were inspected by the most reputable and internationally accredited independent inspection institutions.

In Europe, the Group was also inspected externally by engineers from an insurance company, which chose to inspect four of the most representative centers (Parque Warner and Parque de Atracciones Madrid in Spain, Mirabilandia in Italy and Marineland in France). During the inspections, the Company actively collaborated with the purpose of improving safety at the facilities.

With the objective of strengthening the Parques Reunidos Group's main commitment to customers and employees, in both Europe and the United States we worked on incident recording systems and procedures, facilitating their analytical and trend reporting capacity and thus speeding up the decision-making regarding the information collected at each leisure park, which is now more streamlined and consistent.

By focusing on the events which took place at the leisure parks of the competing companies, the Group has implemented a specific action plan for Europe and the United States. Within the framework of such action plans, the Company is collaborating with the main sector agents at European and worldwide level (inspectors, manufacturers, sector associations and competing groups). As part of that plan, attractions of this type are thoroughly inspected, improving their operations. In the leisure parks in the United States, we reviewed the operations and implemented technical measures (e.g. enhancing CCTV and emergency and warning systems). We also drafted a handbook on good practices in line with the IAAPA (International Association of Amusement Parks and Attractions).

Regarding the water parks, all the lifeguards who work there are officially entitled to carry out such functions and have been accredited by the reference institutions: in Europe mainly by the Red Cross and other certified institutional collaborators, and in the United States by Ellis & Associates, which has also certified twenty front-line workers (managers and supervisors) as life-saving trainers, enabling us to train lifeguards internally. Furthermore, at all the water parks in Europe, we have reviewed the lifeguard staff positions with the aim of increasing the safety standards. In that context, we have reinforced those positions with more resources than those legally required.

The Parques Reunidos Group is aware of the importance of factors like communication, coordination and continuous training with the aim of providing the greatest safety as possible to the leisure parks. Therefore, the Group's management in Europe has fostered the standardization of the safety activities in the various countries where the Group operates. In that context, a conference was held at Marineland (France) on this subject, in which the entire Group's European safety officers participated. Moreover, forty officers from headquarters and from all the amusement and water parks in the United States received special training during

the safety seminar held by the AIMS (Amusement Industry Manufacturers & Suppliers, International).

As a result of the special legal features in Spain, we have reinforced the tools for the coordination of business activities at the leisure parks in Spain. We have also increased the number of external staff for the coordination of health and safety at the worksites in the various attractions and facilities in Europe.

In Europe, we have also established and renewed work groups for the executive coordination with the law enforcement bodies (planning, review of facilities, constant exchange of information, drills and joint work). In the United States, we conducted two intensive audits for the same purpose, using the information obtained to extrapolate the measures which will be progressively consolidated at the other leisure parks in the country.

### **3.2.2 Education**

The Parques Reunidos Group firmly believes that education is one of the most important missions and, therefore, it tries to foster educational leisure.

The educational actions carried out at the leisure parks are divided into several supplementary categories: guided visits, social media campaigns, agreements with universities, seasonal camps, volunteering and school activities such as talks and workshops. Moreover, the guided visits and the programs to support children with illnesses are made through didactic presentations on animals which are designed with positive reinforcement techniques; this not only helps to arouse children's interest in fauna and nature but also helps to foster environmental conservation, which is one of the cornerstones of Fundación Parques Reunidos, to which we will refer later on.

The most representative educational actions carried out at the leisure parks during the year in Spain, the rest of Europe and the United States are shown below.

#### **Spain**

Most of the educational activities are carried out at the animal parks or with their direct collaboration. The Madrid Zoo Aquarium and Parque Faunia (in Madrid) carry out over twenty actions each per year on education, awareness and research related to nature, the environment and species conservation. They also have collaboration agreements with several universities (such as Madrid Complutense, Madrid Autónoma, Rey Juan Carlos, Alcalá de Henares, Navarra, Pontificia de Comillas, Salamanca, Santiago de Compostela and Zaragoza), enabling their students to round out their training with work placements at our facilities.

In addition to joint actions to disseminate and execute campaigns and programs in which they participate through Fundación Parques Reunidos, the animal parks make the most of their facilities in their educational programs. In that context, since 2007 the Madrid Zoo Aquarium has participated in the program to protect and research the giant panda's reproductive behavior (a program which is closely watched by experts on the matter). As a result of that program, the Madrid Zoo Aquarium has carried out numerous didactic, single-subject talks and features to showcase the success of the reproduction and artificial insemination practices that were applied. Thanks to the efforts made by Parques Reunidos in this area, four giant panda cubs were born between 2010 and 2016.

Both the Madrid Zoo Aquarium and Parque Faunia, under the coordination of Fundación Parques Reunidos, participate in the FarmAventura program, which was developed in collaboration with Gregorio Marañón Hospital's biomedical research foundation (Fundación para la Investigación Biomédica) with the aim of fostering cooperation and adherence to the treatment process among children with serious illnesses and their family during long medication processes. The program makes taking medicines an adventure, while the children learn about their favorite animals and receive rewards throughout the process. Once the treatment is completed, the children have the opportunity to visit Parque Faunia or the Madrid Zoo Aquarium and meet the animals that have accompanied them during their adventure.

