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## ESG (Environmental, Social and Governance)

At Lar España, we understand that our activities affect the world around us. We make it a priority to ensure that both our operations and decision making have a positive impact on society and the environment, by working **in an ethical, responsible and sustainable way** while achieving strong financial returns for our investors.

Our **Sustainability/ESG Policy** is our blueprint for achieving our company objectives and following through on our principles, commitments, goals, strategy and values. In keeping with these principles, Lar España has also introduced an **ESG Masterplan**, which plots the route we intend to follow and the areas we will focus on along the way, always adhering to the most stringent general and sector-specific standards.

Lar España remains committed to **creating shared value**, fostering a fluid channel of communication with our stakeholders, investing in projects that champion sustainability in all its forms and working continuously to take our performance to new heights. To the Company, sound corporate investment and environmental engagement are much more than just hoops we need to jump through; they are vital to our future success. Our approach keeps us alert to new opportunities – like advances in energy efficiency, digital innovation and collaborative relationships with suppliers at the top of their fields.





 Shopping Centre  
Portal de la Marina (Alicante)



### 3.1 Committed to the Environment

Lar España invests in groundbreaking solutions that help us **manage our properties responsibly and shrink our environmental footprint**. We're expanding our environmental analysis and management capacities, so we have the information we need to plan, take action and grow as a sustainable company. At the same time, this strategy will help us safeguard our economic viability and return on investment for the future.

**All of the properties** that Lar España wholly manages have therefore implemented environmental and/or social activities.

#### BREEAM Environmental Certification

The company remains committed to participating in assessment and certification schemes to guarantee that the operation of all its properties is as sustainable as possible.

- Throughout the first six months of 2021, we forged ahead with our **Renewal Plan** for certifications that expired in 2020, having renewed **6 certifications** with a higher rating than the previously obtained.
- We have obtained a **new certificate in Parque Abadía** with Very Good qualification in both categories.
- **100%** of the company's shopping centres are currently BREEAM-certified with an 'Excellent', 'Very Good' or 'Good' rating.
- On the advice of our specialist consultants (LKS), we also prepared a certification plan covering **all retail parks** in our portfolio.


Lar España has obtained an improvement in the rating of BREEAM certificates renewed during the first half of 2021.








BREEAM Certifications

|   | Asset list          | CURRENT CERTIFICATE                |                                     |               | PREVIOUS CERTIFICATE             |                    |           |
|---|---------------------|------------------------------------|-------------------------------------|---------------|----------------------------------|--------------------|-----------|
|   |                     | Rating <sup>(1)</sup>              | Certification Type                  | Status        | Rating <sup>(1)</sup>            | Certification Type | Status    |
|  Shopping Centres | Lagoh               | Very Good                          | New Construction (P) <sup>(2)</sup> | Certified     |                                  |                    |           |
|   | Gran Vía de Vigo    | "P1: Excellent<br>P2: Excellent"   | In Use                              | Certified     | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | Portal de la Marina | "P1: Very Good<br>P2: Excellent"   | In Use                              | Certified     | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | El Rosal            | "P1: Excellent<br>P2: Excellent"   | In Use                              | Certified     | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | Ànec Blau           | "P1: Very Good<br>P2: Very Good"   | In Use                              | In Renovation | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | As Termas           | "P1: Excellent<br>P2: Exceptional" | In Use                              | Certified     | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | Albacenter          | "P1: Very Good<br>P2: Excellent"   | In Use                              | Certified     | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | Txingudi            | "P1: Good<br>P2: Good"             | In Use                              | In Renovation | "P1: Good<br>P2: Good"           | In Use             | Certified |
|   | Las Huertas         | "P1: Good<br>P2: Good"             | In Use                              | In Renovation | "P1: Good<br>P2: Good"           | In Use             | Certified |

|   | Asset list              | Rating <sup>(1)</sup>            | Certification Type | Status          | Rating <sup>(1)</sup>            | Certification Type | Status    |
|---|-------------------------|----------------------------------|--------------------|-----------------|----------------------------------|--------------------|-----------|
|   |                         |                                  |                    |                 |                                  |                    |           |
|  Retail Parks | Megapark <sup>(3)</sup> | "P1: Very Good<br>P2: Excellent" | In Use             | Certified       | "P1: Very Good<br>P2: Very Good" | In Use             | Certified |
|   | Parque Abadía           | "P1: Very Good<br>P2: Very Good" | In Use             | Certified       |                                  |                    |           |
|   | Rivas Futura            | Being processed                  |                    | Being processed |                                  |                    |           |
|   | VidaNova Parc           | Being processed                  |                    | Being processed |                                  |                    |           |
|   | Vistahermosa            | "P1: Very Good<br>P2: Very Good" | In Use             | In Renovation   | "P1: Very Good<br>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) The BREEAM certification for New Construction is P (Provisional) until the final delivery of the works and installations and D (Definitive) once the process is completed.

