2.3 Environmental management

Lar España is conscious of the impact of its assets on the environment. With this in mind, and to meet the needs of society at large, Lar España integrates aspects such as urban development, the design of sustainable cities, responses to demographic shifts and scarcity of shared resources.

At present the company is rolling out its **ESG Master Plan**, which sets down goals, programmes and various **lines of action**, all of which take into account general and sector-specific standards as the company's priorities.

2.3.1 Lines of action

The main lines of action developed in 2021 were as follows:

Line	Activity during the year
SDG Contribution Plan	In 2021 Lar España **renewed its adherence to the United Nations Global Compac**t, demonstrating its commitment to keep its sustainability strategy aligned with the United Nations 2030 Agenda in those areas in which the company can make an important contribution. The company rolled out its SDG **Contribution Plan** at a corporate level in 2021, which will act as the backbone of its sustainability-related activities.
Decarbonisation strategy	Lar España's Net Zero Strategic Decarbonisation Plan, which is currently in the process of being approved, contains the company's decarbonisation roadmap. It is yet another example of the **company's commitment to the collective struggle against climate change**, in line with that laid down by the Paris Agreement (COP-21) and its transposition into the commitments of the European Union.
Waste Management Plan	On 1 January 2021 the company implemented its Waste Management Plan aimed at increasing data control and monitoring, preventing pollution and making a more sustainable use of resources, and promoting the **Circular Economy**, in line with the principles of reducing, recycling and reusing waste. The procedure to **identify and classify** waste was consolidated in 2021, while the procedure for information reporting and handling was standardised. The next steps will involve identifying and documenting the waste recovery, recycling, reuse and elimination processes and analysing the routes used to transport waste to their treatment points.
Energy Efficiency Plan and installation of photovoltaic energy	As part of its Energy Efficiency Master Plan, the company completed a comprehensive study of its portfolio in 2021, aimed at analysing and identifying the most promising strategies, reviewing and negotiating contracts, and monitoring and studying progress to **install photovoltaic panels** across the portfolio's assets. Through this initiative, Lar España expects to cover a major percentage of daytime electricity consumed in common areas. The company is also looking into offering tenants the possibility of consuming the photovoltaic energy generated on site.

Line	Activity during the year
Automated data platform	The purpose of the automated data platform is to **monitor data, via a dynamic display**, on the use of resources (water and energy), the environmental impact assessment (air quality, waste management and GHG emissions), and asset operation (footfall and control of opening hours). The platform has been up and running since 1 January 2021, enabling the company to capture and analyse data from properties and compare performance over time. The company is currently completing the roll-out of **smart meters** for sub-metering purposes. These track consumption in real time and the data collected is not confined to the customer area of supplied companies. This system enables the company to categorise consumption, which is therefore a powerful tool to provide an accurate assessment of energy used by heating and ventilation systems, lighting and motors, as well as the water used for air conditioning, the watering of plants, cleaning and lavatories. Analysis of these indicators will lead to the implementation of **Action Plans** at each property to improve resource use and mitigate the environmental impact, in keeping with the Energy Efficiency Plan.
Measuring indoor air quality	As part of its ESG policy, Lar España entered into a collaboration project with Ambisalud in 2021 to monitor the indoor air quality at its properties. The **resulting data compiled in real time** is then fed into the database of the company's automated platform. Algorithms have been designed based on property behaviour patterns over full cycles (daily, weekly, monthly and seasonally). These algorithms enable instructions to be fed into the building management systems (BMS) to **optimise energy consumption** depending on indoor air quality.

2.3.2
Quality of our assets

Certifications

ISO 14001 and ISO 45001 certifications

After securing ISO 14001 and ISO 45001 certification at the **As Termas and Megapark** assets, in 2022 Lar España is working **to extend this certification** to all portfolio assets over which it exercises full management control.

Receiving the ISO 14001 certification attests to the application of an **effective environmental management system**, one with goals and objectives that are established, reviewed and approved by management, that uses environmental procedures and protocols adapted to the activity of each asset, and that has an incident and conformity management function. It therefore ensures **protection of the environment** by effectively managing the environmental risks that can stem from the assets' business activity, thereby helping to meet the strategic objectives set by the company. ISO 45001 is the international standard for **occupational health and safety management systems**, aimed at protecting staff and visitors from work-related accidents and ill health. This certification is testament to Lar España's **commitment to the health and safety** of its employees.

The inclusion of environmental and social issues in the management and organisation of the business over its entire value chain, from senior management to employees, is a major factor that helps the company **meet its strategic objectives** in those areas.

BREEAM certifications

BREEAM In-Use certification was renewed at **8 Lar España assets** in 2021 (Albacenter, Ànec Blau, As Termas, El Rosal, Gran Vía, Portal de la Marina, Megapark and Vistahermosa), seven of which **secured a higher rating than that awarded previously**.

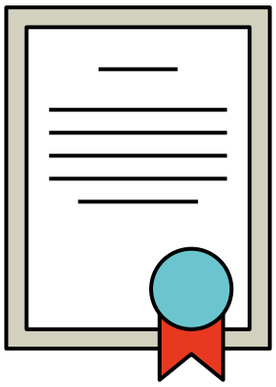
New certification was also obtained for **Parque Abadía** with a rating of "Very good" in both categories. The **Rivas Futura** retail park has secured BREEAM In-Use certification in 2021, obtaining a "Very good" rating as regards the assessment of the building's features and an "Excellent" rating in terms of the management of the asset.

A further two shopping centres (Las Huertas and Txingudi) are currently in the process of renewing their certification. This process had still not been completed at the end of 2021, although their current certifications will remain in place during the renewal process.

Finally, the **Lagoh** shopping centre has secured BREEAM New Construction certification.

At the date of issue of this 2021 annual report, Lar España had secured BREEAM certification for **100% of its shopping centres** (nine out of nine) and for **80% of its retail parks** (four out of five). VidaNova Parc is still in the process of obtaining its first certification after two full years in use. Once obtained, **100% of the Lar España portfolio will have BREEAM certification in 2022**.

93% of Lar España's portfolio currently has BREEAM certification.



All certifications have been verified by an external auditor (see Appendix 5.4).

	Current certificate			Previous certificate		
Shopping centres	**Rating** [1]	**Type**	**Satus**	**Rating** [1]	**Type**	**Satus**
Lagoh	Very Good	New construction (P) [2]	Certified			
Gran Vía	**P1:** Excellent **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
Portal de la Marina	**P1:** Very Good **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
El Rosal	**P1:** Excellent **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
Ànec Blau	**P1:** Very Good **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
As Termas	**P1:** Excellent **P2:** Exceptional	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
Albacenter	**P1:** Very Good **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
Txingudi	**P1:** Good **P2:** Good	In Use	Being processed	**P1:** Good **P2:** Good	In Use	Certified
Las Huertas	**P1:** Good **P2:** Good	In Use	Being processed	**P1:** Good **P2:** 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 New Construction certification type is (P = Provisional) until final works and installations have been received, and (D =Definitive) once this process has been completed.

	Current certificate			Previous certificate		
Retail parks	**Rating** [1]	**Type**	**Satus**	**Rating** [1]	**Type**	**Satus**
Megapark [2]	**P1:** Very Good **P2:** Excellent	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified
Parque Abadía	**P1:** Very Good **P1:** Very Good	In Use	Certified			
Rivas Futura [3]	**P1:** Very Good **P2:** Excellent	In Use	Certified			
VidaNova Parc	Being processed		Being processed			
Vistahermosa	**P1:** Very Good **P1:** Very Good	In Use	Certified	**P1:** Very Good **P2:** Very Good	In Use	Certified

(1) P1: corresponds to the first part of the BREEAM certification relating to the property's design specifications. P2: corresponds to the rating obtained in terms of property management.
(2) The certifications correspond to areas of assets over which Lar España has operational control.
(3) Rivas Futura has proceeded to certify during 2021, having obtained the certificate on 22/03/2022.

Table of indicators

Certification figures for 2021 are shown in the table below. The percentage of assets with BREEAM certification is calculated not only according to their value, but **also according to the total number of assets**, since it is considered the appropriate measure given the characteristics of Lar España's portfolio.

EPRA Sustainability Performance Measures			TOTAL LAR ESPAÑA ASSETS							
			ABSOLUTE MEASURES (Abs)			LIKE FOR LIKE (LfL)				
EPRA code	**Unit of measurement**	**Indicator**	**2019 (*)**	**2020**	**2021**	**2019 (*)**	**2020**	**2021**	**Change vs 2019 (*)**	**Change vs 2020**
Cert-Tot	No.	Number of assets within boundary	15 out of 15	14 out of 14	14 out of 14	14 out of 14	14 out of 14	14 out of 14	-	-
	No.	Number of assets certified	11 out of 15	12 out of 14	13 out of 14	10 out of 14	12 out of 14	13 out of 14	-	-
	sqm	BREEAM certification	393,464	488,864	528,027	384,678	488,864	528,027	37.3%	8.0%
	%	Percentage of assets with BREEAM certification	73%	86%	93%	71%	86%	93%	21.4%	7.1%
	%	Percentage of assets with BREEAM certifiication in terms of GAV	66%	92%	97%	65%	92%	97%	31.5%	4.6%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

(*) Comparative data for 2019 is included due to the restrictions suffered because of COVID-19 on portfolio assets in 2020 that have distorted the data obtained, affecting the comparability of the figures.

