

CORPORATE SOCIAL RESPONSIBILITY

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Value creation via Corporate Social Responsibility is one of Lar España's defining attributes, via the **responsible management of its assets**, the creation of wealth in the communities it operates in and the active listening of its Stakeholders.

1.1

Lar España's approach to CSR

What does CSR mean at Lar España?

Building shared value. Lar España is aware of its ability to impact urban life and thus embraces the opportunity to improve the quality of living of city dwellers by sparking socio-economic progress in Spain and generating financial returns for investors.

Lar España is currently in the process of implementing its CSR Master Plan, which is articulated around the most stringent sustainability standards (general and sector-specific), the recommendations made by the securities market regulator, its stakeholders' legitimate expectations, the United Nations Sustainable Development Goals (SDGs) and the priorities for the business for the coming years.

Lar España's CSR principles



a) Environment

The physical environment understood like an asset that has a direct impact on the corporate financial return, thus generating value for the Company:

- **Positive impact on the community.** Creation of jobs and regional competitiveness: **Over 20,000 direct jobs.**
- **Fostering of responsible investment.** Investment in sustainable assets: **80% of the operational assets** for which Lar España has full autonomy, are certified in BREEAM or are in the process of obtaining **BREEAM certification.** Considering the assets that are found in the co-ownership and in which they are also being intervene in the management, this percentage goes up to 86%.
- **Climate change resilience and mitigation.** During 2017, Lar España has **reduced CO₂ emissions across its entire portfolio of real estate assets by 41%.**



b) Corporate governance

Lar España's business model seeks to have a positive impact on the environment and society, while generating financial returns and alleviating environmental and social pressures deriving from its business activities.

- **Good governance.** Awareness-raising activities targeted at the governance body addressing social and environmental issues and reporting on the initiatives undertaken to tackle them.
- **Ethics and integrity.** Resolution of and response to complaints and claims received in 2017, including labour-related lawsuits.
- **Transparency.** Reporting on non-financial aspects in Lar España's 2017 integrated report.
- **Risk management.** Performance of environmental and social due diligence in respect of the various phases of the business model. In addition, the Company has identified the universe of material risks and their potential consequences, including those related with climate change.

Talent is the basis of the economic model and value created by the organisation.



c) Social capital

Talent is the basis of the economic model and value created by the organisation:

- **Shareholders/ investors.** Subject to checks - financial, references and foreign asset holdings - for all potential investors and sellers.
- **Supply chain.** By means of fair, objective and transparent tendering processes which factor in CSR criteria.
- **Customers.** A communication channel is being designed to engage customers in the CSR Master Plan. Annual surveys are carried out to assess user satisfaction with the quality of the services received.
- **Employees.** Work-life and equal opportunities policies, training courses, talent retention programmes, among other initiatives.



d) Assets (portfolio)

- **Sustainability strategy.** 100% of the real estate assets over which Lar España has full management autonomy have implemented environmental and/or social sustainability initiatives. As of April 2017, 18 of Lar España's 26 properties, or **69% of the portfolio**, had been audited.
- **Sustainability certification. 80% of the operational assets** for which Lar España has full autonomy, are certified in BREEAM or are in the process of obtaining BREEAM certification. Considering the assets that are found in the co-ownership and in which they are also being intervene in the management, this percentage goes up to 86%.
- **Innovation to spearhead the environmental agenda.** Investment in innovation. Collaboration with research and training centres. Use of ICT, management programmes, innovative filters, among other initiatives.

Lar España relies **on four strategic cornerstones in its bid to build shared value** that translates into economic and social progress while generating a financial return for its shareholders and investors.



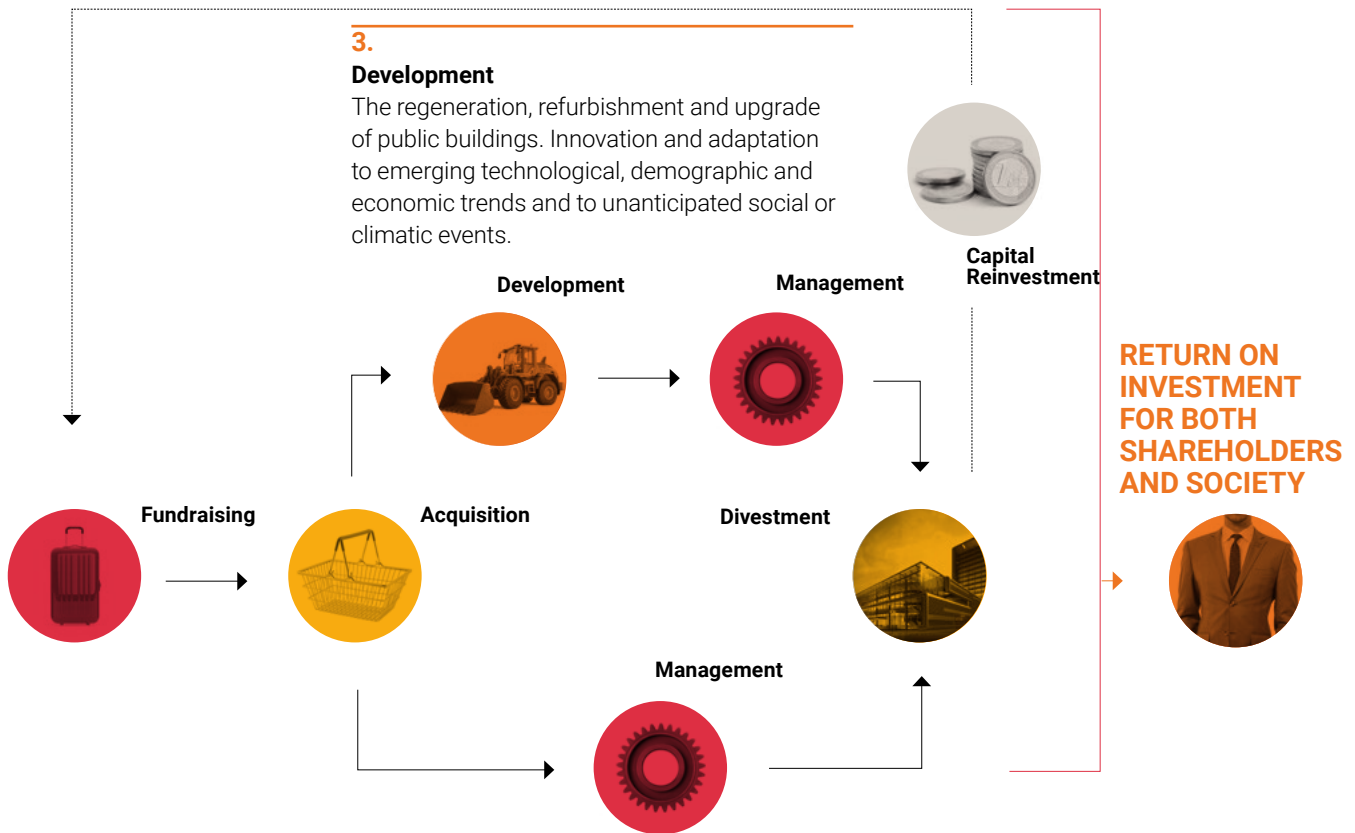
Additionally, group-wide, value creation is framed by:

- **Environmental and social innovation** applied to each phase of the business model
- Maintenance of **open and ongoing dialogue** with the **key stakeholders**

Responsible business model

Building Shared Value in every phase of the business model:

The very essence of Lar España's business model and its economic activity is to help tackle social and environmental challenges. **'Doing business better'** not only generates returns for investors, it also adds real value for the society in which the organisation operates.



1.

Fundraising

Lar España promotes responsible investing.

2.

Asset acquisition

The Company strives to minimise the environmental impact of its investments while safeguarding their economic viability and financial returns.

4.

Management

User-focused, fostering interaction and favouring management-employee cohesion. The management style attempts to encourage participation, communication and transparency and engage with the Company's customers and communities.

5.

Divestment

Asset assessments take into consideration social and environmental criteria.

1.2 Our Stakeholders

Lar España strives to build **stable and long-lasting relationships with its stakeholders**, to which end it attempts to engage in smooth and constant dialogue with them.

As players engaged in the development of its corporate social responsibility strategy, Lar España has identified and analysed its **key internal and external stakeholders** with the aim of responding to their needs and expectations.

To this end, it has evaluated in what ways the organisation's activities could interfere with delivery of its stakeholders' objectives. As a result, Lar España can identify the most relevant areas of its **corporate social responsibility** effort.

Stakeholders are those groups involved, directly or indirectly, in the pursuit of the Company's business activity, which means that they have the ability to influence it.

In response to the sector's expectations, primordial among which are transparency and involvement in decision-making, Lar España views the following as vital:

- **Reporting** on the Company's activities, and the environmental and social ramifications thereof.
- Promoting **two-way dialogue** framed by international standards to optimise management of its impact on every phase of the business model, including a whistle-blowing channel.
- Undertaking of a **materiality assessment** in order to identify and prioritise the key sustainability issues with the purpose of subsequently embedding them into the Company's strategy, vision and objectives.