(3) Certifications relate to asset areas over which Lar España has operational control.

### ISO 14001 Environmental certifications

Since achieving **ISO 14001** status for the As Termas shopping centre in 2020, the company has been working to extend this certification to other properties in our portfolio.

ISO 14001 recognises **sound environmental management**, the pursuit of firm objectives and targets reviewed and endorsed by senior management, a set of environmental procedures and protocols appropriate to the company's activities and proper management of any incidents or non-conformities. All of these aspects contribute to our progress towards our strategic objectives.

### Shopping centre data automation

Over the course of 2020, we completed work on a new data analysis platform featuring a dynamic display for monitoring resource use and environmental performance. This new tool, which keeps track of water and energy use, waste management and GHG emissions, was launched on 1 January 2021. As a result, we are now able to **capture and analyse data from our properties and compare performance over time.**

By eliminating human error and **improving the frequency and consistency** of information, we have successfully optimised our processes and resources. Departments with access to the system can now benefit from more powerful data analysis, empowering them to act swiftly and effectively when corrective action is needed.







### Energy Efficiency Plan

Now that we have an automated data collection platform in place, we are able to monitor our objectives and measures more effectively. Consequently, the company has developed a new Energy Performance Plan, **aligned with national and international standards**, as the final cornerstone of our sustainability strategy. The plan's implementation hinges on a series of previously adopted measures that have now been incorporated into and aligned with the corporate strategy across all the portfolio's assets.

In parallel, Lar España is rolling out energy **performance audits and a new remote submetering system**. Thanks to these two initiatives, we will be able to access up-to-date information on the status of each of our properties. Based on this information, we intend to develop a set of action plans for each property in our portfolio.

The company will therefore continue to lead by example and be a benchmark for the sector, as well as for society in general, **by looking beyond the purely economic benefits of better energy management and efficiency**.

### Renewable energy

The Company has **completed a comprehensive study of our entire portfolio** in partnership with KPMG, aimed at helping us analyse and identify the most promising strategies, negotiate contracts and carry out effective monitoring and progress evaluation for pilot projects.

Lar España has an Energy Efficiency Plan aligned with national and international standards.



### Carbon Footprint

Lar España was proud to register its carbon footprint for 2018 and 2019 with Spain's Ministry for Ecological Transition and the Demographic Challenge (MITERD). This scheme is part of Spain's national strategy, aligned with that of the European Union. We have now also presented our **report on our activities in 2020**.

As part of this process, the company submitted its Emissions Reduction Plan to the Ministry as another step towards **carbon neutrality, and a further affirmation of the company's commitment to responsible and sustainable business operations**. To spur us in this direction, our proposed measures include:



1. Continuing our policy of using guaranteed renewable electricity sources at all strategic properties.
2. Expanding the use of renewable energy systems across our portfolio.
3. Applying the findings of technical-economic studies into the potential for investing in solar voltaic energy at strategic properties and promoting on-site renewable energy generation.
4. Launching our own automated system for monitoring energy use, based on telematic technology.
5. Implementing predictive maintenance programmes and more proactive inspection protocols for air-conditioning systems to prevent coolant leaks.
6. Ongoing schedule to replace older machinery and equipment with more efficient, sustainable and low-emissions alternatives.



## Environmental performance

### Introduction

In assessing energy consumption during H1 2021, we must consider three key factors that have affected the performance of Lar España's properties during this period:

#### Recovery of footfall at shopping centres and retail parks

Although the first half of 2021 witnessed a **considerable recovery in everyday operations at Lar España's shopping centres** compared to the same period in 2020 (close to 30%), this recovery has not reached what would be considered normal levels.

If we analyse the environmental performance of the first six months of 2021 compared to the same period in 2020, the exceptional circumstances in the first half of 2020 (including lockdowns and severe restrictions on access to shopping centres and retail parks) skew the comparison of the overall data. As a result, we broadened the analysis of the properties' performance **to include comparison not only with the first half of 2020, but also with the first half of 2019**, prior to the impact of COVID-19 on normal operations.

#### Weather conditions

Another fundamental factor to bear in mind is the **weather during the period analysed**. In the first six months of 2021, the average values were not different to what was expected in terms of temperatures and rainfall: the deviation from the average (daytime and night-time temperatures) was no greater than +0.55°C and rainfall was 99% of what is expected between January and June.