On the other hand, Selwo Marina and Selwo Aventura (both in Malaga) carry out environmental workshops where recycled materials are used with the aim of showing the children who participate the importance of recycling to help nature and protect the environment. Together with the numerous awareness campaigns such as the European Commission's "Our Ocean", BirdLife International's "Protect a Penguin", "Biodiversity Is Us" and the Jane Goodall Institute's "Mobilise for the jungle", those workshops help to raise awareness among the new generations and teach them what mechanisms they have to protect the environment and biodiversity.

All the Spanish leisure parks provide educational camps during the summer and at Easter as well as the "Days without school" and "Carer for one day" programs, which enable children to be immersed in the world of conservation and animal welfare. Through Fundación Parques Reunidos, the Company also has agreements with numerous educational institutions such as the Veterinary School of Madrid Complutense University and Barcelona Autónoma University, with which it carries out didactic programs and research projects that help to develop different animal conservation techniques which are applied at the parks and which can be a resource for other animal parks around the world.

### **Rest of Europe**

The actions undertaken by the Spanish leisure parks are also carried out at our other leisure parks in Europe. In addition to the camps, work placements and talks on conservation and environmental protection, the other leisure parks in Europe are also committed to sharing knowledge at all educational levels. For example, the leisure parks in the United Kingdom provide educational resource packs to children aged between 4 and 11 which are directly related to their educational program and enables teachers to organize visits to the parks as part of the learning experience. Those packs provide a novel educational plan which helps to implant the importance of the environment and fauna in children.

In southern France, Marineland carries out several on-site and off-site research projects on marine fauna and their characteristics. The main ones are the research on marine mammals, the observation program on marine megafauna and the research program on the skin microbiome of marine animals. Additionally, Marineland's cooperation with the *vaquita marina* (*Phocoena sinus*) conservation project must be highlighted. The *vaquita marina* is one of the rarest and most endangered species of marine mammal (it is estimated that only thirty specimens are still alive). In the context of this project, Marineland has joined other zoos and organizations to celebrate the "*International Save the Vaquita Day*", with the purpose of creating social awareness regarding the dire situation of this species. The campaign carried

out by Marineland in the context of this project, which was extended for five days in the park premises, included learning material and the filming and projection of two educational videos that have been widely distributed (even through social networks).

### **United States**

In the educational area, all the leisure parks in the United States grant packages with free tickets and/or discounts to a large number of schools, education centers, academies and universities as prizes in contests and competitions in all types of educational subjects. They also help to foster accessible state education by collaborating with public libraries throughout the country and providing free tickets as prizes in their activities and contests.

During the financial year ended on 30 September 2017, ticket donations by US parks to schools, academies, universities, libraries and other education entities reached the amount of USD 630,170.

#### **3.2.3 Charity work and social actions**

Every day, all our leisure parks in Spain and elsewhere strive to create an experience which is enjoyable, safe and adapted to all the public while being concerned about improving the surrounding community and serving the low-income groups. The most direct way to do this is to enable low-income groups to have access to the leisure parks by providing them with discounts and free tickets. Each leisure park collaborates with local non-profit organizations, authorities and groups so that they can reach all types of population groups, contributing to their wellbeing with all types of donations and making leisure accessible to them.

The most representative charity and social actions carried out during the year in Spain, the rest of Europe and the United States are shown below.

### **Spain**

During the year, over 13,000 tickets were donated or discounted in Spain, worth a total of over EUR 464,000. The main actions in Spain were carried out by Parque de Atracciones de Madrid, Parque Warner and Faunia. Parque de Atracciones has an agreement with the AEBIA Agency and with the Madrid regional government through which 900 tickets were granted to social workers and low-income families in the region. Faunia contributed over EUR 1,000 to organizing meetings with the AMAPAMU (Multiple Birth Association) and carrying out volunteering actions with Cooperación Internacional. Faunia also collaborated with the Madrid Regional Social Affairs Department and with the AMAS (Madrid Social Care Agency) for people with disabilities by organizing interactions with animals, contributing EUR 66,500 during the year. Parque Warner contributed EUR 282,811 to the reduced and free ticket program for the disabled which, together with the actions at the other leisure parks for this group, amounted to over EUR 291,000.

All of this was carried out in addition to the numerous social and educational actions with which the leisure parks in Spain collaborated under the coordination and tutelage of Fundación Parques Reunidos, which are referred to in the section on the foundation.

### **Rest of Europe**

In the rest of Europe, the leisure parks also focused on educational programs, social care and support to vulnerable groups. The main actions were granting ticket donations to local schools in the Antibes region in southern France, where Marineland is located. Those donations

amounted to 3,600 tickets, worth over EUR 140,000. In the Netherlands, Slagharen donated 7,000 tickets during the year through SOS Children's Villages worth EUR 203,000.

In Italy, Mirabilandia contributed EUR 57,000 during the year to the Italian Red Cross. That was not the only case in which the parks provided charity contributions to influential social care organizations such as the Red Cross. Tusenfryd (Norway), Marineland (France) and Faunia, Parque Warner and Parque de Atracciones de Madrid (Spain) also contributed to that organization. Faunia, Parque Warner and Mirabilandia also collaborated with Cáritas by contributing EUR 12,000 in total.

