

ESG

3

3.1

**Committed
to the
Environment**

57

3.2

**Contribution
to Society**

66

3.3

**Leaders in
Corporate
Governance**

74

Lar España promotes **responsible asset management** of its assets through a cross-cutting approach that encompasses its commitment to environmental, social and governance, while at the same time seek to maximize financial returns for its shareholders.



ESG (Environmental, Social and Governance)

For Lar España, **two critically important aspects** of its strategy hinge on **correctly adopting regulations and standards**, and on developing **ESG-related projects** and initiatives.

This approach not only allows the Company to **continue to strengthen and extend the positive impacts** of its business activity, but also helps it to reduce and mitigate the potentially negative impacts that affect its different stakeholders.

A business model committed to the environment, society and good governance

As part of its unwavering resolve to conduct its business operations **ethically and responsibly**, and to drive **innovation and sustainability** through its actions, Lar España identifies the different needs and expectations of its various stakeholders (regulators, investors, tenants, customers to name but a few), orienting corporate investment and business development towards the creation of value in its local communities in the short, medium and long term.

All of this is set out in the Company's cross-cutting **Master Plan** which is centred around the following key pillars:

Environment

Corporate
Governance

Social Capital

Assets

These pillars form an integral part of all areas and lines of action related to the **Sustainability/ESG Policy**, and can be summarised as follows:

ENVIRONMENT



Environment, understood as the physical environment.

Lines of action

- › Environmental management
- › Urban biodiversity
- › Climate change mitigation and adaptation
- › Responsible use of resources
- › Energy efficiency
- › Circular economy
- › Health and well-being

CORPORATE GOVERNANCE



Corporate Governance, to define and adopt a structure that creates a positive impact.

Lines of action

- › Legal compliance
- › ESG commitments
- › Fiscal responsibility
- › Responsible and transparent communication
- › Equality and non-discrimination
- › Human rights
- › Market best practices
- › 2030 Agenda and SDGs

SOCIAL CAPITAL



Social Capital, championing corporate talent and business value with our suppliers.

Lines of action

- › Financial and sustainability strength
- › Human, economic and environmental development
- › Commercial relations
- › Talent retention
- › Communication and dialogue with stakeholders
- › Corporate volunteering
- › Social action

ASSETS



Assets, innovation, along with continual and coordinated improvement of performance.

Lines of action

- › Trends and best practices
- › ESG performance indicators
- › Sustainability policy compliance
- › Certifications
- › Universal Accessibility

ESG Committee

The ESG Committee, made up of the heads of the different departments involved in managing the portfolio's assets, has held **three meetings** during this first half of the year. The open and active dialogue between all its members has played a pivotal role in establishing guidelines and key projects for 2023, as well as in overseeing and monitoring other issues and proposals already being rolled out.

Some of the issues addressed in these meetings included:

- The Energy Efficiency Plan for drawing up asset level Action Plans and assessing energy alternatives.
- Sustainable mobility.
- Climate risks and decarbonisation.
- Sustainability certifications (e.g.: BREEAM, Universal Accessibility, ISO 14001 and ISO 45001).
- Tracking implementation of green clauses.
- Developing the process to calculate the Company's Water Footprint and drawing up the new water consumption reduction plan for the portfolio.



Next steps

In the coming months, the company will continue to pursue ongoing projects as well as launching new initiatives aimed at consolidating our position as an industry leader in ESG:



E. Environmental

- Continue to **measure and monitor emissions and consumption** through our automated platform, incorporating measurement indicators required by the various reporting standards.
- Update the Company's **Decarbonisation Plan**, including an analysis of each individual property based on the **Carbon Risk Real Estate Monitor (CRREM)**, and align our strategy with the principles set out by the international **Science-Based Targets Initiative (SBTi)**.
- Validate the Company's **2022 Carbon Footprint**, ready for submission to the Ministry for the Ecological Transition and the Demographic Challenge (MITERD), aiming once again for the "Reduzco" seal.
- Extend and update our corporate **Energy Efficiency Plan** by carrying out an energy audit of each of our properties, to serve as a basis for Action Plans incorporating new Energy Saving Measures (ESMs).
- Continue using **renewable energy suppliers** for all properties in our portfolio and installing our own clean energy solutions.
- Consolidate **waste management** contracts with a single supplier to improve traceability ahead of future reporting requirements.
- Calculate the Company's **Water Footprint** based on the specific requirements of each property in accordance with international standard ISO 14046, drawing on the conclusions to develop a **Water Conservation Plan**.
- Conduct an analysis of new standards within the **BREEAM certification** framework.



S. Social

- Continue pursuing **Universal Accessibility** certification in line with standard UNE-ISO 170001; following the certification of 9 properties in our portfolio this year, we are now working to extend the certification. Portal de la Marina once Parque Abadía, Megapark and Albacenter have achieved certification.



- Install further **electric vehicle charging points** as agreed on a site-by-site basis.
- **Offer training on ESG issues** to various groups involved in property management.

- Establish a **Social Impact Committee** tasked with improving measurement processes and driving new initiatives.
- Maintain efforts to ensure **optimum indoor air quality** at all of our shopping centres, with monitoring devices fitted at each property.



G. Governance

- Publish a **climate risk report** in line with international **TCFD standards and membership requirements and support the initiative.**



- Move forward with **communications initiatives for our various stakeholder groups**: suppliers, tenants, investors, clients, etc.
- **Raise ESG issues with tenants**, with a particular focus on energy efficiency and responsible resource consumption.

- Publish a **Progress Report (COP)**, in keeping with our commitments under the United Nations Global Compact.
- Complete the Global Compact **Climate Ambition Accelerator programme** in October.
- Embed new regulatory requirements for financial reporting into company-wide processes, such as those encompassed by the **European Taxonomy and the CSRD Directive.**
- Monitor global ESG impacts and trends.

