

## 2.2 Contribution to social development

### 2.2.1 Contribution to local development

Lar España works actively to **add value to the environments where its assets are located** and therefore carries out social initiatives that contribute to human, economic and environmental development and at the same time help society to respond to major challenges such as unemployment or the socio-economic crisis.

Lar España's activities have a high impact on the economies in which it operates and on employment in the region in general, which is why the Company's mission is focused on promoting social progress in the communities in which it operates, generating **economic, business and social benefits**. To achieve this objective, Lar España carries out a series of actions and projects promoting inclusion, support for social initiatives, education and the promotion of culture, among others.

→ [Click on the link for further information in the section Social action.](#)

→ [Click on the link for further information on communication channels in the section Digital culture & Innovation.](#)

### Lar España's impact on employment

During 2021, it is estimated that the jobs generated in Lar España's portfolio amount to **more than 16,000 jobs**.

Seeking to create a positive impact on society within its communities, the Company has paid particular attention to increasing the **integration of people with disabilities at its assets**.

In this regard, the Company **interacts with** its economic, social and environmental **stakeholders**, attending to any requirement that may arise in each of its properties. Thus, for example, one of the most important measures is the annual survey carried out by Lar España to keep track of **people with disabilities** by professional category in all its centres and through which the Company obtains information to **best adapt** their workstations to their jobs.

In addition, Lar España works to establish alliances and encourages the promotion of joint initiatives **that foster sustainable development**, maintaining a close relationship in order to understand the needs of each group. In this way, Lar España guarantees its commitment to **SDG 17**, raising awareness among employees and stakeholders about the importance of achieving a more equitable society and strengthening **Lar España's commitment as a responsible business**.



Thus, Lar España's centres are being adapted to attain the **high standards required under universal accessibility** for people with every type of disability. This means that jobs at the assets can subsequently be filled very easily from among a broad range of profiles and people of different abilities.

## 8.6% of the indirect jobs at Lar España's assets are done by persons with disabilities above 33%.

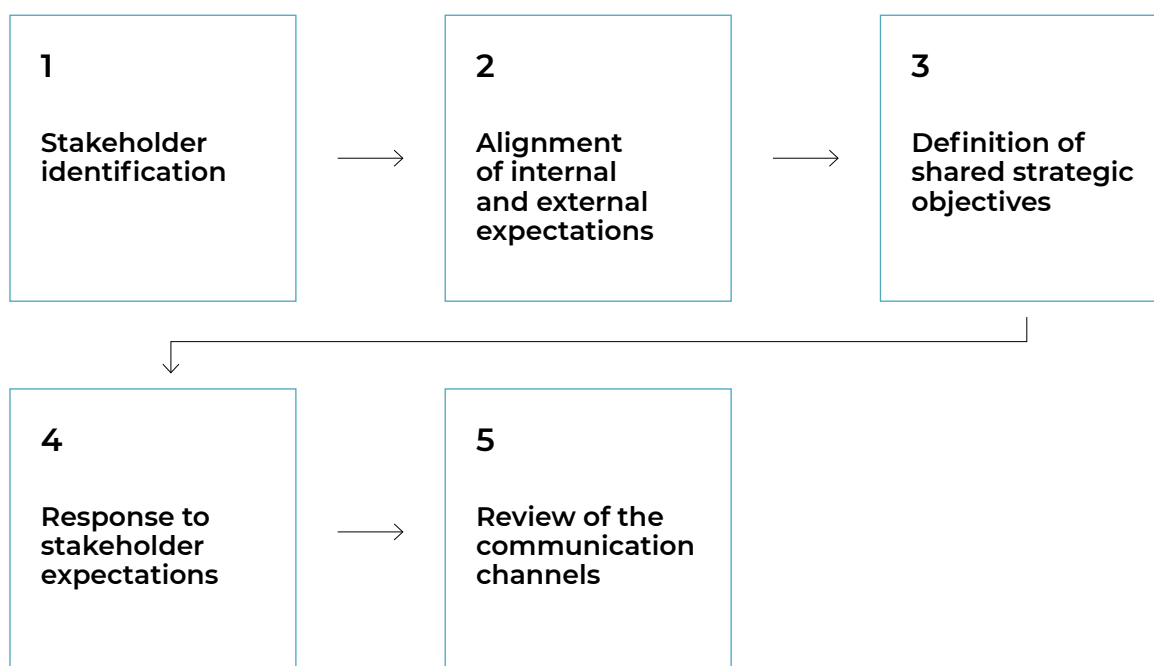
Consequently, **8.6% of indirect jobs at Lar España's assets are filled by people with disabilities above 33%**. In Spain, the General Law on the Rights of Persons with Disabilities and their Social Inclusion stipulates that at least 2% of the workforce of companies with more than 50 employees must be employees with disabilities. Although this law does not apply to Lar España, the company amply exceeds the figure stipulated by law.

Lar España will continue to actively channel its efforts into labour and social integration in order to contribute to the communities of which it forms part.

### Stakeholder relations

Lar España's objective is to **interact adequately with its stakeholders by responding to their expectations**. For this reason, appropriate communication channels have been established to maintain and improve the Company's external and internal relations. Lar España is committed to **creating value** for its main stakeholders and promotes the application of measures in its centres that enable it to obtain a clear image of stakeholder expectations..

To this end, it works through a **management model** that incorporates stakeholder expectations into its processes, integrating a wide range of tools for consultation and discussion with each of them. This management model comprises the following phases:

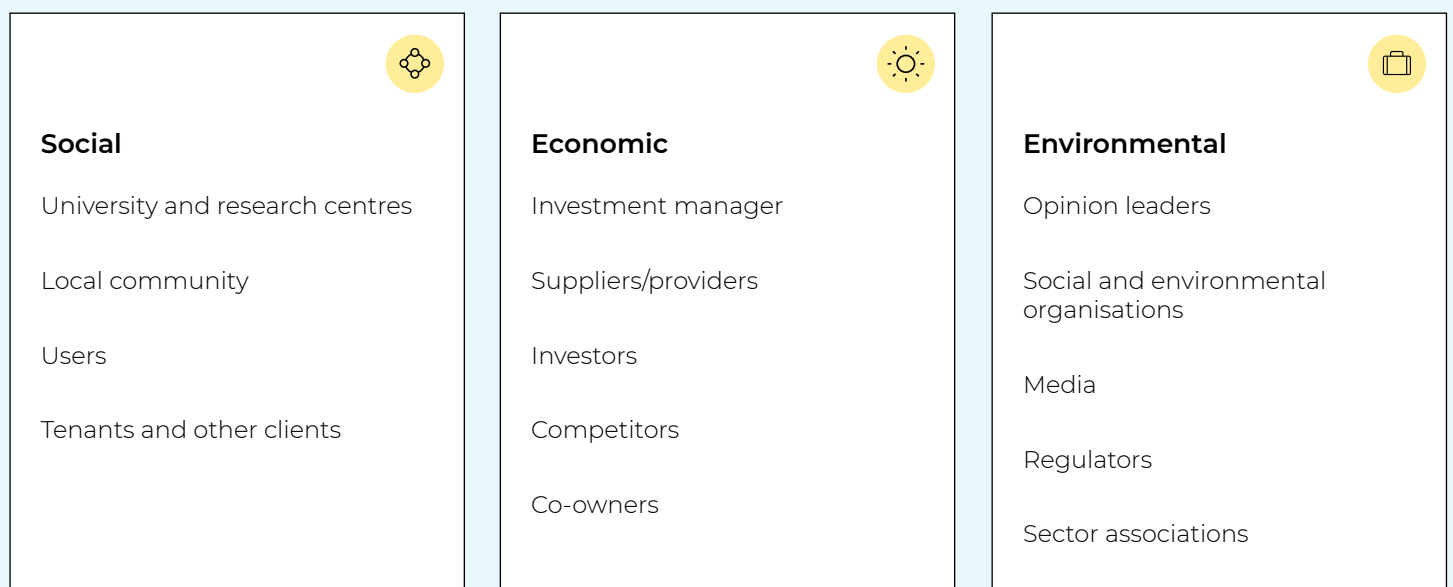


## Identification of stakeholders and alignment of internal and external expectations

In order to align strategic and sustainability objectives with the expectations of its stakeholders, the Company has identified its main internal and external groups and **periodically evaluates their**

**expectations** through specific communication and consultation channels, incorporating them into its decision-making processes.

### External environment:



### Internal environment: employees

## Communication channels

Lar España uses **different channels to foster dialogue** with its users and stakeholders. Therefore, once the process of identifying each of the stakeholders has been completed, the Company establishes **communication channels** to gauge

their expectations, which are assessed and aligned with the Company's objectives to ensure a balance between the different sectors of society and the environment in the resulting actions

Below is a breakdown of the categories and subcategories within these primary stakeholders, as well as the **needs and expectations** of each one:

### Response to environmental issues

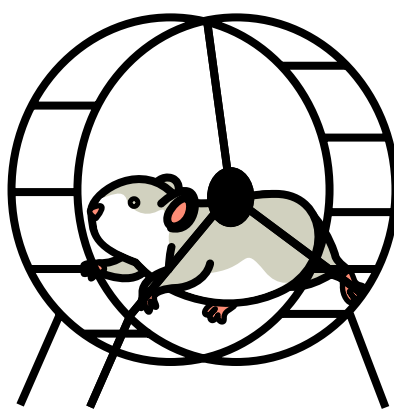
Stakeholders	Communication and discussion channels	Stakeholder expectations	Shared objective	Action / Response to stakeholders
<b>Employees</b> (employees of Lar España and the management company Grupo Lar)	<ul style="list-style-type: none"> <li>› Open internal communication through personal contact</li> <li>› Whistleblowing channel</li> <li>› Meetings to monitor professional development</li> </ul>	<ul style="list-style-type: none"> <li>› Equal opportunity and non-discrimination</li> <li>› Professional development</li> <li>› Safe and healthy environment</li> <li>› Work-life balance</li> <li>› Transparent compensation policy</li> <li>› Ethics, integrity and compliance</li> </ul>	<ul style="list-style-type: none"> <li>› Retaining talent</li> <li>› Fostering of equality and non-discrimination</li> <li>› Professional training of employees</li> <li>› Ethical work environment</li> </ul>	<ul style="list-style-type: none"> <li>› Employee training</li> <li>› Remuneration policy based on roles and responsibilities</li> <li>› Promotion of an ethical working environment and integrity</li> </ul>
<b>Local community</b> (citizens, businesses, organisations, city council)	<ul style="list-style-type: none"> <li>› Pre-project meetings with local organisations</li> <li>› Opinion polls in shopping centres</li> <li>› Technological tools to learn about local habits and preferences</li> </ul>	<ul style="list-style-type: none"> <li>› Respect and promotion of culture</li> <li>› Management of indirect impact on local businesses</li> <li>› Promotion of local employment</li> <li>› Creation of shared value</li> </ul>	<ul style="list-style-type: none"> <li>› Integration of projects into local culture and customs</li> <li>› Creation of local employment</li> <li>› Creation of local businesses</li> </ul>	<ul style="list-style-type: none"> <li>› Projects take into account local culture and circumstances</li> <li>› Start-up and innovation events open to local businesses</li> <li>› Contracting of local suppliers</li> </ul>
<b>Users</b> (clients, visitors, accompanying persons)	<ul style="list-style-type: none"> <li>› Opinion polls</li> <li>› Suggestion channels in shopping centres and retail parks</li> <li>› Satisfaction and quality audits</li> </ul>	<ul style="list-style-type: none"> <li>› New products and services</li> <li>› Connectivity and accessibility</li> <li>› Safe and healthy environment</li> <li>› Modernity and design</li> <li>› Knowledge of events and operators' offers</li> </ul>	<ul style="list-style-type: none"> <li>› Assets offering unique experiences</li> <li>› Attractive assets</li> <li>› Accessible and adapted assets</li> <li>› Safe and comfortable spaces</li> </ul>	<ul style="list-style-type: none"> <li>› Digital tools to recognise trends and offer the best experience</li> <li>› Centres certified in Universal Accessibility</li> <li>› Recruitment of persons with disabilities</li> <li>› Design spaces and renowned architects</li> </ul>