2.3.3 Environmental performance

In order to assess the environmental indicators in 2021, **three key factors** affecting the performance of the assets must be taken into consideration:

Partial recovery of footfall at shopping centres and retail parks

There was a **considerable recovery in activity** in 2021 at the shopping centres and retail parks with respect to 2020, which was impacted by the pandemic. However, during the periods when the shopping centres could only open partially to provide access to essential services, the HVAC, lighting, security and services conditions had to be maintained at practically the same levels as those that would apply under regular operating conditions.

Year	Full opening (*)	Partial opening (**)	Full closure
2019 (days)	318	43	4
2019 (%)	87%	12%	1%
2020 (days)	227	121	18
2020 (%)	62%	33%	5%
2021 (days)	273	88	4
2021 (%)	75%	24%	1%

(*) Includes weekdays and Saturdays with normal retail and food and beverage opening hours, as well as assets opened on Sundays and public holidays.
(**) Includes Sundays and public holidays when only the food and beverage areas were open and the days during the COVID period in which only essential activities were permitted. All assets subject to restrictions in terms of opening hours, sqm, etc.

This explains why the **energy intensity per visitor** (the most representative indicator of energy performance) improved considerably in 2021 with respect to 2020, as a result of the **increase in footfall** of just over 16%. Nevertheless, a comparison with 2019, prior to the COVID-19 health crisis, shows that visitor footfall figures are down by 12.5% in like-for-like terms due to the restrictions that remained in place over the course of 2021.

Bearing in mind the foregoing, it is clear that the 6.8% rise in energy intensity per visitor in 2021 compared to the same period in 2019 is due to the dip in footfall, as **the actual consumption of energy in kWh has remained practically constant in terms of the level of service provided**.

Weather conditions

Another fundamental factor to bear in mind is the weather during the year. In 2021, the average values were not very different to what was expected in terms of temperatures and rainfall: the deviation from the average (daytime and night-time temperatures) was +0.5ºC and rainfall was 89% of what was expected. In addition to the irregular rainfall pattern, a series of extreme weather events in January and February are also worthy of mention. Low temperatures in mid-January (storm Filomena) were followed by unseasonably milder weather in February with average temperatures 2.5ºC higher than what would be expected for that month. Subsequently, and as is to be expected on the Spanish mainland, summer brought two intense heat waves, one in the second half of July and the second around mid-August.

Consequently, 2021 was the **eighth consecutive year with an average annual temperature that is higher than the benchmark average** registered by Spain's National Meteorology Agency (AEMET - 1981-2010), **recording an average deviation of +0.5ºC**, although not as severe as in 2020 when the deviation stood at +1ºC.

Opening of important properties from an energy efficiency point of view

In September 2019 **Lar España opened the Lagoh Shopping Centre** in Seville. During 2020, this centre not only had to deal with the consequences of lockdown and capacity restrictions, but also had to get complex equipment – including geothermal 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 for 2021 could considerably distort the overall data. **An entire year of full standard operation was required** in order to get a clearer view of the property's performance and its environmental importance within the portfolio.

The increases of over 15% across almost all indicators in the tables of absolute consumption values (Abs) in 2021 with respect to 2019 are due to the inclusion of a full year of operations 2021 at this new shopping centre.

Methodology

Given the **operating restrictions** imposed on the assets in 2020, which had an impact on consumption and emission data trends, **comparative information for 2019 has been included**, given that operating conditions in that year provide a better comparison with those of 2021. In terms of like-for-like data, the Lagoh shopping centre data has been excluded, as it was only operational for three months in 2019 following its inauguration in September of that year.

In order to collect and record the data required to complete the EPRA Sustainability indicators and to standardise information as far as possible, the following assumptions and hypotheses have been taken into consideration:

Footfall

Given the nature of Lar España's activity (shopping centres and retail parks), **footfall is the key performance indicator** and the main denominator in the calculation of the intensity of energy, water consumption and GHG emissions. Data is collected automatically from the ShopperTrak SFTP installed in all of the centres except the Rivas and Vistahermosa retail parks, which have different automatic counting systems.

Retail parks with vehicle counting systems are harmonised with people counts using conversion factors, which range from 2.1 to 2.3 occupants per vehicle depending on the count controls established by each asset.

Surface areas considered

For internal control purposes, Lar España apportions the intensity of energy consumption and emissions in the **common and shared areas of its assets**. The following are excluded: lettable areas and outdoor common areas (gardens, walkable rooftops, open-air car parks, etc.) as they are not strictly part of the developed floor areas, per RD 1020 of 25 June 1993.

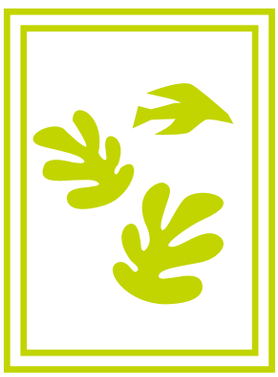
Verifications

Total energy consumption is verified based on **metered consumption and the documentary support in the form of the invoices paid** by Lar España to the power utilities; the nature of the renewable energy purchased by the landlord is also certified. Metered water consumption and waste management are also verified by means of the corresponding recycling certificates.

Energy consumption

The company reports **total electric power** consumed, separating **renewable energy** both in absolute and relative terms. It also reports the electricity consumed from photovoltaic panels and non-renewable fossil fuels (natural gas and diesel). None of the **company's assets use district heating & cooling systems** (DH&C-Abs).

All of the data (100%) included in the energy consumption section are meter readings and have been verified by an external auditor.



GHG emissions

Greenhouse gas emissions were calculated by multiplying electricity consumption (kWh) by the **corresponding emission factor** provided by Spain's Ministry for the Ecological Transition and Demographic Challenge (MITERD), the body responsible for proposing and executing the national government's policy for combating climate change, aligned with that of the European Union.

Water consumption

All water provided to the assets is from **the public mains supply** and no water is supplied from wells or surface water sources. Since 2019 the company has reported the consumption of sub-metered water billed to tenants, using the criterion "water obtained by the landlord".

All data provided (100%) are from meter readings that have been **documented and verified by an external auditor.**

Intensity of energy and water consumption and GHG emissions

For the purposes of this report, Lar España considers the **ratio per visitor and year** as the most significant indicator of the intensity of energy/ water consumption and GHG emissions.

Additionally, given the exceptional circumstances in 2020 due to the lockdowns and capacity restrictions, data is provided on the intensity of energy use and emissions **in terms of sqm of common areas** in order to ensure a common denominator across all reporting periods.

EPRA indicators officially reported by Lar España

$$\text{Intensity,energy consumption} = \frac{\text{Landlord-obtained energy}}{\text{No. of visitors}}$$

$$\text{Intensity,emissions} = \frac{\text{GHG emissions from the landlord-obtained energy}}{\text{1000 visitors}}$$

$$\text{Intensity,water consumption} = \frac{\text{Landlord-obtained water consumption}}{\text{No. of visitors}}$$

EPRA indicators provided by Lar España as a control for LfL values

$$\text{Intensity,energy consumption} = \frac{\text{Energy used in common areas}}{\text{Common areas (sqm)}}$$

$$\text{Intensity,emissions} = \frac{\text{GHG emissions generated by the energy used in common areas}}{\text{Common areas (sqm)}}$$

As regards calculating the intensity of absolute water consumption, the company cannot adequately use the common area constant denominator. The landlord does not provide HVAC services in shopping centres; however, depending on the type of facility, it does supply warm water for use in the tenants' HVAC systems and that water constitutes a substantial portion of the buildings' water consumption.

This is not the case in all shopping centres and retail parks and, consequently, the **calculation of water consumption intensity in relation to the surface space of common areas could be distorted**, as a substantial portion of the water could be consumed by HVAC equipment whose boundary goes beyond common and shared areas.

Operating limits

The analysis covers all of the assets that were under Lar España's management in 2021.

Properties 100%-owned

Lar España reports on the absolute consumption (Abs) of energy and water in its capacity as the owner of **six shopping centres and two retail parks, fully operational and majority owned**. The comparative like-for-like values in respect of 2019 exclude the Lagoh shopping centre as it was not operational for the full year.

Information is included on the supply of electricity, thermal energy and water billed to tenants. **Scope 3 GHG emissions are deducted** from the calculation of energy re-billed to tenants.

This report does not include consumption of energy that is purchased directly by the tenants as the company does not yet meter their consumption. It continues to work, however, on obtaining that data.

Co-owned properties

Although Lar España does not have full authority to implement or apply its policies, it **can directly influence the adoption of measures relating to sustainability and energy efficiency** in proportion to its stake held in the asset. The environmental performance of these assets is also therefore reported. The company currently co-owns three shopping centres and three retail parks.

Corporate office

The Company relocated its corporate office on 1 July 2021, although for the purposes of this environmental performance report, Lar España **leased space for the entire year in an office building that is not part of its portfolio**, sharing space with the employees of its management company (Grupo Lar and other group companies). Therefore, the environmental policies of Lar España outlined in this report can only be applied to a limited extent.

The energy and water consumption data are reported as a corporate expense, **but excluded from the calculation of the company's environmental performance**.

2.3.4 Energy efficiency

Electricity consumption

There was a very slight increase in the electric power consumed in the assets' common areas in 2021 (+0.1%) with respect to the same period last year, due primarily to the **rise in activity**. However, **consumption is down significantly -7.6%** compared to the "normal" situation in 2019 in like-for-like terms.