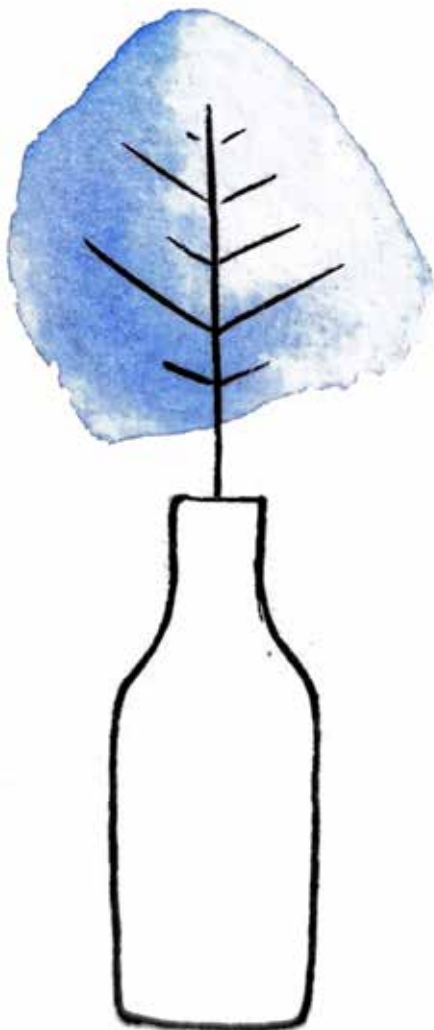
These steps reflect relevant general and sector-specific trends that have emerged in response to macroeconomic factors, new national and European regulatory requirements, the energy crisis and changing expectations for communication on the part of stakeholder groups, among other considerations.



Retail Park
Megapark (Vizcaya)

3.1 Committed to the Environment

Lar España actively promotes responsible management across its entire portfolio, continually working to develop sustainable projects, roll out energy efficient practices at its properties and minimise its environmental footprint. To achieve this, and as part of its unwavering commitment to the environment, health and the responsible use of resources, the Company carries out a series of detailed analyses to assess both how financially viable each initiative is, and what it offers in terms of performance.



Quality assets

The quality of the Company's asset portfolio is accredited by leading global standards.

Since 2022, **all of Lar España's** assets are **BREEAM-certified**, with the Company achieving the following milestones during the first half of 2023:

- Recertification of the Txingudi shopping centre in May, achieving a "Good" rating for building specifications and "Very Good" in the building management category – in which its policies, procedures and practices were all assessed.
- Lagoh is also currently completing the BREEAM "In-Use" certification process, having now been fully operational for two years.

The entire portfolio of assets is BREEAM-certified, with 98% rated "Excellent" or "Very Good" in GAV terms.



Current status

Shopping Centres	Rating ⁽¹⁾	Certification Type	Status
Lagoh	Very Good	New Construction	Certified
Gran Vía	P1: Excellent / P2: Excellent	In Use	Certified
Portal de la Marina	P1: Very Good / P2: Excellent	In Use	Certified
El Rosal	P1: Excellent / P2: Excellent	In Use	Certified
Ànec Blau	P1: Very Good / P2: Excellent	In Use	Certified
As Termas	P1: Excellent / P2: Exceptional	In Use	Certified
Albacenter	P1: Very Good / P2: Excellent	In Use	Certified
Txingudi	P1: Good / P2: Very Good	In Use	Certified
Las Huertas	P1: Very Good / P2: Very Good	In Use	Certified



Current status

Retail Parks	Rating ⁽¹⁾	Certification Type	Status
Megapark ⁽²⁾	P1: Very Good / P2: Excellent	In Use	Certified
Parque Abadía	P1: Very Good / P2: Very Good	In Use	Certified
Rivas Futura	P1: Very Good / P2: Excellent	In Use	Certified
VidaNova Parc	P1: Very Good / P2: Excellent	In Use	Certified
Vistahermosa	P1: Very Good / P2: Very Good	In Use	Certified

(1) P1: corresponds to the first part of the BREEAM certification relating to the property's design specifications. P2: corresponds to the rating obtained in terms of property management. (2) Certifications relate to asset areas over which Lar España has operational control.

In 2022 the Company also successfully obtained **ISO 14001 and ISO 45001**, International **Environmental Management** Standard and **Occupational Health and Safety** Management Systems, **certifications for all of the assets under its operational control in its portfolio.**



In GAV terms, 97% of the assets in its portfolio are ISO 14001 and ISO 45001 certified.

As we work to consolidate our operational data, the company has greatly benefitted from the data automation platform introduced in 2021.

Environmental performance (H1 2023)

In order to assess Lar España's environmental performance during the first half of 2023, three key factors that have shaped the performance of its properties must be taken into consideration:

- **Footfall at shopping centres and retail parks was up 3.7%** year on year.
- **Weather conditions:** Spain experienced some atypical weather conditions during the first half of 2023:
- **Adjustments to HVAC set points.** With Royal Legislative Decree 14/2022 of 1 August now in force, along with its series of amendments for the Regulation on Thermal Installations in Buildings (RITE)⁽¹⁾, we have seen a drop in energy use across our portfolio.



WINTER

The period between 1 December 2022 and 28 February 2023 was classed as warm, with the observed average temperature 0.8°C higher than that of the reference period (1991–2020).

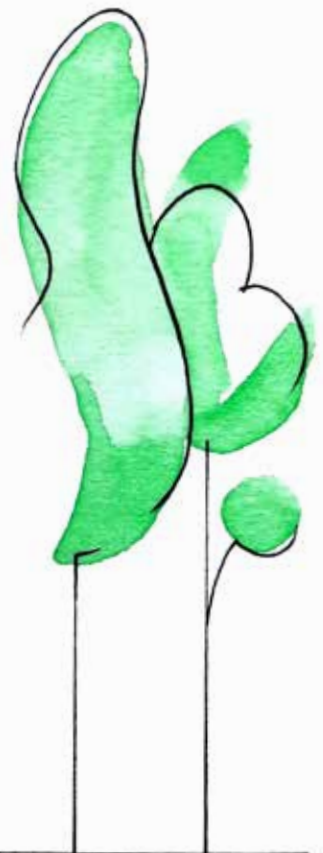
Compared with that data series, it was also fairly wet (103% of predicted rainfall). After an unremarkable January (93% of predicted rainfall), February and March saw the onset of drought conditions that would persist throughout the spring.

In addition, the data used to prepare this report are based on invoices from the supply companies and measurements from the sub-metering network deployed by Lar España in its portfolio. In a small number of cases where no bills have been issued or direct readings were not available, the figure has been estimated based on data from the same month of the previous year.



SPRING

Spring 2023 was the warmest since 1961 and the second driest in the period 1981–2010, and the observed average temperature was 1.8 °C higher than expected for this time of year.



(1) Retail settings, including department stores and shopping centres, are now prohibited from using conventional energy to heat buildings above 21°C or cool them below 26°C. This means that the indoor temperature range has widened, with heating activated at 19°C and air conditioning at 27°C.