## Response to environmental issues

Stakeholders	Communication and discussion channels	Stakeholder expectations	Shared objective	Action / Response to stakeholders
<b>Investors and investment manager</b> (shareholders, banks, analysts, regulator, investment manager, funds)	<ul style="list-style-type: none"> <li>› One to one meetings</li> <li>› Conference calls</li> <li>› Road shows</li> <li>› Promotion and participation in events</li> <li>› Section of website devoted to shareholders</li> <li>› Annual General Meeting for shareholders</li> <li>› Whistleblowing channel</li> </ul>	<ul style="list-style-type: none"> <li>› Good governance and transparency</li> <li>› Ethics and regulatory compliance</li> <li>› Risk management</li> <li>› Return on investment and monitoring of share price</li> <li>› Prevention of corruption and money laundering</li> <li>› ESG/CSR strategy</li> </ul>	<ul style="list-style-type: none"> <li>› Operation in accordance with best practices in Corporate Governance</li> <li>› Regulatory compliance</li> <li>› Annual profitability</li> <li>› Ongoing improvement in ESG/CSR results</li> </ul>	<ul style="list-style-type: none"> <li>› Code of Conduct</li> <li>› Policy regarding communication and contacts with shareholders, investors and proxy advisors</li> <li>› Risk management and control</li> <li>› Reports: Annual, Corporate Governance, Remuneration</li> <li>› Publication of portfolio valuations</li> </ul>
<b>Suppliers</b> (asset managers, services, products, IT, innovation)	<ul style="list-style-type: none"> <li>› Meetings with suppliers</li> <li>› Contract follow-up meetings</li> <li>› Attendance at supplier fairs</li> <li>› Contact details on the website</li> </ul>	<ul style="list-style-type: none"> <li>› Transparency in business relations</li> <li>› Long-term vision and security</li> <li>› Risk management</li> </ul>	<ul style="list-style-type: none"> <li>› Establish long-term relationships with suppliers</li> <li>› Continuous improvement of our assets</li> <li>› Technological innovation</li> </ul>	<ul style="list-style-type: none"> <li>› Long-term contracts with suppliers</li> <li>› Selection of offers based on transparent criteria</li> </ul>
<b>Operators</b> (tenants, centre workers, maintenance, security, cleaning)	<ul style="list-style-type: none"> <li>› Digital communication platforms</li> <li>› Attendance at sector events of the different brands operating in the sector</li> <li>› Contract follow-up meetings</li> </ul>	<ul style="list-style-type: none"> <li>› Transparency in business relations</li> <li>› Speed in asset management</li> <li>› Coordination and balance between operators</li> <li>› Optimal operation of the centre</li> </ul>	<ul style="list-style-type: none"> <li>› Implementation of strategies to increase sales</li> <li>› Operation of the centre in the best conditions</li> </ul>	<ul style="list-style-type: none"> <li>› Digital tools to understand client trends</li> <li>› Digital tool for communication between operators and managers</li> <li>› Online platform to advertise shopping centres to operators</li> </ul>
<b>Competitors</b> (SOCIMIs (Spanish REITs), investment funds, etc.)	<ul style="list-style-type: none"> <li>› Promotion of sector events</li> <li>› Participation in trade fairs and sector events</li> </ul>	<ul style="list-style-type: none"> <li>› Good governance and transparency</li> <li>› Enhancement of the image of the sector</li> <li>› Fair competition and regulatory compliance</li> <li>› Stable employment and training</li> </ul>	<ul style="list-style-type: none"> <li>› Enhancement of the reputation of the sector</li> <li>› Attraction of talent</li> <li>› Encouragement of training of the sector's employees</li> </ul>	<ul style="list-style-type: none"> <li>› Training of Grupo Lar's and our employees</li> <li>› Social media campaign on the positive aspects of the sector</li> </ul>

## Response to environmental issues

Stakeholders	Communication and discussion channels	Stakeholder expectations	Shared objective	Action / Response to stakeholders
<b>Social and environmental organisations</b> (NGOs, foundations, local organisations, sectoral associations)	<ul style="list-style-type: none"> <li>› Holding events at shopping centres for the participation of social groups</li> <li>› Surveys and requests for information</li> <li>› Contact details on the website</li> </ul>	<ul style="list-style-type: none"> <li>› Projects with low environmental impact</li> <li>› Standardised ESG reporting</li> <li>› Impact management and damage remediation</li> <li>› Cooperation with other companies to promote knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>› Best practices in environmental design</li> <li>› Standardised information reporting (GRI/EPRA)</li> </ul>	<ul style="list-style-type: none"> <li>› Obtaining independent certificates</li> <li>› Verification of information by independent third parties</li> <li>› Annual report integrated with sustainability</li> </ul>
<b>Regulators</b> (control bodies)	<ul style="list-style-type: none"> <li>› Requests for information in early stages of compliance projects</li> <li>› Mandatory documentation in the drafting and approval of projects</li> </ul>	<ul style="list-style-type: none"> <li>› Good governance and transparency</li> <li>› Standardised ESG reporting</li> </ul>	<ul style="list-style-type: none"> <li>› Regulatory compliance</li> <li>› Compliance with procedures</li> </ul>	<ul style="list-style-type: none"> <li>› Analysis of environmental legislation and strict compliance</li> <li>› Internal environmental information gathering systems</li> </ul>
<b>Authorities</b> (European Union, State, Autonomous Regions, Municipalities)	<ul style="list-style-type: none"> <li>› Meeting with authorities through sector forums</li> <li>› Two-way discussion regarding sector expectations and possible collaborations</li> </ul>	<ul style="list-style-type: none"> <li>› Urban resilience</li> <li>› Rehabilitation and conservation of buildings</li> <li>› Environmental impact assessment</li> <li>› Climate change mitigation</li> <li>› Biodiversity and natural environment impact management</li> </ul>	<ul style="list-style-type: none"> <li>› Improving the local environment</li> <li>› Meeting local needs</li> <li>› Projects aligned with international and national plans on climate change and other environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>› Assessment of the environmental impact of our projects through internationally recognised methodologies</li> <li>› Sustainability strategy that improves on existing regulations</li> </ul>



## 2.2.2 Customer orientation

For Lar España, its customers and users constitute the foundations of its business model. Consequently, the Company prioritises and focuses its efforts on **meeting the needs of its customers** at all times. The Company **promotes active listening and two-way communication**, and is therefore able to offer the level of service quality that customers have come to expect.

Several tools are used to promote communications with customers:

- **Communication protocol** to notify the Property Manager of incidents through a specific email account for “Lar Project incidents”, reflecting a commitment to improve communication channels.
- **Direct relationship** between the Asset Manager in charge of each property and the property tenants.
- Customer services audit, through which Lar España strengthens its **commitment to excellence of the Customer Journey**.

Lar España considers it essential to be aware of its customers' opinions before, during and after shopping. Accordingly, several information-gathering tools, both face-to-face and online, have been put in place to quickly provide feedback on **customer habits and preferences**.

This communication process is characterised by the **adaptation to new technologies** and the existence of multiple channels to address the needs of a more informed and demanding clientele. This type of tool is also used to observe current market trends and offer customers the best experience.

As a result, Lar España is assured the information it needs to adapt and completely transform its assets as efficiently as possible.

—> [\*\*\*Click on the link for further information in the section Digital culture & Innovation.\*\*\*](#)



With a view to having its centres offer unique, attractive experiences, Lar España has continued to **promote customer engagement** by organising different events at its properties.

In 2021, in addition to the measures already implemented to fulfil customer needs, other actions were undertaken to improve the experiences provided through its assets:

### Gastro Fan

A cycle of **multidisciplinary cuisine-based events** was hosted at seven shopping centres which consisted of different types of cooking and cocktail workshops using the gastronomic products typical of each area of influence. The attractions included industry professionals such as Chef Bosquet, Spanish Champion Flair Bartender Pedro García and three of the finalists from the MasterChef cooking show.

The cycle was broadcast via streaming at several of the centres: Gran Vía, El Rosal, As Termas, Albacenter, Portal de la Marina, Lagoh and Ànec Blau.

The purpose was to forge ties with the public and spread the name of the centres, generating engagement and publicity.

### Hola Familia

“Hola Familia” [Hello Family] is a project that aims to **create a comfortable, welcoming, humane and cheerful space** in which parents can breast- or bottle-feed their babies and toddlers during their visits to our shopping centres.

The services offered as part of this project include:

- Breast-feeding room.
- Special family parking spaces.
- Highchair lending service, nappy delivery and birthday party reservations in collaboration with the restaurants.
- Store discounts.
- Fun Play Area for kids.







### A culture of customer health and safety

In 2021 Lar España continued to work to provide **safe, comfortable spaces** for customers by implementing measures and solutions that ensure a high level of safety at its various properties.