Analysis of the key environmental and social aspects for each identified stakeholder group:

With the aim of better adapting its sustainability strategy to its **stakeholders' expectations**, in 2017 Lar España specifically analysed the environmental expectations of each group. In order to identify and classify the issues of relevance to its stakeholders, it made a distinction between two dimensions:

- Internal - issues that directly affect Lar España's employees.
- External - sub-divided into three categories: economic, environmental and social, as classified below.



Economic

- Investment manager
- Suppliers
- Investors
- Competitors
- Co-owners/Partners



Environmental

- Opinion-makers
- Community and environmental organisations
- Journalist community
- Regulators
- Sector associations



Social

- Universities and research centres
- Local communities
- Users
- Tenants and customers



Below are the **expectations and needs** - both social and environmental - for each identified stakeholder group:

EXTERNAL ENVIRONMENT "ECONOMIC"	Investment Manager	<ul style="list-style-type: none"> Corporate governance and transparency Ethics and compliance Risk management
	Suppliers	<ul style="list-style-type: none"> Transparent business relations Risk management
	Investors (includes shareholders, banks and research analysts)	<ul style="list-style-type: none"> Corporate governance and transparency Ethics and compliance Anti-corruption and anti-money laundering Risk management Investment in CSR Responsible investment
	Competitors	<ul style="list-style-type: none"> Corporate governance and transparency Building certification Accessibility and connectivity Relationship with the local community and job creation Employment: talent retention and training
	Co-owners and partners	<ul style="list-style-type: none"> Transparent business relations Risk management Relationship with the local community and job creation Investment in CSR
EXTERNAL ENVIRONMENT "ENVIRONMENTAL"	Opinion-makers	<ul style="list-style-type: none"> Corporate governance and transparency Anti-corruption and anti-money laundering Impact management Investment in CSR Responsible investment
	Community and environmental organisations	<ul style="list-style-type: none"> Cooperation with other entities and firms for the promotion of knowledge sharing Building certification
	Journalist community	<ul style="list-style-type: none"> Relationship with the local community and job creation Sustainability permeating products, slogans and campaigns Transparent business relations
	Regulators	<ul style="list-style-type: none"> Standardised CSR reporting Corporate governance and transparency Ethics and integrity Impact management Relations with tenants and communities Accessibility and connectivity Urban longevity Property refurbishment and conservation
	Sector associations	<ul style="list-style-type: none"> Standardised CSR reporting Cooperation with other firms for the promotion of knowledge sharing

EXTERNAL ENVIRONMENT "SOCIAL"	Universities and research centres	<ul style="list-style-type: none"> • Standardised CSR reporting • Cooperation with other firms for the promotion of knowledge sharing
	Local communities	<ul style="list-style-type: none"> • Impact management • Two-way communication channels • Relationship with the local community and job creation • Creating shared value
	Users	<ul style="list-style-type: none"> • Connectivity and accessibility • Management of eco-efficient buildings • Safe and healthy environment • Modern and well-designed facilities • New experiences and services
	Tenants and customers	<ul style="list-style-type: none"> • Transparent business relations • Safe and healthy environment • Connectivity and accessibility • Management of eco-efficient buildings • Modern and well-designed facilities • New experiences and services: technological innovation
INTERNAL ENVIRONMENT	Employees	<ul style="list-style-type: none"> • Talent retention and training • Equal opportunities and non-discrimination • Safe and healthy environment • Work-life balance • Transparent remuneration policy • Ethics, integrity and compliance: Ethical and responsible company



Based on the analysis of the material aspects identified by the main stakeholder groups and the importance ascribed to them by each, **Lar España drew up its materiality matrix.**

This depicts visually the material environmental and social aspects that have been accordingly prioritised and built into the **Company’s sustainability strategy and CSR Master Plan.**

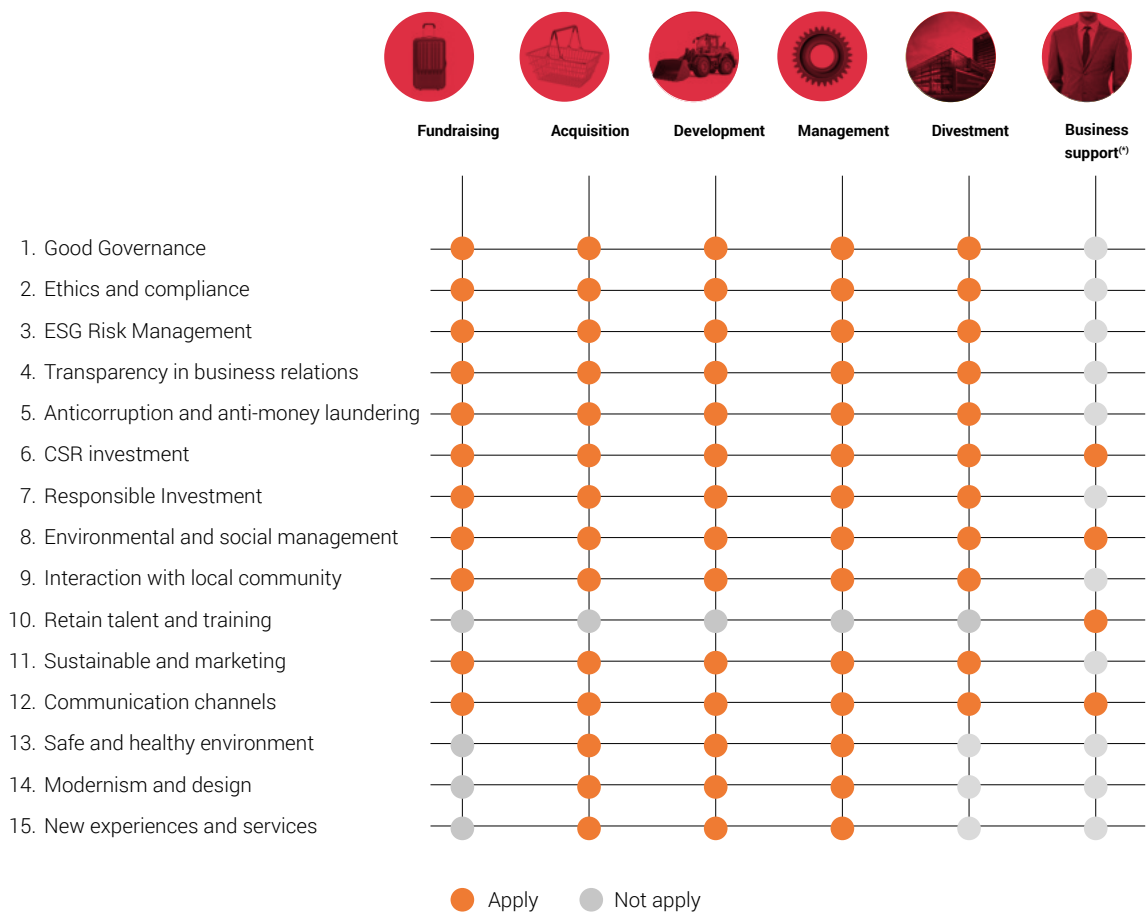


The importance ascribed to each aspect on the **materiality matrix** is determined by its relative positioning.

In keeping with GRI methodology, the material aspects are those located in the upper right-hand quadrant of the matrix, which means they obtained a score of 6 or higher on the two variables analysed:

- The level of importance for each stakeholder group.
- Relevance for the Company.

Below are the material environmental and social aspects of greatest relevance to Lar España for each phase of the corporate business model. All of these aspects are addressed and fleshed out in the **Corporate Social Responsibility Master Plan**, which also stipulates the short-, medium- and long-term measures and objectives associated with each.



(*) Business support refers to tasks relating to the coordination and development of the various phases of the business model by the company, in other words, by the employees.

Note: The relevant issues presented in this report have been placed in descending order according to the Importance Variable for Lar España. In cases where more than one issue has obtained the same value, the Importance Variable of the issue has been taken into account for the stakeholders.

1.3 Responsible asset management

Building projects have a significant impact on their natural surroundings. The building certifications Lar España is in the process of obtaining provide a roadmap for minimising their impact in the short, medium and long term. In parallel, the Company safeguards the economic **viability of and financial returns on its investments**, while striving to boost aspects that benefit society.



In 2017, Lar España continued to make progress on the commitments assumed under the scope of its **CSR policies**, specifically in the **sustainability** field.

Lar España's CSR Master Plan defines the actions to be taken with the goal of spearheading initiatives designed to improve environmental conditions and have a positive impact on its stakeholders' they are framed by the Environmental Sustainability Principles for the Real Estate Industry established at the World Economic Forum in January 2016.

Indeed, the **CSR Master Plan** articulates the targets and programmes devised to enable Lar España to continuously enhance its real estate activities. It stipulates the adoption of best sector practices and the dissemination of planned and executed sustainability initiatives. Lastly it prescribes oversight of the environmental performance of all of the Company's assets in order to assess its environmental footprint and exposure to natural risks, regulatory risks and economic fallout from climate change in each phase of its business model.

Environmental initiatives

Lar España encourages its solid and diversified base of tenants to pursue **sustainability certification measures** and adopt new technology to improve quality and management.