Data automation: key for assessing consumption systems

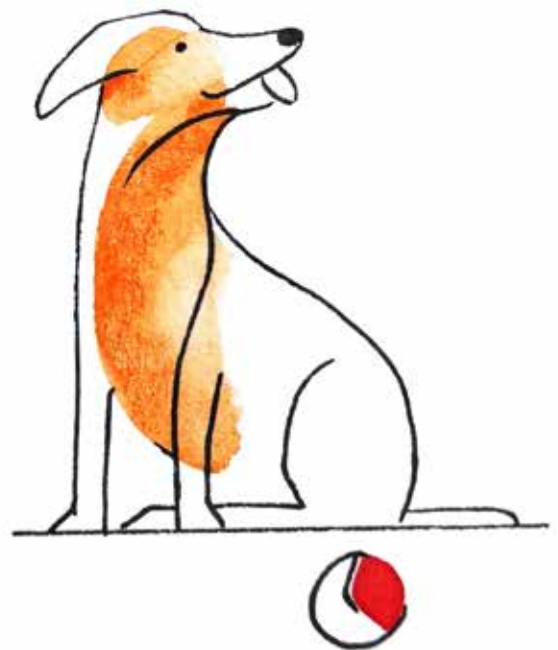
Lar España benefits from a bespoke platform that has been specifically designed to cater for the exact needs of its business and that **dynamically displays and tracks** the use of resources at its properties (water and energy) and to what extent their environmental impact (waste management and GHG emissions) is being mitigated.

Lar España has also been working on a new remote submetering system that will allow it to access up-to-date and disaggregated information on the status of each of its properties. The system's rollout is very nearly complete. Thanks to these tools, the Company is able to access a more detailed **performance analysis for each asset** and a breakdown of their consumption and emissions levels.

Although the platform came online in January 2021, the teams are continually increasing the frequency with which they collect and register data, as well as modifying the indicators measured in order to bring them into line with global reporting standards. The aim of this is to track the data more closely and allow the management teams involved to develop and put in place corrective measures and action plans.

As well as the improved and increased level of control and tracking of the operational data for each of the assets, the launch of this platform has allowed Lar España to **publish data every six months**. This data has then been analysed and included in the following sections of this results presentation.

Lar España has also been working on a **new remote submetering system that will allow it to access up-to-date and disaggregated information on the status of each of its properties.**





Waste Management Plan

The **Waste Management Plan** has been in place since 2021, allowing the Company to gradually gain more control and better monitor waste management data relating to its asset portfolio. In 2022, the procedure used for identifying waste was consolidated, with the Company starting to classify waste as per the methodology set out in the European Waste Catalogue (EWC), which details how to apply the List of Waste (LoW) Codes and correctly catalogue waste in line with European regulations.

In 2023, the Company has continued to embrace the principles of the circular economy, seeking to foster company-wide resource reduction, recycling and reuse. The objectives that will be targeted over the coming months include, among others:

- Achieving greater control over the whole process: transport and waste treatment.
- Rolling out improvement projects.
- Clearer tracking of the treatment processes used for all types of waste products.

Over the first six months of 2023, the amount of waste produced in our centres grew **by +10.6%**, tracking the increase in footfall and sales during that period. Higher trading activity among F&B outlets resulted in a significant increase in municipal solid waste (MSW). However, **a greater amount of this waste was ultimately recycled** (an improvement of **+12.6%** in absolute terms).

According to the definitions contained in the European List of Wastes (LoW), **99.97% of all waste produced was non-hazardous**, with 0.03% classed as hazardous.

Lar España has continued to make good progress in collecting and consolidating data on waste. In H1 2023, 94.6% of data was available in consolidated format.



Lar España is one of the 75 Spanish companies participating in the third edition of the **Climate Ambition Accelerator programme** offered by the Spanish Global Compact Network.



Energy Efficiency Plan

In 2022 Lar España ramped up its **Policy to contract electricity supply** with a Guarantee of Renewable Origin for its entire asset portfolio, successfully including this Guarantee of Origin in all its supply contracts by 31 December 2022.

The Company continued to roll out its corporate Energy Efficiency Plan during H1 2023, carrying out **energy audits** at its assets as a preliminary step to drawing up individual action plans with specific objectives and goals for each of its shopping centres and retail parks, and **including targets relating to both energy efficiency and reduction of environmental impact.**

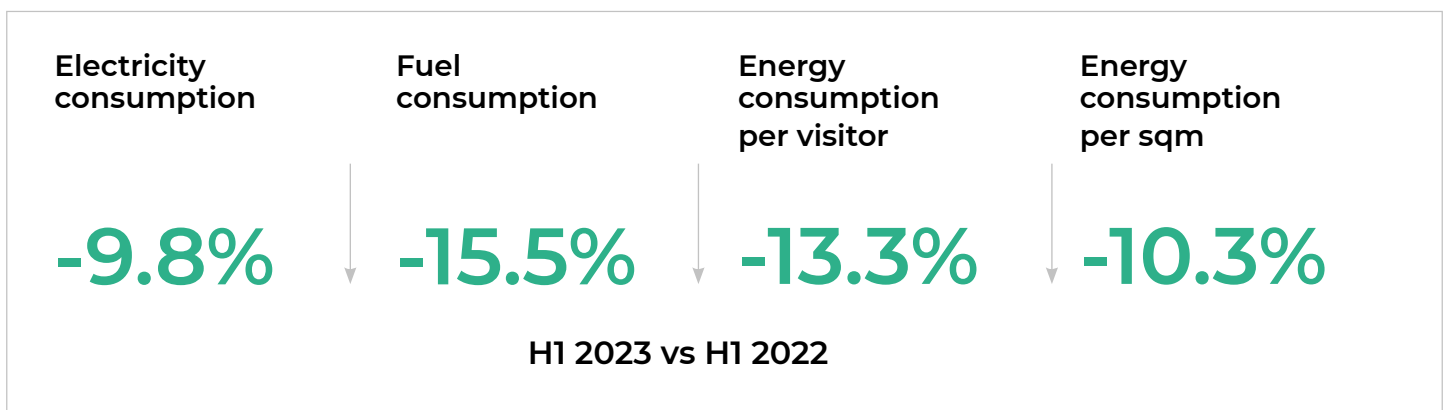
With this, Lar España intends to:

- Maximise its portfolio's energy efficiency.
- Continue to achieve asset certification as a guarantee of its environmental undertaking.
- Cost reductions.

This Master Plan, together with the new rules on set points established in Royal Legislative Decree 14 of 1 August 2022, continues to deliver results in terms of energy efficiency.

Over H1 2023, we made **significant cutbacks (-9.8% year on year) in total electricity consumption in common areas of our properties.** This is **despite an upturn in footfall** and the need for climate control in response to above-average spring temperatures in most regions where we operate.