### **United States**

The charity aid and actions in the leisure parks in the United States mainly consist of granting ticket donations to displaced groups, social minorities, people with disabilities, low-income households and, above all, children. They collaborate with very local non-profit organizations (in the villages and towns where the leisure parks are located) as well as with big international ones such as the American Red Cross and large nationwide ones such as the YMCA. During the financial year ended on 30 September 2017, ticket donations by US parks carried out in the context of charitable or benefic donation reached the amount of USD 1,176,362.

They also provide major support to numerous hospitals and treatment centers for chronic or serious illnesses, especially with children. The leisure parks have a firm commitment to provide those patients with a happy experience and the fun which they sometimes cannot have because of their illness.

Awareness activities are also carried out at the leisure parks and at the other centers with which they collaborate so that help can be provided to all the aforementioned organizations. Such activities include races (marathons, Relay For Life, etc.), charity golf tournaments and special events such as gala dinners and competitions.

These are only some examples which represent the numerous collaborations and contributions made by all the Group's parks to solidarity, charity and social projects, which include very diverse areas (improving the wellbeing of children with chronic/serious illnesses and their families; facilitating the leisure provided by the parks to disadvantaged groups, groups with some form of disability or groups at risk of social exclusion by granting free tickets or advantageous discounts; contributing donations to social causes, etc.) but which share the same objective: to do one's part in achieving a society that is more caring, fair and concerned about the disadvantaged. In short, such collaborations show that Parques Reunidos' commitment with the CSR is made in a horizontal way through all our assets and in all the regions where we are present.

### **3.3 Employees**

In the last few years, several companies of the Parques Reunidos Group have implemented and developed a variety of plans and initiatives to foster its commitment to job creation, equal opportunities, a work-life balance, communication with employees and the health and safety of all the workers.

### **3.3.1 Job creation**

During the year ending 30 September 2017, the Parques Reunidos Group generated in Spain alone over 4,465 employment contracts, of which 43% were signed with men and 57% with women.

As stated in section 3.2.2 above (Education), the zoos in Spain maintained collaboration agreements with a number of universities that teach subjects related to biology. The agreements allow the students to complete their training through work experience at our facilities. The main universities were as follows: Madrid Complutense, Madrid Autónoma, Rey Juan Carlos, Las Palmas de Gran Canaria, Alfonso X, Córdoba, Alcalá de Henares, Murcia, Navarra, Pontificia de Comillas, Salamanca, Santiago de Compostela and Zaragoza in Spain, the School of Exact and Natural Sciences of Nacional de Mar del Plata University in Argentina and, in general, the universities near the leisure parks, especially where our zoological collections are shown.

The water parks in the United Kingdom and France also collaborated with local universities, including Stirling, Blackpool, Lancaster's Fylde College and Lancashire in the UK, as well as Nice-Sophia, Nice and Monaco International.

In Spain, collaboration agreements have been reached with professional and vocational training centers that teach subjects related to exotic fauna and seek to round out the theoretical training of their students by providing real contact with the subjects that they study. Those centers include Campus Superior de Formación, CCC, Centro de Formación de Auxiliares de Madrid, Centro Profesional de Oficios, Escuela de Formación del Corredor de Henares, Eurocultum, EFA Oretana and ISED. In that respect, the zoos' selection processes include the students interested in seeking professional opportunities in the sector, thus enabling young people to enter the job market.

In the amusement parks in Spain, we continued to maintain the collaboration agreements with associations and institutions whose purpose is to improve the employability of groups with difficulties in joining the labor market, such as the Pinardi Federation of Salesian Social Platforms, where 65% of the young people who participated managed to obtain an employment contract in the previous edition.

This type of work experience is not limited to Spain; it is also reproduced practically at all the other parks, thus fostering youth employment in their catchment areas. For example, Tusenfryd (Norway) makes annual presentations at local schools with the aim of informing about the Group's activity and offering its facilities so that they can have a first work experience in a unique environment. All of this is done while fully respecting diversity (some parks have even signed the EU Diversity Charter, as in the case of Movie Park in Bottrop, Germany, taking a step further in the commitment undertaken by the Parques Reunidos Group in its Code of Conduct regarding its support to the principles included in the United Nations Global Compact initiative in the areas of human rights, labor, environment and anti-corruption).

In the United States, most of the parks have contacts with local high schools, community colleges and universities which are a major source of recruitment; they provide seasonal employees and enable students to have their first work experience.

### **3.3.2 Equal opportunities**

The Code of Conduct (and the Employee Handbook in the United States) lays down that everyone who works for the Parques Reunidos Group must be treated with the maximum dignity and respect and may in no way be forced to suffer either physically or mentally as a result of their work. Moreover, it establishes that no employee can be discriminated against, among other reasons, due to race, color, gender, sexual orientation, marital status, pregnancy, religion, political opinion, nationality, ethnic background, social origin, social condition, disability, age or union membership.

In the last year, equal-rights plans continued to be updated and formalized, which include the special features of the Group's activity. The main objective of those plans is to make the principles of equal treatment and opportunity between men and women effective, ensure diversity in the company and adopt the measures needed for prevention and, where necessary, elimination of any direct or indirect discrimination for reasons of gender in the workplace.

To make sure that the analysis was fully objective, the Group counted with the collaboration from the legal representation of the workers with the aim of completing the diagnosis of the situation at each center, conducting an analysis based on:

- The principle of non-discrimination, making sure that there was no direct or indirect discrimination, and
- The principle of equal opportunities, analyzing the practices inspiring their implementation.