Lar España applies this approach across its portfolio as a function of the characteristics of the classes of assets it manages.

a) Environmental initiatives in the shopping centres

Lar España has implemented a series of activities at its shopping centres with the goal of enhancing their environmental performance and raising user awareness in order to engage them in this effort. Specifically, it has taken the following measures:



Electricity

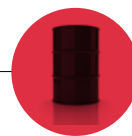
Negotiation of capacity charges and rates

Lighting: light sensors and LED technology

HVAC: Free-cooling technology

Process systematisation: BMS and SCADA

Power generation: installation of photovoltaic solar panels



Gas/Diesel

Electronic thermostats in gas boilers

Reuse of residual heat and use of clean fuels

Solar panels to heat domestic water

Water

Watering: efficient systems and reuse of treated wastewater

Toilets and common areas: low-consumption devices

HVAC: water filling controls

Additional environmental measures


Tri-generation for hot water, heating and air conditioning


Accessible siting: public transport, municipal bike schemes


Parking spaces and charging stations for electric vehicles


Waste management






	Electricity	<p>Electricity rates: Depending on type of consumption: fixed tariff or pool price. 100% from renewable sources.</p> <p>Lighting: Installation of light sensors, sub-division of circuits to boost efficiency, replacement of bulbs with more energy-efficient technology, fitting of motion detectors into light switches and maximisation of natural daylight.</p> <p>HVAC: Installation of free-cooling technology in air conditioning systems and of variable-frequency drives in pumps, opening of aerators, installation of air curtains and increase in thermostats to 26°C.</p> <p>Building systems: Installation of variable speed drivers in access ramps and lifts, of presence detectors in vertical displacement systems and improvement of building management systems.</p> <p>Reduction in power consumption: 0.1% in 2017.</p>
	Water	<p>Watering systems: Control over water consumption for gardening purposes, efficient watering systems, use of native plants (which require less water), reuse of treated wastewater, etc.</p> <p>Toilets and community areas: Reduction of working pressure in pumps, replacement of flush valve cartridges, taps with presence sensors, installation of meters in different areas, etc.</p> <p>Reduction in water consumption: 6.5% in 2017.</p>
	Gas/Diesel	<p>Boilers: Replacement of burners, reuse of residual heat from other installations, use of STE panels, use of environmentally-friendly fuels, etc.</p> <p>Solar thermal energy panels: Installation of STE panels for the production of hot water (hot water for domestic consumption and for heating).</p>
	Additional environmental measures	<p>Public transport - municipal bikes and parking spaces: The idea is to promote the use of public transport; no agreement has been reached yet.</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p>



	Electricity	<p>Electricity prices: fixed rate all year round. 100% from renewable sources.</p> <p>Lighting: Installation of motion detectors in emergency corridors, sub-division of circuits to boost efficiency, replacement of bulbs with more energy-efficient technology (LED), fine-tuning of lighting schedules to make the most of natural daylight, etc.</p> <p>HVAC: Installation of air curtains, adjustment of thermostats (min. 26°C in summer and max. 22°C in winter), enhancement of cooling tower functioning, replacement of cooler with a more efficient one.</p> <p>Building systems: The free cooling function in the building management system (BMS) has been reprogrammed and the scheduling options increased. Repair and adjustment of capacitor banks. Installation of airjet hand dryers.</p>
	Water	<p>Toilets and common areas: Reduction of working pressure in pumps, replacement of time-delayed taps with water-saving devices, readjustment of flush valve discharge levels, etc.</p>
	Gas/Diesel	<p>Boilers: Although this shopping centre is fitted with boilers for the water condensed in the cooling towers, they are rarely in use.</p> <p>Electronic and firefighting pump group: Adjustments to reduce expenditure on gasoil.</p>
	Additional environmental measures	<p>Bike parking spaces: Portal de la Marina has parking spaces for bikes outside the centre and in the underground car park.</p> <p>Ecological parking spaces: Pending study of the use of electric vehicles in the vicinity of the shopping pending for the potential installation of ecological parking spaces.</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p>

	Electricity	<p>Electricity rates: In 2015 a reduction in the fixed capacity charge was negotiated with Gas Natural. Monthly saving of around 30%.</p> <p>Lighting:</p> <ul style="list-style-type: none"> • Replacement of old light fittings and bulbs with LED technology embedded into new suspended ceilings. • Lighting in the various areas of the shopping centre is separated into different circuits which switch on sequentially as required. • The switching on and off of lights is automated thanks to a BMS which carries out these functions depending on opening and daylight hours. • Specific lighting points in the car park so that the entire car park does not have to be lit up. • All cleaning and maintenance work is undertaken during daylight hours. • The glass and diffusers in the light fittings are cleaned regularly so that their performance does not dip. <p>Building systems:</p> <ul style="list-style-type: none"> • Installation of variable speed drivers in access ramps and lifts, of presence detectors in vertical displacement systems and improvement of building management systems (BMS). • Daily meter checks to detect unwanted surges in consumption • Efficient, high-speed hand dryers fitted with motion detectors in toilets. <p>HVAC:</p> <ul style="list-style-type: none"> • Use of free-cooling technology. Equipment is shut down in certain periods in which it is not strictly needed. • Air curtains in entrances to prevent outside air from coming in. • Thermostats (set at 26°C in summer and 21°C in winter) are checked daily to prevent unnecessary expenditure.
	Water	<p>Daily consumption checks to detect leaks.</p> <p>There is a watering system for the gardens which is programmed appropriately for the various seasons.</p> <p>Time-delayed tap switches.</p> <p>Toilet tank capacity adjusted to reduce water consumption.</p> <p>Daily bathroom checks by the security and maintenance department in order to detect leaks or blocked taps/toilets.</p>
	Gas/Diesel	N/A (there is no natural gas or gasoil installation).
	Additional environmental measures	<p>Public transport: Bus stops located a five-minute walk away from the centre. The buses pass every 5 to 10 minutes. The commuter train (RENFE) station is a 10-minute walk from the centre.</p> <p>Municipal bikes: The Company is trying to reach an agreement with the city council for the installation of a municipal bike station.</p> <p>Bike and electric cars parking spaces: There are spaces reserved for bikes in the centre's gardens and spaces for electric vehicles with charging stations.</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p> <p>Other initiatives:</p> <ul style="list-style-type: none"> • Recycling bins (plastic and paper) for customers. • Earth Day: façade lights switched off in solidarity. • Reduction in power consumption: 8% • Paper/board, plastic, wood and other materials recycled (152 tonnes). • Bulbs and light fittings recycled (703 kg) • Customer batteries recycled

	Electricity	<p>Electricity process: Savings of 7.2% in terms of the overall bill as well as ensuring that 100% of the power consumed comes from clean sources.</p> <p>Lighting:</p> <ul style="list-style-type: none"> • Fluorescent bulbs in the ground floor car park replaced by LED lighting. • Lighting sectioned into three different circuits which light up sequentially as needed. • In some areas in which there is a surplus of light, not all the fittings are switched on. • Permanent emergency lighting on in the car park so that the regular lights don't have to be turned on during circulation. • All cleaning and maintenance work is undertaken during daylight hours. • Lights in lifts are automatically switched off when there is no activity. <p>Building systems:</p> <ul style="list-style-type: none"> • Air conditioning and domestic water pumps fitted with variable speed drivers to align power expenditure with demand and prevent surges during start-up. • BMS programmed to turn lights on and off as a function of opening hours and daylight hours. • Lifts, access ramps and stairs fitted with variable speed drivers and motion detectors. • One of the three transformers is kept idle. The idle transformer is rotated annually. • The service lifts are programmed so that during idle periods, one goes to the top floor and the other to the bottom floor to prevent unnecessary calls. • The cleaning equipment has been adapted for the building's dimensions to minimise passes thereby saving staff time and battery charging consumption. • Daily meter checks to detect unwanted surges in consumption. • The SCADA system measures consumption in each electrical control panel to detect malfunctions and minimise consumption. • Contracted power levels are reviewed periodically with the aim of reducing them gradually as the centre's power consumption comes down. • High-performance hand dryers with presence sensors in bathrooms so that they are only switched on when necessary. <p>HVAC:</p> <ul style="list-style-type: none"> • Constant monitoring of temperatures in the shopping centre; free cooling technology. Air curtains in entrances to prevent outside air from coming in. • Daily check and fine-tuning of thermostats and heating/cooling schedules to maximise comfort while minimising power consumption. <p>Power generation: The shopping centre produces electricity which it does not consume. 100% of this power is dispatched to the grid.</p>
	Water	<p>HVAC: The cooling towers are fitted with automatic steam traps so that only the water strictly necessary is discharged.</p> <p>Watering systems: Watering of the gardens is programmed to water in the appropriate amounts when the soil is most receptive. It is equipped with a rain gauge to shut off the watering system when it rains.</p> <p>Toilets and community areas: The bathroom taps are activated by means of presence detectors so that they only release water when necessary.</p> <p>Flow diffusers Flow diffusers fitted in taps to increase water speed and create the sensation of increased flow at lower consumption.</p> <p>Toilet tank capacity has been adjusted to reduce water usage.</p> <p>Daily bathroom checks by security personnel to detect leaks or blocked taps/toilets.</p>
	Gas/Diesel	<p>There are two natural gas-fuelled boilers (performance: 93.8%) fitted with modulating burners and an electronic thermostat so that their capacity is adjusted continuously.</p>