There is also a correlation between the increase in electricity consumption (2021 versus 2020) and the extreme weather conditions described above. These conditions necessitated the unexpected use of HVAC systems at certain assets in northern and central areas of the Spanish mainland, as well as during the heat waves in July and August.

Furthermore, the increase in full-day opening in 2021 versus 2020 (+13%) should have led to a significant increase in electricity consumption. However, this eventuality was mitigated thanks to the **operating measures** put in place by Lar España and detailed in its Energy Efficiency Master Plan, the implementation of which continued in 2021.

Fuel consumption

The consumption of fossil fuels, mainly natural gas, has accounted for approximately 9.5% of the energy consumption of Lar España portfolio's in recent years. Any variation in **natural gas consumption** is normally due to the **weather conditions** in the winter. Both 2019 and 2021 were particularly mild winters apart from the occasional extreme event: two cold snaps in 2019 and one in 2021 (storm Filomena). Despite this, the average summer and autumn temperatures were relatively similar in both years.

However, 2020 is the warmest year so far this century, something which should have led to an increase in gas consumption in 2021 versus the previous year. As mentioned above, however, the inclusion of Lagoh in the testing phase in 2020 and the "in-use" phase in 2021 have skewed the results significantly.

Energy intensity

The static energy use indicator (kWh/sqm common areas) **posted a drop of -6.3% between 2019 and 2021**, which can be explained by the remaining pandemic-related restrictions in 2021, which led to a reduction in the number of days the assets could fully open. However, this energy use indicator reflects a **decrease of -0.1%** between 2020 and 2021, despite the increase in the number of full openings in 2021, which attests to the **sound management of the assets' consumption**.

The dynamic indicator of energy use intensity (kWh/visitor), which is a better indication of the company's actual activity, offers a different perspective. On comparing the data for 2021 with that of 2019, it is clear to see the lower footfall due to the pandemic restrictions that remained in place in 2021, which translated into an increase in intensity/visitor of +6.8%. However, with respect to 2020 the **indicator has fallen sharply by -13.5%**

Renewable energy

As mentioned previously, **Lar España consumes renewable energy** and possesses the pertinent certified guarantees of origin, distinguishing in its reporting between consumption in absolute and relative terms. These measures are shown in the table below.

Total electricity consumption (LfL kWh): **+0.1% vs 2020.**

Landlord-obtained non-renewable energy (LfL kWh): **-45.5% vs 2020.**

Area of impact	EPRA Sustainability Performance Measures				TOTAL LAR ESPAÑA ASSETS								
					ABSOLUTE MEASURES (Abs)			LIKE FOR LIKE (LFL)					
	EPRA Code	Unit of measurement	Indicator		2019 (*)	2020	2021	2019 (*)	2020	2021 vs 2019 (*)	2021 vs 2020	Change vs 2019 (*)	Change vs 2020
Energy	Elec Abs, Elec-LfL	kWh	Electricity	Non-renewable electricity obtained by the owner (A)	1,919,202	1,389,607	757,558	1,901,800	1,389,607	757,558	757,558	-60.2%	-45.5%
				Consumption of electricity from renewable sources (B)	20,854,407	24,541,519	25,368,212	19,373,949	24,541,519	18,842,694	25,368,212	-2.7%	3.4%
				% of common areas electricity consumption from renewable sources	91.6%	94.6%	97.1%	91.1%	94.6%	96.1%	97.1%	5.1%	2.5%
				Consumption sub-metered to tenants (C)	1,004,534	699,667	869,720	1,004,534	699,667	869,720	869,720	-13.4%	24.3%
				Electricity generated and dispatched to the grid	242,986	371,769	329,928	242,986	371,769	329,928	329,928	35.8%	-11.3%
				Total landlord electricity consumption (D = A+B-C)	21,769,075	25,231,459	25,256,050	20,271,215	25,231,459	18,730,532	25,256,050	-7.6%	0.1%
	EPRA-DH&C-Abs	kWh	Energy	Total district heating & cooling consumption	Not applicable. None of Lar España's assets have district heating & cooling systems (DH&C-Abs)								
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total landlord fuel consumption (E)	2,408,692	2,269,245	2,210,852	1,995,031	2,269,245	2,140,493	2,210,852	7.3%	-2.6%
				Sub-measured fuel consumption for tenants (F)	53,203	55,396	78,031	53,203	55,396	78,031	78,031	46.7%	40.9%
				Total fuel consumption (G = E-F)	2,355,489	2,213,849	2,132,821	1,941,828	2,213,849	2,062,462	2,132,821	6.2%	-3.7%
	Energy-Int	kWh/ sqm / year	Building energy intensity per square metre H = (D+E)/S sqm		37.4	43.1	43.0	41.4	43.1	38.8	43.0	-6.3%	-0.1%
		kWh/ visitor / year	Building energy intensity per visitor I = (A+B+E)/S visit		0.3	0.4	0.4	0.3	0.4	0.3	0.4	6.8%	-13.5%
	Number of assets within boundary				15 out of 15	14 out of 14	14 out of 14	13 out of 15	14 out of 14	13 out of 14	14 out of 14	-	-
	Proportion of disclosed data estimated				0%	0%	0%	0%	0%	0%	0%	0%	0%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

(*) Comparative data for 2019 is included due to the restrictions suffered because of COVID-19 on portfolio assets in 2020 that have distorted the data obtained, affecting the comparability of the figures.

2.3.5 Response to climate change and decarbonisation

Lar España **registered its carbon footprint** for 2018, 2019 and 2020 at Spain's Ministry for the Ecological Transition and Demographic Challenge (MITERD). The consolidation of the 2021 data now signifies four consecutive years of recording the carbon footprint, which makes the company eligible for the Ministry's Carbon Reduction seal. At 31 December 2021, Lar España is one of twelve companies in the Spanish real estate sector listed on this register, which is the only official, public register of its kind in Spain and the European Union.

The Scope 1 results for 2021 correspond to the fuel consumption data analysed in the preceding point, reflecting a **decline in direct emissions of -7.1%** in 2021 with respect to 2020.

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). The consolidation of the verifiable information for Scope 3 shows a rise in the values: 46.7% in 2021 vs. 2019 and 40.9% in 2021 vs. 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** to its environmental management policy.

The results of the 2020 GHG emissions intensity, both in terms of the static denominator: Scope 1+2 (kg CO_2/sqm of common areas), and the dynamic denominator: **Scope 1+2+3** (kg CO_2/1000 visitors), are very positive, posting significant reductions of **-20.5%** and **-31.6%** respectively in relative terms. A comparison with the data for 2019 also points to very positive reductions of 24.1% and 13.2%, respectively.

As mentioned above, the company is currently in the process of approving its **Net Zero Strategic Decarbonisation Plan**. The plan will broaden the objectives laid out for Scope 3, the voluntary implementation of which was initiated with the fully verifiable information collated during 2020 and which is now being complemented with the information compiled in 2021. This is yet another example of the company's commitment to the collective struggle against climate change.

Scope 1+2+3 Emissions (LfL kg eq CO_2): **-20.5% vs 2020.**

Intensity of emissions per visitor (LfL kg eq CO_2 /visitor/year): **-31.6% vs 2020.**

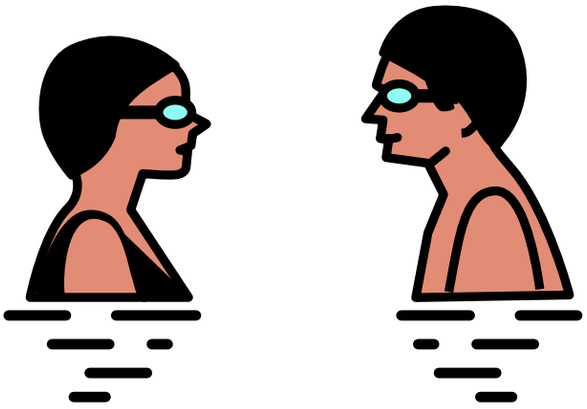
Area of impact	EPRA Sustainability Performance Measures				TOTAL LAR ESPAÑA ASSETS								
	EPRA Code	Unit of measurement	Indicator		ABSOLUTE MEASURES (Abs)			LIKE FOR LIKE (LFL)					
					2019 (*)	2020	2021	2019 (*)	2020	2021 vs 2019 (*)	2021 vs 2020	Change vs 2019 (*)	Change vs 2020
Greenhouse Gas emission allowance	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO_2	Direct emissions (J)	Scope 1 (fuel)	436,664	418,914	389,251	360,526	418,914	376,446	389,251	4.4%	-7.1%
	GHG-Indir-Abs, GHG-Indir-LfL	kg eq CO_2	Indirect emissions (K)	Scope 2 (electricity)	299,075	221,259	113,634	294,024	221,259	113,634	113,634	-61.4%	-48.6%
			Indirect emissions (L)	Scope 3	9,683	10,082	14,202	9,683	10,082	14,202	14,202	46.7%	40.9%
			GHG emissions (J+K)	Scope 1 + 2	735,739	640,173	502,885	654,550	640,173	490,080	502,885	-25.1%	-21.4%
			Total GHG emissions (M=J+K+L)	Scope 1 + 2 + 3	745,422	650,255	517,087	664,233	650,255	504,281	517,087	-24.1%	-20.5%
	GHG-Int	kg eq CO_2 / sqm/ year	GHG emissions intensity per square metre (J+K/S sqm common areas)		1.2	1.0	0.8	1.2	1.0	0.9	0.8	-24.1%	-20.5%
		kg eq CO_2 / 1000 pers./ year	Emissions intensity per 1,000 visitors (M/ Svisit/1000)		9.4	10.2	7.0	8.7	10.2	7.5	7.0	-13.2%	-31.6%
	Number of assets within boundary				15 out of 15	14 out of 14	14 out of 14	13 out of 15	14 out of 14	13 out of 14	14 out of 14	-	-
	Proportion of disclosed data estimated				0%	0%	0%	0%	0%	0%	0%	0%	0%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

(*) Comparative data for 2019 is included due to the restrictions suffered because of COVID-19 on portfolio assets in 2020 that have distorted the data obtained, affecting the comparability of the figures.