In Europe and the United States, the Company has published its policies, stating its firm commitment to this matter (the Code of Conduct in Europe and the Equal Employment Opportunity Policy in the United States).

Among the measures proposed to foster equal treatment and opportunity between men and women are the following:

- ✓ **Recruitment:**
  - Guarantee the principles of non-discrimination for reasons of gender based on the type of contract or working hours, so that the rights included will be applied equally to people working on permanent, part-time and full-time contracts.
- ✓ **Harassment prevention:**
  - As the guarantor of the occupational health and safety of its workers, the Company has the objective to foster a healthy work environment by adopting measures to make sure that the services provided do not lead to mental or physical injuries.

Such preventive measures are designed to implement organizational solutions which enhance transparency and participation as well as types of conduct which foster respect and tolerance, with the aim of preventing the risk of sexual or moral harassment. To that end, the Company actively fosters knowledge of the Code of Conduct, even through the collective bargaining, either by including the

penalty for non-compliance in the disciplinary system (Aquópolis Cullera collective bargaining agreement) or by establishing monitoring mechanisms regarding compliance (Parque Warner collective bargaining agreement).

We have fostered measures to establish conflict management and resolution systems at the organization, providing the workers with the formalities for reporting complaints about anomalous conduct that violates their rights as people, mainly through the anonymous whistle-blowing channel, `code_of_conduct@grpr.com` (in the United States, through the Team Member Hotline phone number).

- Based on the applicable regulations in each country where it operates, the Company seeks to establish simple, impartial, clear and flexible procedures for submitting complaints or claims, creating the appropriate internal levels of intermediation and/or arbitration and in all cases guaranteeing and respecting the rights of the persons involved in the procedure.

At the same time, and until the issue is resolved, the victim will be separated temporarily from the alleged offender, without this representing a substantial modification to the working conditions of the person suffering the harassment.

- Workplace harassment will be penalized by the Company so that it does not take place or it can be corrected.
- The action protocol is publicized on the Company's intranet as an internal policy, with reference POL-GRP-047-ES "*Action protocol in the event of harassment*". In the United States, the action protocol is described in the Team Member Relations and Open Door Policy.

At a European level, the Diversity Charter must also be highlighted. The Diversity Charter is a written commitment which is voluntarily signed by companies and institutions of the same country, regardless of their size, to foster their commitment to:

- a) Respecting the fundamental principles of equality.
- b) Respecting the right to include all types of people, regardless of their diverse profiles, in the workplace and in society.
- c) Acknowledging the benefits of including cultural, demographic and social diversity in the organization.
- d) Implementing specific policies to foster a prejudice-free work environment in terms of employment, training and promotion.
- e) Favoring programs to not discriminate disadvantageous groups.

The Company hereby states its commitment with the principles included in the Diversity Charter (some of our centers are formal members of the association, such as Movie Park in Germany) and to ensure respect for the prevailing

regulations on equal opportunities and anti-discrimination, undertaking the following principles:

- a) Raising awareness: the principles of equal opportunities and respect for diversity must be included in the company values and disseminated among the employees.
- b) Advancing in building a diverse workforce: the company must foster the integration of people with diverse profiles (regardless of gender, sexual orientation, race, nationality, ethnic background, religion, beliefs, age, disability, etc.).
- c) Fostering inclusion: the integration must be effective, preventing any type of direct or indirect discrimination in the workplace.
- d) Considering diversity in all the staff management policies: diversity management must not merely be one more human resources practice, it must be cross-sectional and be the basis for all the decisions made in this area.
- e) Fostering a work-life balance: the organizations must establish mechanisms to enable all the workers to have a work-life balance.
- f) Acknowledging customer diversity: the organizations must know their customer profile, acknowledging that their diversity is also a source of innovation and development.
- g) Extending and notifying the commitment to the employees: the commitment acquired by the organization as the signatory to the Diversity Charter must be shared cross-sectionally throughout the company.
- h) Extending and notifying the commitment to the suppliers: the organization should invite them to join the community of companies which have voluntarily signed up to the Charter in Spain.
- i) Extending and notifying the commitment to the administrations, business organizations, trade unions and the other stakeholders.
- j) Reporting the non-discrimination activities and the results obtained by implementing diversity policies in the company's annual report.

Some centers in Spain (e.g. Parque Warner or Parque de Atracciones de Madrid) have proposed to create an Equality Committee, whose objective would be to analyze, study, propose and, where applicable, adopt measures to foster the objectives of the existing equality plans and boost diversity at the Company and Group. The main objectives of the Equality Committee would be as follows:

- a) Detect and correct discrimination situations which may take place, making diagnoses of the Company's reality to be used as the reference for monitoring them.
- b) Foster the principle of equality and non-discrimination and monitor the implementation of the legal measures that are established at any given time to foster equality.
- c) Foster the implementation of positive actions so that any discrimination that is detected in job access, training, promotion, remuneration, work conditions, work-life balance, etc. can disappear.
- d) Foster training and awareness actions to encourage women to participate in the proposals that are implemented to achieve equal opportunities.
- e) Monitor compliance with and implementation of the measures envisaged in the Equality Plans.
- f) Have internal intervention procedures in place in the event of workplace harassment and discrimination.
- g) As stated in the protocols established for such purpose, know about the complaints reported in accordance with the procedure established in the Equality Plan on workplace harassment.
- h) Provide the appropriate procedure for receiving information about potential discrimination. The Committee would meet at least once every six months.