Warmer weather reduced the need for heating, resulting in a notable decline in consumption of natural gas **(-15.5%).**



Lar España is one of the Real Estate companies included in the MITERD list, being one of the few companies (6 in total) that **verify their footprint by an independent certification authority** at the same time of **being the first listed Real Estate company in obtaining the “Reduzco” seal.**



Renewable energy

The Company is currently assessing a number of possibilities for installing solar panels across its portfolio.

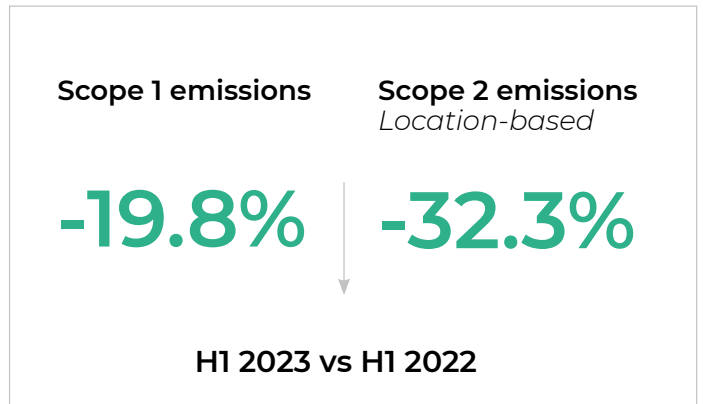
All of the energy consumed by Lar España is obtained from renewable sources.

As for **Scope 2** (indirect emissions deriving from electricity generation), when calculated according to the market-based⁽¹⁾ method our **GHG emissions were zero**, as 100% of the electricity we buy comes from guaranteed renewable sources. Using the location-based⁽²⁾ method, our Scope 2 emissions have **fallen by -32.3%**. This is partly due to a decline in electricity demand across our portfolio.



Carbon footprint and Decarbonisation

Lar España is in the process of **registering its carbon footprint for a fifth consecutive year**, submitting its footprint for 2022 with the Ministry for the Ecological Transition and the Demographic Challenge (MITERD). As part of this process, it will once again receive **independent verification** of its calculation and of the accompanying documentation from Bureau Veritas.



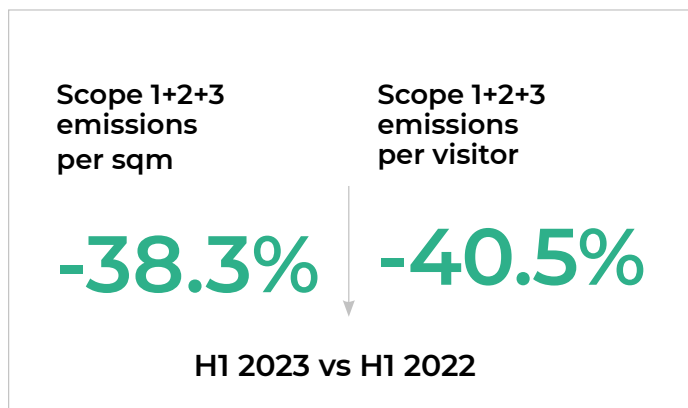
We are currently in the process of quantifying our Scope 3 emissions, i.e., indirect emissions occurring across our value chain. At present, our focus is on calculating emissions due to energy for heating supplied to tenants in shopping centres. We plan to build on these efforts through the use of green clauses and enhanced traceability in waste management.



Our **Scope 1** emissions for H1 2023 were **-19.8%** lower than in the same period of 2022, thanks to a reduction in fuel consumption for heating.

(1) Figures are based on the emissions produced by the generating technology. / (2) Based on Spain's overall energy mix.

In relative terms, our combined Scope 1, 2 and 3 emissions (CO₂e per sqm) **fell by -38.3%** in the first half of 2023 compared with the same period of 2022. Emissions per visitor dropped a little more (**-40.5%**) due to higher footfall.



The Company is also part of the third edition of the **Climate Ambition Accelerator** programme promoted by the Spanish Network of the Global Compact – participating in the programme along with another 75 Spanish companies. The aim of taking part in this initiative is to continue making progress in setting out **quantifiable emissions reduction targets** based on science and aligned with other global initiatives such as the Science Based Targets initiative (SBTi), developing targeted action plans to achieve this goal and gain greater insights into other standards developed by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund, among others.

During the course of the coming months, Lar España will also **update its Decarbonisation Plan**, as part of its commitment to continuous improvement and to the analysis of its adaptation and mitigation measures, incorporating **international calculation initiatives such as Carbon Risk Real Estate Monitor (CREEM)**. It also plans to make further headway with the identification of Scope 3 emissions in its Carbon Footprint in order to continue putting in place measures that will help increase the amount of Scope 3 data collected and allow it to develop ways of reducing these emissions.

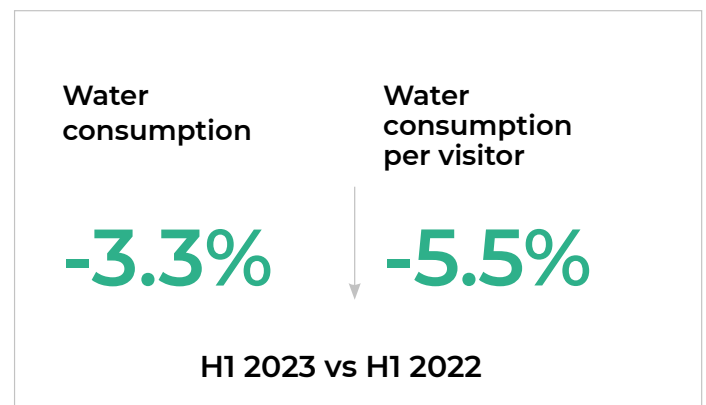


Optimisation of water consumption

The Company's teams are currently working on the **water consumption analysis** for each asset in accordance with the criteria set out under **ISO 14046**, the specialist standard for water management. As a result, the Company's aim is to access more detailed consumption data which will then allow it to design Reduction Plans to optimise consumption, adapting the plan for each asset's specific geographical location and available water resources. The corporate strategy will also take account of any potential effects of climate change that could lead to water stress in the future.

Unusually warm temperatures and lower than average rainfall, coupled with an upturn in footfall, might be expected to result in increased water use for both air conditioning and irrigation. However, widespread water scarcity in Spain have prompted ongoing efforts towards more responsible consumption.

Consequently, our **water consumption in common areas fell by -3.3%** in absolute terms in the first half of 2023 compared with the same period of 2022. This translates to a reduction of **-5.5%** per individual visitor.