**None of this suggests a reprieve from climate change:** as well as a quite irregular rainfall pattern, it is worth mentioning the series of extreme events in the months of January and February on mainland Spain. The extremely low temperatures of mid-January (Storm Filomena) were followed by a significant thermal anomaly in the month of February, with average temperatures at +2.5°C higher than expected for that month. May was also warmer, but with relatively slight increases of +0.6°C compared to the average recorded in the reference series from the State Meteorology Agency (AEMET) (1981-2010).

#### Opening of properties that hold a greater importance from an energy efficiency point of view (Lagoh)

In September 2019 **Lar España opened the Lagoh Shopping Centre** in Seville. During 2020, this centre had to deal not only with the consequences of lockdown and capacity restrictions, but also had to get complex equipment – including renewable energy generation systems – up and running. The low occupancy at the centre allowed for adjustments to be made to the control systems during the first half of 2020 and as a result, its energy performance shows **significant deviations** from the same period in 2021.

This large development is a very significant property in the portfolio and therefore its inclusion in the analysis of data for the first half of 2021 could considerably distort the overall data we are working with. **We will therefore need a full-year full standard operation analysis** in order to have a clear image of the performance of the property and its environmental importance within the portfolio.







### A.1. Electricity consumption

In 2021, Lar España has continued its **programme of purchasing guaranteed renewable electricity**, which already accounts for 95.3% of all energy consumed at its properties. Only two properties (Txingudi and Parque Abadía) still use non-renewable electricity. However, once the current supply contracts have ended (through the Company's own policy), their electricity supply contracts will be renewed and brought into line with the rest of the portfolio through the purchase of green energy. This will have a very positive effect on indirect GHG (Greenhouse Gas) of Scope 2 emissions.

Over the first half of 2021, the year-on-year comparison recorded a slight upturn in the electricity consumed in the properties' communal areas (+3.9%), primarily due to the upswing in activity. However, **the consumption recorded was -12.5% down when compared to the normal circumstances in the first half of 2019.**

We must also consider a correlation between the increase in electricity consumption (H1 2021 versus H1 2020) and the **abnormally high temperatures in the month of February**, which required unusual use of HVAC systems in some centres located in the north and centre of the mainland.

### A.2. Fuel consumption (Gas and Diesel)

The above average temperatures in February were mainly seen in northern Spain, particularly in the Bay of Basque Country (+4°C compared to the expected average), as well as in Galicia and in inland areas in Castilla y León (+2°C), where shopping centres and retail parks normally have a high demand for fuel for heating at that time of year. This weather anomaly coincides with a **-20.9% drop in fuel consumption (mainly natural gas)** compared to the first half of 2020 and **-17.1%** compared to the first six months of 2019.

**The operational measures contained in Lar España's Energy Efficiency Master Plan** have also played their part. The rollout of this plan continued during H1 2021 and we estimate that it contributes at least 1% to the continued decreases in energy usage.