Lar España has made further progress in its objective of reducing GHG emissions in 2021, working on the following actions:

- Continuation of the policy of obtaining **electricity from renewable sources with guarantees of origin** across all its strategic assets.
- Conclusion of the process to set the **parameters** and **install** the Lagoh shopping centre's geothermal heating system
- Technical and economic study for the implementation of **solar photovoltaic energy** across all Lar España's strategic assets.



2.3.6 Circular economy

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 of waste produced. To supplement the Master Plan, 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 or recycling routes.

This **improved accuracy in data management** has led to a reduction in the percentage of waste that previously had to be estimated. Standing at 34.2% of the total in 2019 and 32.6% in 2020, the figure for 2021 was reduced to 3.4%, which represents a sizeable decrease.

This change in methodology, together with the recovery of footfall, has led to a significant increase in the amount of waste recorded.

The next steps on the roadmap are:

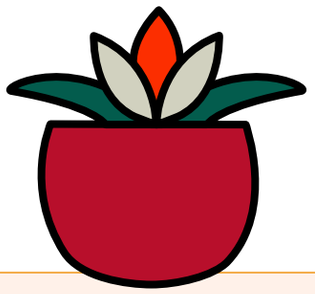
1

Identification of the disposal routes, their accurate **quantification** and **verification** in terms of what treatment method should be applied to the waste produced.

2

Inclusion of this data in the company's **Scope 3 carbon footprint** calculation.

Regarding **waste considered as hazardous by the European List of Waste,** the amount for 2021 represents **less than 2% of the total waste**, and therefore its breakdown is not relevant.



Area of impact	EPRA Sustainability Performance Measures			TOTAL LAR ESPAÑA ASSETS								
				ABSOLUTE MEASURES (Abs)			LIKE FOR LIKE (LFL)					
	EPRA Code	Unit of measurement	Indicator	2019 (*)	2020	2021	2019 (*)	2020	2021		Change vs 2019 (*)	Change vs 2020
									vs 2019 (*)	vs 2020		
Waste	Waste-Abs, Waste-LfL	Ton	Waste generation	4,590	4,018	11,577	4,261	4,018	10,777	10,777	152.9%	168.2%
		Ton	Waste recycled	1,541	1,873	1,318	1,504	1,873	904	1,318	-39.9%	-29.6%
		%	Waste to landfills	66,4%	53.4%	88.6%	64.7%	53.4%	91.6%	87.8%	26.9%	34.4%
		%	Waste recycled	33,6%	46.6%	11.4%	35.3%	46.6%	8.4%	12.2%	-26.9%	-34.4%
		N°	Number of assets within boundary	11 out of 15	12 out of 14	13 out of 14	10 out of 15	12 out of 14	10 out of 14	12 out of 14	10 out of 14	12 out of 14
		%	Proportion of disclosed data estimated	34.2%	32.6%	3.4%	38.5%	27.7%	0%	0%	-38.5%	-27.7%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

(*) Comparative data for 2019 is included due to the restrictions suffered because of COVID-19 on portfolio assets in 2020 that have distorted the data obtained, affecting the comparability of the figures.

2.3.7 Responsible water use

In absolute terms, a slight upturn in supply (+8.2%) was recorded in 2021 with respect to 2020. This rise is starker when water re-billed to tenants is deducted, which accounted for almost 42% of the water obtained by the landlord. The data shows that the volume of water used in common areas **is down marginally on the figure for 2020 (-0.4%)**.

Additionally, the consumption intensity values in 2021 stand at 2.86 litres/visitor, markedly down on the 3.07 litres/visitor in 2020, representing **a drop of 6.9% in this consumption intensity indicator**. The explanation for this decline in consumption intensity lies in the increased footfall (the denominator in this case) and the assets' **responsible use of water in their day-to-day activity**, reflected in the fact that water consumption has held steady despite the higher footfall.

In addition, **systematic monitoring of effluent discharges** to public sewerage networks is being implemented through the analysis of waste water. The final objective of this process will be the calculation of the Water Footprint of the organization and a consequent Water Management Action Plan.

Water consumption intensity per visitor (LfL litres/visitor/year): **-6.9% vs 2020**.

Table of indicators

Area of impact	EPRA Sustainability Performance Measures			TOTAL LAR ESPAÑA ASSETS								
				ABSOLUTE MEASURES (Abs)			LIKE FOR LIKE (LFL)					
	EPRA Code	Unit of measurement	Indicator	2019 (*)	2020	2021	2019 (*)	2020	2021		Change vs 2019 (*)	Change vs 2020
									vs 2019 (*)	vs 2020		
Water	Water-Abs, Water-LfL	m^3	Water consumption in common parts areas (N)	194,721	196,510	212,650	178,564	196,510	164,406	212,650	-7.9%	8.2%
			Consumption sub-metered to tenants (O)	85,726	72,580	89,157	73,663	72,580	63,307	89,157	-14.1%	22.8%
			Water consumption in common and shared areas (P=N-O)	108,996	123,931	123,493	104,901	123,931	101,099	123,493	-3.6%	-0.4%
	Water-Int	Litres/ person/ year	Water consumption intensity per visitor (N x 1000/ Svisit)	2.46	3.07	2.86	2.34	3.07	2.46	2.86	5.2%	-6.9%
	Number of assets within boundary			15 out of 15	14 out of 14	14 out of 14	13 out of 15	14 out of 14	13 out of 14	14 out of 14	-	-
	Proportion of disclosed data estimated			0%	0%	0.7%	0%	0%	0%	0.7%	0%	0%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

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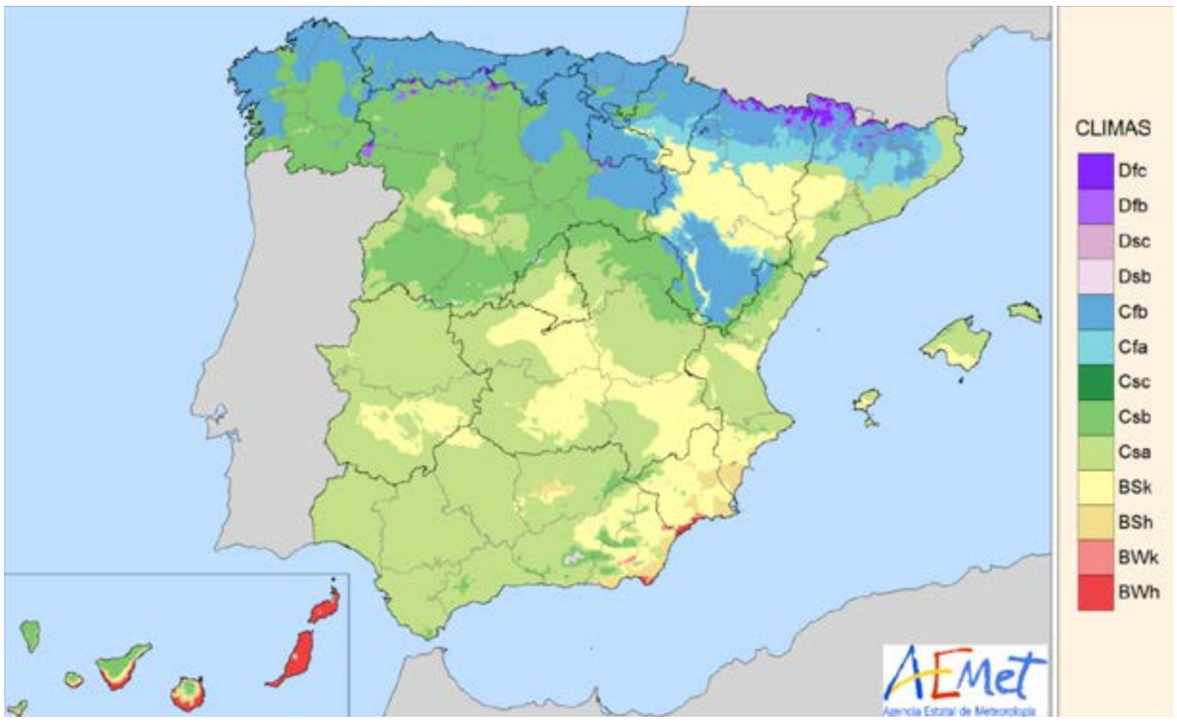
2.3.8 Analysis of results (by climate zone and type)

Lar España **analyses energy and water consumption and emissions by climate zone**, using Köppen–Geiger's classification for the Iberian Peninsula (as published by Spain's state meteorological agency, AEMET).

Köppen climate classification (1981-2010)



Performance measures by climate zone

It is clear to see that the restrictions on opening hours and capacity have had a greater impact across all climate zones under analysis than the evolution of the climate itself and **no major variations in this regard have been recorded**.