Green clauses in lease agreements

Throughout the course of H1 2023, green clauses continued to be included in the Company's lease agreements, with **around 20%** of leases signed now including clauses relating to the use of resources and energy efficiency measures, as well as to other sustainability targets and measures. This figure is expected to continue to climb as leases are renewed and new agreements are signed.

The Company also intends to continue working on operational guides that promote business activity based on the principles, commitments, goals, strategies and values set out in the [Sustainability/ESG Policy](#).



Protecting urban biodiversity within our assets

As an organisation, Lar España is more than aware of the various impacts its operations have on its immediate natural surroundings. As such, it is committed to offering spaces that are not only attractive for occupiers, but that also **add value to the environment and form a natural extension of their surroundings**.

The upcoming projects that it plans to launch highlight this drive to better understand the ecosystems where its assets are located, so that it can continue to better manage and better integrate them into their natural surroundings.

An example of one of these initiatives are the **Biodiversity reports** and the subsequent **Management Plans** that the Company has drawn up for some of its assets such as Lagoh, El Rosal, Portal de la Marina and Megapark.

A Biodiversity report is published for 64% of assets, with 37% of these reports including a specific Management Plan.

Lagoh: a standout example of urban oasis design

As well as offering a whole host of innovative experiences, the shopping centre is a perfect example of the Company's **sustainability commitments**, with its biophilic design offering large expanses of greenery that bring people closer to nature in an urban environment.

The agreement with the Research Foundation of the University of Seville (FIUS) remains in force, with the University continuing to offer scientific advisory for the hybrid environment formed by the retail areas and the living ecosystem of the lake.

The following are some of the initiatives in place at the park to **improve the biodiversity of the surrounding area** and help achieve an eco-friendly, healthy and socially-inclusive Seville:

- Collection and analysis of samples taken from the lake to ensure optimal water quality.
- Analysis of air quality, noise and electromagnetic radiation indicators which are measured throughout the day and are located at various points inside and outside of the properties and also in the immediate surroundings.
- Surface water cleaned daily via the use of an electric motorboat and a net which is used to catch and remove floating microalgae and avoid eutrophication of the lake.
- Planting of Lippia (*Phyla nodiflora*) which thrives in warm Mediterranean climates, requires less water and is able to withstand the high temperatures of Seville.
- Nest boxes for birds such as swifts and bat boxes for natural control of unwanted mosquito populations.

3.2 Contribution to Society

The impact that Lar España's assets have on society is essential for the Company to achieve its goal of value creation. Its **economic, human and inclusive development** creates opportunities for both equality and well-being.

In addition to the **more than 200 charging points for electric vehicles**, all of Lar España's assets are within the reach of its local public transport networks.



Sustainable mobility and cities of the future

Lar España embraces an urban mobility model that meets the **environmental and social needs** of its local communities, working on projects that involve electric vehicle charging points, shared transport, improved pedestrian access, campaigns to champion the use of public transport, and parking facilities and access routes for bicycles, scooters and motorcycles.

As such, agreements are being signed for all of Lar España's assets **to install electric vehicle charging points** in line with the requirements set out in Royal Legislative Decree 29/2021, August 1. The aim is that the contracted energy supply will also have a Guarantee of Origin.

A culture of health, safety and well-being at our assets

Certified with the highly-regarded ISO 45001 standard for health and safety in the workplace

In 2022, Lar España achieved its goal to certify all the assets under its operational control under the ISO 45001 standard, strengthening its **compliance with the health and safety regulations** for shopping centre and retail park employees.

As a result, all certified assets have their own health and safety management systems in place to protect against work-related accidents, emergencies and illnesses.

Improved air quality

The interest in health and well-being from both visitors and employees across all of the Company's properties has prompted Lar España to improve its methods for measuring the indoor air quality at its assets. The introduction of specialist monitoring software has also allowed the Company **to optimise the operational management** of HVAC systems and boost the overall energy performance of its assets.

This means that regular monthly reports are systematically produced. The indicators analysed in these reports show that the air quality at the Company's properties is optimal.

Accessibility

The Company is an active defender of social integration and high accessibility standards, ensuring its designs are focused on user comfort and well-being.

During the first six months of 2023, Lar España has continued to roll out the UNE-170001 certification at the following assets:

- **Parque Abadía, Megapark and Albacenter** were awarded Universal Accessibility certification during 2023.
- During the course of the next few months **Portal de la Marina** is also expected to receive certification.

After obtaining certification for Parque Abadía, Megapark and Albacenter, more than 60% of the portfolio is now certified under the UNE-170001 standard.

Similarly, as part of the Company's commitment to widen the scope of its accessibility criteria, this year the Lagoh shopping centre has signed a collaboration agreement with the **Seville Autism**

Association with a view to introducing a number of measures designed to ensure the shopping centre is not just physically accessible, but also cognitively accessible.

Via this agreement, the Seville Autism Association offers Lagoh an action plan headed up by a team of experts that will advise staff at the shopping centre on how to improve its cognitive accessibility and manage situations involving people on the autistic spectrum in order to ensure their stay at the asset is as enjoyable as possible, both for them and their families.

Another example of Lar España's steadfast commitment to social inclusion is the installation of **stoma-friendly toilets** in the Albacenter shopping centre.

These initiatives underline Lar España's dedication to making its shopping centres and retail parks more accessible for everyone, working to provide accessible and healthy leisure and social spaces in which everyone can feel fully welcome and catered for.

Communication with stakeholders

Lar España has a variety of **tools in place across its assets** to ensure effective communication channels with different stakeholders, including customers and landlords. The Company uses these tools to act efficiently, allowing it to respond to users and channel the appropriate information to ensure their needs and expectations are met.

Satisfaction surveys completed by both end-customers and employees at the assets are one of the ways in which the Company actively works to design measures to improve people's perception and opinion of its assets.

During H1 2023 it has **continued to roll out this strategy** carrying out accessibility surveys for part of the portfolio in order to learn the general level of satisfaction of visitors regarding both measures and initiatives implemented and events held at its assets.

Social Impact Committee

In parallel with the work carried out by the ESG Committee, the Company has **created a Social Impact Committee** made up of the professionals involved in the strategic management and development of initiatives launched across the portfolio's assets in the area of social impact and contribution to local communities. Both Committees will work together to define a **corporate impact strategy** and measure different indicators that will allow Lar España to keep all stakeholders up to date with all relevant information.

Some issues which are expected to be addressed include:

- **Strategic planning of social initiatives** in line with trends observed within the sector.
- In-depth analysis of the **Company's social impact**, incorporating the finance element into decision-making.
- **Introduction of improvements to the communication process** and how the performance of related indicators is reported.
- Greater **involvement of multi-disciplinary teams** thanks to more direct interaction.
- **Adoption of adjustment measures** and introduction of targeted improvements.