Consequently, great emphasis is placed on **compliance with basic health and safety regulations** through adequate coordination of its business activities, reporting on existing workplace risks and disseminating action protocols to be followed in the event of an emergency.

Although the incidence of the pandemic and its impact both in Spain and in the rest of the world has receded over the past year, Lar España **has kept its health and safety protocols in place at its properties**, applying them flexibly according to the specific needs of each region. The Company at all times follows the health and safety recommendations established by the authorities to prevent the spread of COVID-19.

### Crisis management systems and protocol

In order to detect possible terrorist attacks in its shopping centres and retail parks, Lar España has in place **prevention and intervention systems and protocols** that can address any suspected terrorist threat. These systems comprise measures to increase vigilance and inspections, with special attention on the presence of suspicious individuals and objects. Foremost among the principles of preventive action are the establishment of meetings with national, local and regional police forces to facilitate cooperation with the local authorities.

Lar España also applies several intervention measures introduced by the head of the security company to identify any suspicious behaviour. In the event of any threat, **Lar España has a series of operating teams and electronic systems**, as well as auxiliary resources to act quickly and safely with users and centre personnel.

Some of Lar España's shopping centres have an ad hoc action **Protocol** in place, where an Anti-Terrorism Prevention and Protection Plan is available to enable the detection, monitoring, analysis and evaluation of such risks. The measures to prevent attacks follow the advice issued by the Ministry of the Interior and the private security companies with which Lar España works.

In addition to these measures, Lar España has an **Operating Manual** that enables management of the centres to be aware of the existing procedures in the event of an incident. Furthermore, Lar España carries out communication initiatives with its assets and draws up adequate presentations to disseminate these measures beyond the scope of management.

## SGS certification

Lar España focuses its efforts on applying the regulations and measures to transmit to its customers that they are in a safe environment, with hygiene and safety guarantees. In 2021, **SGS, the leading certification services company**, continued to certify the hygiene and disinfection procedures followed at all of Lar España's properties.

Their verification work was centred around three main areas:

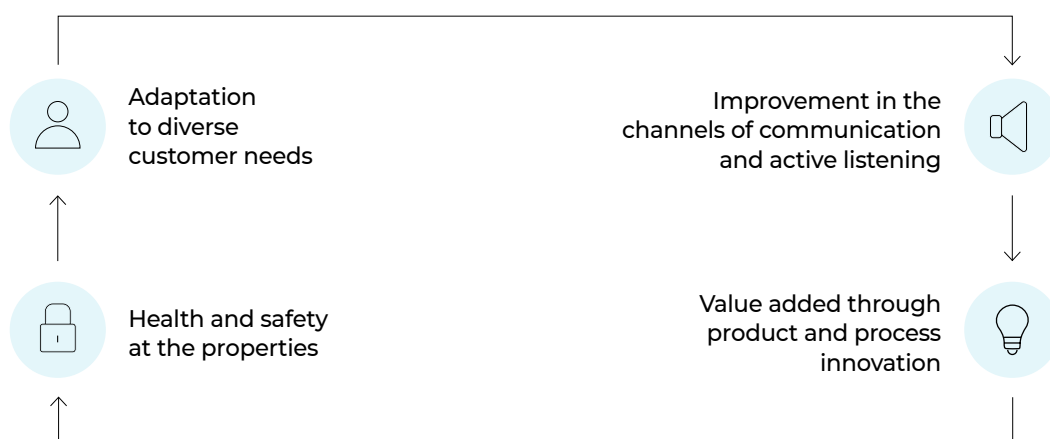
- **Complying with all applicable standards** and best practices as regards the design and wording of the protocols.
- **Complying with all applicable standards** Implementing procedures and best practices at all the shopping centres and retail parks in the portfolio <sup>(1)</sup>.
- **Maintaining procedures** correctly and continuously.

After a favourable assessment of the design of the protocols without incident at all the properties, **inspections** have continued to be carried out in order to verify that they are still applicable in all aspects. These reviews were carried out monthly until July 2021 and with quarterly frequency thereafter on one-third of Lar España's assets.

## Customer satisfaction

Lar España has **various tools in place** at the shopping centres which are aimed at maintaining a stable relationship built on trust with all its customers. By using these tools, the company promotes efficiency and is able to address its customers' needs and channel information to them that meets their demands and expectations.

Lar España's view of the customer satisfaction process is as follows:



(1) Shopping centres and retail parks in which Lar España has full decision-making powers.

## Actions aimed at customer satisfaction

Based on the **studies and surveys** carried out at the various centres in 2021, Lar España was able to gather the perceptions of its customers regarding the following issues:

### Club Disfrutones

#### a. Operators

In 2021 Lar España conducted a customer satisfaction survey among its lessees regarding the Disfrutones [Fun-Lovers] customer loyalty club in order to gather their opinions on the experience and/or possible improvements to the service. The survey was conducted at the Albacenter, Ànec Blau, As Termas, El Rosal, Gran Vía de Vigo, Lagoh and Portal de Marina centres.

Among the main conclusions obtained after conducting the survey to these operators, highlights that 75% of respondents believe that being part of the Club Disfrutones brings benefits to their business, such as increased traffic and sales in the store. However, the Company has identified the process of communication and validation of benefits as an area of improvement, by being a partner between the user and the store.

#### b. Users

The survey of the users of the assets was also conducted through different channels to learn their opinions about the “Disfrutones” Club app. In addition to answering questions that enabled Lar España to determine their level of knowledge and satisfaction, they also made recommendations on the benefits of the app.

### Accessibility

These surveys were carried out with the aim of establishing the level of satisfaction with services and infrastructure. Overall, the **results obtained show a high level of satisfaction**, notwithstanding which Lar España is working to make different improvements. The survey was conducted at the As Termas, El Rosal and Albacenter centres, covering aspects such as:

- Parking service.
- Public information and customer service.
- Accessibility throughout the centre including the public toilets.
- Clarity and usefulness of information posters.

### Christmas videocalls

As part of Lar España’s commitment to improving its customers’ experience, the El Rosal, As Termas and Gran Vía de Vigo centres launched a series of videocalls during the Christmas period through which Father Christmas and the Three Kings met all of the children and listened to their Christmas wishes.

The campaign was well received and enabled Lar España to conduct satisfaction surveys among parents to hear their opinions about this experience and other issues such as the process for booking the call.

Customer-related surveys are conducted annually at some of Lar España’s assets. For example, an **analysis of fashion outlet customer profiles was carried out** at the Megapark Fashion Outlet.

### Sport and healthy lifestyle

Lar España promotes a healthy lifestyle and good nutrition among its customers. In 2021 sporting events were held at the assets to **encourage users to engage in sports and acquire healthy habits**. Another objective is to raise funds for foundations and non-profit entities that are engaged in providing healthcare, drawing public attention to rare diseases and working for the inclusion of persons with Down syndrome.

### Online satisfaction survey analysis

Regarding the Company's commitment to **improving communications with its tenants**, in 2021 Parque Abadía drew up an Online Retailer Satisfaction Analysis with the help of an independent supplier. This assessment is carried out by means of online surveys following a standardised methodology.