	Additional environmental measures	<p>Public transport: the bus station is a five-minute walk from the centre. The station is amply serviced by secondary and tertiary network buses. The buses pass at 15-minute intervals.</p> <p>Municipal bikes: there is a municipal bike station in the shopping centre gardens.</p> <p>Preferential parking: The car park has preferential spaces for vehicles used by two or more people and for bikes (in the car park, gardens and inside the centre itself).</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p> <p>Earth Hour. Annual event.</p> <p>Reduction in power consumption: 5.1% in 2017.</p> <p>Reduction in gas/gasoil consumption: 0.5% in 2017</p>
	Electricity	<p>Electricity rates: The energy bill was reduced by 10.1% in 2017. 100% of the power consumed at Albacenter comes from renewable sources.</p> <p>Lighting: Installation of light sensors, sub-division of circuits to boost efficiency, replacement of bulbs with more energy-efficient technology, fitting of motion detectors into light switches and maximisation of natural daylight.</p> <p>HVAC: Installation of free-cooling technology in temperature control systems and of variable-frequency drives in pumps, opening of aerators and external doors, installation of air curtains and increase in thermostats to 26°C, adjustment of position of air extractors.</p> <p>Building systems: Installation of variable speed drivers in access ramps and lifts, of presence detectors in vertical displacement systems and improvement of building management systems (BMS).</p> <p>Power generation: The shopping centre produces electricity which it does not consume. 100% of this power is dispatched to the grid.</p>
	Water	<p>Toilets and common areas: taps fitted with presence detectors.</p> <p>Cooling towers: installation of metres in different areas for more exhaustive control over water consumption.</p>
	Gas/Diesel	<p>Boilers: Exhaustive maintenance to ensure the boilers perform optimally; the boilers are integrated into the building management system to ensure more efficient consumption. The Company is studying the possibility of upgrading to more efficient technology.</p>
	Additional environmental measures	<p>Public transport: There are five bus stops in the area.</p> <p>Ecological parking spaces: There is a bike parking station in the outdoors car park and electric vehicle parking spaces with charging stations in the underground car park. There are three Tesla chargers</p> <p>Earth Hour. Annual event.</p> <p>This shopping centre obtained BREEAM certification in 2017.</p> <p>In 2017 it recycled 80 tonnes of paper and board.</p> <p>Energy consumption savings of 3.24%.</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p> <p>Certificate guaranteeing the renewable origin of the power used (issued by the CNMC, Spain's anti-trust authority and energy sector watchdog).</p> <p>Guided parking: Guided parking uses lights to signal free and occupied parking spaces, thereby facilitating mobility within car parks and preventing unnecessary displacement, while helping to reduce carbon emissions.</p>

	Electricity	<p>Electricity prices: In 2017, the reduction in contracted capacity translated into savings of €4,100, thanks to continued fine-tuning. Since 2016, 100% of the power consumed at GV de Vigo has come from renewable sources.</p> <p>Lighting: Installation of sensors (light and presence), restructuring of floor lighting circuits, replacement of light fittings with more efficient LED technology, maximisation of natural daylight, lighting time management, activities undertaken as part of preventative maintenance effort, etc.</p> <p>HVAC: Optimisation of percentage of time water coolers are switched on, management of cold/hot air generation schedules, review and monitoring of thermostats, free cooling in air conditioning units, air curtains over external doors, air distribution strategies, etc.</p> <p>Building systems: Replacement of the current thermal energy control system, improvement proposals based on metering and management of secondary electricity consumption via connection to the BMS, air conditioning unit controls, etc.</p>
	Water	<p>Watering systems: Consumption is monitored daily. The state of the sprinklers is also checked regularly. Proposal to fit humidity probes to reduce watering times by area.</p> <p>Toilets and common areas: Flow reduction in bathroom taps, testing of waterless toilets near the centre's fashion store cluster and placement of independent meters to control consumption by circuit.</p> <p>HVAC water usage: In order to prevent unnecessary water consumption in the heat circuit, the automatic installation filling is also checked manually.</p>
	Gas/Diesel	<p>Boilers: In order to check that the installation is working properly, emissions are analysed monthly during the months in which the boilers are in operation. The heating ring on the fashion floor is kept closed as the establishments do not demand heating all year round.</p>
	Additional environmental measures	<p>Public transport: There is a bus stop outside the entrance to the Gran Vía shopping centre to encourage the use of public transport by customers.</p> <p>Bike parking spaces: There are two bike parking areas at the main entrances to the landscaped deck.</p> <p>Ecological parking spaces: There are proposals for the creation of parking spaces fitting with charging stations for electric vehicles.</p> <p>Earth Hour. Annual event.</p> <p>Tri-generation (CCHP): a heat absorption system has been added to the process that enables the generation of chilled water from a source of heat (derived from CHP). In winter the heat is used for to heat water and for heating purposes; in summer it is used to generate chilled water for air conditioning.</p> <p>Reduction in electricity consumption: 2.1% in 2017</p> <p>Recycling of 190 tonnes of board, 25.7 tonnes of plastic, 0.5 tonnes of bulbs and 43.9 tonnes of other waste.</p> <p>Certification: ISO 14001 and BREEAM</p>

	Electricity	Lighting: Light fittings replaced by more efficient LED technology in July 2016.
	Additional environmental measures	<p>Electric vehicle charging station and reserved parking spaces.</p> <p>Recycling facilities for customer usage.</p> <p>Active recycling machine: Earn money recycling - installation of a bottle recycling machine that returns money on 21 March.</p> <p>Campaign to encourage recycling to mark World Environment Day on 5 June.</p> <p>Water saving awareness drive</p>
	Additional environmental measures	Earth Hour. Annual event.

b) Environmental initiatives in office properties

The main initiatives undertaken at Lar España's office properties in 2017 were aimed at **reducing power consumption and enhancing energy efficiency**:

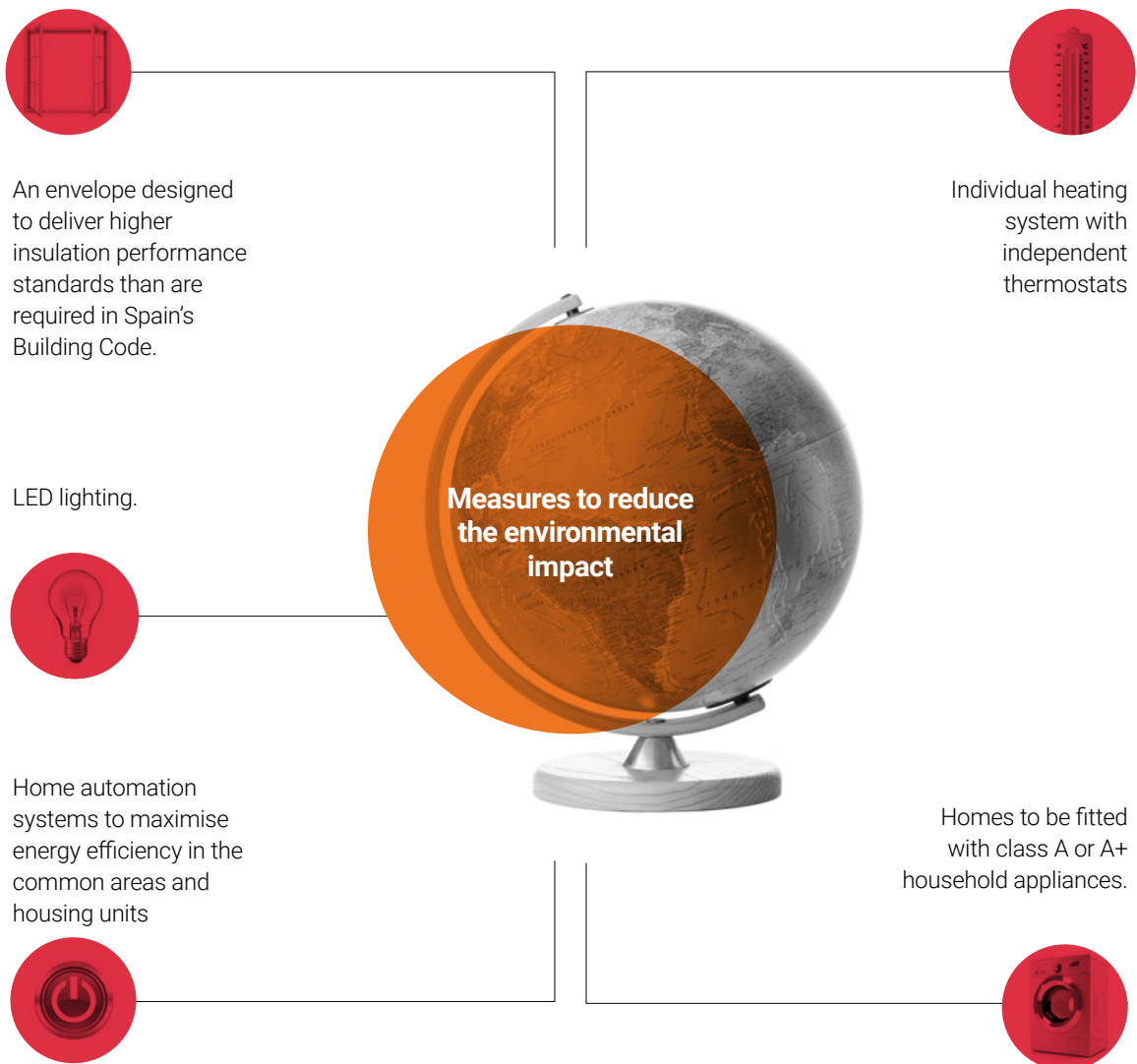
Egeo	Electricity	<p>Lighting: Light fittings in common areas replaced by more efficient LED technology .</p> <p>HVAC: Adapting the HVAC system to increase its efficiency.</p>
	Environmental Initiatives	<p>Obtained BREEAM building certification – obtained score "Good".</p> <p>Process of obtaining BREEAM In-Use certification initiated.</p>
Eloy Gonzalo	Electricity	HVAC: Renewal of air conditioning facilities and insulation initiated. It will be finalized in 2018.
	Environmental Initiatives	Refurbishment project certified with BREEAM New-Build, "Very Good" rating. (*)
Arturo Soria	Electricity	<p>Lighting: light fittings in common areas and garages replaced by more efficient LED technology.</p> <p>HVAC: HVAC system audited and air ducts cleaned. Improvement of the BMS system.</p>
	Environmental Initiatives	Obtained BREEAM building certification – obtained score "Good".
Marcelo Spínola	Electricity	HVAC: Renewing thermal enclosure and HVAC facilities.
	Environmental Initiatives	Obtained BREEAM building certification – obtained score "Good".
Joan Miró	Electricity	<p>Lighting: installation of presence detectors in lighting in emergency stairways and secondary interior stairways.</p> <p>HVAC: Starting the refurbishing process including the improvement of HVAC and insulations.</p>