It is also important to underline the intense use of ventilation systems due to the pandemic. In this regard, this extraordinarily high usage lasted for two and half months more in 2021 than in 2020.

All the parameters that **skew the consumption/ climate relationship** vary from region to region, as the regional authorities have each adopted their own measures as regards property opening hours.

Area of impact	EPRA Sustainability Performance Measures INFORMATION BY CLIMATE AREA				Cfb							
					LIKE FOR LIKE (LFL)							
	EPRA Code	Unit of measure-ment	Indicator		2019 (*)	2020	2021	2019 (*)	2020	2021	LfL 2021 vs 2019 (*)	LfL 2021 vs 2020
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	Consumption of electricity from non-renewable sources (A)	1,901,800	1,389,607	757,558	626,671	568,901	516,619	-17.6%	-9.2%
				Landlord-obtained electricity from renewable sources (B)	19,373,949	24,541,519	25,368,212	7,651,937	6,055,147	6,824,522	-10.8%	12.7%
				Consumption submetered to tenants (C)	1,004,534	699,667	869,720	956,108	678,736	853,680	-10.7%	25.8%
				Electricity generated from renewable sources and dispatched to the grid	242,986	371,769	329,928	0	0	0	0%	0%
				Total landlord electricity consumption (D = A+B-C)	20,271,215	25,231,459	25,256,050	7,322,500	5,945,313	6,487,462	-11.4%	9.1%
	EPRA-DH&C-Abs	kWh	Energy	Total district heating & cooling consumption	No data			No data				
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total landlord fuel consumption (E)	1,995,031	2,269,245	2,210,852	787,199	617,414	672,315	-14.6%	8.9%
				Total fuel consumption submetered to tenants (F)	53,203	55,396	78,031	53,203	55,396	78,031	46.7%	40.9%
				Total fuel consumption (G = E-F)	1,941,828	2,213,849	2,132,821	733,996	562,018	594,284	-19.0%	5.7%
	Energy-Int	kWh/ sqm / year	Building energy intensity per square metre H = (D+E)/S sqm		41.4	43.1	43.0	42.4	34.3	37.4	-11.7%	9.1%
		kWh/visit / year	Building energy intensity per visitor I = (A+B+E)/S visit.		0.30	0.44	0.38	0.35	0.38	0.37	5.0%	-4.1%
	Number of assets within boundary				13 out of 14	14 out of 14	14 out of 14	3 out of 3			-	-
	Proportion of disclosed data estimated				0%	0%	0.8%	0%	0%	0%	-	-
Greenhouse Gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO_2	Direct emissions (J)	Scope 1 (fuel)	360,526	418,914	389,251	138,522	112,531	108,361	-21.8%	-3.7%
	GHG-Indir-Abs, GHG-Indir-LfL	kg eq CO_2	Indirect emissions (K)	Scope 2 (electricity)	294,024	221,259	113,634	125,334	85,335	77,493	-38.2%	-9.2%
			Indirect emissions (L)	Scope 3	9,683	10,082	14,202	9,683	10,082	14,202	46.7%	40.9%
			GHG emissions (J+K)	Scope 1 + 2	654,550	640,173	502,885	263,856	197,866	185,854	-29.6%	-6.1%
			Total GHG emissions (M=J+K+L)	Scope 1 + 2 + 3	664,233	650,255	517,087	273,539	207,948	200,055	-26.9%	-3.8%
	GHG-Int	kg eq CO_2 / sqm/ year	GHG emissions intensity per square metre (J+K/S sqm common areas)		1.24	1.02	0.81	1.43	1.09	1.05	-26.9%	-3.8%
		kg eq CO_2 / 1000 pers. / year	Emissions intensity per visitor (M/ Svisit/1000)		8.70	10.16	6.95	11.85	12.19	10.31	-13.0%	-15.4%
	Number of assets within boundary				13 out of 14	14 out of 14	14 out of 14	3 out of 3			-	-
	Proportion of disclosed data estimated				0%	0%	0%	0%	0%	0%	-	-
Water	Water-Abs, Water-LfL	m^3	Water consumption in common parts areas (N)		178,564	196,510	212,650	41,407	29,870	33,901	-18.1%	13.5%
			Consumption sub-metered to tenants (O)		73,663	72,580	89,157	15,327	8,814	9,891	-35.5%	12.2%
			Water consumption in common and shared areas (P=N-O)		104,901	123,931	123,493	26,080	21,056	24,010	-7.9%	14.0%
	Water-Int	litres/ person/ year	Water consumption intensity per visitor (N x 1000/ Svisit)		2.34	3.07	2.86	1.13	1.23	1.24	9.5%	0.2%
	Number of assets within boundary				13 out of 14	14 out of 14	14 out of 14	3 out of 3			-	-
	Proportion of disclosed data estimated				0%	0%	0.7%	0%	0%	0.1%	-	-
Waste	Waste-Abs, Waste-LfL	Ton	Waste generation		4,261	4,018	10,777	1,276	601	1,568	22.9%	160.9%
		Ton	Waste recycled		1,504	1,873	1,318	424	325	109	-74.3%	-66.4%
		%	Waste to landfills		64.7%	53.4%	87.8%	66.8%	46.0%	93.1%	26.3%	47.1%
		%	Waste recycled		35.3%	46.6%	12.2%	33.2%	54.0%	6.9%	-26.3%	-47.1%
		%	Proportion of disclosed data estimated		38.5%	27.7%	0%	39.8%	0%	24.8%	-15.0%	24.8%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

(*) Comparative data for 2019 is included due to the restrictions suffered because of COVID-19 on portfolio assets in 2020 that have distorted the data obtained, affecting the comparability of the figures.

→

Area of impact	Csb					Csa					Bsk				
→															
	2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020	2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020	2019	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020
Energy	490,172	0	0	-100.0%	0%	0	0	0	0%	0%	784,957	820,705	240,938	-69.3%	-70.6%
	4,627,040	4,298,402	4,834,339	4.5%	12.5%	3,189,755	10,929,197	9,394,530	-10.1%	-14.0%	3,905,218	3,258,773	4,314,821	10.5%	32.4%
	0	0	0	0%	0%	48,426	20,932	16,040	-66.9%	-23.4%	0	0	0	0%	0%
	149,248	155,100	155,256	4.0%	0.1%	5,659	131,796	97,578	1624.3%	-26.0%	88,079	84,873	77,094	-12.5%	-9.2%
	5,117,212	4,298,402	4,834,339	-5.5%	12.5%	3,141,329	10,908,266	9,378,490	-9.2%	-14.0%	4,690,175	4,079,478	4,555,759	-2.9%	11.7%
	No data					No data					No data				
	834,119	686,443	1,135,055	36.1%	65.4%	14,261	726,427	75,585	-63.4%	-89.6%	359,452	238,961	327,897	-8.8%	37.2%
	0	0	0	0%	0%	0	0	0	0%	0%	0	0	0	0%	0%
	834,119	686,443	1,135,055	36.1%	65.4%	14,261	726,427	75,585	-63.4%	-89.6%	359,452	238,961	327,897	-8.8%	37.2%
	51.9	43.5	52.1	0.3%	19.8%	39.6	64.2	52.2	-9.4%	-18.7%	33.3	28.5	32.2	-3.3%	13.1%
	0.53	0.64	0.68	29.0%	5.7%	0.19	0.63	0.40	-4.1%	-36.2%	0.20	0.21	0.21	6.4%	3.4%
	3 out of 3			-	-	3 out of 4	4 out of 4	4 out of 4	-	-	4 out of 4			-	-
	0%	0%	0%	-	-	0%	0%	0%	-	-	0%	0%	0%	-	-
Greenhouse Gas emissions	152,451	126,350	206,872	35.7%	63.7%	3,805	135,939	14,188	-63.7%	-89.6%	65,748	44,094	59,830	-9.0%	35.7%
	9,803	0	0	-100.0%	0%	0	0	0	0%	0%	158,887	135,924	36,141	-77.3%	-73.4%
	0	0	0	0%	0%	0	0	0	0%	0%	0	0	0	0%	0%
	162,254	126,350	206,872	27.5%	63.7%	3,805	135,939	14,188	-63.7%	-89.6%	224,635	180,018	95,971	-57.3%	-46.7%
	162,254	126,350	206,872	27.5%	63.7%	3,805	135,939	14,188	-63.7%	-89.6%	224,635	180,018	95,971	-57.3%	-46.7%
	1.4	1.1	1.8	27.5%	63.7%	0.1	0.8	0.1	-63.7%	-89.6%	1.5	1.2	0.6	-57.3%	-46.7%
	14.38	16.31	23.58	64.0%	44.5%	0.22	7.39	0.61	-61.2%	-91.8%	8.98	8.65	4.22	-53.0%	-51.3%
	3 out of 3			-	-	3 out of 4	4 out of 4	4 out of 4	-	-	4 out of 4			-	-
	0%	0%	0%	-	-	0%	0%	0%	-	-	0%	0%	1.7%	-	-
Water	41,139	39,201	40,231	-2.2%	2.6%	46,990	85,005	88,303	-14.8%	3.9%	49,028	42,435	50,215	2.4%	18.3%
	21,732	14,266	18,363	-15.5%	28.7%	26,805	38,296	47,000	-21.1%	22.7%	9,799	11,203	13,903	41.9%	24.1%
	19,407	24,934	21,868	12.7%	-12.3%	20,185	46,708	41,303	-6.3%	-11.6%	39,229	31,232	36,312	-7.4%	16.3%
	3.64	5.06	4.59	25.8%	-9.4%	2.77	4.62	3.77	-8.9%	-18.4%	1.96	2.04	2.21	12.7%	8.2%
	3 out of 3			-	-	3 out of 4	4 out of 4	4 out of 4	-	-	4 out of 4			-	-
	0%	0%	1.4%	-	-	0%	0%	0%	-	-	0%	0%	1.7%	-	-
Waste	1,009	846	750	-25.6%	-11.4%	681	943	6,756	196.5%	616.3%	1,295	1,627	1,702	31.5%	4.6%
	407	264	119	-70.8%	-54.8%	239	399	620	10.7%	55.4%	434	886	470	8.3%	-47.0%
	59.6%	68.9%	84.1%	24.5%	15.3%	64.9%	57.7%	90.8%	22.0%	33.1%	66.5%	45.6%	72.4%	5.9%	26.8%
	40.4%	31.1%	15.9%	-24.5%	-15.3%	35.1%	42.3%	9.2%	-22.0%	-33.1%	33.5%	54.4%	27.6%	-5.9%	-26.8%
	0%	27.1%	0%	0%	-27.1%	29.4%	33.1%	0%	-29.4%	-33.1%	66.5%	33.4%	0%	-66.5%	-33.4%