The purpose of the survey was to provide a response on overall satisfaction with all aspects of the retail park, based on the following questions:



		<b>Overall satisfaction</b>	<b>Satisfaction with the services companies</b>
<b>Satisfaction with physical and environmental attributes</b>	<b>Satisfaction with management</b>	<b>Matters for ongoing improvement</b>	<b>New trends</b>
<b>Satisfaction with the Marketing and Communication Policy</b>	<b>Satisfaction with the other retailers</b>	<b>COVID-19 block</b>	<b>Satisfaction with service availability</b>



As a result of the work carried out, the average assessment of the respondents stands out in relation to issues such as satisfaction with the rest of the merchants (7.9) or the professional relationship of management (7.8). Thanks to the results of the work carried out, Lar España is able to maintain an ongoing dialogue and in that way, become aware of its retailers' concerns. Through this survey the Company obtained detailed information on **areas for improvement and new initiatives** for the benefit of both customers and retailers, which allows the centre to improve its relationship with customers and meet their expectations.

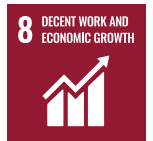
Lastly, the survey **highlights the most important trends and aspects for consumers** when choosing a shopping centre, namely:

- **Brand offering and variety.**
- **Friendliness and the human touch.**
- **Customer service.**
- **Technological development.**
- **Design and architecture.**

### Complaint and claim resolution

Lar España undertakes to analyse any incidents customers may suffer at its properties and to take appropriate action so as to respond to customers and consumers clearly and concisely. To this end the Company has **protocols for filing claims** which enable it to detect and handle all incidents through various channels such as social networks, the website and paper forms. Thus, those in charge who are affected record and analyse them in order to implement measures and take steps to resolve the claims.

In 2021 Lar España handled and resolved 122 customer complaints. **All complaints and claims were handled within the estimated time and in line with the aforementioned procedures.**



### 2.2.3 Relations with suppliers

Lar España considers its suppliers to be an essential aspect of its operations. Consequently, it has purchasing and contracting procedures that prescribe the **commitments and principles of conduct** required to contract any supplier, fostering quality management and transparency.

#### Certification mechanisms

As part of its supplier certification process Lar España and its management company ensure that the Company's interests are protected at all times and to this end the Company undertakes to guarantee that its collaborators have **internal control mechanisms and standards of conduct** for purposes of due diligence.

Among the aspects included are clauses on **environmental, social and good governance issues** that must be complied with by all the suppliers with which Lar España establishes relationships. These include such guidelines as the following:

- Anti-corruption policy and whistleblowing channel of Lar España.
- Anti-money laundering.
- Occupational health and safety.
- Commitments with employees' rights and conditions.
- Environmental responsibility.

To ensure these values are present in its supply chain, Lar España also has a **Sustainability/ESG Policy**, which serves as a guide for the Company to act responsibly and transparently in its interactions with suppliers.

Furthermore, for most of its centres, a **BREEAM clause** has also been included which makes it possible to measure the degree of environmental sustainability in the fitting out of shopping centre premises, as well as energy efficiency or the control of water use, among others.

#### Supplier audit process

Lar España bases its commercial relationships with suppliers on long-term stability. To achieve this it promotes contract fulfilment, ensuring that suppliers meet their commitments in respect of the main services which comprise maintenance, security and cleaning. If any non-compliance is found the necessary corrective measures are taken.

Compliance with occupational health and safety and environmental matters as well as process quality are taken into consideration in the evaluations. **These audits have been carried out without any qualifications in the results.**

#### Commitment with local suppliers

Lar España fosters the development of local environments and the communities where it operates. Accordingly, the Company gives priority to contracting local suppliers while also demanding the essential requirements for the services requested. The Company monitors information about suppliers, including their type, location and the centres they serve in order to promote the contracting of local suppliers and ensure they are highly knowledgeable of their surrounding areas.

In 2021, Lar España has close links with the communities it serves. For this reason, the overwhelming majority, 446, of its **466 suppliers** are local companies. Lar España purchased **over €58M** in products and services from its suppliers, thereby creating wealth in the communities where it operates.

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The fact that Lar España's activities are carried out throughout Spain makes it a **generator of economic wealth, a catalyst for local economies and a creator of quality employment**; it brings trust and becomes the clearly preferred option.

### Cybersecurity and information security

Lar España's activity involves the processing of various types of data and information, and particularly, given the specific nature of its organisational model, a large part of its activities are contracted out to specialist third parties.

To manage and mitigate information security risks to a reasonable level, in 2021 the Company developed a **Third-Party Cybersecurity Risk Management Model**.

The aim of this model is to review the company's most important processes so as to maintain the **principles of integrity, confidentiality and availability** at all times, in accordance with cybersecurity best practices and standards.

In addition, the company has implemented a **Supplier Cybersecurity Risk Management Procedure** to ensure data is processed correctly and to define and manage the controls to comply with corporate security objectives and prevailing legislation.

### Analysis and evaluation of the provision of services by third parties

Lar España performs an exhaustive **procedure for contracting external suppliers** to ensure their competence, independence and technical and legal capacity to provide the services contracted. Furthermore, it periodically evaluates the work performed to check that it has been carried out properly.

It should be emphasised that the analysis of these possible cybersecurity and information security risks **is considered as part of the financial information system** and is therefore assessed by the company's main governance bodies.



**The purpose of the Third-Party Cybersecurity Risk Management Procedure is to lay down guidelines for the supplier certification process and their information security management.**



## Information security policy

In line with its commitment to assure information security in the different business processes, in 2021 the company drew up the **Information Security Policy** as a result of a prior risk analysis carried out by the company in this area. Lar España's Information Security department is responsible for its application and oversight.

The purpose of this policy is to ensure adequate protection of Lar España's information, maintaining the following security principles:

- **Ensure that the information can only be accessed** by authorised parties.
- Guarantee the **accuracy and completeness** of the information and the methods used in its processing.
- **Guarantee that authorised users** have access to the information and its associated assets when necessary.

The disruption caused by new technologies is changing structures and presents numerous challenges and opportunities. With this policy, Lar España undertakes to offer the best service to its customers, enhancing its processes and respecting the rights established by law. Some of the main objectives of the Security Policy are outlined below:

- Protect assets from threats that may lead to security incidents.
- Establish an information classification system to protect critical assets.
- Develop a set of rules applicable to all employees of Lar España
- Assess the risks affecting the assets to adopt the appropriate security controls.
- Verify the operation of security measures through internal audits
- Train users in security management and information technologies.
- Protect Lar España's intellectual capital, ensuring it is never disclosed or used unlawfully
- Reduce the possibilities of unavailability through the proper use of Lar España's assets
- Defend the assets against attacks so that they do not become security incidents





### Cybersecurity measures and actions

As a result of creating the Third-Party Cybersecurity Risk Management Model, Lar España has started work, with the support of an external consultant, on preparing and sending a **self-assessment questionnaire to suppliers** for them to assess their information security risk, as well as the inclusion of cybersecurity clauses in an annex to the contracts for the provision of services.