(*) Achieved "Very Good" score on the design phase.

c) Environmental initiatives in residential buildings

The Lagasca99 residential property, construction of which began in 2016, is **BREEAM-certified**, thereby guaranteeing more stringent sustainability standards in the construction, operation and maintenance of this property along with the reduction of its environmental footprint.

The following measures have been taken **to reduce its environmental impact**:




2017 environmental performance

a) Assets 100% owned by Lar España

In its four wholly-owned and fully operative office buildings and six wholly-owned shopping centres, Lar España can report on the **energy and water consumption** it contracts and pays for in its capacity as owner. Note that it does not yet have information about the consumption directly contracted by its tenants.

c) Lar España properties in planning or under construction

The following ongoing **shopping centre** developments are excluded from Lar España's environmental performance reporting effort: the Palmas Altas (Seville) and VidaNova Parc (Sagunto) shopping centres and leisure complexes; the Lagasca99 **residential development** (Madrid, currently under construction); the **logistics development** in Cheste and the Cardenal Marcelo Spínola **office building**, where the work has recently finished but the building is not yet in use.



Operational
limits and
coverage

b) Assets co-owned by Lar España

In the case of the properties jointly owned by the Company (four shopping centres: Las Huertas, Txingudi, As Termas and Megapark) Lar España does not have full autonomy to introduce and apply its sustainability policies. However, it Lar España influences the **adoption of sustainability and energy efficiency measures** at these properties.

d) Lar España assets managed by the tenants

The following five logistics warehouses and three big box stores are excluded from Lar España's environmental performance reporting effort, it is the **tenants that directly contract their utilities. They also directly manage their waste collection and recycling.**

Lar España cannot yet report on these properties' environmental performances. The Master Plan put together in 2017 contemplates two-way communication channels to be set in motion in the years to come.

At the **corporate level**, Lar España leases two floors of an office building that is not part of its property portfolio (it shares its offices with the Management Company's employees). Therefore, the environmental policies outlined in this report can only be applied to a limited extent. In this instance the data are reported as a corporate expense and are therefore excluded from the Company's environmental performance calculations.

Methodology

With the goal of compiling and reporting on the information needed to comply with the **EPRA Sustainability Performance Measures**, Lar España has used the following sources of information and made the following assumptions:

All properties

Based on the bills paid by Lar España, the Company reports on its energy and water consumption; the electricity, gas and other fuel consumption figures exclude the utilities contracted directly by its tenants. None of Lar España's assets use district heating and cooling.

Offices

The owner pays for all of the water consumed in the buildings. Water consumption intensity is calculated by dividing total consumption by the common parts area.

$$\text{Water consumption intensity} = \frac{\text{Total building consumption}}{\text{Floor space occupied by communal areas (CAB)}}$$

The owner supplies the tenants with heating, ventilation and air conditioning (HVAC) services. To calculate energy consumption and CO₂ emission intensity, the total energy consumption paid for by the owner is

allocated to the sum of the floor area of the common areas of the building and the lettable floor areas, measured using the standard prescribed by the Spanish Office Association (AEO, 2014).

$$\text{Energy intensity} = \frac{\text{Consumption paid by the owner}}{\text{Floor space occupied by communal areas (CAB)} + \text{tenants private space}}$$

$$\text{CO}_2 \text{ emissions intensity} = \frac{\text{Emissions generated by the consumption paid by the owner}}{\text{Floor space occupied by communal areas (CAB)} + \text{tenants private space}}$$

The GHG emissions and energy and water consumption ratios are also calculated per job and year.

Retail

The owner does not supply HVAC services in this instance, although it does supply warm water for use in the tenant's HVAC systems.

the owner is allocated to the common parts area of the shopping centres. In addition, the GHG emissions ratio and energy and water consumption intensities are calculated per visitor and year.

In calculating CO₂ consumption and emission intensity performance measures, the consumption paid by

$$\text{Water consumption intensity} = \frac{\text{Consumption paid by the owner}}{\text{Communal areas}}$$

$$\text{Energy intensity} = \frac{\text{Consumption paid by the owner}}{\text{Communal areas}}$$

$$\text{CO}_2 \text{ emissions intensity} = \frac{\text{Emissions generated by the consumption paid by the owner}}{\text{Communal areas}}$$



Performance calculations

Lar España's environmental performance in 2017 was calculated on the basis of the EPRA Sustainability Performance Measures, bearing in mind the limits, coverages and information-sourcing methodology outlined above.

Assets:

Below are the performance calculations:

a) Energy consumption performance

In 2017, overall **electricity and gas** consumption across Lar España's shopping centres (retail) and office buildings decreased by **1.5%** and **18%**, respectively, compared to 2016.

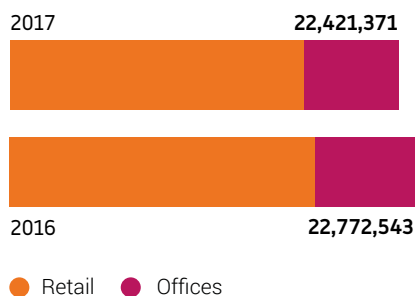
EPRA Sustainability Measures				LAR España Assets								
EPRA code	Unit of mea- surement	Indicator		TOTAL LAR			TOTAL LAR RETAIL			TOTAL LAR OFFICES		
				2016	2017	Like for like comparison	2016	2017	Like for like comparison	2016	2017	Like for like comparison
"Elec-Abs, Elec-LfL"	kWh	Electricity	Electricity consumption from non- renewable sources	7,708,187	4,593,143	-40.4%	5,794,417	2,673,066	-53.9%	1,913,770	1,920,077	0.3%
			Electricity consumption from renewable sources	15,294,502	18,090,143	18.3%	15,294,502	18,090,143	18.3%	No data	No data	No data
			(Sub) metered consumption exclusively to tenants	Not apply			Not apply			Not apply		
			Electricity production fed into the electricity grid	230,146	261,915	13.8%	230,146	261,915	13.8%	0	0	0.0%
			Total electricity consumption owner	22,772,543	22,421,371	-1.5%	20,858,773	20,501,294	-1.7%	1,913,770	1,920,077	0.3%
EPRA-DH &C-Abs	kWh	Energy	Total consumption of heating and urban cooling	Does not apply. There are no Lar assets with district heating and cooling (DH & C-Abs)								
"Fuels-Abs, Fuels-LfL"	kWh	Fuel	Total fuel consumption owner	2,993,296	2,453,300	-18.0%	1,733,415	1,659,072	-4.3%	1,259,881	794,228	-37.0%
Energy-Int	kWh/sqm /year	Energy intensity in buildings per sqm		38.2	36.9	-3.5%	36.2	35.6	-1.9%	61.5	52.6	-14.5%
Applicable assets				14 of 14			10 of 10			4 of 4		
Cert-tot	% BREEAM certifications			64.3%			80.0%			25.0%		
	Applicable assets			14 of 14			10 of 10			4 of 4		

Energy consumption per square meter in all of Lar España's assets, has decreased 3.5%. This decrease has taken place in retail and office buildings in a 1.9% and a 14.5%, respectively.