Verified by the external auditor, see Appendix 5.4. Independent Assurance Report

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A notable increase in footfall was recorded in the **Cfb climate zone (temperate oceanic climate)** between 2020 and 2021, with fewer average days closed in 2021 versus 2020. The growth in electricity and water consumption is due more to this increased footfall than weather conditions, but another factor is the decline in the intensity of energy usage (kWh/visitor), as this indicator's denominator has risen considerably. The intensity of water consumption, on the other hand, has barely changed from 2020 to 2021.

In the **Csb climate zone (Spain's northern plateau)**, the increase in footfall and fewer full closures, as well as a colder 2021 across the region, partly explain the greater use of electric power and, more pronounced still, the consumption of fuel. Conversely, water consumption declined considerably in both absolute and relative terms from 2020 to 2021.

In the **Csa climate zone (Mediterranean areas and the Guadalquivir river basin)**, as explained earlier, more than weather conditions or increases in footfall between 2020 and 2021, the biggest impact has come from the opening of the portfolio's largest asset in 2020 (Lagoh in Seville), which recorded sizeable reductions in electricity, fuel and water consumption during its second year of operations.

Lastly, in the **Bsk climate area** the increase in the number of days of full opening in 2021 had a greater overall impact than any climatic conditions. Fewer anomalous weather conditions in 2021 versus 2020 led to higher consumption of electricity, fuel and water.

Performance values by type of asset

The analysis is rounded out by looking at the figures by **type of asset, differentiating** between the shopping centres, with large indoor areas that need to be heated and cooled, and the retail parks, with much smaller common areas, which are largely outdoors.

The analysis reveals, with respect to Lar España's assets, that energy consumption intensity per sqm at the retail parks (17.1 kWh/sqm/year) is just under one third less than at the shopping centres (53.5 kWh/sqm/year). That proportionality drops even further, to one ninth measured in terms of energy consumption per visitor: 0.08 (kWh/visitor/year) at the retail parks, compared to 0.69 (kWh/visitor/year) at the shopping centres.

The retail parks' average water consumption in 2021 (1.19 litres/visitor/year) is under half that registered by the shopping centres (2.76 litres/visitor/year).

Despite the distortions caused by changes in footfall and opening restrictions, values related to both type of asset (intensity of energy use per sqm and intensity of water consumption per visitor) have remained relatively stable between 2020 and 2021.

Area of impact	EPRA Sustainability Performance Measure INFORMATION BY ASSET TYPE						
	EPRA Code	Unit of measurement	Indicator		LIKE FOR LIKE (LFL)		
					2019 (*)	2020	2021
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	Consumption of electricity from non-renewable sources (A)	1,901,800	1,389,607	757,558
				Landlord-obtained electricity from renewable sources (B)	19,373,949	24,541,519	25,368,212
				Consumption submetered to tenants (C)	1,004,534	699,667	869,720
				Electricity generated from renewable sources and dispatched to the grid	242,986	371,769	329,928
				Total landlord electricity consumption (D = A+B-C)	20,271,215	25,231,459	25,256,050
	EPRA-DH&C-Abs	kWh	Energy	Total district heating & cooling consumption	No data		
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total landlord fuel consumption (E)	1,995,031	2,269,245	2,210,852
				Total fuel consumption submetered to tenants (F)	53,203	55,396	78,031
				Total fuel consumption (G = E-F)	1,941,828	2,213,849	2,132,821
	Energy-Int	kWh/ sqm / year	Building energy intensity per square metre H = (D+E)/S sqm		41.4	43.1	43.0
		kWh/visit/year	Building energy intensity per visitor I = (A+B+E)/S visit.		0.30	0.44	0.38
	Number of assets within boundary				13 out of 14	14 out of 14	
	Proportion of disclosed data estimated				0%	0%	0%
Greenhouse Gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO_2	Direct emissions (J)	Scope 1 (fuel)	360,526	418,914	389,251
	GHG-Indir-Abs, GHG-Indir-LfL	kg eq CO_2	Indirect emissions (K)	Scope 2 (electricity)	294,024	221,259	113,634
			Indirect emissions (L)	Scope 3	9,683	10,082	14,202
			GHG emissions (J+K)	Scope 1 + 2	654,550	640,173	502,885
			Total GHG emissions (M=J+K+L)	Scope 1 + 2 + 3	664,233	650,255	517,087
	GHG-Int	kg eq CO_2 / sqm/ year	GHG emissions intensity per square metre (J+K/S sqm common areas)		1.24	1.02	0.81
		kg eq CO_2 / 1000 pers./ year	Emissions intensity per visitor (M/ Svisit/1000)		8.70	10.16	6.95
	Number of assets within boundary				13 out of 14	14 out of 14	
	Proportion of disclosed data estimated				0%	0%	0%
Water	Water-Abs, Water-LfL	m^3	Water consumption in common parts areas (N)		178,564	196,510	212,650
			Consumption sub-metered to tenants (O)		73,663	72,580	89,157
			Water consumption in common and shared areas (P=N-O)		104,901	123,931	123,493
	Water-Int	litres/person/ year	Water consumption intensity per visitor (N x 1000/ Svisit)		2.34	3.07	2.86
	Number of assets within boundary				13 out of 14	14 out of 14	
	Proportion of disclosed data estimated				0%	0%	0.7%
Waste	Waste-Abs, Waste-LfL	Ton	Waste generation		4,261	4,018	10,777
		Ton	Waste recycled		1,504	1,873	1,318
		%	Waste to landfills		64.7%	53.4%	87.8%
		%	Waste recycled		35.3%	46.6%	12.2%
		%	Proportion of disclosed data estimated		38.5%	27.7%	0%

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Area of impact					SHOPPING CENTRES					RETAIL PARKS				
	EPRA Code	Unit of measure-ment	Indicator		2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020	2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	Consumption of electricity from non-renewable sources (A)	1,116,843	568,901	516,619	-53.7%	-9.2%	784,957	820,705	240,938	-69.3%	-70.6%
				Landlord-obtained electricity from renewable sources (B)	16,618,093	22,422,525	22,535,267	-3.7%	0.5%	2,755,857	2,118,994	2,832,945	2.8%	33.7%
				Consumption submetered to tenants (C)	1,004,534	699,667	869,720	-13.4%	24.3%	0	0	0	0%	0%
				Electricity generated from renewable sources and dispatched to the grid	237,327	239,973	232,350	-2.1%	-3.2%	5,659	131,796	97,578	1624.3%	-26.0%
				Total landlord electricity consumption (D = A+B-C)	16,730,402	22,291,759	22,182,167	-6.4%	-0.5%	3,540,813	2,939,699	3,073,883	-13.2%	4.6%
	EPRA-DH&C-Abs	kWh	Energy	Total district heating & cooling consumption	No data					No data				
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total landlord fuel consumption (E)	1,891,701	2,191,005	2,145,476	9.7%	-2.1%	103,331	78,240	65,376	-36.7%	-16.4%
				Total fuel consumption submetered to tenants (F)	53,203	55,396	78,031	46.7%	40.9%	0	0	0	0%	0%
				Total fuel consumption (G = E-F)	1,838,497	2,135,609	2,067,445	8.6%	-3.2%	103,331	78,240	65,376	-36.7%	-16.4%
	Energy-Int	kWh/sqm/year	Building energy intensity per square metre H = (D+E)/S sqm		52.7	53.8	53.5	-4.8%	-0.6%	19.8	16.4	17.1	-13.9%	4.0%
		kWh/visit/year	Building energy intensity per visitor I = (A+B+E)/S visit.		0.56	0.85	0.69	15.1%	-18.5%	0.09	0.09	0.08	-6.2%	-5.9%
	Number of assets within boundary				8 out of 9	9 out of 9	9 out of 9	-	-	5 out of 5			-	-
	Proportion of disclosed data estimated				0%	0%	0%			0%	0%	0%	-	-
Greenhouse Gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO_2	Direct emissions (J)	Scope 1 (fuel)	340,993	404,227	376,793	6.7%	-6.8%	19,533	14,687	12,458	-36.2%	-15.2%
	GHG-Indir-Abs, GHG-Indir-LfL	kg eq CO_2	Indirect emissions (K)	Scope 2 (electricity)	135,138	85,335	77,493	-42.7%	-9.2%	158,887	135,924	36,141	-77.3%	-73.4%
			Indirect emissions (L)	Scope 3	9,683	10,082	14,202	46.7%	40.9%	0	0	0	0%	0%
			GHG emissions (J+K)	Scope 1 + 2	476,131	489,562	454,286	-7.3%	-7.2%	178,419	150,611	48,599	-72.8%	-67.7%
			Total GHG emissions (M=J+K+L)	Scope 1 + 2 + 3	485,814	499,644	468,488	-6.2%	-6.2%	178,419	150,611	48,599	-72.8%	-67.7%
	GHG-Int	kg eq CO2/sqm/year	GHG emissions intensity per square metre (J+K/S sqm common areas)		1.35	1.08	1.00	-7.3%	-7.2%	0.97	0.82	0.26	-72.8%	-67.7%
		kg eq CO2/1000 pers./year	Emissions intensity per visitor (M/Svisit/1000)		13.87	16.87	12.88	13.9%	-23.6%	4.32	4.38	1.28	-70.4%	-70.8%
	Number of assets within boundary				8 out of 9	9 out of 9	9 out of 9	-	-	5 out of 5			-	-
	Proportion of disclosed data estimated				0%	0%	0%	-	-	0%	0%	0%	-	-