### **3.3.3 Work-life balance**

The main measures adopted in general by the leisure parks in Europe were as follows:

- The legal provisions established for such purpose were included in the collective bargaining agreements to give them maximum publicity. For example, the collective bargaining agreements negotiated during the year ending 30 September 2017 (Parque Warner and Aquópolis Cullera) now include the legal provisions established for such purpose with the aim of giving them maximum publicity.
- The Company has always strived to provide the best option for workers on this matter which could be negotiated.
- When the holiday period established in the schedule coincides with a temporary inability due to pregnancy, childbirth or breastfeeding or with the suspension period of an employment contract envisaged in article 48.4 (maternity leave) and article 48 bis (paternity leave) of the Workers' Statute, the holidays can be enjoyed in a period other than that established in that schedule once the suspension period or leave in question has terminated, even if the calendar year

to which the holidays correspond has ended and even after the deadline permitted by the Company for this purpose in normal conditions.

- Equality Plans were updated or signed at Parque Warner and Parque de Atracciones de Madrid, and they are constantly analyzed and monitored, given the nature of the legal asset to be protected.

### **3.3.4 Health and safety**

The Code of Conduct (and the Employee Handbook in the United States) establishes that the occupational health and safety of workers are always a priority concern. This applies to any aspect related to working conditions, including systematic assessments of potential risks, noise or temperature levels, ventilation, lighting and its quality, and access to healthcare.

Specifically, all the companies in the Group have an occupational safety plan in place. In addition, the workers of those companies have received training related to risks and basic safety recommendations specific to the work carried out. Thus, for example, in the period between 1 October 2016 to 30 September 2017, workers received training on risks and basic recommendations on safety for operators of attractions, mountain rescue workers, scaffolding assembly workers and workers handling electric stacker trucks.

Moreover, the CSR Policy establishes as a principle for action that the Group must ensure the health and safety of employees in the Group's companies, adopting a number of policies and protocols that guarantee employees have the health and safety training and skills needed.

### **3.3.5 Communication with employees**

There are numerous communication channels in place with employees. Beyond the purely hierarchical ones, there is a corporate intranet that provides information on a very wide range of matters, from job offers to news related to the activity of the parks, their teams, facilities or simply how the business is operating.

Employees also have different forms of communication, with a specific channel (email) for reporting situations or making suggestions; there are also suggestion boxes at the parks and close to the rest areas, as well as notice boards, periodic meetings with the workers' legal representation, etc.

The CSR Policy establishes that employees must inform their supervisor about any conduct considered in good faith as constituting an infringement of the Code of Conduct (or, where applicable, the Employee Handbook in the United States). If the employee's direct supervisor is involved in the situation that is being reported, or cannot or has not shown sufficient concern about his or her suspicions, then the employee must report the situation in his own language by a message to [code\\_of\\_conduct@grpr.com](mailto:code_of_conduct@grpr.com) (in the United States, through the Team Member Hotline phone number). Parques Reunidos will guarantee full protection for employees who in good faith communicate any of the breaches referred to herein.

## **3.4 Environment**

### **3.4.1 Environmental policy**

The Company has several environment related policies like, for example, the environmental policy (approved in January 2012), which includes the commitment to guarantee the safety,

sustainability and conservation of the environment in all of the parks, the energy saving and efficiency policy, the chemical products manipulation policy, etc., all of them available at the Company's intranet.

The Parques Reunidos Group's CSRP reaffirms that environmental commitment and undertakes the following environmental principles of action:

- a) Ensure appropriate care for the animals at the Group's parks, making sure that the staff in charge of their care has the necessary training and resources to meet this objective.
- b) Comply with the national and international regulations on the care and conservation of wildlife.
- c) Foster educational activities within the Group's business area with the aim of contributing to raising environmental awareness.
- d) Extend the Group's collaborations as far as possible with other institutions whose interests and efforts are aimed at protecting the environment, recovering threatened species and raising awareness and educating on the importance of preserving nature and its biodiversity.

Since the start of the Parques Reunidos Group, we have undertaken numerous projects for conservation of the most vulnerable species and ecosystems. That is why our Code of Conduct, in Europe, and the Employee Handbook, in the US, mention the environment as a subject of great importance. The Group has been working actively for a number of years, particularly at the Zoological Division and through Fundación Parques Reunidos, to disseminate and raise awareness among society of the environmental problems.

All our animal parks in Europe are members of the European Association of Zoos and Aquaria (EAZA) or belong to the corresponding national associations (AIZA, BIAZA) and they all carry out actions and programs such as the following ones:

- ✓ International campaigns to raise awareness about the protection and conservation of species and the environment, and their dissemination on social media. "Biodiversity Is Us", #ProtectAPenguin and #OurOcean are some of the examples.
- ✓ Educational camps and workshops for children and young people during the holiday period with the aim of raising awareness among the new generations and making them sensitive to the importance of caring for and respecting the environment and its species.
- ✓ Educational talks on threatened or endangered species, especially those present at the parks and for whose benefit the parks collaborate with in international conservation programs.
- ✓ Collaborations with numerous international foundations and organizations to participate in species protection, conservation, research and/or reintegration programs.
- ✓ Local fauna conservation and protection programs in collaboration with local or national organizations.