As a result of Lar España's efforts in 2017, to **reduce energy consumption** in its portfolio, electric and gas consumption have been reduced in a 1.5% and 18.3% respectively. Also 40.4% of the electricity consumption has been generated from renewable sources which translates into a As a resultado of Lar España's efforts in 2017, to reduce energy consumption in its portfolio, electric and gas consumption have been reduced in a 1.5% and 18.3% respectively. Also 40.4% of the electricity consumption has been generated from renewable sources which translates into a significant **reduction of GHG emissions**.

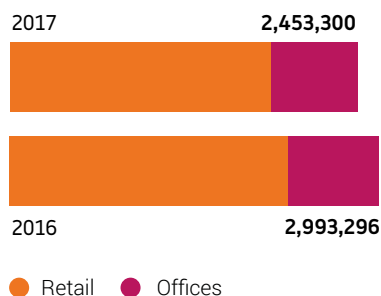
Electricity consumption in kWh

-1.5%
vs 2016



Gas consumption in kWh

-18%
vs 2016



The **energy intensity** consumed per square meter has gone down around a 3.5% in 2017, as a result of the efforts carried out by Lar España to decrease energy consumption in its portfolio.

Variation in energy consumption in kWh/sqm

-3.5%
vs 2016



b) GHG emissions performance

Greenhouse gas emissions are calculated by multiplying energy consumption by the emission conversion factors defined by Spain's Ministry of Industry, Energy and Tourism in 2014, valid until 2016. In 2017 Lar España uses the updated factors published by Spain's Ministry of Industry, Energy and Tourism in 2016. The factors used by Lar España to calculate its GHG emissions are the following:

2016:

- 0.372 kg eq CO₂ / kWh of electricity
- 0.252 kg eq CO₂ / kWh of gas

2017:

- 0.331 kg eq CO₂ / kWh of electricity
- 0.252 kg eq CO₂ / kWh of gas

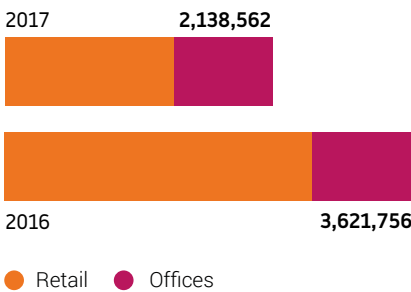
In 2017, Lar España consumed **electricity generated from renewable sources** at seven of its shopping centres (one more property than in 2016). This effort had a positive impact on the reduction in GHG emissions attributable to Lar España's property portfolio in comparison with 2016.

EPRA Sustainability Measures				LAR España Assets								
EPRA code	Unit of measurement	Indicator		TOTAL LAR			TOTAL LAR RETAIL			TOTAL LAR OFFICES		
				2016	2017	Like for like comparison	2016	2017	Like for like comparison	2016	2017	Like for like comparison
GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO ₂	Direct emissions	Scope 1 (fuel)	754,310	618,232	-18.0%	436,821	418,086	-4.3%	317,490	200,145	-37.0%
GHG-Indir-Abs, GHG-Indir-LfL		Indirect emissions	Scope 2 (electricity)	2,867,446	1,520,330	-47.0%	2,155,523	884,785	-59.0%	711,923	635,545	-10.7%
		Indirect emissions	Scope 3	No data			No data			No data		
		Total	Scope 1 + 2	3,621,756	2,138,562	-41.0%	2,592,344	1,302,871	-49.7%	1,029,412	835,691	-18.8%
GHG-Int	Kg CO ₂ per sqm/year	Emissions intensity per sqm		5.4	3.2	-41.0%	4.1	2.1	-49.7%	1.6	1.3	-18.8%
		Applicable assets		14 of 14			10 of 10			4 of 4		

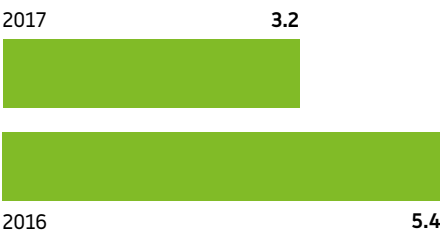
* NB: to calculate the GHG intensity indicator, the floor space occupied by communal areas was used for the shopping centres and the floor space occupied by both communal and private areas was used for the offices.

The **total emissions at Lar España’s assets have decreased** 3,622 tons of CO₂ equivalent to 2,139 tons of CO₂ equivalent in 2017, with a total 41% emissions reduction. The emission intensity per asset square meter has also decreased in the same percentage.

GHG emissions in kg CO₂ eq



GHG emissions in kg eq CO₂ /sqm



-41%
vs 2016



c) Water consumption performance

Lar España's properties' total water consumption increased by 2.3% from 2016, which translates into a 4,1 litre increase per square metre.

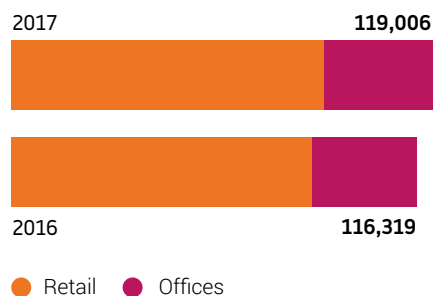
The increase is attributable to the growth in the number of users (visits) in its shopping centres of 870 thousand people in 2017. Water consumption per person stayed at the same level reflecting the efficient use of water in Lar España's assets.

EPRA Sustainability Measures			LAR España Assets								
EPRA code	Unit of measurement	Indicator	TOTAL LAR			TOTAL LAR RETAIL			TOTAL LAR OFFICES		
			2016	2017	Like for like comparison	2016	2017	Like for like comparison	2016	2017	Like for like comparison
Water-Abs, Water-LfL	m³	Water consumption in communal areas	116,319	119,006	2.3%	102,472	104,793	2.3%	13,847	14,213	2.6%
Water-Int	Litres/sqm/ year	Water consumption intensity per sqm	183.2	187.4	2.3%	164.4	168.1	2.3%	1,188	1,220	2.6%
	Litres/ person/ year	Water consumption intensity per visitor for retail and per employee for offices	2.2	2.2	0.6%	1.9	1.9	0.6%	5,645	6,970	23.5%
		Applicable assets	14 of 14			10 of 10			4 of 4		

* Note:

- To calculate the water intensity indicator per sqm, the floor space occupied by communal areas was used for the shopping centres and the offices.

Water consumption in m³



Variation of water consumption in litres/sqm



Variation of water consumption in litres/person



d) Waste management performance

A large percentage of the **waste generated by Lar España** is currently recycled, specifically **53%** of the waste generated in 2016.

EPRA Sustainability Measures			LAR España Assets								
EPRA code	Unit of measurement	Indicator	TOTAL LAR			TOTAL LAR RETAIL			TOTAL LAR OFFICES		
			2016	2017	Like for like comparison	2016	2017	Like for like comparison	2016	2017	Like for like comparison
Waste-Abs, Waste-LfL	Kg	Generation of waste	961,077	2,009,341	-	961,077	2,009,341	-	No data	No data	-
		Recycled waste	45%	53%	-	45%	53%	-	No data	No data	-
	Number of assets		3 of 18	8 of 14		3 of 13	8 of 10	-	0 of 5	0 of 4	-

In the year 2017, Lar España has increased very significantly the information related to the generation and recycling of waste in its assets by reporting information related to eight of its assets, mainly shopping centers, compared to the three assets reported in 2016.

Corporate office:

Below are the energy consumption, GHG emissions, water consumption and waste generation performance measure calculations at the corporate level:

Electricity and water consumption have increased slightly compared to 2016, up to a 11,8% and 9,2% respectively. This is due to a renovation that took place during three months in 2016 (the electricity and water consumption during those months was much lower). Consumption during the remaining months in 2017 was very similar to the ones recorded in 2016.

Impact area	EPRA Sustainability Measures				LAR CORPORATE OFFICES			TOTAL LAR CORPORATE OFFICES		
	EPRA code	Unit of measurement	Indicator		2016	2017	Like for like comparison	2016	2017	Like for like comparison
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	Electricity consumption owner shared services	7,463	7,585	1.6%	133,563	149,332	11.8%
				(Sub)metered consumption exclusively to tenants	Not apply			Not apply		
				Electricity production fed into the electricity grid	0	0	0.0%	0	0	0.0%
				Total electricity consumption owner	7,463	7,585	1.6%	133,563	149,332	11.8%
	EPRA-DH&C-Abs	kWh	Energy	Total consumption of heating and urban cooling	Not apply			Not apply		
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total fuel consumption owner	0	0	0.0%	0	0	0.0%
	Energy-Int	kWh/sqm/ year	Energy intensity in buildings per sqm		97.0	100.5	3.6%	97.0	108.4	11.8%
		kWh/ employee / year	Energy intensity in buildings per employee		1,865.8	1,896.3	1.6%	1,865.8	2,086.1	11.8%
GHG emissions	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO ₂	Direct emissions	Scope 1 (fuel)	0	0	0.0%	0	0	0.0%
			Indirect emissions	Scope 2 (electricity)	2,776	2,511	-9.6%	49,685	49,429	-0.5%
			Indirect emissions	Scope 3	Not apply			Not apply		
			Total	Scope 1 + 2	2,776	2,511	-9.6%	49,685	49,429	-0.5%
	GHG-Int	kg eq CO ₂ /m ² per sqm	Emissions intensity per sqm		36.1	33.3	-7.8%	33.4	33.3	-0.5%
		kg eq CO ₂ / employee/ year	Emissions intensity per employee		694.09	627.67	-9.6%	694.09	627.67	-9.6%
Water	Water-Abs, Water-LfL	m ³	Water consumption in comunal areas		43	42	-3.4%	688	751	9.2%
	Water-Int	Litres/sqm/year	Water consumption intensity per sqm		0.6	0.6	-1.5%	0.5	0.5	1.2%
		Litres/person/year	Water consumption intensity per visitor for retail and per employee for offices		9.61	10	-0.8%	9.61	9.54	-0.8%
Waste	Waste-Abs, Waste-LfL	Ton	Generation of waste		No data	No data	-	No data	No data	-
		%	Recycled waste		No data	No data	-	No data	No data	-



1.4 Accessibility

Via a design that is conceived by and for people, Lar España is working to **achieve and maintain high accessibility standards** that will allow everyone to be able to access its properties correctly and comfortably, taking into account existing problems.