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Area of impact				SHOPPING CENTRES					RETAIL PARKS				
	EPRA Code	Unit of measure-ment	Indicator	2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020	2019 (*)	2020	2021	Like for Like 2021 vs 2019 (*)	Like for Like 2021 vs 2020
Water	Water-Abs, Water-LfL	m^3	Water consumption in common parts areas (N)	126,494	156,449	167,382	-5.8%	7.0%	52,069	40,062	45,268	-13.1%	13.0%
			Consumption sub-metered to tenants (O)	48,496	52,647	67,065	-15.0%	27.4%	25,167	19,932	22,092	-12.2%	10.8%
			Water consumption in common and shared areas (P=N-O)	77,998	103,801	100,317	-0.1%	-3.4%	26,903	20,129	23,175	-13.9%	15.1%
	Water-Int	litres/ person/ year	Water consumption intensity per visitor (N x 1000/ Svisit)	2.23	3.50	2.76	21.4%	-21.3%	1.26	1.17	1.19	-5.4%	2.2%
	Number of assets within boundary			8 out of 9	9 out of 9	9 out of 9	-	-	5 out of 5			-	-
	Proportion of disclosed data estimated			0%	0%	0.3%	-	-	0%	0%	1.9%	-	-
Waste	Waste-Abs, Waste-LfL	Ton	Waste generation	3,275	2,583	9,776	53.9%	278.4%	987	1,435	1,001	1.4%	-30.2%
		Ton	Waste recycled	1,166	1,082	1,114	-35.0%	3.0%	338	791	204	-39.6%	-74.2%
		%	Waste to landfills	64.4%	58.1%	88.6%	20.6%	30.5%	65.8%	44.8%	79.6%	13.9%	34.8%
		%	Waste recycled	35.6%	41.9%	11.4%	-20.6%	-30.5%	34.2%	55.2%	20.4%	-13.9%	-34.8%
		%	Proportion of disclosed data estimated	46.0%	40.1%	4.0%	-38.3%	-36.1%	6.3%	3.5%	0%	-6.3%	-3.5%

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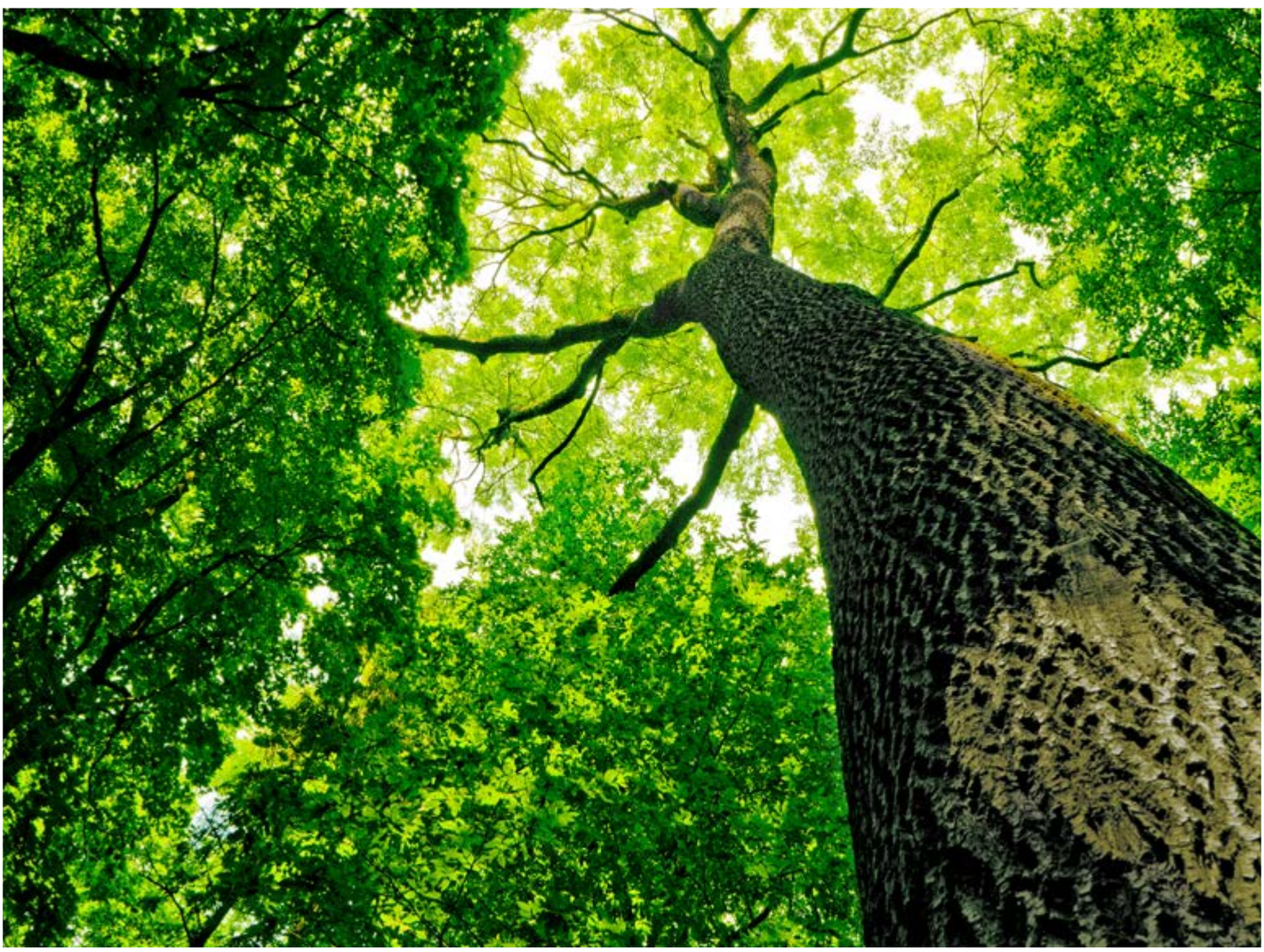
Electric vehicle chargers in Portal de la Marina (Alicante)

Environmental performance figures for the Lar corporate office

On July 1, 2021, the Company changed its registered office, although, for the purposes of this environmental performance report, throughout the year Lar España has found itself in a **rented office** building that is not part of its portfolio, sharing office with its manager's employees (Grupo Lar and other group companies).

This situation, together with the fact that Lar España only employs four people, makes the consumption of energy (0.018%) and water (0.007%) irrelevant as compared with the total portfolio consumption, as well as the material input and waste generated from their work (approx. 0.0046%) as compared with total waste across the portfolio.

Energy and water consumption figures are provided for information purposes as a corporate expense. However, the scale of this material input and waste is so minimal that they are not covered in this report, while the consumption and waste generated by the four employees are excluded from the calculation of the Company's environmental performance.