| Area of Impact | EPRA Sustainability Performance Measures |                     |   |  | TOTAL LAR ESPAÑA ASSETS  |              |              |                          |              |              |                          |
|----------------|--|---------------------|---|--|--|--------------|--------------|--------------------------|--------------|--------------|--------------------------|
|                | EPRA code                                | Unit of measurement | Indicator   |  | Absolute Measures  | CHANGE (LfL) |              |                          | CHANGE (LfL) |              |                          |
|                |  |                     |   |  | H1 2021 (Abs)  | H1 2019      | H1 2021      | Like for Like change (%) | H1 2020      | H1 2021      | Like for Like change (%) |
| Energy         | Elec-Abs, Elec-LfL                       | kWh                 | Electricity   | Consumption of electricity from non-renewable sources (A)        | 527,093  | 986,275      | 527,093      | -46.6%                   | 575,915      | 527,093      | -8.5%                    |
|                |  |                     |   | Consumption of electricity from renewable sources (B)            | 10,777,769   | 9,092,706    | 8,309,102    | -8.6%                    | 10,184,800   | 10,777,769   | 5.8%                     |
|                |  |                     |   | % of common areas electricity consumption from renewable sources | 95.3%  | 90.2%        | 94.0%        | 3.8%                     | 94.6%        | 95.3%        | 0.7%                     |
|                |  |                     |   | Consumption sub-metered to tenants (C )                          | 345,902  | 374,456      | 345,902      | -7.6%                    | 209,862      | 345,902      | 64.8%                    |
|                |  |                     |   | Electricity generated and dispatched to the grid                 | 151,104  | 122,867      | 100,421      | -18.3%                   | 179,603      | 151,104      | -15.9%                   |
|                |  |                     |   | Total landlord electricity consumption (D = A+B-C )              | 10,958,960   | 9,704,525    | 8,490,293    | -12.5%                   | 10,550,853   | 10,958,960   | 3.9%                     |
|                | EPRA-DH&C-Abs                            | kWh                 | Energy  | Total district heating & cooling consumption                     | Not applicable.<br>There is no Lar España asset with district heating and cooling (DH&C-Abs) |              |              |                          |              |              |                          |
|                | Fuels-Abs, Fuels-LfL                     | kWh                 | Fuel  | Total landlord fuel consumption (E )                             | 1,154,944  | 1,309,009    | 1,085,200    | -17.1%                   | 1,460,244    | 1,154,944    | -20.9%                   |
|                |  |                     |   | Total fuel consumption sub-metered to tenants (F)                | 47,610   | 36,763       | 47,610       | 29.5%                    | 32,652       | 47,610       | 45.8%                    |
|                |  |                     |   | Total fuel consumption (G = E-F)                                 | 1,107,334  | 1,272,246    | 1,037,590    | -18.4%                   | 1,427,592    | 1,107,334    | -22.4%                   |
|                | Energy-Int                               | kWh/ sqm / year     | Building energy intensity per square metre<br>H = (D+E)/S sqm |  | 18.96  | 20.50        | 17.82        | -13.1%                   | 18.80        | 18.96        | 0.9%                     |
|                |  | kWh/ visit / year   | Building energy intensity per visitor<br>I = (A+B+E)/S visit. |  | 0.38   | 0.31         | 0.33         | 5.4%                     | 0.48         | 0.38         | -21.4%                   |
|                | Number of assets within boundary         |                     |   |  | 14 out of 14   | 13 out of 13 | 13 out of 14 | -                        | 14 out of 14 | 14 out of 14 | -                        |
|                | Proportion of disclosed data estimated   |                     |   |  | 0.0%   | 0.0%         | 0.0%         | -                        | 0.0%         | 0.0%         | -                        |





B. GHG emissions

As in 2018 and 2019, **Lar España has recorded its carbon footprint for 2020** and, by the end of 2021, will have registered its carbon footprint for four consecutive years with the Ministry for the Ecological Transition and the Demographic Challenge (MITERD). Hence, at 01/01/2021 Lar España was one of the 10 companies in the sector included on the MITERD list.

The Scope 2 results for the first half of 2021 correspond with the electricity consumption data analysed in point A.1, while the results for Scope 1 are related with the decrease in fuel consumption, due to the unusually high average temperatures in February in the north and center of Spain and exposed in point A.2. Accordingly, a +4.3% upturn is observed in Scope 2 emissions, which is mainly linked to the increase in the activity, but a considerable decrease is observed if the comparison is made with the first half of 2019 (-42.2%).

Since 2020, Lar España has begun to regularly report not only on Scope 1 (direct GHG emissions within the shopping centres) and Scope 2 (indirect emissions resulting from the generation of electricity consumed in the shopping centres), but also on Scope 3 (indirect emissions in the value chain, excluding Scope 2).

More accurate identification and verification of data in line with the Company's commitment to making continual improvements in its environmental management.

The verifiable information for Scope 3 so far shows an increase in the values when comparing 2019 and 2020. This does not indicate an increase in GHG emissions, but rather **more accurate identification and verification of data in line with the Company's commitment to making continual improvements in its environmental management.**

**Lar España** is currently in the process of drafting its **Net Zero Strategic Decarbonisation Plan**. The plan will broaden the objectives laid out for Scope 3, whose voluntary implementation was initiated with the fully verifiable information gathered during 2020 and which is now being completed with the information gathered in the first half of 2021. This is yet **another example of the company's commitment to the collective struggle against climate change.**