With the objective of collaborating in breeding programs to facilitate the long-term sustainability of a long list of fauna species, the parks participate in over 90 breeding programs, which protect endangered wildlife species at the European zoos.

The section on the activities performed by Fundación Parques Reunidos provides detailed information about the actions carried out by the parks.

With regard to the US, it must be highlighted that the marine parks, Miami Seaquarium and Sea Life Park (Hawaii), are member of the Alliance of Marine Mammal Parks and Aquariums (AMMPA). Also, it must be underlined that environmental applicable rules significantly vary depending on the location of each park (including within the same state). This explains why there are no common environmental standards for all the US parks and why each park must have its specific set of rules.

### **3.4.2 Environmental audit and other environmental actions**

During the year, the Company, based on its commitment to sustainability and the environment, carried out an annual environmental monitoring through an external consultancy process at 29 facilities in Europe and Latin America, with the main objective of increasing transparency, respect and compliance with the legislation. In order to carry out this task, the services of an external advisor have been procured.

Furthermore, performance indicators have been developed to show the parks' current situation in terms of the basic parameters for environmental management and resource use, with the aim of establishing and quantifying improvement plans and progressively incorporate a new set of good environmental practices. By updating and monitoring those indicators, we plan to follow the plans that were implemented and establish an internal benchmark which fosters cost savings, continuous improvement and employee involvement.

All of this will improve the image of our parks by providing visitors with a sustainable place where they can have fun and learn.

The 29 centers that were analyzed in during this process are those located in Europe and the one located in Argentina.

The analysis was conducted based on three standpoints, this is, legal compliance, good practices and indicators. After the information was analyzed, a high average value for legal compliance was obtained by all the analyzed parks and it was concluded that more than half of the parks analyzed have procedures which ensure the adoption of measures to prevent and repair environmental damage, and carry out campaigns to train and raise awareness among workers and users of the facilities and, at all of them, the workers know the situation of the fire protection equipment.

In Spain, Parque de Atracciones de Madrid and Parque Faunia (Madrid) continued to expand the irrigation network using regenerated water, thus avoiding the use of drinking water, while Aquópolis de Villanueva de la Cañada (Madrid) and Parque Warner (Madrid) materialized two pilot projects to desynchronize the facilities with peak electricity use, whereby this novel feature will provide a more rational use of energy and foster energy savings.

Moreover, the animal parks division in Europe began to foster a change in the old climate control for animals to less polluting energy; the first advances were made at the Madrid Zoo Aquarium, where some equipment has been removed and replaced with biomass boilers.

In the United States, the Group continues to focus its efforts on progressively implementing energy savings measures at the various facilities such as installing energy-efficient lighting (LED). These measures have already been implemented in Castle Park, reducing energy use by up to 75% and will be gradually extended to the rest of the parks in the US. Other measures which have been implemented in general in the water parks in the United States (like Splish Splash and Raging Waters) are the installation of frequency converters in high performance engines to increase efficiency and of filtering systems to optimize electricity and water consumption, and the replacement of the old climate control systems with modern high performance equipment.

Likewise, with the aim of reducing waste and minimizing the use of polluting chemicals whose storage may be a hazard, diverse improvements have been made at some of the parks in the United States. Examples of this are the treatment of the pool water with a chlorination system using brine at Castle Park, the installation of systems to convert salt water for chlorination and disinfection at Miami Seaquarium and the implementation of a project to recover salt by eliminating the discharge of around 500 kg of salt per month (the salt is reused to combat ice on roads during the winter) at the Living Shores Aquarium.

### **3.4.3 Fundación Parques Reunidos**

Fundación Parques Reunidos (the “**Foundation**”), which was incorporated by the Company in 2011, is a private non-profit organization which symbolizes the firm commitment that the Parques Reunidos Group has always had to corporate social responsibility.

The Foundation's purposes are as follows:

- ✓ Foster the protection of the environment and biodiversity, sustainable development and sustainable use of resources, conservation of the natural heritage and social awareness of these issues.
- ✓ Foster the conservation and protection of threatened or endangered species, by favoring the reproduction of threatened animals.
- ✓ Foster knowledge about the various species and animals in the different ecosystems and their conservation.
- ✓ Foster the protection of childhood and the defense of the democratic principles of fostering tolerance and education in values.
- ✓ Foster education in the matters specified above.
- ✓ Foster volunteering and social actions.

As can be seen in its purposes, the Foundation's lines of action mainly have a triple focus:

#### **1) Solidarity and social actions:**

Every year since inception, the Foundation has participated in programs and activities aimed at bringing nature and leisure closer to children with chronic and/or long-term

illnesses and groups with some form of disability. To that end, the Foundation regularly collaborates with other foundations and non-profit associations (e.g. Fundación Pequeño Deseo, Fundación Sandra Ibarra, Fundación Make-A-Wish, Fundación Almar, Dreamnight, Fundación Luis Olivares, ONCE and Fundación Síndrome de Down Madrid), sponsoring and coordinating with the Spanish leisure parks the granting of free tickets and large discounts. All of this is with the objective of boosting their wellbeing by enabling them to have access to the leisure activities that we provide at our attractions (animal parks, amusement parks, water parks, etc.).