Initiatives at our shopping centres and retail parks

During H1 2023, the Company **has continued to roll out a number of different initiatives** across its shopping centres and retail parks to help create shared value in its local communities.

These initiatives completed during the first half of the year can be summarised as follows:







- More than **1,500 hours** dedicated to social action and initiatives.
- The Company has worked with over **70 organisations, companies, NGOs and foundations**.
- More than **160,000€** invested in social action and initiatives.
- More than **2,500 kg** of clothing collected.
- More than **4,000 kg** of food donated.



Social Initiatives H1 2023






Championing sport and healthy lifestyles

One of Lar España's social engagement objectives is to **promote and sponsor healthy lifestyles**, putting physical activity front and centre as part of its commitment to generate a positive impact within its local communities. This includes:

Asset	Initiative
Ànec Blau 	<p>Sponsorship of the Sitges Marathon: Sponsorship of the Sitges Half Marathon with more than 2,000 people taking part</p> <p>Sponsorship of the Mediterrani Marathon: Sponsorship of the Mediterrani Marathon with more than 2,000 people taking part.</p> <p>Sponsorship of the Top 4 Handball tournament Castelldefels. Collaboration with the Catalan Handball Federation and sponsorship of a tournament held in Castelldefels.</p> <p>Sponsorship of Canal Olímpic, with over 1,500 children taking part in the event.</p>
As Termas 	<p>The Corre con Nós fun run: A running event held in the shopping centre car park on 23 April.</p>
El Rosal 	<p>Más Salud, Más Bierzo: Workshops, talks, presentations, etc. offered by Clínica Ponferrada at their stand. A range of activities organised all year round.</p> <p>Basketball Tournament: Eighth 3x3 Basketball Tournament on the outdoor esplanade at El Rosal, organised by the Ponferrada Basketball Club, with children from a number of areas across the catchment joining in and enjoying a fun family day out at the shopping centre.</p>
Parque Abadía 	<p>Bike Marathon: Sponsorship of the Toledo Cycling Race, in collaboration with Toledo Council's Department for Sport.</p> <p>Collaboration with the Decathlon foundation, helping to organise sports day events for people in disadvantaged situations.</p>
Parque VidaNova 	<p>3x3 Basketball Tournament: As part of its sponsorship of the Morvedre Basketball Club, a 3x3 tournament was organised and held at the retail park.</p>
Albacenter 	<p>World record charity pilates event held in association with Afanión.</p>




Promoting culture

As part of its pledge to create shared value in its local communities, the Company is actively engaged in a variety of **culture-enriching initiatives**:

Asset	Initiative
Albacenter 	<p>Straw weaving workshops, promoting the traditional craft of this material.</p> <p>Entrepuntejos: Crocheting classes offered by the Albacete Knitters Association.</p> <p>Leader project exhibition, offering a spectacular photo exhibition and press conference.</p>
Ànec Blau 	<p>III Edition of the micro short films competition: Third edition of the film competition aimed at young up-and-coming talent and designed to help them get their projects off the ground. As part of the competition, there is a screening day when the films are shown in one of the premium auditoriums at Yelmo Cines. A number of prizes are awarded to different categories, with the top prize being €2,000 for the best micro short film.</p> <p>Chess Exhibition: Space at the centre was used to host a chess exhibition which saw the Mallorca and Catalonia girls under-16 categories compete.</p>
As Termas	<p>Play area: A games and activity space for children aged 3 to 10 years, with monthly educational programmes, games and children's shows. A service that helps parents leave their children under the best care while they do their shopping.</p> <p>Sponsorship of the Arde Lucus traditional Roman festival.</p>
El Rosal 	<p>EscaparArte. Space is given over to local artists so that they can display their artwork in the EscaparArte creative space.</p> <p>Book days: To mark World Book Day, a special communication campaign is rolled out during the week, encouraging people to visit the La Casa del Libro store at El Rosal.</p>
Gran Vía de Vigo 	<p>MONA Market. First edition of the MONA artwork and illustration market. Held on Friday 14 and Saturday 15 April on the ground floor. The market was first set up by six local artists who's aim was to make it a leading event in the local community.</p>
Lagoh 	<p>Play area: where children can enjoy a range of different fun and educational activities at the weekend, leaving their parents free to do a spot of shopping at the centre.</p> <p>Craft fair: One Sunday each month, part of the outdoor lake area is given over to the Bermejales Retailers Association to hold their craft fair.</p> <p>Book exchange: Chill-out area with a book stand for exchanging books and enjoying some quiet reading time.</p>





Blood drive campaigns

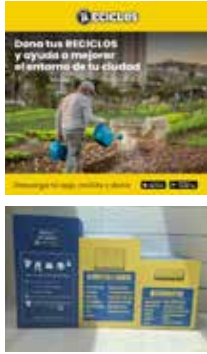
In various assets of the portfolio, blood donation campaigns have continued to be organized in collaboration with different institutions, thus achieving visibility to these initiatives and **also encouraging participation** through reward systems and gifts such as movie tickets.

Asset	Initiative
Lagoh El Rosal Gran Vía de Vigo As Termas Portal de la Marina	 <p>Blood donation for Valentine's Day in Lagoh.</p>
	 <p>Donar es de Cine initiative carried out in El Rosal, Gran Vía de Vigo and As Termas.</p>
	 <p>The Great Donation campaign in Portal de la Marina.</p>

Driving sustainability

As part of its continuous improvement strategy, and in addition to the initiatives introduced across its properties at company level, Lar España also engages with its local communities in campaigns **designed to raise awareness**, drive sustainability and provide visitors with ways in which they can contribute to sustainability-focused initiatives and help minimise the impact of its properties on the environment:

Asset	Initiative
Ànec Blau El Rosal Lagoh Vistahermosa VidaNova Parc Gran Vía de Vigo Portal de la Marina	<p>Earth Hour: Joining in the “Switch Off” and a special communication campaign.</p> 
Ànec Blau	<p>Beach clean-up day: A clean-up day was organised for Castelldefels beach in collaboration with the Ocean52 association and Castelldefels' Shaka Surf. An initiative designed to raise awareness of the importance of protecting our natural environments. The event also included a number of surprises, as well as offering participants a tote bag containing a t-shirt and recycled bottle, they were also entered into a prize draw with the chance of winning shopping centre gift cards and cinema tickets. A total of 52 kg of waste was collected in one hour thanks to the nearly 30 people that took part.</p>  
As Termas	<p>Eco-drawing competition: School eco-themed drawing competition in which all schools in the province were invited to take part.</p> 