The GHG emissions intensity results, both relating to a static denominator (Scope 1+2 (kg eq CO<sub>2</sub>/sqm of communal areas)) and a dynamic one (Scope 1+2+3 (kg eq CO<sub>2</sub>/1000 visitors), **are positive and show significant reductions.**

| Area of Impact           | EPRA Sustainability Performance Measures |  |   |                       | TOTAL LAR ESPAÑA ASSETS |              |              |                          |              |              |                          |   |
|--------------------------|--|--|---|-----------------------|-------------------------|--------------|--------------|--------------------------|--------------|--------------|--------------------------|---|
|                          | EPRA code                                | Unit of measurement                    | Indicator   |                       | ABSOLUTE MEASURES       | CHANGE (Lfl) |              |                          | CHANGE (Lfl) |              |                          |   |
|                          |  |  |   |                       | H1 2021 (Abs)           | H1 2019      | H1 2021      | Like for Like change (%) | H1 2020      | H1 2021      | Like for Like change (%) |   |
| Greenhouse gas emissions | GHG-Dir-Abs, GHG-Dir-LfL                 | kg eq CO <sub>2</sub>                  | Direct emissions (J)  | Scope 1 ( fuel)       | 201,757                 | 232,040      | 189,063      | -18.5%                   | 262,014      | 201,757      | -23.0%                   |   |
|                          | GHG-Indir-Abs, GHG-Indir-LfL             |  | Indirect emissions (K)  | Scope 2 (electricity) | 91,092                  | 157,506      | 91,092       | -42.2%                   | 87,348       | 91,092       | 4.3%                     |   |
|                          |  |  | Indirect emissions (L)  | Scope 3               | 8,665                   | 6,691        | 8,665        | 29.5%                    | 5,943        | 8,665        | 45.8%                    |   |
|                          |  |  | GHG emissions (J+K)   | Scope 1 + 2           | 292,849                 | 389,546      | 280,155      | -28.1%                   | 349,362      | 292,849      | -16.2%                   |   |
|                          |  |  | Total GHG emissions (M=J+K+L)                                 | Scope 1 + 2 + 3       | 301,514                 | 396,237      | 288,820      | -27.1%                   | 355,305      | 301,514      | -15.1%                   |   |
|                          | GHG-Int                                  | kg eq CO <sub>2</sub> / sqm / year     | Emissions intensity per square meter (J+K/S sqm common areas) |                       | 0.55                    | 0.73         | 0.52         | -28.1%                   | 0.65         | 0.55         | -16.2%                   |   |
|                          |  | kg eq CO <sub>2</sub> /1000 pers./year | Emissions intensity per visitor (M/ Svisit/1000)              |                       | 9.12                    | 10.91        | 9.62         | -11.8%                   | 13.94        | 9.12         | -34.6%                   |   |
|                          | Number of assets within boundary         |  |   |                       |                         | 14 out of 14 | 13 out of 13 | 13 out of 14             | -            | 14 out of 14 | 14 out of 14             | - |
|                          | Proportion of estimated GHG data         |  |   |                       |                         | 0.0%         | 0.0%         | 0.0%                     | -            | 0.0%         | 0.0%                     | - |

C. Water

In absolute values, **a slight dip in supply (-1.0%) was recorded** for the first half of 2021 compared to the same period in 2020. This is accentuated when we deduct the water re-invoiced to occupiers **(-7.9%)** to ascertain what was actually used in the communal areas.

The drop in water consumption is much greater when compared with the first half of 2019 **(-31.5%** and **-10.0%** respectively).

Additionally, the consumption intensity values are at **2.30 litres/visitor, dipping just below the 2.37 litres/visitor** recorded at the close of 2020.

| Area of Impact | EPRA Sustainability Performance Measures       |                     |  | TOTAL LAR ESPAÑA ASSETS |              |              |                          |              |              |                          |
|----------------|--|---------------------|--|-------------------------|--------------|--------------|--------------------------|--------------|--------------|--------------------------|
|                | EPRA code                                      | Unit of measurement | Indicator  | ABSOLUTE MEASURES       | CHANGE (LfL) |              |                          | CHANGE (LfL) |              |                          |
|                |  |                     |  | H1 2021 (Abs)           | H1 2019      | H1 2021      | Like for Like change (%) | H1 2020      | H1 2021      | Like for Like change (%) |
| Water          | Water-Abs, Water-LfL                           | m³                  | Water consumption in common parts areas (N)                | 76,208                  | 81,075       | 55,542       | -31.5%                   | 76,983       | 76,208       | -1.0%                    |
|                |  |                     | Consumption sub-metered to tenants (O)                     | 28,523                  | 38,931       | 17,601       | -54.8%                   | 25,187       | 28,523       | 13.2%                    |
|                |  |                     | Water consumption in common and shared areas (P=N-O)       | 47,685                  | 42,144       | 37,941       | -10.0%                   | 51,796       | 47,685       | -7.9%                    |
|                | Water-Int                                      | Litres/person/year  | Water consumption intensity per visitor (N x 1000/ Svisit) | 2.30                    | 2.23         | 1.85         | -17.1%                   | 3.02         | 2.30         | -23.7%                   |
|                | Number of assets within boundary               |                     |  | 14 out of 14            | 13 out of 13 | 13 out of 14 | -                        | 14 out of 14 | 14 out of 14 | -                        |
|                | Proportion of estimated water consumption data |                     |  | 0.0%                    | 0.0%         | 0.0%         | -                        | 0.0%         | 0.0%         | -                        |



#### D. Waste management

The company's **Waste Management Master Plan** – in force since January 2021 – has brought significant **improvements in the collection of data** on the quantity and nature and management of waste produced. Over the first half of 2021, we consolidated the procedure for identifying what types of waste are generated and where, the collection points in each shopping centre or retail park and their disposal routes.