Area of impact	EPRA Sustainability Performance Measures					LAR ESPAÑA CORP OFFICES - CONTRIBUTION BY THE 4 LAR ESPAÑA EMPLOYEES					TOTAL LAR ESPAÑA CORPORATE OFFICES				
	EPRA Code	Unit of measure-ment	Indicator		Coverage	2019(*)	2020	2021	2021 vs 2019 (*) Change Like for like	2021 vs 2020 Change Like for like	2019(*)	2020	2021	2021 vs 2019 (*) Change Like for like	2021 vs 2020 Change Like for like
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	Lar España electricity consumption + shared utilities	1 out of 1	5,421	4,099	4,461	-17.7%	8.8%	161,337	93,879	102,593	-36.4%	9.3%
				Consumption submetered to tenants		No data					No data				
				Electricity generated and dispatched to the grid		0	0	0	0%	0%	0	0	0	0	0%
				Lar España + Shared services electricity consumption		5,421	4,099	4,461	-17.7%	8.8%	161,337	93,879	102,593	-36.4%	9.3%
	EPRA-DH&C-Abs	kWh	Energy	Total district heating & cooling consumption	1 out of 1	Lar España does not use district heating & cooling (DH&C-Abs)									
	Fuels-Abs, Fuels-LfL	kWh	Fuel	Total landlord fuel consumption		0	0	0	0%	0%	0	0	0	0	0%
	Energy-Int	kWh/sqm/ year	Building energy intensity per square metre		1 out of 1	108.6	72.0	93.3	-14.1%	29.6%	108.6	72.0	93.3	-14.1%	29.6%
		kWh/ employee/ year	Building energy intensity per employee			1,807	1,640	1,338	-25.9%	-18.4%	1,807	1,640	1,338	-25.9%	-18.4%
Greenhouse Gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	kg eq CO_2	Direct emissions	Scope 1 (fuel)	1 out of 1	0	0	0	0%	0%	0	0	0	0%	0%
	GHG-Indir-Abs, GHG-Indir-LfL	kg eq CO_2	Indirect emissions	Scope 2 (electricity)		1,573	820	892	-43.3%	8.8%	46,828	18,776	20,519	-56.2%	9.3%
			Indirect emissions	Scope 3		No data					No data				
			Total	Scope 1 + 2		1,573	820	892	-43.3%	8.8%	46,828	18,776	20,519	-56.2%	9.3%
	GHG-Int	kg eq CO_2/ sqm/year	Emissions intensity per square meter		1 out of 1	31.5	14.4	18.7	-40.8%	29.6%	31.5	14.4	18.7	-40.8%	29.6%
		kg eq CO_2/ employee / year	Emissions intensity per employee			524	328	268	-49.0%	-18.4%	524	328	268	-49.0%	-18.4%
Water	Water-Abs, Water-LfL	m^3	Water consumption		1 out of 1	26	14	8	-67.4%	-39.8%	771	322	194	-74.8%	-39.6%
	Water-Int	litres/sqm/ year	Water consumption intensity per square metre			0.5	0.2	0.2	-65.9%	-28.4%	0.5	0.2	0.2	-65.9%	-28.4%
		litres / employee/ year	Water consumption intensity per employee			8.6	5.6	2.5	-70.6%	-54.9%	8.6	5.6	2.5	-70.6%	-54.9%
Waste	Waste-Abs, Waste-LfL	Ton	Waste generation		1 out of 1	484	403	537	11.1%	33.3%	12,536	9,818	12,361	-1.4%	25.9%
		%	Waste recycled			No data	No data	No data	-	-	No data	No data	No data	-	-
		%	Proportion of estimated waste			100%	100%	100%	-	-	100%	100%	100%	-	-

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Lar España is **aware of how important biodiversity** is within its commitments to the environment.

2.3.9 Protection of biodiversity

The companies are not isolated and autonomous entities, rather, they **impact and rely** on the world around them. It is important to bear in mind that the natural habitat of many animal species is the very same area as that in which the companies operate, thus it is essential to build this relationship into the companies' management to ensure sustainability over time.

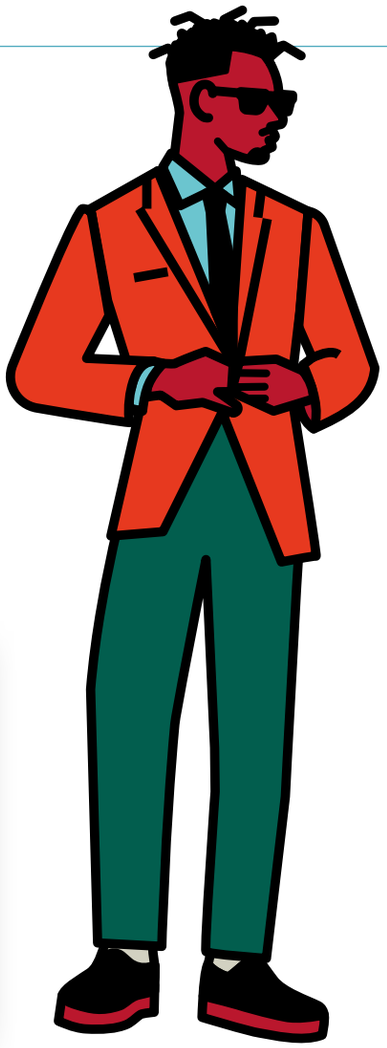
Biodiversity is a bond that companies must manage. The UN report in 2019 concluded that ecosystems are in a critical state, with **75% of the terrestrial environment severely altered** by human activity and approximately one million species in danger of extinction.

The **conservation of flora and fauna is increasingly important** in the real estate sector, which seeks to foster the appreciation of its assets. Promoting integrated urban biodiversity in population centres is a huge step forward for the environment and the well-being of society as a whole. Respecting biodiversity provides new added value for properties and an economic boost for the real estate sector, **which welcomes ecological players and is sensitive to environmental issues**.

Lar España is **aware of how important biodiversity is** within its commitments to the environment. In keeping with its business strategy, actions are underway across the entire portfolio as part of the strategy to protect biodiversity. Accordingly, the company strives to make spaces not only more attractive to users, but to have them **add value to the environment** through the use of efficient watering systems and integrating the asset into its surroundings without disrupting the harmony of the landscape.

The **SDG Contribution Plan** includes the "asset selection code" which, among other sustainability variables, sets out Lar España's considerations for excluding an asset from selection, such as factors related to the protection of biodiversity.

The Company is also implementing **various initiatives for the protection of biodiversity** in the portfolio. A Biodiversity Management Plan is being carried out in the Albacenter, As Termas, El Rosal, Portal de la Marina, Rivas Futura, VidaNova Parc, Megapark, Abadía and Lagoh shopping centres and retail parks, in relation to the BREEAM sustainability certificate obtained for almost 100% of the portfolio. In the context of the certification, an **Ecological Report** on the shopping centre's impact on local biodiversity is also drawn up. The conclusions of this analysis **allow the company to roll out a strategy geared towards minimising the impact and improving the biodiversity of the site**, focusing on the ecosystems identified as the most important.



Work plan

The work methodology followed is divided into two stages:

First Stage

A full bibliographic review using all possible sources and consultation with the competent environmental bodies.

Second Stage

Exhaustive fieldwork to verify all the bibliographic information compiled and incorporation of new data not found in the aforementioned review.

On the basis of the foregoing, the Plan is drawn up and includes the following:

- Detailed management of all the protected elements existing on the site, description of the landscape and habitats surrounding the building area.
- Management of all pre-existing, affected, improved or added habitats.
- References and method of integrating the Plans associated with the protection of local biodiversity.
- Recommendations to minimise the impact on biodiversity, to protect items of ecological value, to contribute ecological value, and to undertake the Plan.
- Incorporation of an assessment and monitoring plan to be implemented by the building management team.

This Plan is used to define the strategy for **managing existing habitats**, as well as new green spaces added for at least the first five years after the review. A system is also put in place to ensure compliance with the review's indications and recommendations. Detailed information on its application and effectiveness must be provided.

Success story: Lagoh biodiversity

The Lagoh shopping centre is a unique case within the Lar España portfolio because it was not acquired like most other assets, rather it was designed and built by the company taking into account the corporate sustainability/ESG policy and, specifically, respect for local biodiversity. The centre offers a **slew of innovative experiences while also reflecting the sustainability commitments** undertaken for its assets.

The company signed an **agreement with Universidad de Sevilla's research uni**t, consisting of scientific advice in the efficient construction of the centre taking into consideration the SDGs, and monitoring of the central lake and related biodiversity.

From the outset of the project's planning, **social and environmental aspects** that positively impact the city of Seville were factored in. The centre's design was influenced by biophilic design, an architectural movement that aims to re-establish or improve the connectivity between nature and human beings.

With the aim of opening up the building to the outdoors by designing specific elements for animals in the centre of the asset, the 11,000 sqm covered by vegetation and the 6,000 sqm central lake are bioclimatic strategies to **ease the temperatures in a climate such as Seville's, creating a comfortable setting all year round**.

Lagoh has sought to include Mediterranean and ornamental vegetation in order to create an environment that harmonises with visitors and generates a **public space around the shopping hub**. This provides an overall experience for visitors, who can also **enjoy the environmental space**, achieving a balance between the asset's commercial area and the ecosystem generated.

Moreover, climate change has given rise to eco-architecture: a concept focused on improving the energy efficiency and sustainability of buildings. The green exterior insulates the building, absorbs CO_2 and provides a space for birds to nest, increasing biodiversity and reducing the impact on the climate. **All of this improves the quality of the building, environment and neighbourhood**.

Samples from the lake are taken every week and analyse a series of basic parameters to ensure the water meets adequate health standards. A more exhaustive study is performed annually, which expands upon the set of parameters analysed. The results of these analyses show that **all the parameters analysed are optimal,** meaning the lake is “biologically safe and in good health”.

As part of the study for conservation of the lake, its surface is cleaned on a daily basis using an electric motorboat and a net to control and clean floating microalgae.

The company also worked on disseminating these matters to the asset’s visitors via Lulah, the Lagoh dragonfly, which is present all around the lake and provides a fun and educational way for the whole family to learn how to respect biodiversity via totems installed throughout the centre, indicating the names of species, as well as local fauna and flora.

Thanks to the daily care and maintenance, as well as all the resources and parties involved, the company has **successfully installed and preserved a natural lake in the centre of Seville**. The proof is in the **proliferation of life and multiple species in Lagoh**, making it a point of interest for customers and a different visiting experience for them. The introduction of this natural space **has enabled the company to reduce its ecological footprint, save energy, improve biodiversity in the area, and provide a comforting setting for visitors**.