In recent years, Lar España has been working on obtaining ISO 21542 certification (accessibility and usability of the built environment) and on meeting the UNE-EN 17000 standard (universal accessibility), thus demonstrating its commitment to integration.

In order to achieve these targets, in 2017 the Company put together a work schedule on the basis of the diagnosis made of the status of its properties in order to establish priorities and the best actions to carry out on the buildings. In this manner, the Company implements measures designed to enhance building accessibility in parallel with those aimed at **making them more profitable, healthy, safe and efficient**. Also, all renovations in Lar España's assets, are taking into account accessibility requirements from the new building code.

This diagnosis was undertaken in collaboration with **ILUNION, ONCE and AENOR** (the Spanish Association for Standardization and Certification). Their audits highlight the level of compliance with prevailing regulations and make recommendations as to how to obtain **universal accessibility certifications**.

These audits report on three levels of initiative:



1

Lowering risks for building users where there are existing accessibility deficiencies in the buildings.

2

Compliance with current regulations in the buildings under construction and in the buildings in use by adopting reasonable adjustments that allow these regulations to be met (TBC and other regulations).

3

Evaluate the possibilities and costs of being certified via the Universal Accessibility Standards a step that would require reaching excellence in this regard.

These **accessibility audits** have been performed at eleven of the retail properties. In 2017, the Company started to implement the recommendations flagged as requiring urgent intervention; the goal is to implement the remaining recommendations in the coming months and to compile the accessibility reports for the recently acquired shopping centres. An accessibility diagnosis has also been performed at all office buildings. The main achievements in 2017 are as follows:

- Eloy Gonzalo office building: **AENOR** universal accessibility certification for the refurbishment work ^(*).
- In October 2017, **ILUNION** formally acknowledged Lar España's efforts to enhance universal accessibility at its properties and to accommodate persons with disabilities.

() Provisional until completion of the building works.*



1.5 Supplier relations

Lar España and its sole Manager work continuously on enhancing relations with **suppliers**, a group of stakeholders of vital importance for the business. As a result, Lar España and its sole Manager apply stringent controls so that they only collaborate with suppliers of renowned solvency, making sure that they have internal **control mechanisms and codes of conduct** that guarantee due diligence.

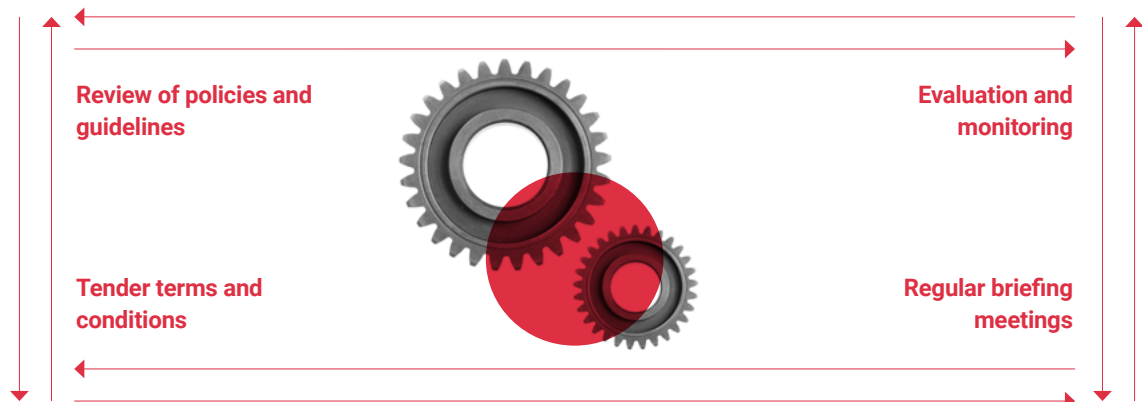
Generation of economic value

Lar España has strong ties with the communities where its operations take place. The total number of suppliers is **640 being most of them local companies**. Lar España's activity is distributed all along the national territory generating wealth in very diverse communities. During 2017 Lar España paid its suppliers more than 120 million Euros .

Lar España acquired products and services to its suppliers for more than 120 million Euros generating wealth in the communities where it operates

Supplier certification mechanisms

Lar España is aware of the need to work with other organisations that pursue similar goals to it: **doing business responsibly for all groups, communities and society in general**. To this end, it strives to establish supplier controls in order to ensure they comply with prevailing regulations and whose conduct is in line with the values embraced by Lar España.



1.6 Customer relations

In order to remain on the roadmap dictated by Lar España's mission - that of "Continuing to cement its position as one of the most active REITs in Europe and a benchmark in the Spanish real estate sector", the organisation places the customer and user at the heart of its business.

To this end, the Company attempts to anticipate their needs and demands in order **to provide them with optimal product and service quality**. In addition, the safety and health of its property occupants is crucial to the Company. As a result, it pays special attention **to compliance with basic health and safety regulations** by duly coordinating its business activities and information about safety risks at work centres and correctly distributing the emergency evacuation protocols.

Lar España's philosophy for maximising customer satisfaction:

1. Improving communication channels and active listening

3. Building health and safety

2. Adding value by means of product and process innovation

4. Adapting to the diversity of customer needs

FOOTFALL 2017

High **footfall indicator** in our shopping centres:

56.9 million of visitors

+2.7%
vs 2016

+1.8%
Shopper
Track Index



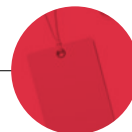
SALES 2017

Good **sales** performance in the shopping centres

636.2 million of euros.

+3.3%
vs 2016

+1.2%
Spain
Retail Sales



The process of actively listening to and engaging in two-way communication with its customers is essential to the Company's business development. This is why it has identified several tools designed to foster the communication process:

- An incident reporting protocol with the property managers in the form of a dedicated e-mail inbox (**'Incidencias LAR Project'**).
- Specific **meetings with the property manager** upon demand by either party.
- **Customer satisfaction surveys** at office buildings.
- **Mobile app** for the shopping centres featuring relevant content such as promotions of interest, news, etc.
- **Direct dialogue** between the asset manager assigned to each property and its tenants.

In addition, the following awareness initiatives have been carried out with the aim of fostering best sustainability practices on the part of tenants:

- Provision **of information about energy consumption and efficiency**.
- Specific **health and safety training**.
- Provision of **sustainability guides and manuals to tenants**: this initiative is planned as part of a pilot test for the Cardenal Marcelo Spínola offices when they are in operation following full refurbishment.



1.7 Society-based initiatives

Lar España is keenly aware that it is part of a sector that simultaneously generates economic benefits for multiple players, thousands of direct and indirect jobs and profits for other companies, among other benefits, which unquestionably have a considerable impact on the economy and employment in Spain in general and in the communities in which its properties are located in particular. Specifically, in 2017 Lar España's asset portfolio is estimated to have created over **20.000 direct jobs**. Regarding the projects under construction (Palmas Altas and VidaNova Parc) the creation of **5,900 additional jobs** are expected, 2,150 of which are direct jobs, 2,050 are indirect jobs and 1,700 are construction-related jobs.

In maximising the value of our assets, city and citizens are an inseparable whole and end-to-end rehabilitation and operation of the portfolio implicitly implies specific consideration of and engagement with the local populations where we operate, looking out for their sustained progress.