**This change in methodology, together with the recovery of footfall**, has led to a significant increase in the amount of waste recorded. Nevertheless, we will have to wait for the comparison of the annual consolidated data for 2021 and 2022 to have an exact and comparable image with two full years using the same methodology.







### Conclusions

Although **up to this point the results for the company's performance are clearly optimistic**, we will have to wait until the end of the year to get the full picture on water consumption – an area which is very closely linked to the weather– and to waste management. The final data for this cannot be consolidated until the end of the financial year due to the nature of the management system, which also consists of **seasonal collections** (garden waste) and collections that take place **every six months or annually**.

Generally speaking, all of Lar España's environmental performance indicators in the first six months of 2021 are positive, both in the year-on-year comparison and compared to the first half of 2019, thereby **indicating stability in terms of property management**.





Shopping Centre  
Ánec Blau (Barcelona)



## 3.2 Contributing to Society

One of Lar España's key priorities is to have a **positive social impact** on the communities in which it does business. Our current priorities are to further improve the indoor air quality in our properties, implement the necessary measures to ensure accessibility for all customers, interact with local organisations and create shared value.

### COVID-19 protocol

#### SGS certification

Over the course of 2020, the leading verification company SGS **certified the sanitisation and disinfection procedures that were implemented across all assets**. After receiving a favourable assessment for its protocols – with no issues at any properties – and following physical inspections to verify their implementation, there will now continue with **monthly inspections to ensure that these processes remain in place**. This clearly demonstrates the commitment and efforts of Lar España to adapt to the current situation and ensure the safety of both its workers and all those who visit its shopping centres and retail parks.



These protocols include the hygiene recommendations imposed by the national authorities, as well as the health regulations in force in each individual autonomous region. The inspection covered **three key areas**:

- Compliance with all regulations and best practices to be included in the design and drafting of all protocols.
- The implementation of all procedures and best practices across all shopping centres in the company's portfolio.
- Continued application of all measures in the months following the health crisis.

The SGS seal of approval and certification verify that the shopping centres and retail parks adhere to the highest health and safety standards, both for customers and employees.



The SGS seal of approval and certification verify that the shopping centres and retail parks adhere to the **highest health and safety standards, both for customers and employees**. These are also dynamic and flexible measures, constantly being adapted to the specific health and social requirements of the autonomous regions where each centre is located. These changes have also been duly certified and audited by SGS, allowing Lar España to offer its customers peace of mind, with a safe space to go shopping.

### Employee COVID-19 protocol

Lar España and Grupo Lar have put protocols in place for their teams to minimise the risk of infection as much as possible, allowing their employees to carry out most of their work remotely. These teams have been provided with the right tools, devices and technology to allow them to continue carrying out all their work and daily tasks as usual. Attendance in person across our main offices and shopping centres has been reduced, and **strict safety measures have been implemented**.

To implement this, the company designed safety and hygiene protocols, **approved** by the leading certification company **Applus**. Workspaces are now deep cleaned more regularly, more flexible working hours have been introduced, employees have been given preventative training and workstations have been spread out to ensure correct social distancing in the workplace.



### Improved air quality

Building on our efforts in 2020, including an exploratory study of **new technologies for air quality monitoring and improvement at our properties**, in the first half of 2021 we continued to make further progress in this area:

- An invitation to tender was launched for air quality audits, with the aim of generating a database for each asset and creating methodologies that improve the current parameters.
- We carried out an implementation study of new data monitoring software designed to facilitate more effective management of interior air quality and help property management teams respond swiftly to any issues that may arise. We also took steps to optimise operational management of HVAC systems, with a view to boosting overall energy performance.
- Finally, we undertook maintenance work on polarisation filters already installed in some of our shopping centres, including Lagoh.

### Accessibility

Lar España is firmly committed to promoting social integration and is working to achieve and maintain high levels of accessibility via a **people-centric design**. In fact, the company's primary objective is to obtain the universal accessibility seal for each and every one of its assets.