Asset	Initiative
<p>Ànec Blau El Rosal Lagoh Portal de la Marina Gran Vía de Vigo Parque Abadía</p> 	<p>RECICLOS Project: is being rolled out at several of the portfolio's assets via the free installation of the <i>RECICLOS</i> machines and communication campaigns that encourage visitors take part in the project. The points obtained are converted into donations to social action projects.</p> <p>Awareness-raising campaigns about clothing donation, championing the principles of the circular economy and helping people in need of clothing. Underway at several assets such as Ànec Blau and Lagoh.</p>

Collaboration with NGOs and charity organisations

During the first half of the year, the company continued to offer up space for free at its properties to NGOs, non-profit organisations and foundations in support of their campaigns, **helping to give them more visibility** and reach a wider audience. Some of the organisations which the company has worked with at its properties include:

Asset	Initiative
Different assets	<ul style="list-style-type: none"> > UNICEF > Oxfam > Food Bank > Save the Children > Aldeas Infantiles > Action Against Hunger > Cáritas > Red Cross > ONCE > ACNUR > AECC > Doctors of the World > Doctors Without Borders > The Spanish Heart Foundation > Ictus > Afanión > Fundación FAD > Asociación Benestar Bigotes > Fundación Trifolium > Asociación Las Triples > ISTEA > REMAR > AIDISCAM > Pascual Maragall > Josep Carreras > WWF > KGB Syndrome



Asset	Initiative
As termas	<p>> As Termas also held the As Termas Suma competition in which any local NGO can present their project a take part. The winning project is awarded €3,000 to help finance its project.</p>

International aid

Beyond the impact the Company has on its local communities, in the following assets Lar España has also supported a number of charitable initiatives targeting causes much further afield:

Lagoh
El Rosal
As Termas
Albacenter

Increasing the awareness of the **Red Cross campaign** "Donate to the Turkey-Syria Earthquake Appeal" on its social media pages.



Gran Vía de Vigo

In light of the **War in Ukraine**, the shopping centre gave up digital space (website and social media pages) to allow organisations such as Caritas and Red Cross to post asking for people **to donate to their aid campaigns**.

2023 cross-cutting action: Dumbo: the Musical. Inclusive entertainment for all the family.

The hit-musical Dumbo, winner of a number of awards in 2020 such as Broadway World's Best Musical, the Best Costume Design at the Musical Theatre awards and Best Children's musical at the thirteenth edition of the Rojas Theatre Awards has adapted its show for a cast that includes people with disabilities. The line-up is headed by a young actress with Down Syndrome and the entire performance is signed for members of the audience who are deaf or hard of hearing. Viewers can enjoy this moving story that carries a strong message against all forms of bullying a heart-warming interpretation that brings a tear to the eye, while also putting a smile on the face of anyone who watches it.

This initiative, linked to the Disfrutones Club and the Club's new App, offers its members the chance to enjoy this event free of charge.

The figures show the true extent of the **success of this initiative, with 1,800 people subscribed, 300 new Disfrutones members and the new App downloaded 250 times** following its launch in Anec Blau. After being so well-received, the Company is working on introducing it in other assets to continue creating meaningful links with its local communities, making its centres leading lights for charitable action, leisure and inclusion, increasing footfall and dwell time, as well as attracting new members to the Disfrutones Club and encouraging more people to download the App.

Its launch will also see 15 seats specially reserved for different Associations of the Deaf and Hard of Hearing, such as *Asociación de Personas Sordas de Lugo, Asociación de Personas Sordas de la Comarca del Bierzo, Asociación de Personas Sordas de Albacete, Federació de Persones Sordes de Catalunya, Asociación de Personas Sordas de Alicante* and *Asociación Cultural Integración Sordo-Oyente*. In addition, the assets hosting these events will make a donation to a related charitable cause, covering anything from disabilities to child harassment.



Compelled to achieve its core objective of inclusive leisure, Lar España offers the ideal meeting point for initiatives aimed at reducing inequalities between local communities.

3.3 Leaders in Corporate Governance

The Company remains deeply committed to a business model that maintains the highest **standards of good corporate governance**, conducting its business in line with the principles of transparency, ethics and regulatory compliance.

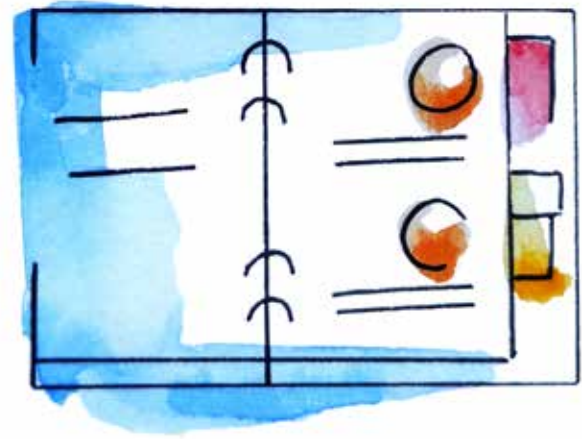
In this context, on 31 March 2023, Lar España held its **General Shareholders' Meeting**. **All the resolutions submitted to the vote were approved with majorities of around 99%**, demonstrating once again the confidence of shareholders in the Company and their support for the management of the Board.

Among the resolutions adopted by the Shareholders' Meeting, the renewal of 4 directors stands out, revalidating and expressly supporting the current governing body, **which is a balanced, cohesive and diverse board in every way** (age, nationalities, skills, gender, etc.).

In terms of gender, **the percentage of women on the Board of Directors is 33.3%**, fully aligned with the Directive on Gender Balance on Corporate Boards and with best governance practices.

During the first half of 2023, the Company has continued **reviewing and updating its corporate documents**, having approved (i) in February 2023, an update of the Regulations of the Board of Directors and of both Committees; and (ii) at the General Shareholders' Meeting, an update of the Company's Bylaws.

Regarding global reporting standards, as a member of the European Public Real Estate Association (EPRA) and as part of its commitment to transparency, Lar España has continued to assess the specific indicators set out in the EPRA Best Practices Recommendations, in the areas of both finance and sustainability.



The information reported in the Company's Annual Reports is also fully aligned with leading global standards such as Global Reporting Initiative (GRI), in its most up-to-date edition, and with the 2021 edition of the International Integrated Reporting Framework (IIRC).

Lar España's **Annual Corporate Governance Report** also offers more detailed information on both the structure and operation of the governance bodies, as well as on the progress made in terms of corporate governance best practices and recommendations, showing the high level of compliance with the best standards of good governance.

With regard to the **Annual Report of Directors Remuneration**, in the advisory vote of the last Meeting this point received the support of more than 99%.