Likewise, thanks to the non-profit institutions (including Centro Asistencial San Juan de Dios, Centro de Protección Internacional CPD Dianova Madrid, Asociación Krecer and Mensajeros de la Paz), the Foundation also regularly carries out actions aimed at bringing the leisure activities we provide at our parks closer to the disadvantaged groups (e.g. persons at risk of social exclusion and refugees).

With that purpose, during the year ending 30 September 2017 the Foundation distributed over 850 free tickets; we expect to boost that number in 2017-2018, in addition to the tickets directly distributed by the parks without the involvement of Fundación Parques Reunidos.

The Foundation also participates (and will continue to do so in the coming year) in specific solidarity projects. This is the case of the FarmAventura Project, where the Foundation collaborates with Gregorio Marañón Hospital's biomedical research foundation (Fundación para la Investigación Biomédica), which carries out activities to foster the mental and physical wellbeing of pediatric patients, mostly minors undergoing oncological and heart disease treatment at that hospital. That activity entails several contributions, all of which are coordinated by the Foundation: materials are donated by the parks to turn them into the central theme at that hospital's pediatric oncology and cardiology facilities, creativities, games and didactic material are delivered for the patients, etc., and all of this is aimed at making the children's stay more bearable during the harsh oncological treatments and increase the adherence to the treatment process.

The Foundation continues to actively seek and analyze new projects with which it can collaborate, such as the potential collaboration with the Spanish Commission for Aid to Refugees (CEAR), an institution with which it expects to sign a collaboration agreement in the coming year.

## **2) Educational initiatives:**

In addition to the activities regularly organized at all the parks (such as guided visits, seasonal camps, school activities, etc.), many other actions show the value given by Parques Reunidos to education and awareness about the environment.

Through the Foundation and with the parks' collaboration, every year the Company organizes and collaborates educational initiatives to raise society's awareness of diverse factors such as the importance of protecting the environment and saving the protected species and the responsible use of resources to achieve sustainable and supportive development.

Therefore, in recent years the Foundation and the Spanish parks have collaborated with very diverse institutions in the following projects, among others:

- Collaboration with the Seo Birdlife association: The Spanish association for the study and conservation of birds and their habitats, SEO/BirdLife, with which the Foundation has signed a collaboration agreement, has the objective of defending a fair, supportive and sustainable world where society as a whole is committed to the conservation of areas and advocates a fair distribution of the vital resources. The Madrid Zoo Aquarium and Faunia have joined that initiative through the Foundation with the clear purpose of safeguarding our planet's health and its inhabitants. The Foundation and SEO/BirdLife aim to foster knowledge about the threats faced by the birds and the necessary conservation measures for their survival as well as enable the population to know more about bird life to raise awareness of the importance of the conservation of the closest natural environment "as a first step" in advancing towards the environmental conservation of the planet. Through the Foundation, the Company has collaborated (and will continue to do so in the coming year) in activities such as: the participation of SEO experts at the workshops held at the Madrid Zoo Aquarium and Faunia, the celebration of World Bird Day at the parks by placing nest boxes at the Madrid Zoo Aquarium and Faunia, and cross-communication activities among the partners.
- Collaboration with the Jane Goodall Institute: The collaboration with the "Mobilise for the jungle" campaign consisting of collecting mobile phones was made under the coordination of the Foundation and involved various Spanish parks (Selwo Aventura and Selwo Marina in Malaga, Zoo-Aquarium, Parque Faunia and Parque de Atracciones in Madrid, as well as the headquarters of Parques Reunidos, also located in Madrid). In the past few years, the Foundation supported the project directed by the Jane Goodall Institute in Spain consisting of collecting and recycling mobile phones at the various parks owned by the Parques Reunidos Group. The objective is to recycle the metals found in the mobiles' components so as to reduce the need to extract such metals from the natural deposits. Coltan and cassiterite are valuable minerals that are essential for the technology in mobile phones, computers and consoles to work. Their exploitation lies at the very core of the war conflicts causing millions of victims and refugees in the Democratic Republic of the Congo. Illegal mining exploits child or semi-slave labor and destroys the habitats of many species such as chimpanzees and gorillas, seriously in danger of poachers and deforestation. The project's priority objectives are to reduce the demand for those metals by recycling and reusing mobiles while generating resources to protect those ecosystems.
- Collaboration with the Spanish Autonomous Organization of National Parks (OAPN): The objective of this project in which, under the Foundation's coordination, several parks participate (Zoo Aquarium in Madrid, Selwo Marina and Selwo Aventura in Malaga, and Marineland in France), is to foster knowledge about the Spanish national parks among the general public, improve the educational content regarding the environment and biodiversity of those

parks and carry out cross educational activities. The OAPN has assigned the Foundation, at no price and for use at the Madrid Zoo and at Faunia, two photograph exhibitions on the Spanish national parks:

- **Celebration of "D" days at the leisure parks:** Every year, special days related to the environment are celebrated at the Spanish parks of the Parques Reunidos Group such as: (i) wetlands day, (ii) bird day, (iii) environment day, (iv) giraffe day, (v) rhinoceros day and (vi) sea day. All of them are aimed at raising society's awareness of the value of fauna, flora and the environment in general.

### **3) Actions to defend the environment and biodiversity:**

Under the coordination of Fundación Parques Reunidos, the animal parks annually and permanently help to defend the environment and biodiversity by participating in different types of projects, which can be grouped mainly into the following two categories:

- **Research projects:**

Through Fundación Parques Reunidos, we have always fostered research by collaborating with various zoos, museums, universities and training centers. This is a major educational task and raises awareness among the thousands of students of all ages who visit the parks every year.