Lar España's portfolio assets generate social impacts that transform and build **shared value in** the communities in which they are located:

- They create new business opportunities
- They transform the social climate
- They encourage citizen participation
- They promote health and well-being
- They foster inclusion
- They strengthen society's values

Within Lar España's solid community engagement effort, under the umbrella of which it seeks to reinforce social and economic vitality in the areas in which it operates, in 2017 a broad range of **activities and initiatives were carried out to engage and collaborate with its local communities:**

+ 225 days
days of environmental
initiatives at our
shopping centres

+ 28 NGOs
and charities
collaborated with




+€212,000
earmarked to
community
collaborations and
initiatives



+ 25,500 Kg
of clothing donated



+ 25,000 Kg
of food collected in
several campaigns



Lar España's properties in operation and under construction create more than 25,000 jobs

a) Activities implemented in Lar España's assets

	<p>Premises loaned to rural women's association.</p> <p>Mall space loaned to 15 NGOs for 150 days.</p> <p>Toy collection drive at Christmas in collaboration with the Red Cross (900 toys).</p> <p>Flashmob and magic show events staged by local associations which were given mall space for free.</p> <p>Collaboration with the Lugo municipal authorities:</p> <ul style="list-style-type: none"> • Sports council: Sponsorship of charity running and bike races . • Culture council: Sponsorship of town festival ("Arde Lucas"). • Advertising contribution for the institutional campaign run under the slogan <i>I'm from Lugo</i>. <p>Regional authorities: Health department: Free loan of space for the installation of a blood donation bus.</p> <p>Lugo school network: environmentally-themed drawing competition and prize ceremony at the shopping centre</p> <p>Sponsorship of the San Froilán rally.</p> <p>The Wonderful Project.</p>
	<p>Collaboration with the town council: use of the Ondara town council job bank for potential hires.</p> <p>Sponsorship of sporting activities:</p> <ul style="list-style-type: none"> • Peu La Marina Tour • La Marina Cycling Tour • Collaboration with Gayá Campus <p>Agreement with JOVEMPA: Young business owners in Marina Alta.</p> <p>Charity shopping cart event: For every kilogram collected, another 2 kg were donated to the Red Cross.</p> <p>Encuentro con Gaya event and economic donation to ADIMA (the Marina Alta disabled persons association).</p>
	<p>Food and toy collection drive in collaboration with the Red Cross.</p> <p>Used clothing collection containers: 25 tonnes, preventing the emission of 79 tonnes of CO₂.</p> <p>Food collection drive for animal shelter: 1,950 kg.</p> <p>Monthly animal care awareness and adoption sessions: 31 animals adopted.</p> <p>Mall space loaned to eight NGOs (Red Cross, UNICEF, Josep Carreras Foundation, Save the Children, the Richi Foundation, Enriqueta Villavecchia Foundation, Save A-Paw, ISTE A).</p> <p>The Wonderful Summit project.</p> <p>Sponsorship of ISTE A (autism association) in the form of a charity race.</p> <p>Sponsorship of the Playa Castelfdefels basketball tournament.</p> <p>Sponsorship of Canal Olímpic summer race.</p> <p>Collaboration with the city council:</p> <ul style="list-style-type: none"> • Collaboration for Carnival . • Sponsorship of the Baix Llobregat business association. • Sponsorship of city charity races. <p>City:</p> <ul style="list-style-type: none"> • Collaboration with institutions in the area for the provision of workshops advertised at ANEC BLAU. • Reading room installed in shopping centre all year round. • Photography gallery installed in shopping centre for a few months. <p>Environment:</p> <ul style="list-style-type: none"> • Recycling bins (plastic and paper) for customers. • Earth Day: façade lights switched off in solidarity.

	<p>Mall space loaned to eight NGOs and one Brotherhood.</p> <p>Premises loaned to local artists.</p> <p>Drives with food banks.</p> <p>Toy collection drive in collaboration with the Red Cross.</p> <p>Sponsorship of the San Silvestre Berciana race in collaboration with the local sports council and the Red Cross.</p> <p>Collection for the Red Cross.</p> <p>The Wonderful Summit project.</p> <p>Sponsorship of the local football team.</p> <p>Sponsorship of the local basketball team.</p> <p>Participation in Earth Hour.</p> <p>Collaboration with the city council:</p> <ul style="list-style-type: none"> Community work council: 'Grow with me' campaign. Loan of a premises for an exhibition and of space for a videowall <p>Multiple charity collaborations:</p> <ul style="list-style-type: none"> Blood Donation Brotherhood: Campaigns at the shopping centre in February and September. La Inmaculada school: premises loaned to exhibit Bierzo tourism project.
	<p>Collaboration with a number of entities on environmental, social, labour awareness campaigns Play Fitness event.</p> <p>Fitness Centre event.</p> <p>Third edition of charitable Pilates event to raise money for AFANION (children with cancer).</p> <p>Collaboration with the Spanish Cancer Society: charity tables.</p> <p>Collaboration with volunteers from the Spanish Parkinson's Association.</p> <p>Awareness and fund-raising campaign for children with leukaemia.</p> <p>Colour Festival to raise money for AFANION.</p> <p>Collaboration with ACNUR (help for refugees) and the Red Cross (Earth Day).</p> <p>Awareness workshop and fund-raising event for AMAC (women with cancer).</p> <p>Mall space loaned to 10 NGOs and one foundation.</p> <p>Charity events taking up 150 days of the year.</p> <p>Collection of 10,000 kg of food.</p> <p>Collaboration with the city council:</p> <ul style="list-style-type: none"> Christmas lights in Albacete. Environmental education programme. <p>Sponsorship of cultural events:</p> <ul style="list-style-type: none"> Sponsorship of children's shows. Tickets sold online. <p>Environmental events: Earth Day: façade lights switched off in solidarity.</p>

	<p>Mall space loaned to Save the Children.</p> <p>Mall space loaned to Médecins Sans Frontières.</p> <p>Mall space loaned to DOA (mental health association).</p> <p>Mall space loaned to ASPANAEX (persons with psychic disabilities).</p> <p>Mall space loaned to ACNUR.</p> <p>Mall space loaned to APAMP (association for relatives of cerebral palsy patients).</p> <p>Mall space loaned for major food bank collection drive.</p> <p>Sponsorship of the tenth Vigo City Rally with €3,000, the loan of two areas for the display of classic cars and of one area for a stand.</p> <p>Sponsorship of charity race.</p> <p>Three Erasmus scholarships awarded to Vigo University.</p> <p>Collaboration with the city council:</p> <ul style="list-style-type: none"> • Help with Christmas lights in Vigo • Participation in the city's Christmas parade. • Youth council: printed information about jobs, studies, leisure and other topics of interest for local youths. <p>Environmental events:</p> <p>Dedicated environmentally responsible area: recycling of used batteries and bulbs (including fluorescent lights) and container for collecting used clothing for Caritas.</p> <p>Paper recycling bins placed throughout the mall.</p> <p>Participation in Earth Day: lights switched off for one hour.</p>
	<p>Space loaned to: Food banks.</p> <p>Space loaned to: Spanish Cancer Society.</p> <p>Space loaned to: SOS Children's Villages and ACNUR (refugees).</p> <p>Space loaned to: toy collection drive (REMAR).</p> <p>Space loaned to: the Red Cross.</p> <p>Avenida de Madrid neighbour's association: sponsorship of charity race.</p> <p>Palencia Women's Basketball Club: assistance for children's team. Pavilion fencing.</p> <p>Sponsorship of Palencia basketball match.</p> <p>DANISA cycling club: Tarpaulins for fencing and magazine feature.</p> <p>Campaign to encourage recycling to mark World Environment Day.</p> <p>Water saving awareness campaign championed by Carrefour Property.</p>

	<p>25 March 2017: Earth Hour.</p> <p>17 June 2017: collaboration with the local NGO, Walk On Project.</p> <p>22 December 2017: Toy donation for children in the cancer ward of the Cruces Hospital (Barakaldo).</p> <p>Mall space loaned to Médecins Sans Frontières.</p> <p>Caritas: charitable collection. A circular was sent to the service providers (security, cleaning and maintenance) and tenants encouraging them to participate and providing two collection points to make it easier.</p> <p>EMAÚS: Used clothing collection. Fashion Outlet collaborated with the charity Emáus Bizkaia to collect used clothing on the premises.</p>
	<p>Mall space loaned for the purposes of a new member drive:</p> <ul style="list-style-type: none"> • Josep Carreras Foundation (12, 13 and 14 January). • Red Cross (2 initiatives, in May and June). • WWF (World Wild Life), in May and June. • SOS Children's Villages (3 - 7 July). • ADEMG I (2 June) to raise money for multiple sclerosis. • ACNUR (26 December). <p>Mall space loaned for collection of food and other products:</p> <ul style="list-style-type: none"> • TADAMUN, food drive for people living in the Sahara (28 January). • 'Breakfasts with heart' (Red Cross) (3 - 4 November). • Gipuzkoa food bank drive (1 - 2 December). • PROVIDA, collection of products for mothers and children (16 December). <p>Other local associations:</p> <ul style="list-style-type: none"> • Financial donation to the DYA, a road assistance association. • Collaboration with the Irun town council in the form of vouchers.

b) Activities implemented by the Company



Norte Joven Foundation

Participated in the “Grants, training and lunch for students at the Norte Joven Foundation” project with:

- Monthly charity lunches.
- Assistance provided by Lar España employees to help the Foundation’s youth members prepare for job interviews
- Regular financial donations
- Six-month training employment in administration works for Norte Joven students



Aladina Foundation

- Christmas raffle to raise money for this charity



Créate Foundation

Participated in the Professional Training part of the “Support and Assistance for Entrepreneurial Projects” programme:

- Mentoring assistance for the definition and preparation of an entrepreneurship and innovation project for the Foundation’s vocational training student members



Acción contra el Hambre Foundation

- Lar España employees donated their meal vouchers. All proceeds were used to buy therapeutic food which was donated to Acción contra el Hambre Foundation, the NGO that fights against the consequences and causes of malnutrition in the world.