The Company also has a **Cybersecurity Committee** that meets periodically ensuring the control of this risk and the safeguarding of the information security. It is formed by:

- Lar España's vice-chairman
- The CFO of Grupo Lar, as a the information security service provider to Lar España
- The CFO and Corporate Director of Lar España
- The Internal Audit Director of Lar España.

During 2021, within the context of the second stage of this management model, several on-site audits were also started, with the support of a specialized technical consultant, with the scope of the domains and web page of Lar España, as well as on public addresses, of users and servers of Grupo Lar and Gentalia.

A report will be drawn up based on the information obtained in these audits that will have the main recommendations that the service providers will carry out, as well as an **Action Plan** for their implementation, which will be monitored by Lar España's Cybersecurity Committee.

### 2.2.4 Investor relations


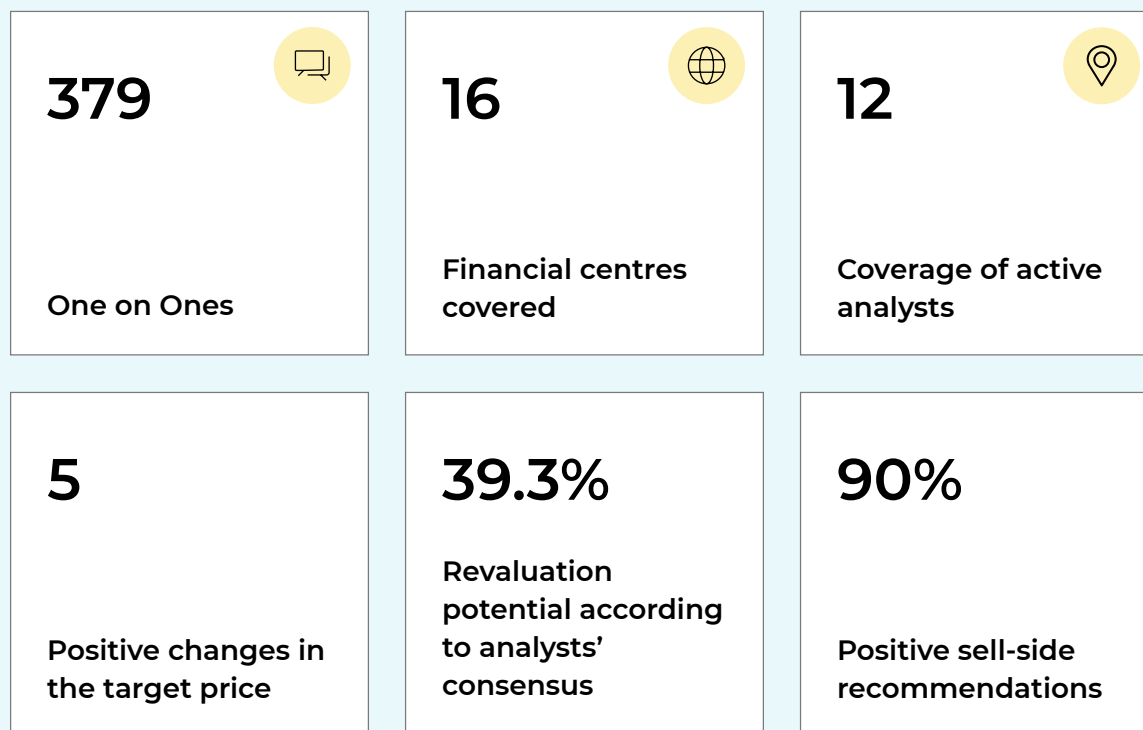

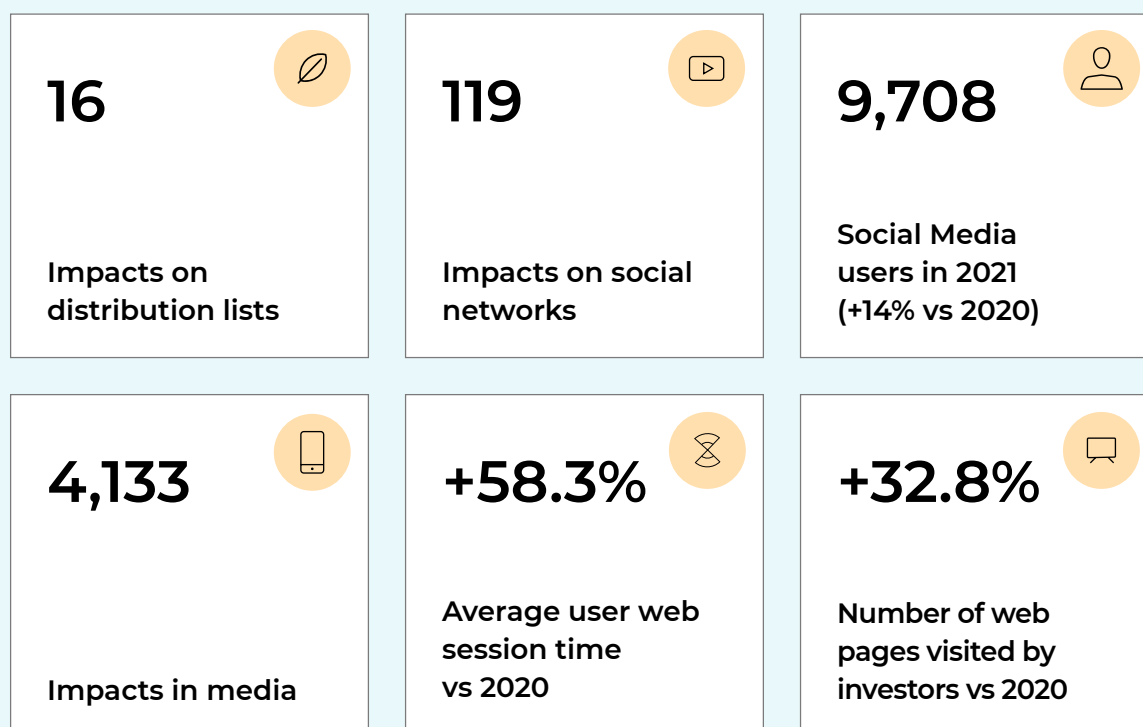
Lar España **actively promotes listening to and collaborating with its main investors** in order to continue applying best practices and meet their objectives in an **ethical and transparent manner**.

To this end, the Company has an investor relations department which organises various road shows during the year to attract the interest of potential new investors and strengthen relations with current investors. Lar España also complements these activities with the publication of information through social networks, email and its website, where it has an **Investor's Agenda** and reports on the performance of the organisation, guaranteeing access to information for shareholders and investors.

In addition, the Company has a **Policy on Information, Communication, Contacts and Involvement** aimed at fostering dialogue, trust and transparency with both Spanish and foreign shareholders and investors. The principles of this policy are as follows:

- Veracity, transparency of all information provided and equal treatment of all recipients.
- Strict compliance with all stipulated communication obligations.
- Protection of the legitimate rights and interests of all the shareholders.
- Equal treatment.
- Ongoing dialogue, accessibility and timeliness of information.
- Commitment to encouraging informed shareholder participation at the General Shareholders Meeting.