Every property in our portfolio has now been audited. The following sites have been awarded the AENOR Universal Accessibility seal in accordance with UNE 170001 certification: **Lagoh, El Rosal, As Termas, Vistahermosa and VidaNova Parc.**

Another seven properties are currently going through the UNE-170001 certification process.









### Initiatives at our shopping centres and retail parks

Lar España has conducted numerous social engagement campaigns at our shopping centres and retail parks, reflecting our **commitment to the communities we serve, as well as to public institutions and non-profit organisations.**

The shopping centres and retail parks in our portfolio have never lost sight of their impact on their surrounding area, constantly striving to have a positive effect on local communities and **creating shared value through their work.**

Here is a closer look at some of the social engagement initiatives carried out in our shopping centres and retail parks over H1 2021:



Initiatives relating to food bank collections

Food bank collection at As Termas

Since pandemic restrictions put paid to this year's edition of its ever-popular March fun run, the team at As Termas shopping centre poured their energy into a **campaign to support the local food bank**. All those who donated food items were rewarded with an official As Termas t-shirt, previously intended for our runners.



Charity carnival at Gran Vía de Vigo

To celebrate Vigo's annual carnival, the Gran Vía shopping centre hosted its own **family-friendly event, all in the name of charity**: a children's mask competition. The event was open to all members of the Club de los Disfrutones whom were simply asked to collect the materials from the customer service point. The shopping centre donated €10 per participant to the **Vigo Food Bank** and representatives of the association were invited to receive a cheque for **€1,000** raised by our young artists.



Collaborations with NGOs and non-profit organisations

Charity space at Portal de la Marina

To **raise awareness of their valuable work**, the shopping centre offered a variety of charities and NGOs the chance to set up stall in a **free, specially fitted-out space**, strategically positioned in one of the centre’s most visible and high-footfall areas.

The aim of the initiative was to lend support to a range of organisations and help them reach the widest possible audience. Video coverage of these events will be broadcast on Portal de la Marina’s social media channels.

As Termas champions NGOs

As Termas opted for a unique competition to highlight the importance of **ESG** with all **NGOs** and **non-profit organisations invited** to pitch their projects. Proposals were shared on a special landing page where the public could vote for their top three, with the overall winner selected by the centre. The winning project was presented with a **donation of €2,000**.



Albacenter celebrates International Women’s Day

In association with Lar España’s loyalty scheme Club de Disfrutones, Albacenter played host to a themed stand, provided free of charge, in celebration of **International Women’s Day** on 8 March.







**Supporting the Spanish Association for KBG Syndrome at VidaNova Parc**

VidaNova Parc Shopping Centre teamed up with the **Spanish Association for KBG Syndrome** to raise the profile of its work to tackle this rare and little-known disease. The seed for this initiative was sown when one of the centre’s customers shared her son’s struggle with the condition.



**Parque Abadía joins AECC in the fight against cancer**

On 25 May, the Spanish Association Against Cancer (AECC) was invited to run a stand in Parque Abadía to highlight its work and fundraising efforts.





Blood drives campaigns

A gift from the heart on Valentine’s Day: El Rosal launches "Donar es de cine"

El Rosal spread the word on **giving blood** via posts on social media, signage around the shopping centre and a dedicated space to recruit blood donors.



At a time when demand for transfusions remains high, but the risk of catching the virus has put off donors, the centre **has promoted blood drives to reach a wider audience**. The centre has allowed locals to come in and take part in the drive while observing capacity limitations, social distancing and hygiene measures, encouraging them to donate by offering a free cinema ticket to every donor.

Blood drive-athon at Portal de la Marina

To encourage everyone to do their bit, Portal de la Marina joined forces with the Region of Valencia’s Blood Transfusion Centre to organise a **‘blood drive-athon’**. Dubbed the **Gran Donación**, the goal was to boost participation in an act of generosity that can save lives.



To attract the greatest number of donors, each volunteer was rewarded with a free cinema ticket and a chance to win an assortment of prizes. **These centres have allowed locals to get involved while observing capacity limitations, social distancing and hygiene measures.**



Keeping in touch with local communities

Hola Familia at As Termas

Our shopping centres were keen to help out families by providing a range of interactive online events, with **educational workshops and just-for-fun activities** led by professionals and delivered via Zoom.

Those who tuned in had the chance to enjoy a wide range of workshops for parents and children.



Face Masks for Smiles returns to Gran Vía de Vigo

The shopping centre is encouraging the whole family to visit safely, thanks to the **COVID-19 prevention measures protocol** verified by the leading certification company SGS.