The research projects involve the animal parks, which provide knowledge, funds or both.

Below are the main projects that were conducted during the year addressed by this report, most of which have been carried out for several years (and will continue in the coming years):

- Research project on panda bear behavior and reproduction at the Madrid Zoo Aquarium, in collaboration with the Chengdu Research Base of Giant Panda Breeding in China. Thanks to that program, the Madrid Zoo Aquarium has already sent three panda bear cubs back to China so that they can return to their natural habitat at the Chengdu Reserve.
- Research project on assisted reproduction techniques for wild animals and creation of a germplasm bank, in collaboration with the National Institute for Agricultural and Food Research and Technology (INIA). The Madrid Zoo Aquarium participates in this program.
- Collaboration with the veterinary school of Madrid Complutense University (UCM) for the organization of research and training activities with the animal parks of the Parques Reunidos Group and for the professional cooperation in the technical and veterinary advice areas between the two parties.
- Collaboration with the animal behavior and wellbeing unit of Barcelona Autónoma University to study the wellbeing of the dolphins at the Parques Reunidos Group, involving the various parks (Zoo Aquarium in

Madrid, Selwo Marina in Malaga, Aquópolis Costa Dorada, Marineland in France, SLP Hawaii in the United States and Aquarium Mar de Plata in Argentina).

- Project to reintroduce Cuvier's gazelle in Tunisia, involving Selwo Aventura (Malaga) through the Foundation, with the main objective of improving the conservation status of this species which is in a fragile situation since it is classified under different levels of threat.

➤ **Conservation projects (and other environmental projects):**

Through Fundación Parques Reunidos, the Group actively collaborates in several programs for the preservation of endangered species. The main conservation programs are probably the on-site ones, i.e. those which are carried out in the places where there are still autochthonous populations.

Those projects involve the animal parks and they often include financial contributions so that the threatened species can be saved on-site.

Below are the main projects that were conducted during the year addressed by this report, most of which have been carried out for several years (and will continue in the coming years):

- Monk seal conservation project in the Cap Blanc peninsula in Mauritania, coordinated by Fundación CBD Hábitat, with which the Madrid Zoo Aquarium collaborates. Monk seals are among the ten most threatened mammal species in the world. Through the Foundation, the Parques Reunidos Group participates in the two programs devoted to the two species (the United States section in Hawaii and the Europe section in the Mediterranean). This is the Foundation's oldest and most established program.
- On-site koala conservation project, coordinated by the Australian Koala Foundation (AKF), with which the Madrid Zoo Aquarium collaborates. The AKF is an international organization whose prime aim is the long-term conservation and effective management of the wild koala in Australia.
- White-footed tamarin international conservation program in Colombia, in collaboration with the Wildlife Conservation Society (WCS), the European Association of Zoos and Aquaria (EAZA) and the Colombian Association of Zoos and Aquaria (ACOPAZOA).
- Collaboration in the on-site Komodo dragon conservation project in the island of Flores, carried out by the EAZA - EEP and led by Chester Zoo. Through Fundación Parques Reunidos, Parque Faunia in Madrid collaborates in this program which is aimed at ensuring the long-term sustainability of this species. To enable all the participants in the European Endangered Species Program (EEP) to exhibit specimens, they have undertaken to directly contribute funds to the program.

- Autochthonous tortoise conservation project, in collaboration with CITES, FIEB and UCM, with which Madrid Zoo Aquarium collaborates, carrying out educational activities to help prevent the purchase of these animals in the country of origin.
- Collaboration with the Save the Rhino Foundation, with which Madrid Zoo Aquarium and Selwo Aventura (Malaga) collaborate. The contributions are used to maintain the patrols of eco-rangers who combat poaching, which is decimating the populations of the various species of rhinoceros, taking them to the verge of extinction.
- Collaboration with the CPSG (Conservation Planning Specialist Group) program of the International Union for Conservation of Nature (IUCN) by the Madrid Zoo Aquarium and Parque Faunia.
- Collaboration with the Great Bustard Group, a non-profit organization whose objective is to establish a sustainable population of great bustards in the United Kingdom. The Madrid Zoo Aquarium collaborates in this program.
- Collaboration with the Brinzal association in Madrid (a non-profit environmental organization devoted to the study, conservation and recovery of nocturnal birds, which operates a center for the recovery and rehabilitation of such birds in Madrid) with which the Foundation signed a collaboration agreement on 15 March 2017 with the aim of laying the foundations for collaboration between the parties to carry out joint activities and actions within their respective fields. The ultimate aim is to combine efforts and resources so that most of the citizens receive the message that nature, especially nocturnal birds, must be defended and saved. By virtue of that agreement, the Foundation undertook the commitment to carry out an economic contribution to Brinzal in 2016-2017 and 2017-2018, which Brinzal will use solely to meet the association's purposes. Among other actions, that agreement is also aimed at fostering special activities at the animal parks in Madrid owned by the Parques Reunidos Group, carrying out programs for baby animals (e.g. the eagle owl), holding educational workshops for children, providing single-subject courses and raising awareness among the general public. The Madrid Zoo Aquarium and Faunia actively participate in that collaboration with the support from and under the coordination of the Foundation.