Risk Map Updated

Lar España updated its Risk Map at the end of 2022 and the beginning of 2023, as required by the **Risk Control and Management Policy** approved by the Lar España Board of Directors.

Since 2015 Lar España has had a corporate **Integrated Risk Management System** in place, which has been updated in May 2023, to mitigate the risks which its operations expose the Company to. This system sets out a methodology for efficiently identifying, evaluating, prioritising and managing these risks, taking account of the Company's situation, as well as the economic and regulatory environment in which it is operating. Its end aim is also to **guarantee a reasonable level of security** insofar as achieving the Company's strategic and operational objectives are concerned and in terms of the reliability of information and compliance with legislation.



Climate risk analysis as part of Company strategy

Since the end of 2022, Lar España has assessed **risks and opportunities resulting from climate change** in line with the renowned global standard Task Force on Climate-Related Financial Disclosures (TCFD) developed by the Financial Stability Board (FSB).

The aim of this project is to access information on the potential impact of climate change on Lar España's portfolio and use it to define targeted adaptation plans in order to mitigate these risks. As such, in the medium-long term, this analysis could form part of the **Targeted Action Plans to be developed** such as the Decarbonisation Plan. The ultimate aim is to gradually include an increasing number of actions from the TCFD recommendations framework over the next few years.

To identify the **physical risks** caused by extreme weather conditions, several scenarios were analysed, both for specific years (2030 and 2050) and for emissions levels as per those set out by the IPCC (RCP 2.6, RCP 4.5 and RCP 8.5), using asset locations as the basis for the assessment.

Physical risks identified:

- Temperature variability
- Water stress
- Heatwaves
- Heavy rainfall (rain, hail, snow and/or ice)
- Forest fires
- Temperature variations (air, fresh water, seawater)
- Drought
- Flooding
- Changes in rainfall

Following this, surveys were carried out among the various heads of the areas involved in managing the portfolio, such as the Corporate and Finance, Technical, Internal Auditing, Asset Management and Property Management departments, to learn their views on the risks identified. This feedback was used **to assess the relevance of each of the risks** based on the probability that they would occur and the vulnerability and potential impact on each of the assets.

$$\text{Climate risk} = \text{probability} \times \text{vulnerability} \times \text{impact}$$

The physical risks identified in the different climate scenarios analysed would therefore have the **following potential impacts:**

- › Increased operating costs.
- › Increased maintenance costs.
- › Business disruption.
- › Disruption of construction and refurbishment works.

To analyse possible **ways of mitigating** the impact of these risks, the Company is in the process of analysing potential solutions which, among others, include:

- › Adaptation measures for the different scenarios.
- › Initiatives to improve the energy efficiency of the Company's assets.
- › Optimising resource use.
- › Emission reduction initiatives.



GRESB

This analysis is currently in the final stages of its evaluation, the part in which the impact of the physical risks are **financially quantified** and **transition risks** are also identified and assessed. Transition risks are risks that are linked to potential changes occurring at the regulatory level and those mainly stemming from the transition to a decarbonised economy.

The Company **has become a supporter of the initiative in July 2023** showing that Lar España believes that TCFD standards provide a useful framework for increasing transparency about climate-related risks and opportunities and demonstrating its commitment to work towards its own implementation of the TCFD recommendations.

The Company now plans to publish a report to present the results of this analysis, detailing them in accordance with the criteria set out under the TCFD.

The climate risk analysis is an essential part of the Company's strategy, aimed at designing action plans and rolling out initiatives to help adapt assets as necessary and to also take advantage of any opportunities arising from climate change.

For the sixth year running, Lar España has **taken part in the GRESB** (Global Sustainability Real Estate Benchmark) **assessment**, which has become the global standard for assessing commitment to ESG in the Real Estate sector.

Its participation in this assessment highlights Lar España's undertaking to evaluate its performance at both corporate and asset level, as well as provide a wide range of benchmark indicators in the sector.

This year, the Company has also responded to the new criteria included in the assessment relating to **climate change risks and management and issues involving diversity**, equality and inclusion. As such, the Company has provided additional data in order to extend the scope of its sustainability objectives and remain a leader in Corporate Governance in its sector.



MSCI¹

Lar España is also included in the MSCI-IPD annual Real Estate index, the IPD Spain Annual Property Index. Its participation in this index allows it to access additional information, gain visibility on the Real Estate sector and identify key trends.

After analysing the information published by the Company for 2022, the index has maintained in 2023 Lar España's **BBB rating**.

(1) Lar España's use of any data belonging to MSCI ESG Research LLC or its affiliates ("MSCI"), and the use of logos, trademarks, service brands or names of MSCI indices, does not constitute any form of sponsorship, support, recommendation or marketing for MSCI by Lar España. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. The names and logos of MSCI are commercial or service brands belonging to MSCI.

“BBB” rating in the international MSCI index.

IBEX Gender Equality Index

Lar España forms part of Spain's first gender equality index: the IBEX Gender Equality Index. As one of the 30 companies listed on the index, it reports on the presence of women in management positions as part of the information submitted to the Spanish Securities Markets Commission (CNMV). Hence one of the Company's objectives is **to advocate for gender equality among Spain's listed companies** insofar as management roles and senior positions are concerned.

Global Compact and Sustainable Development Goals

After signing up to the Global Compact in 2020 and developing an Action Plan which required identifying material topics and assessing their contribution to the various SDGs – identifying both positive and negative impacts with a view to mitigating them – **Lar España participated in the third edition of the SDG Ambition Accelerator programme.** Thanks to participating in this initiative, the Company has been able to take its strategic management to the next level, aligning it with corporate sustainable development objectives and results.

Following six months of ongoing training, Lar España was one of the companies selected for the programme's global closing event, to which over 470 companies associated with the Global Compact from more than 60 countries were invited to attend. This event offered the Company a unique opportunity to learn from and rub shoulders with all participants on the global corporate sustainability stage.

Following on from the positive experience of this accelerator programme, Lar España decided to join the Climate Ambition programme, as explained in section [3.1 Environmental Engagement](#). This new programme will run until October.

The Company is currently preparing its **Progress Report (COP)** as part of its annual reporting obligations within the Principles of the UN Global Compact. The aim is to measure and inform stakeholders of the Company's contribution and alignment with the five reporting blocks: Governance, Human Rights, Labour Standards, Environment and Anti-Corruption.

Forming part of a leading global initiative such as the Global Compact, incorporating its 10 principles into the Company's action plan, bolsters Lar España's overall contribution to the Sustainable Development Goals of the 2030 Agenda.