## Main activities carried out with investors in 2021

 Investor relations activity in 2021

 Media


**€18.4 Mn**

Appearances in media and on social networks have generated an estimated value equivalent to Euros 18.4 million in hard copy and online press.

### Publication of ESG information

Through this approach the Company seeks to meet the expectations of stakeholders and investors, fostering social and economic progress in Spain and providing **sustainable financial returns for investors**. As an essential part of its Sustainability/ ESG Policy, the Company does not limit itself to the publication of financial information, but also aims to **develop initiatives that generate shared value**.

In this respect, Lar España holds regular meetings with its investors in which it shares ESG information, in addition to publishing details of the performance of the portfolio every six months with respect to issues such as:

- Efficient management of consumption in assets (water and energy).
- GHG emissions associated with business activity.
- Update on the status of the various projects implemented in the portfolio.
- Status of environmental certification.



In addition, Lar España has information published on its website regarding its **commitment to sustainability**, showing the main international standards to which the company adheres, as well as its best practices in ESG matters:



The public environmental information was prepared following the **GRI Sustainability Reporting Standards** (Core option). The sustainability information published by the company has been reviewed externally by a third party with a limited review scope and based on the GRI Sustainability Reporting Standards (GRI Standards) guide.



Lar España applies the **“Best practices and recommendations” guide drawn up by EPRA** in relation to the presentation, analysis and calculation of the main financial and non-financial indicators, a standard that has been followed for the preparation of this report.



Lar España participates annually in the **Global Real Estate Sustainability Benchmark (GRESB)**, the environmental, social and good governance (ESG) benchmark for real estate sector assessment.



Lar España also collaborates with **MSCI-IPD** and is included in its annual real estate index - **IPD Spain Annual Property Index** - which provides us with additional information and visibility within the real estate sector.



Lar España believes it has a duty to contribute to delivery of the **United Nations Sustainable Development Goals (SDGs) and 2030 Agenda**. In 2021, in accordance with the methodology proposed by UN Global Compact for companies to foster the SDGs, we analysed which goals are a priority based on Lar España’s activity



Esta es nuestra Comunicación sobre el Progreso en la aplicación de los principios del Pacto Mundial de las Naciones Unidas.  
Agradecemos cualquier comentario sobre su contenido.

Lar España also reports periodically to the **Spanish Global Compact Network** through a report on its actions related to the implementation of its Ten Principles on human rights, labour, environment and anti-corruption.

## 2.2.5 Social action

Lar España's **Sustainability/ESG Policy** reflects a firm commitment to human, economic and environmental progress that will promote sustainable development and social advancement in the communities where it operates.

### Local communities

As a result of its business activities, the company **generates economic, business and social benefits** for multiple players, creating thousands of direct and indirect jobs. Lar España helps the economies of the local communities where its assets are located by:

- Creating new business opportunities
- Promoting health and well-being
- Transforming the social climate
- Promoting an atmosphere of inclusiveness
- Strengthening the company's values
- Incentivising citizen engagement

In maximising the value of its assets, the refurbishment and operation of the portfolio implies specific consideration of and engagement with the local populations where Lar España operates, with particular regard for their **sustainable progress**. The company assesses the social impact of all of its operations and asset development projects:

Lar España's success in generating local employment and integrating its projects into the local cultural fabric is based on its **solid relationships with stakeholders**, amongst which local communities have special significance. Lar España uses channels such as pre-project meetings with local organisations, opinion surveys and technological tools to ensure the flow of information between the company and the local community.

### Social action initiatives

In 2021, Lar España undertook more than **160 initiatives** as part of its commitment to its environment. The company has promoted activities and initiatives that support social entities in local communities. Furthermore, it promotes actions related to sustainable development and support for local cultures.

The initiatives undertaken throughout the year include clothing recycling, support for youth sport, toy drives, environmental awareness campaigns and donations to hospitals. These initiatives translated into:

- **Over 1,400 hours'** worth of community and environmental initiatives at our shopping centres.
- **Over 25** collaborations with NGOs and foundations.
- **Over €570,000** earmarked for community collaborations, sponsorships and initiatives.
- **Over 43,000 kg** of clothing donated.
- **Over 4,000 kg** of food collected in drives.

Area of impact	EPRA: Sustainability Performance Measures (Social)				
	EPRA sBPR code	Unit of measurement	Lar España 2019	Lar España 2020	Lar España 2021
Local impact assessment	Comty-Eng	% of assets	100% (16 out of 16)	100% (15 out of 15)	93% (13 out of 14)








## Social actions at the shopping centres



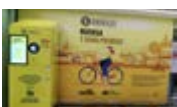
Aware of the power of its assets to attract and influence the residents of the local communities, Lar España **contributes to the development of these communities by promoting social action**

campaigns at its properties. In accordance with this line of action, the shopping centres undertook the following activities in 2021:



### Environmental awareness campaigns

Shopping centre		Initiative
Albacenter		Campaign to raise awareness about <b>used oil recycling</b> , during which participants learned about the consequences of pouring oil into water systems as well as the locations where used oil bottles could be disposed of.
Ànec Blau		The shopping centre promoted environmental awareness by creating a new space for children and adults to enjoy family-orientated eco-friendly activities and workshops. These workshops focus on the <b>environment, sustainability and recycling</b> .
Gran Vía de Vigo		On the occasion of <b>World Water Day</b> , advice was given on how to save water by holding a raffle using social media.
Las Huertas and MegaPark		During the celebration of the global Earth Hour initiative started by WWF, all the store signs in the centres were switched off from 20:30 to 21:30h, thus contributing to the largest global campaign ever to <b>raise awareness of climate change</b> .
Lagoh		To celebrate World Environment Day, an app called <b>The Happiness Car</b> was designed and offered to employees to promote car-sharing during their commute to and from the Lagoh shopping centre. The objective was two-fold: environmental and social.