The customer service desk is handing out **free**, fully certified **face masks** to all customers that have a receipt to show a purchase of €20 or more at the shopping centre.

### Job-search Master Class at Gran Vía de Vigo

In keeping with the company’s commitment to community engagement and support, we organised a series of **live online classes** to help those currently searching for a job or exploring new opportunities stand out in the employment market.



Two expert training and career coaches guided participants through the process of updating their CVs and preparing for interviews, as well as offering plenty of motivation and support to capitalise on their strengths.

### Sant Jordi Solidari at Ànec Blau

To mark Catalonia’s Festival of Sant Jordi, Ànec Blau hosted a book giveaway with a twist. In collaboration with **Asociación de Llibre Solidari**, the initiative got visitors hunting for hidden books stashed all around the centre, each accompanied by a rose.

### Más Salud, Más Bierzo at El Rosal

Clínica Ponferrada were our special guests at El Rosal Shopping Centre, delivering monthly talks and workshops on **all things health-related**, including a series of cooking demonstrations.



### Whatsapp Shopping at Lagoh

Shoppers at Lagoh now have the chance to access **personal shopping and style advice through WhatsApp**. Launched in early 2021, this project aims to offer the best possible customer experience for every shopper, whether they prefer to shop in-store or online.

Now, customers can enjoy a blend of online and in-store services, offering the safest possible shopping experience. It's just one of the ways Lar España is **moving towards omnichannel retailing and a 360° service model**.

This new system will not only enhance the customer experience but will also foster new kinds of relationships between our visitors and the brands they love. Retailers will be able to offer personal styling advice to each and every customer before he or she sets foot in the store, providing precise information on individual products and in-store availability.



### Scooter Day at VidaNova Parc

One of Lar España's social engagement objectives is to promote and sponsor **healthy lifestyles**, putting physical activity front and centre.

That's why we turned over the car park at VidaNova Parc free of charge to a special scooter event run by Decathlon, with support from a local team backed by the Diverse Spartans Scooter League.

The shopping centre lent its support by providing coverage of the event and streaming the action on social media.





### 3.3 Leaders in Governance



Lar España continues to work to uphold the highest of standards when it comes to **transparency, ethics and regulatory compliance**, guaranteeing good governance both of the company and its governing bodies. We are deeply invested in our guiding principles for better business and determined to continue to make headway in these areas and exemplify effective risk management.

Lar España aims to comply with the **highest international standards of transparency, comparability and commitment**. Hence, it is a member of the **European Public Real Estate Association (EPRA)**, the leading international association in the sector, which aims to provide comparable financial information between publicly listed Real Estate companies, and reports annual financial and non-financial information in accordance with international **GRI** standards. In addition, the data reported regarding ESG/ Sustainability in the Company's annual reports according to those standards are **verified by an independent external**.

#### ESG Committee

Lar España's **ESG Committee** was founded in 2020 to embed the **core theme of sustainability in the work of the company's main governing bodies** and encourage involvement from a range of departments. The committee is formed of an interdepartmental senior management team tasked with furthering the company's commitment to:

- Environmental initiatives
- Health and safety in our shopping centres
- Corporate social responsibility
- Sustainability measures
- Other public interest issues

Following a series of meetings held in 2020, in the first six months of 2021 committee members continued to work on defining **clear objectives and engaging in open dialogue**, to keep Lar España's ESG strategy moving forward on paper and in practice.

The different master plans and initiatives analyzed for the Company's portfolio have a **review** (technical and commercial) **of all the expert departments involved** in the implementation of each one of the actions.

#### Risk Map Update

During H1 2021, Lar España has continued to make progress in terms of identifying and mitigating the main risks related to climate change by carrying out an **ongoing risk assessment that is adapted and updated for both the current and the expected future environment**, and by also updating the company's general controls matrix.

The Company's Integrated **Risk Management System** – which was brought into force in 2015 – is designed to ensure risks are correctly and systematically identified, assessed, managed and controlled in order to help the Company meet its targets and successfully implement its strategies. The Integrated Risk Management System was created as a comprehensive and ongoing management tool that is applied by business area, by subsidiary and by support areas at the corporate level.

#### Corporate regulations and policies update

With regard to Good Governance and in accordance with the commitment to ongoing improvement set out in **Lar España's internal policies and regulations**, the company revised and amended its **Articles of Association and its General Shareholders' Meeting Regulation** in H1 2021 to bring them in line with the latest changes in legislation and best practices in terms of Good Governance.