## Campaigns on recycling and sustainable use of resources

Shopping centre	Initiative
Albacenter	 <p>In 2021, a total of <b>14,550 kg of used clothing</b> was collected in collaboration with Inditex and H&amp;M. This campaign was aimed at promoting recycling.</p>
Gran Vía de Vigo	 <p>A <b>new ecological space</b> was inaugurated in the centre parking lot, where a recycling point was installed for customers to recycle light bulbs and batteries as well as donate used clothing.</p>
Portal de La Marina	 <p>Portal de la Marina aims to be a sustainable centre by minimising its environmental impact. One of the most recent actions designed to achieve this goal was the <b>installation of Ecoembes's RECICLOS machines</b>, which enable customers to recycle tins and plastic bottles. They can also earn points convertible into money for social causes in the community.</p>

## Campaigns to promote culture and sport

Shopping centre	Initiative
Ànec Blau	 <p>Ànec Blau supports cinema and culture, officially sponsoring the first Castelldefels International Film Festival, which includes its own category of best short film on <b>environmental sustainability and awareness</b>. The winning short film received a check for €3,000 to make a new audiovisual project for automatic submission for the competition in the following year.</p>
VidaNova Parc	 <p>As part of its policy on sponsorships, the shopping centre collaborated with the Puerto de Sagunto basketball club. On 16 October, VidaNova hosted the 2nd edition of the 3x3 basketball championship, drawing a large number of families from the entire region to enjoy the sports competition.</p>





## Health and well-being campaigns

Shopping centre	Initiative
<b>Albacenter</b> 	<p>A <b>COVID-19 vaccination tent</b> was set up in the shopping centre's outdoor parking lot on 8, 9 and 10 October to promote vaccination against the disease.</p> <p>The <b>"We can't stop now" campaign against infant mortality</b> is based on the need to continue working to improve infant survival through programmes to improve nutrition and health, ensuring access to clean drinking water and sanitation, and promoting healthy habits to prevent and address the main causes of infant mortality. Albacenter's involvement was directed at raising financing, channelling the money raised to UNICEF's child survival programmes.</p>
<b>Ànec Blau</b> 	<p>On the tenth anniversary of the creation of ASDENT, an association set up to find a <b>cure for Dent disease</b>, Ànec Blau held two events: a talent contest to showcase local talent, and two spinning classes led by Perico Delgado, the winner of the Tour de France cycling race. In addition to the donations raised during the events, Ànec Blau donated €4,000 to the association for research at the Vall d'Hebron Hospital in Barcelona.</p>
<b>As Termas</b> 	<p>The shopping centre organised an "Hola Familia" [Hello, Family] campaign consisting of several family activities involving various <b>workshops</b> to improve well-being, including: "Tantrums: how to handle them", "Adolescence: myth and reality" and "Changes during pregnancy".</p>
<b>Portal de La Marina</b> 	<p>In order to donate the funds needed to <b>refurbish and decorate the mental health wing of the Marina Salud Hospital</b>, the shopping centre used social media to issue a call to all athletes in the Marina Alta region to accumulate kilometres for the sporting solidarity challenge launched through the <i>Strava</i> app. This is the continuation of the "Corramos juntos hasta las estrellas" [Let's run to the stars] challenge launched at the end of 2020.</p>
<b>Parque Abadía</b> 	<p>Under the framework of the Spanish Cancer Society (AECC), campaigns are held annually setting up an information booth on the <b>fight against cancer</b>.</p>
<b>Lagoh</b> 	<p>In collaboration with nursing homes and with the "Adopt a grandparent" scheme, activities were carried out to raise funding and public awareness about <b>happiness for the elderly</b>. The event attracted 810 participants and raised €2,000 through donations.</p>
<b>El Rosal</b> 	<p>Installation of the space <b>"Más salud, más Bierzo"</b> for Clínica Ponferrada to give talks and offer <b>information on health and well-being</b>.</p>





## Other campaigns

Shopping centre	Initiative
<p>Lagoh</p> 	<p>As in February of each year since 2020, a large-scale <b>blood drive</b> was conducted in collaboration with the blood bank in Seville. The initiative took place over a two-day period during which 238 bags of blood were donated by 270 people, including both the general public and local retailers.</p>
<p>Gran Vía de Vigo</p> 	<p>A <b>Master Class</b> was conducted via streaming for people <b>actively seeking employment</b> or who wish to explore new opportunities in the job market. The class was conducted by coaches specialised in training and career counselling.</p>
<p>Vistahermosa</p> 	<p>Alcampo and City Vistahermosa hosted the XVII Edition of the <b>“No child without a toy”</b> campaign, during which 70 new toys were collected between 5 November and 20 December 2021.</p>
<p>As Termas</p> 	<p>The centre in Lugo held a food drive during which customers who donated one kilogram of food were gifted with the official shopping centre T-shirt.</p>

→ [Click on the link](#) for further information on these initiatives in the Appendix section of this report.

## 2.2.6 Accessibility

**Lar España is firmly committed to ensuring that its assets are understandable, usable and practical environments for everyone, regardless of their ability.**

In 2021, Lar España continued to work hard to improve and adapt all of its shopping centres in an attempt to enhance how everyone experiences its facilities. The company's aim is to obtain **AENOR's universal accessibility seal** at all shopping centres not undergoing refurbishment and secure certification over the coming years for the remaining assets in the portfolio in which Lar España is a majority owner, in the following years.

In recent years, Lar España has been working on obtaining ISO 21542 certification (accessibility and usability of the built environment) and on meeting the UNE-EN 170001 standard (universal accessibility), thus demonstrating its **commitment to inclusion**.

During the last years the following activities were carried out:

### **100% of the portfolio audited in Universal Accessibility**

The 14 shopping centres and retail parks that make up the Lar España portfolio have been audited by ILUNION in terms of Universal Accessibility.

### **43% of the portfolio in the process of certification in UNE-170001**

Lar España is in the process of obtaining the AENOR seal of Universal Accessibility in **6 of the 14 Shopping Centres and Retail Parks** in the coming years: Gran Vía de Vigo, Parque Abadía, Albacenter, Ànec Blau, Megapark and Portal de la Marina.



## In 2021 Lar España secured **AENOR's Universal Accessibility certificate** for Rivas Futura retail park.

### 43% of assets already hold certification.

In 2021, the company secured **AENOR's Universal Accessibility certificate** for Rivas Futura, which is in addition to those previously obtained in Lagoh, El Rosal, As Termas, VidaNova Parc, Vistahermosa.

This demonstrates Lar España's commitment to accessibility and facilitating adequate and convenient access for everyone at its shopping centres and retail parks by taking into consideration existing problems. The goal of Lar España is to ensure equal opportunity so that everyone can access and enjoy all its centres, regardless of the individual's abilities.

### Investment of more than €140,000 to improve accessibility in 2021

In 2021 and in line with its **commitment to fostering accessibility at its centres**, Lar España has continued to develop the **work plan** carried out in 2017, in which priorities were set, as was the way to intervene in buildings to make them **more profitable, healthy, safe and efficient**.

The result has been to differentiate between **urgent, necessary and recommended** measures so as to undertake the most pressing and urgent actions at the centres where Lar España is the majority owner. The investment made in 2021 comes in addition to the €128,000 invested in 2020, the €834,000 invested in 2019 and the €113,000 invested in 2018 and 2017, when the accessibility plan was first drafted.

In addition, within the accessibility plan, the figure envisaged in the business plan to continue with the improvements at the assets in 2022 amounts to approximately €700,000 for all centres in the portfolio, a sum testament to the company's ability to continue adding value to its assets, as well as to increasing footfall.

The data relating to Lar España's investment stemmed from the diagnosis conducted in conjunction with **ILUNION Technology and Accessibility**, the **ONCE Group and AENOR** (Spanish Association for Standardisation and Certification) whose accessibility audits reflect the compliance status of current regulations and propose the necessary actions to obtain **Universal Accessibility certification**. These audits will report three levels of action:

1



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

2



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

3



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